

To: Sierra Park Property Owners
From: The Ad Hoc Committee for CSD Formation
Date: March 28, 2013

Here is a quick update on events since last month. The County Counsel raised two major issues that are conditions to formation of the CSD that are detrimental to all of our common goals: direct landowner voting and maintaining a gated community. We believe these two conditions would render a CSD an unacceptable way of operating the Park.

Landowner Voting

The Ad Hoc Committee's position is that anyone owning property in Sierra Park should have a vote on Park issues. County counsel advised that the only permissible voters in a CSD would be County registered voters, currently approximately 60 of about 360 homeowners. The Ad Hoc Committee provided an analysis of the law that we believed made clear that landowner voting would be appropriate. The County has offered the opportunity for further discussion and the Ad Hoc Committee will pursue this.

Gated Status of the Property

The Committee has heard loud and clear that Sierra Park homeowners wish to keep the gated access to the community and we are in agreement with that. County counsel also advised that since the CSD would be a public agency, our roads would have to be open to the public. This would mean no gates, either at Wheeler Road or at our evacuation points. The Committee identified a California court decision that allowed roads that had been private to be maintained that way when property came into public hands, again, the County has offered to discuss this further.

The Ad Hoc Committee, in consideration of the current status and timing, has determined that something will need to be done soon since it is likely we would have prolonged discussions to obtain reconsideration of counsel's opinion, and the PUC complaint is hanging over us on a very short time line for resolution.

Alternatives

The RA actually addressed the alternatives that could be considered should we run out of time. These alternatives were presented at a RA stockholder's meeting and voted on last year, specifically

"a new corporation (an entity to be formed by the Corporation for, among other things, the operation and maintenance of such real property, improvements and fixtures and the repair and replacement of such improvements and fixtures), excepting only, the Caretaker's Lot" (and Cedar Brook and the timberlands)

Each piece of property in the Park would, upon corporation formation, own one share of the corporate stock thereby allowing landowner voting on Board membership and other critical issues – most importantly, the annual budget.

The Ad Hoc Committee supports resolving the CPUC complaint as soon as possible.

The RA will be holding a meeting soon to fully review the situation and the Ad Hoc Committee will be there and listening as intently as you will. We have plans to follow their meeting with our own Town Hall session that is tentatively scheduled for May 4th.

In summary, “we ran out of time” because of the new budget year as well as the various actions in court and at the CPUC. This is not to say that our work was for naught! The Committee will continue to review options available to the homeowners and report back as they may be developed.

Please try to join us at upcoming meetings and give us your thoughts and guidance as we try to move forward toward the goals we have, together, set for ourselves.