April 12, 2023 www.ArrowheadWoodsInformed.com

All ALA Members
The Arrowhead Woods

RE: An Unintended Consequence of the LACSD-AWAC Takeover. Absolute Control.

Dear Arrowhead Woods Property Owner,

By now we hope you've visited <u>ArrowheadWoodsInformed.com</u> and have been informed of the true facts surrounding the LACSD-AWAC takeover and how it will affect every single Woods property owner.

LACSD's Absolute Control Over the Woods: There are those that will argue that this takeover is the next best thing to apple pie. They will say that it's a win-win situation for everyone but unfortunately it will be the Woods property owners that will be left holding the bag. The fact remains that this power grab and the establishment of a new source of revenue for LACSD will irrevocably leave the property owners with no say and no control whatsoever.

All Property Owners' Lack of Control: The ability to vote is one of the fundamental cornerstones of American society. We get to choose who represents us through the voting process in every level of governance. The voting right must not only be retained for all of the Woods property owners but must also be verifiable. Unfortunately the ability to vote does not exist for the homeowners of Arrowhead Woods when it comes to the board of both AWAC/LACSD. Furthermore, the AWAC CCRs extension vote of 2010 has been found to be a complete sham.

"Facts are stubborn things; and whatever may be our wishes, our inclinations, or the dictates of our passion, they cannot alter the state of facts and evidence."

An Audit of a Second Tract, Tract 7891: No longer a fluke but a clear pattern. We obtained a second complete set of 2010 CCR extension ballots for tract 7891, and conducted a review of that tract. As with Tract 8053 we have found that AWAC did not collect the requisite votes. When the signatures of the actual property owners of record on December 15, 2010 were counted, we found that those signatures amounted to only 46.6% of the record homeowners in tract 7891; an amount short of the required 55% mandated by the CCRs. Click here to view the Tract 7891 Vote Audit Result. Once again we encourage Woods property owners to contact AWAC, Inc. and request copies of the 2010 ballots for their respective tracts for verification.

A significant piece of evidence was also discovered with this second audit. In 2006, Paul Meng the President of AWAC, Inc. owned lot 133 in tract 7891 and cast a single YES ballot vote dated February 1, 2006. In 2007 that lot was sold to a new record property owner. On December 15, 2010 the ballot for lot 133 was counted as a YES vote even though Paul Meng was not the record property owner of Lot 133. The President of AWAC knowingly allowed his YES vote to be included when he was not the record property owner in 2010. The true owner of Lot 133 was therefore deprived of his ability to cast a vote. However, Mr. Meng was not new to this voting tactic. He did the same exact thing once before in Tract 8053 for Lot 61 where he submitted a vote for property he once owned, but did not own of the date of the filing.

The Hijacking of the Woods' CCRs: In 1988, two homeowners took it upon themselves to self-administer the CCRs and formed AWAC, Inc. It was at this point where the CCRs of every Woods homeowner was hijacked. From its inception, AWAC's board has been a closed board. AWAC is governed by a 7 to 9 non-elected member board, made up of members who select the other board members. According to the Mountain News (January 26, 2022, Keith Robinson) "Based on an interview with AWAC's Rich Scott last year, AWAC has never had elections by outside persons or homeowners. There are no term limits, no recalls, and no impeachments." This is patently wrong and should not be this way.

<u>LACSD</u> <u>Does Not Represent Non-Resident Property Owners:</u> The LACSD board has similar voting issues that are problematic for the non-resident property owners of the Woods. Arrowhead Woods is comprised of roughly 10,000 homes. The historical and current ratio of part timers to full timers has been and is currently roughly 65% to 35%. Five unique voting divisions (Divisions 1, 2, 3, 4, and 5) were established within the District's service areas.

Unfortunately, only full-time residents domiciled in Lake Arrowhead are now allowed to vote for LACSD candidates; and candidates running for each division must also be full-time residents domiciled in Lake Arrowhead. The unfortunate truth is that two thirds of our property owners have absolutely no say in who represents them when it comes to the LACSD board. Given the warped leadership, LACSD is now asking that $2/3^{rd}$ of the Woods property owners, the non-residents, to turn over the control of their CCRs and properties to the $1/3^{rd}$ of property owners who are residents dominated by a LACSD Board of 5 where any 3 votes control. This is not a formula for Unity and Fairness; and certainly not one for Peace. LACSD continues to flail in the wind attempting ever new expansions including a solar farm in the City of Hisperia, attempting to take over the CCRs of the Woods and taking on the roads and lights of Arrowhead. The Woods property owners should have an ultimate say in all of this.

We are informed that an electronic vote will be administered in June by AWAC and it will run through the end of December. According to the Mountain News (January 11, 2023), Richard Scott, the President of AWAC stated: "I'm compiling a database of all Arrowhead Woods property owners. To move forward we, need the approval of over 50% of them... Importantly, AWAC is working with an IT specialist to gather email addresses as well. Our attorney has told us that we can conduct the vote electronically, which will make it much easier." The Mountaineer reported that at a meeting of the Governance Committee of the Lake Arrowhead Chamber of Commerce on July 5, 2022 Catherine Cerri, G.M. of LACSD and Stacey Lippert, Exec. Dir. of AWAC revealed their plans to use the LACSD database.

LACSD cannot take over the powers and duties of AWAC without our approval, therefore we must <u>VOTE NO</u> in June. The LACSD-AWAC takeover involves nothing more than money and power.

Sincerely,
Maria Varianian

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