

NOTICE AND INVITATION TO SPECIAL BOARD MEETING – FRIDAY AUGUST 14 @ 6PM

Dear Sierra Crest Members,

The Board will be holding a special Board meeting on Friday August 14, 2026 at 6:00pm. You are invited to attend. The meeting will take place on Zoom.

Zoom Registration Link: Please register below to attend.

<https://us06web.zoom.us/meeting/register/mlGwuqa-QCKMVe8DIRQtfw>

AGENDA:

- 1.) Call Meeting to Order & Establish Quorum
- 2.) Approve Past Meeting Minutes
- 3.) Nominate New Board Member to Fill Vacancy
- 4.) Nominate New Members for ACC to Fill Vacancies
- 5.) HOA Manager Update
- 6.) Legal Update
- 7.) Financial Update and 2026 Budget Discussion
- 8.) Q&A
- 9.) Adjourn.

NOMINATE NEW BOARD MEMBER

Jorge Sanchez who was a member of Sierra Crest for over 20 years, and was elected to the Board as of May 15, 2026 sold his properties in July 2026. Therefore, he resigned from the Board. According to Article VI. Section 3, the Board will be filling out the vacancy at the meeting.

Section 3. Vacancies Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association, shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until the successor is elected at the next annual meeting of the Association.

NOMINATE NEW MEMBERS FOR ACC

The Board is tasked with the duty of appointing members to the ACC. This Committee must have at least 3 members. The Board will be nominating new members to serve on this committee for 2026-2027 at the meeting.

PART D:

ARCHITECTURAL CONTROL COMMITTEE

D-1 **MEMBERSHIP**. The Architectural Control Committee is appointed by the Board of Directors of the Sierra Crest Homeowners Association. Qualifications and terms of the members will be determined by that body. The committee will be composed of at least three members of the SCHOA, excluding members of the Board of Directors or their immediate family. Neither the members of the Committee nor its designated representative shall be entitled to any compensation for services performed pursuant to this covenant.

HOA MANAGER UPDATE

At its last Board meeting the Board had voted to hire Associa Canyon Gate to replace Dana Properties. Associa will be reaching out very soon to introduce themselves and with instructions on how to start paying your HOA dues to them.

LEGAL UPDATE

Lawsuits: The Franciscos (the plaintiffs) sued the Association in September 2024 demanding their “right to install a chain link fence” and seeking compensation of up to \$1 million from the Association. The Board’s duty is both to enforce the covenants and to defend the Association against lawsuits.

The insurance company assigned a law firm GRSM, LLP to defend the Association, but that firm does not cover countersuits. The Board of Directors met on June 13, 2026 and voted to hire Arambula Terrazas PLLC to file countersuits against the plaintiffs and the former board members who voted to approve the land sale for breach of fiduciary duty and other wrongful acts and to have the Court determine that the land sale is void.

On July 9, 2026 the counter suit was filed. A copy of the suit was distributed to all members on July 28, 2026.

Replat Application: In February 2026, the Franciscos (applicants) submitted a replat application to the City seeking to do several things:

- 1.) Merge their home with other residential lots they own.

- 2.) Convert the 205,000 SF of Association land that was voted on in the February 23, 2023 meeting for \$11,222 which is \$0.05/SF from Common Open Space and Residential to Private Open Space. This included 2 Common Open Space lots – A and H and 2 Residential lots 28 and 29.
- 3.) Annex a parcel on 2912 Piedmont that is outside of Sierra Crest into Sierra Crest.
- 4.) Convert half of Silent Crest street including the cul-de-sac from Common Open Space to a Private Road that will be gated for the Francises' personal use.
- 5.) Put the Conservation Easement (13 Silent Crest) that was gifted to the Association in 1999 by the McAlmons' behind the proposed gate, which would prevent access to the members to this Conservation Easement.

All of these things were intended to be approved by the City Planning Commission without input or approval from the Association.

TRO: The Association requested a Temporary Restraining Order (TRO) on Wednesday July 29, 2026. This was granted by the Court. Yet despite that TRO, the applicants proceeded with the replat application on Thursday July 30, 2026. Based on the applicants' decision to move forward, the City Planning Commission voted to take "No Action", which automatically results in the replat application being approved and sent forward to the City Manager for final approval.

Injunction Hearing. On Friday August 7, 2026, the Court scheduled a temporary injunction hearing to hear more details regarding the replat application and why the Association is opposing that replat. After considering the matter, the Court granted the temporary injunction, stated on the record that the applicants had violated the Court's prior TRO, and ordered the applicants to withdraw their replat application within 5 business days which would be Friday August 14, 2026. The trial for the case has been set for February 5, 2027.

Potential Settlement: After the hearing, the attorneys from both parties agreed to try to see if a global settlement can be reached.

Lot Transactions: The Board is aware of highly unusual lot sale activity. Several lot transactions have taken place since the announcement that the Board intended to bring countersuits. A total of 18 lots have changed hands from members who had these properties for years to two new buyers.

Legal Representation: Several former board members have submitted a demand to be indemnified by the Association. The Association's attorney advised that the following response be sent to them:

"The Association is in receipt of the request for indemnification, but per legal counsel's advice because you have been sued for breach of fiduciary duty, which would be an exclusion under the Bylaw indemnity provision, the Association will not make any determinations as to whether you are entitled to indemnification until the claims asserted in the lawsuit have been finally adjudicated."

FINANCIAL UPDATE

The Board has opened a new bank account at Chase Bank where it will keep the Reserves and the Construction Deposits. The Board officers have also been added as signers on the accounts being managed by Dana Properties. During the months of August and September the transition from Dana to Associa will be underway. We expect a smooth transition.

2026 BUDGET DISCUSSION

The Board was supposed to present a budget for 2026 at the 2025 Annual Meeting in December 2025. As you know, this meeting was cancelled when the Court appointed a Receiver in early December 2025. As a result, the Association does not have an official budget for this year.

The Board is presenting a budget to the members at this meeting for discussion and distribution. Due to the cost of the receiver and litigation expense, the Association is projected to be in a deficit. We have two ways to address it –

- 1.) Take the money out of reserves.
- 2.) Special assessment.

We are presenting both options below. We believe the special assessment for 2026 would be approximately \$30,000 if the members prefer this option. This works out to about \$300 one time charge or \$60/mo per Lot/Home.

The members will have 30 days to review it and vote on it. Voting will take place from September 1-15 and will conclude on September 15 at 5:00pm.

Option 1 – Cover Deficit Using Reserves

Sierra Crest HOA						Estimated
INCOME STATEMENT						Budget
	2021	2022	2023	2024	2025	2026E
REVENUES						
Association Dues	\$ 246,279.74	\$ 261,530.94	\$ 305,275.01	\$ 333,218.00	\$ 328,700.05	\$ 330,720.00
Late Fees	\$ 1,687.78	\$ 2,361.64	\$ 909.46	\$ 1,119.73	\$ 2,126.36	\$ 2,722.10
Additional Fee						\$ 4,400.00
Increase in Dues						\$ -
Donations	\$ 500.00	\$ -	\$ -	\$ -	\$ -	\$ -
NSF Check Fees	\$ 25.00	\$ 25.00	\$ 50.00	\$ 25.00	\$ -	\$ -
Legal Fees	\$ 1,284.40	\$ 1,080.38	\$ 1,706.06	\$ -	\$ -	\$ -
Interest	\$ 8.09	\$ 0.84	\$ 453.35	\$ 1.28	\$ 1.51	\$ 1.50
REGULAR REVENUES	\$ 249,785.01	\$ 264,998.80	\$ 308,393.88	\$ 334,364.01	\$ 330,827.92	\$ 337,843.60
One Time Income						
Truck Sale				\$ 5,000.00	\$ -	\$ -
Lot Sale	\$ -	\$ -	\$ 11,242.50	\$ -	\$ -	\$ -
Special Assessment						\$ -
TOTAL REVENUES	\$ 249,785.01	\$ 264,998.80	\$ 319,636.38	\$ 339,364.01	\$ 330,827.92	\$ 337,843.60
EXPENSES						
SECURITY GUARDS	\$ 135,718.02	\$ 149,632.75	\$ 151,192.62	\$ 153,968.79	\$ 165,343.16	\$ 157,431.75
Security Guard Service	\$ 128,655.47	\$ 145,905.66	\$ 148,005.22	\$ 148,215.49	\$ 153,072.79	\$ 151,633.07
Telephone	\$ 2,614.80	\$ 339.89	\$ 362.70	\$ 439.89	\$ 479.97	\$ 603.30
Guardhouse Repairs	\$ 2,260.66	\$ 35.18	\$ 185.00	\$ 616.83	\$ 86.59	\$ 833.53
Guardhouse Supplies	\$ 422.86	\$ 137.81	\$ 1,174.88	\$ 2,053.71	\$ 1,496.21	\$ 1,921.52
Gate Repairs	\$ 670.50	\$ 1,896.59	\$ -	\$ -	\$ -	\$ -
Electricity	\$ 1,093.73	\$ 1,317.62	\$ 1,464.82	\$ 1,542.87	\$ 1,534.52	\$ 1,240.33
Guard Bonuses				\$ 1,100.00	\$ -	\$ 1,200.00
Security Cameras					\$ 8,673.08	\$ -
LANDSCAPING	\$ 123,854.23	\$ 114,905.68	\$ 123,428.27	\$ 116,847.05	\$ 116,116.28	\$ 113,993.42
Water	\$ 59,641.61	\$ 64,879.10	\$ 69,204.17	\$ 58,929.22	\$ 67,072.72	\$ 77,338.24
Landscape Service	\$ 37,196.24	\$ 42,213.09	\$ 44,201.13	\$ 49,224.44	\$ 43,200.00	\$ 29,944.00
Landscape Maintenance	\$ 4,000.92	\$ -	\$ 5,123.30	\$ 5,928.76	\$ 4,278.33	\$ 2,785.43
Sprinkler Repair	\$ 2,165.46	\$ 2,185.54	\$ 1,323.32	\$ 188.28	\$ 1,315.23	\$ 2,145.75
Fertilization/Pesticides	\$ -	\$ 2,557.95	\$ 2,576.35	\$ 2,576.35	\$ 250.00	\$ -
Gardener Bonuses	\$ -	\$ 1,317.62	\$ 1,464.82	\$ 1,542.87	\$ -	\$ -
Park Improvements	\$ -	\$ 2,450.00	\$ -	\$ -	\$ -	\$ -
Plant Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rock Wall Repairs	\$ 20,410.00	\$ 620.00	\$ -	\$ -	\$ -	\$ 1,500.00
Street Maintenance	\$ 440.00	\$ -	\$ -	\$ -	\$ -	\$ -
Signs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 280.00
ADMINISTRATION	\$ 17,763.74	\$ 28,706.74	\$ 39,214.91	\$ 33,749.15	\$ 27,842.56	\$ 96,219.65
Management Contract	\$ 7,200.00	\$ 7,200.00	\$ 8,070.00	\$ 7,800.00	\$ 7,800.00	\$ 7,125.05
Legal Fees	\$ 2,541.90	\$ 6,076.86	\$ 15,768.37	\$ 7,397.85	\$ 6,287.00	\$ 5,000.00
Litigation						\$ 42,000.00
Receiver Expense						\$ 29,308.18
Insurance	\$ 3,587.00	\$ 7,464.00	\$ 1,143.57	\$ 7,316.78	\$ 7,927.55	\$ 7,731.53
Property Taxes	\$ -	\$ -	\$ 8,530.60	\$ 3,428.82	\$ 1,938.62	\$ 2,005.86
Office Supplies	\$ 2,167.58	\$ 1,398.44	\$ 1,357.12	\$ 4,041.70	\$ 339.85	\$ 559.99
Accounting (Audit)	\$ -	\$ 5,600.00	\$ -	\$ -	\$ -	\$ -
Postage	\$ 671.26	\$ 559.44	\$ 1,933.30	\$ 1,962.95	\$ 1,742.54	\$ 873.33
Annual Meeting Expense	\$ -	\$ -	\$ 1,890.04	\$ 1,256.20	\$ 69.27	\$ 898.37
Internet & Website			\$ 221.91	\$ 244.85	\$ 1,052.73	\$ 717.34
Accounting Software	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ -
Credit Bureau Reporting	\$ 1,296.00	\$ 108.00	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ 385.00	\$ -
TOTAL EXPENSES	\$ 277,335.99	\$ 293,245.17	\$ 313,835.80	\$ 304,564.99	\$ 309,302.00	\$ 367,644.82
OPER. INCOME (Bef. Land Sale)	\$ (7,140.98)	\$ (28,246.37)	\$ (5,441.92)	\$ 29,799.02	\$ 21,525.92	\$ (29,801.22)
NET INCOME / (LOSS)	\$ (27,550.98)	\$ (28,246.37)	\$ 5,800.58	\$ 34,799.02	\$ 21,525.92	\$ (29,801.22)

Option 2 – Cover Deficit by Charging Special Assessment of \$300 or \$60/mo

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INCOME STATEMENT							Budget
		2021	2022	2023	2024	2025	2026E
REVENUES							
Association Dues		\$ 246,279.74	\$ 261,530.94	\$ 305,275.01	\$ 333,218.00	\$ 328,700.05	\$ 330,720.00
Late Fees		\$ 1,687.78	\$ 2,361.64	\$ 909.46	\$ 1,119.73	\$ 2,126.36	\$ 2,722.10
Additional Fee							\$ 4,400.00
Increase in Dues							\$ 30,000.00
Donations		\$ 500.00	\$ -	\$ -	\$ -	\$ -	\$ -
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Legal Fees		\$ 1,284.40	\$ 1,080.38	\$ 1,706.06	\$ -	\$ -	\$ -
Interest		\$ 8.09	\$ 0.84	\$ 453.35	\$ 1.28	\$ 1.51	\$ 1.50
REGULAR REVENUES		\$ 249,785.01	\$ 264,998.80	\$ 308,393.88	\$ 334,364.01	\$ 330,827.92	\$ 367,843.60
One Time Income							
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Lot Sale		\$ -	\$ -	\$ 11,242.50	\$ -	\$ -	\$ -
Special Assessment							\$ -
TOTAL REVENUES		\$ 249,785.01	\$ 264,998.80	\$ 319,636.38	\$ 339,364.01	\$ 330,827.92	\$ 367,843.60
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Plant Replacement		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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NET INCOME / (LOSS)		\$ (27,550.98)	\$ (28,246.37)	\$ 5,800.58	\$ 34,799.02	\$ 21,525.92	\$ 198.78

Q&A SESSION

The Board will host a Q&A session that will work as follows: Members may submit 1 question per member either live on the Zoom or via email ahead of time. Members will have up to 1 minute to ask their question. Board will have up to 3 minutes to respond. We hope to have a productive respectful discussion, but the intention is not to get into a debate.

We look forward to see you there.

Sierra Crest Board