

<b>Alpenhorn News article posted on Internet forum</b>	<b>September 9, 2010</b>
<b>Proxy Questions</b>	<b>By Gail Fry</b>

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## 9-18-10 - CPPMWC Annual Shareholder's Meeting

Sent: Wednesday, September 15, 2010 03:42 PM

ALPENHORN ARTICLE - September 9, 2010

### Proxy questions

Gail Fry - Staff Writer

Cedarpines Park Mutual Water Company has scheduled its annual meeting and board election for Saturday, September 18, 1:30 p.m. at the Cedarpines Park Community Center located at 21827 Plunge Road.

The letter and Notice of Annual Shareholders' Meeting Proxy Solicitation and Instructions from Cedarpines Park Mutual Water Company (CPMWC) dated June 2010, indicate there are two vacant positions on the board.

The notice provides instructions on how to complete the proxy form and explains the proxy has to be returned to the office no later than 4:00 p.m. on Monday, September 13.

The proxy form includes a place for the shareholder to write-in who they wish to represent them as their proxy, however, the form also provides that if the shareholder does not name a proxy, "The Cedarpines Park Mutual Water Company, Board of Directors, will designate Wilfred Steiner, Secretary of the Company, to represent my shares as endorsed by the board of directors."

According to Vice President Ron Albright, in order for the shareholders to conduct an election, a quorum is required. A quorum is 50 percent plus 1 of the shareholders in good standing present at the annual meeting or a completed a proxy form.

A proxy is defined by California corporations code as "a written authorization empowering another person to vote or act for the signer, as at a meeting of stockholders."

Albright said in the past 20 years there were one or two occasions where a quorum of the shareholders was obtained. Albright said, "That is why we extended the annual meeting a couple of months. We wanted everyone to have enough time to do the work and we wanted to do it right this time." Albright explained, "If a quorum is not reached then we can't hold an election by the shareholders. Then the remaining board members would elect the new board members." Shareholder Steven Hackin submitted a board action request form at the August 13 board meeting asking the board to include the names of the candidates, the proxy solicitation and instruction and a brief biography about each candidate with the July-August bill.

Hackin explained, "The candidates names were not listed in the notice of annual shareholders meeting dated June 2010. Therefore, none of the shareholders knew who to cast their proxy for or anything about any candidates."

Hackin's continued, "The only name mentioned, 4 times, was the Secretary of the Board. Clearly, this is biased and gives preferential treatment to the board. This was not a fair, reasonable or legal method for each voter to have all information to make an informed decision in casting their proxy vote."

Experts in the field of elections express that the use of proxies provides more opportunity for fraud in an election. However, The Alpenhorn News recognizes that when many of the shareholders are part-time residents, the use of proxies may be one of the more viable ways to obtain a quorum.

The candidates running for the board are Lynn Chen, Ron Albright, Sandi Segalla, Glen Dark, Paul Hartman and Suzanne Bowen.

Shareholder Cheryl Turpin said, "I just received the list of candidates five days before the election. I do not know any of these individuals besides Vice President Ron Albright and have never seen any of these individuals attending the meetings. CPMWC is not able to tell us how many shares are outstanding, our best estimate is 4,320 shares."

Section 2.13 of CPMWC bylaws states, with regard to filing proxies, "Casting ballots all rules and regulations shall operate impartially fairly and equitably."

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