



State of Affairs for Grizzly Ranch Conservancy
May 5, 2009

The Grizzly Ranch Conservancy continues to develop an innovative environmental enhancement program within the Grizzly Ranch Community. Many successful projects have been implemented over the past 3 years including new trails, signage and the Grizzly Ranch Landscapes botanical book. The Conservancy Advisory Committee is up and running with five dedicated volunteers who are providing valuable input into new projects planned for 2009. The Conservancy Board is delighted to have the participation of so many property owners and I would like to extend a big thank you to those who have contributed. We invite all interested owners to get involved. This is your Conservancy!

Since our prior report to the property owners in August 2008, the national economy and real estate markets have continued to weaken. In fact it is probably safe to say that the second home markets are effectively frozen. You are aware that Lowe Enterprises and its lender have listed Grizzly Ranch for sale. At this date it is reported that there are interested parties in negotiation for purchase of Grizzly Ranch. Notwithstanding the dismal economic environment, these circumstances have further hindered real estate sales this year. Accordingly, the Conservancy is managing its resources on the assumption that there will not be additional fee income from real estate sales for the remainder of this year.

The Conservancy reached an agreement with Donna Lindquist to continue as executive director in the capacity of an independent contractor. Effective January 2009, Donna has been providing financial management, project planning and coordination services. I am pleased with her performance to date. The Conservancy has taken over the bookkeeping with assistance from Susan Kailing formerly senior accountant for Lowe. Susan also serves as an independent contractor.

At the February 3, 2009 Board Meeting, Kathleen Graham, a Grizzly Ranch resident, was appointed to the Board replacing Chris Currie of Lowe. Remaining Board members include Micki Kelly, Roger Beck of Lowe and me. The Board also approved the 2009 budget on the assumption that there will be no additional income from real estate sales in 2009. Total operating expenses and project costs are budgeted at approximately \$55,650 resulting in a projected cash deficit for the year of approximately \$39,000. Cash in the bank at January 1, 2009 was \$133,700; projected cash at December 31, 2009 is \$94,725.

4356 Grizzly Road, Portola, CA 96122 t 530.832.1800 f 530.832.1900
www.grizzlyranchconservancy.org

With the severe constraint on fee income the Conservancy's objectives for 2009 are very limited but projects planned include:

- Trail maintenance and protection of furniture, signage, etc.
- Design and installation of interpretive signage on the Creek and East Ridge trails
- Completion of the Conservancy web site
- Initiation of community outreach for Conservancy sponsored environmental education with local schools
- Construction of the Bath Tub Springs hiking trail
- Support for Advisory Committee activities including fund raising activities
- We expect to have the web site www.grizzlyranchconservancy.org fully operational by June 1, 2009.

These are unprecedented times within our memory. Hopefully Lowe will attract a well capitalized investor who will fulfill the vision for Grizzly Ranch.

Respectfully Submitted,

Andy Norris
President

Attachments:
Balance Sheet March 31, 2009
Budget and Expenses to Date