



Friends of the Gualala River

An affiliate of the Redwood Coast Watersheds Alliance

P.O. Box 1543, Gualala, CA 95445 GualalaRiver.org



SUBJECT: Preservation Ranch: reconsideration of investment prospects and alternatives

January 26, 2012

David Mace

Director, GI Partners

2180 Sand Hill Road, Suite 210

Menlo Park, CA 94025

info@gipartners.com

Ted Eliopoulos, Senior Investment Officer, Global Real Assets
California Public Employees Retirement System Investment Office
P.O. Box 2749
Sacramento, California, 95812
Theodore_Eliopoulos@CALPERS.CA.gov

Dear Mr. Mace and Mr. Eliopoulos:

Friends of the Gualala River and its allied organizations and supporters are again requesting rigorous re-evaluation of the prospects for Preservation Ranch (former Premier Pacific Vineyards portfolio asset) to provide a reasonable return on California Public Retiree investments, in view of unreasonably high exposure to risks of delayed approval and implementation, potential legal challenge, and unacceptably high environmental impacts.

We are attaching our letter of December 20, 2011, sent to CalPERS Board, Chief Investment Officer (Joseph Dear), Investment Committee Chair (George Diehr), and Chief Operating Investment Officer (Janine Guillot) on this subject. We acknowledge Mr. Eliopoulos's courteous and prompt reply to our letter on behalf of CalPERS, dated January 6, 2012, in which you advised us that GI Partners and CalPERS would consider our comments.

To keep you apprised of our direction and actions for public awareness and potential opposition to the project, we would like you to know that we will be presenting a full-scale copy of the 91,000+ signatures from the on-line petition (<http://www.change.org/petitions/stop-wineries-from-destroying-ca-redwoods-and-native-american-heritage>) to the Sonoma County Board of Supervisors on February 7, 2012, during the public comment session of their public meeting. The petition support continues to grow. Please see the attached press release announcing this action and our website: <http://GualalaRiver.org>.

We would also advise you that we recently learned from the California Department of Forestry that the Final Environmental Impact Report for the other major deforestation/vineyard conversion project in Annapolis, Sonoma County by Artesa Winery (Codorniu of Spain) is expected to be released this winter. We anticipate that the release of the final EIR, and the permits that would follow for the largest vineyard conversion deforestation project in California to date – second only by a wide margin to Preservation Ranch -- will likely intensify opposition and public attention to deforestation and vineyard conversion in our region.

We again encourage you to withdraw the Preservation Ranch permit application and EIR, and reinvest project assets either in sustainable forestry, or other investments recommended by GI Partners who have recently demonstrated considerable success and swift returns for California Public Employees.

(<http://www.perenews.com/Article.aspx?article=64836&hashID=67AECE123556AA57F7992F73553276D61F001835>).

We look forward to your consideration of the points we bring forward, and to a sustainable environmental and financially sound alternative to the flawed and risk-laden Preservation Ranch forestland conversion project. If you have any questions, please contact me at 707-886-5182.

Sincerely,

A handwritten signature in black ink that reads "Chris Poehlmann". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Chris Poehlmann
President, Friends of the Gualala River

Attachments:

FoGR-CalPERS December 20, 2011 letter
FoGR Press Release, February 7 petition delivery to Sonoma County Board of Supervisors

Copies furnished:

Interested parties