

ODD FELLOWS SIERRA HOMEOWNERS' ASSOCIATION
SPECIAL GENERAL MEETING
AUGUST 30, 2008

The meeting was called to order at 9:10 a.m. by Jesse Worsham. All members of the Board of Directors were present.

The pledge of allegiance to the flag was led by Mike Rainwater.

The invocation was delivered by Al Orth.

Mr. Worsham welcomed all and announced that the purposes of this special meeting was to discuss and vote upon the issue of whether to make a special assessment for the purpose of purchasing new snow removal equipment for the Park.

Mr. Worsham also pointed out that we needed a quorum of lot owners present in order to take final action. If, however, we did not have the required number, the meeting would be for the purpose of developing a "sense of the issue" among those who were present to discuss it. That information would then be communicated to all homeowners' along with a proxy voting ballot from which a final decision would be reached.

Mr. Orth reported that the road grader had to be retired. It was used to remove roadside build-up of snow that occurs during heavy snow period when the plow can only push the snow to the roadside which results in a narrowing of the road if it cannot be pushed elsewhere. The Board, led by Mr. Orth, performed a survey of equipment that could be used for this purpose and determined that a grader with a snow plow is the best combination. Potential purchases were also examined throughout California and in other states. It is the recommendation of the Board to purchase a used grader if we can raise the funds through the proposed assessment.

The cost of the equipment selected will be in the \$60,000 range. We cannot state a final price, however, without having the money in hand and therefore the ability to negotiate. The Board is, therefore, asking for an additional \$200, one time, assessment for this purpose.

The floor was then opened to all attendees for discussion of the proposal. The discussion will be recounted below in terms only of questions and answers as it moved quickly and identification of all speakers became problematic.

Question: Why not a loader?

Answer: If a loader is purchased several pieces of ancillary equipment must also be purchased to adapt it for snow moving and removal which will drive the price up and which is not as efficient as using a grader.

Question: Doesn't a loader also have other uses that will make it a more productive purchaser?

Answer: The only other use to which a loader could be put would be to move pine needles. This year, however, the cost of using an outside service was so low that to purchase a loader, at the greater overall price, would not be justified.

Question: How about using outside snow removal services instead of making such an expenditure?

Answer: The Board has investigated this possibility and has determined that it could be used if we are unable to get sufficient equipment into the Park. The cost, however, is high, and reliability is low. In fact, in a heavy snow period we might have to wait several days before we could get a service in here and the people who live year round in the Park would be unable to get out during that waiting period.

Question: How often is the grader used each year?

Answer: Some years not at all; others several times during snow season. The problem is that in a heavy snow year the plow will only pile the snow at the edges of the road and the road narrows over time, possibly to a single lane.

Question: How much does an outside service charge?

Answer: On the average, \$100 per hour with a \$1,000 minimum daily charge.

Question: What are the insurance and maintenance costs on such a piece of equipment likely to be?

Answer: We can insure on the same basis as we insured the recently sold grader with no cost added. Service costs are typically 1% to 2% of purchase cost annually.

Question: Why not buy a new one?

Answer: The cost is exponentially higher and we don't use it often enough to justify that cost.

Statement: Mr. Linhart noted that we used the old equipment last year and it lost it's brakes and became dangerous. We have to recognize that we don't need it all the time but when we do need it the need is absolute. Look at it as insurance. We each pay for it and with the hope we won't have to use it, but when we need it we are grateful it is there for us.

Question: Why did we sell the old grader?

Answer: It literally ate oil and it had clutch and transmission issues that were very expensive to fix.

Question: What assurance do we have that any new equipment will be any better serviced than the old equipment was? What did we get for the one we sold?

Answer: The old grader was vintage 1930's. Nothing lasts forever and we should actually consider what a good job was done to preserve it this long. We netted \$2,500 when we sold the old grader after commission and transportation costs.

Question: Shouldn't we get a loader that will actually move the snow rather than just push it to the side of the road?

Answer: The Board examined that option and found that the price – which is double that of a grader – couldn't be justified in the absence of multiple use potential. And, even with a loader, the configuration of the Park does not provide any place to move the snow.

Question: Don't Cold Springs land Strawberry residents rely on outside services?

Answer: Yes, and they have had to wait up to 5 days for the service to show up. The issue here is getting rid of the snow in a timely manner. Using a service is at best an "iffy" proposition and it is also dangerous to count on a service should a health or safety emergency arise. The choice boils down to a new piece of equipment versus the risk of having the Park shut down for 3 to 4 days at a time.

Question: If we had a loader couldn't we use it to remove driveway berms?

Answer: We cannot take responsibility for work done on private property. The insurance cost would be excessive and the potential for damage too great.

Comment from two members of the audience: Everyone who lives in the mountains has to clear berms. The issue is being able to get in and out during a heavy snow storm.

Question: Has anyone looked into leasing or renting equipment?

Answer: That option was investigated and we learned that we would have to purchase a snow blade and other ancillary equipment, plus we have to take the equipment for a month at a cost of \$5,000 whether we use it 1 day or 30 days.

Question: Why not use money from the timber fund?

Answer: The timber fund is for emergencies an example of which would be a catastrophic interruption of our water service. This is a critical health requirement. If one of our water storage tanks were seriously damaged we would need repairs immediately to keep the system running.

Motion by Mark Bradley: Assess \$200 per lot on a one time basis to purchase equipment. If there is a surplus after purchase refund per capital to homeowners through a reduction of annual assessment.

Seconded by Wayne Harvey.

Result of voting: 60 votes **Yes**
20 votes **No**

Quorum Required: 90 votes

Since no quorum was reached the vote will be treated as a "sense of the attendees" to be used to assist in a written vote. Voting forms to be issued by September 4, along with these Minutes, and call for return no later than September 20.