

SPECIAL MEETING OF THE SHAREHOLDERS OF Recreation Association
December 3, 2011

BOARD MEMBERS PRESENT: Del Wallis, Shaun Velayas, Friedham Peter, Ron Hawke, Gloria Harvey, Dick Barrett, Larry Adams and Bill Ordwein.

- 1) The meeting was called to order at 9:17 AM by President Shawn Velayas.
- 2) The invocation was given by Al Orth.
- 3) The shareholders recited the Pledge of Allegiance.
- 4) President Velayas read the "Call of Special Meeting".
Stating the purpose of the meeting, time and place.
- 5) The President stated that Gloria Harvey, the Secretary of the Corporation,, has been designated by the Board of Directors as the secretary of the meeting. Ms. Harvey shall take notes and prepare minutes of this meeting with the help of Jan Moncrieff.
- 6) Del Wallis, the Treasurer of the Corporation, has been designated by the Board of Directors as the election inspector. The election inspector will determine the number of shares outstanding, their voting rights, and the existence of a quorum and the validity of any proxies presented at the meeting. The inspector also receives and tabulates all votes, ballots or written consents; and hears and determines all challenges and questions arising in connection with the right to vote. He will also determine when voting is terminated, the result of such voting, and do "such other acts as may be proper to conduct the election or vote with fairness to all shareholder."
- 7) President – Read the Ground Rules for the meeting.

It was noted that the License Agreement and the Water Use Agreement between the Odd Fellows Sierra Homeowners Association (HOA) and the Odd Fellows Sierra Recreation Association (Recreation Association) expired on October 12, 2011, but was extended until January 10, 2012, by the SRA Board and the HOA Board of directors.

After being informed by the HOA board of directors that they would not sign the license agreements approved by the homeowners members at the May 2011 Annual Meeting, the SRA Board of Directors sought legal advice and were advised by its attorney to also not sign the License agreements. Since the Members of the SRA voted to have the SRA Board sign the agreements at the Annual Meeting in May 2011, SRA member approval to NOT sign is now needed to move forward.

Quorum determination: 32 shareholders are present and 41 proxies are approved. A quorum was present. The question was asked if proxies were sent to all members; the response was yes to the best of our knowledge and ability.

Ron Hawke stated:

I move to allow the License Agreement and the Water Use Agreement currently in place between this corporation and HOA to expire on January 10, 2012 and that this corporation not enter into any further license agreement, water use agreement or other similar type of agreement with the HOA after January 10, 2012 without approval of shareholders of this corporation. Motion was seconded.

Discussion followed:

Clark Kellogg inquired if this would mean we will not have a water agreement until another meeting such as this.

Shaun Velayas stated that the License Agreements give the HOA the authority to collect assessments. The Homeowners Association doesn't have the legal ability to collect dues according to the attorney because not all properties have filed CC&R's. The Recreation Association could bill direct for water and roads because they own the roads and the Water System.

Del Wallis spoke of the billing history in the past.

Mike (Homeowners) inquired how would the billing be done for water; would there be meters? Hawke responded saying there is no need for meters.

Velayas stated that property owners of 19 lots have not paid their dues for 2011-12.

Paul Emery stated that last May, a budget was voted on and it appears that the monies were not being spent the way they were appropriated. Velayas responded that these issues should be directed to the Homeowner's Board.

The SRA is a for-profit association and what would the association do regarding State requirements if the SRA should become a water company?

Hawke stated that the SRA falls under the California Department of Public Health. If we operate our system according to their standards we will not have a problem.

Velayas said that getting CC&R's on everyone's lot is very unlikely.

It was noted that timber sales have helped offset some of the expenses for roads and equipment purchases in the past.

It was suggested that the dues be reduced for those who filed their CC&R's while those that have not, would not receive a discount.

Elsie Manning suggested placing a lien on those lots that have not paid dues. Wallis stated that in the past liens have been filed for unpaid dues, and in some cases the property has been foreclosed.

There was discussion regarding negotiation between the SRA and HOA. It was noted that there could be no discussion unless permission was given by the majority of the SRA members to not sign the current proposed agreements as directed to do at the May meeting.

It was noted that the water reserve monies should go entirely to the water system.

Velayas stated that if the motion doesn't pass we don't know how to move forward and he would probably resign.

It was noted that a profit-making corporation can legally collect dues. The Lease Agreement with the HOA doesn't permit us to collect dues at this time. Any future License Agreement would have to be approved by the Association..

The motion was called for. A 'yes' vote would allow License Agreement and Water Agreement currently in place to expire as of January 10, 2012.

A secret ballot was collected and read. The results were: 60 yes votes; 10 no votes and 1 blank, which equals 71 votes. Motion carried.

It was moved and seconded that the meeting be adjourned. Discussion: Kellogg asked for a no vote on adjourning.. Motion carried.

Meeting was adjourned at 11:10 am

Submitted by Gloria Harvey and Jan Moncrieff