

Financial

BY LAWS CHANGE ARTICLE III, FIFTH SECTION

For many years the members have stated that they want to be asked about the use of any “**Timber Funds**”. At past general membership meetings motions have been made and have passed giving the membership the right to control use of funds. The present Board has chosen to interpret such votes as only applying to the year the vote was taken. Therefore the Board took the following actions:

1. To buy a new backhoe with **Timber Funds** at a cost of \$67,000.00 and to justify the expense by saying that the expense would be covered through the selling of lots on the subdivided 5 acres. The supposition is that the lots will sell for \$50,000.00 each.
2. To buy a chipper for logging debris at a cost of \$6,000.00. The chipper had been rented up until March of this year and the rental cost was applied to the purchase. There was not a need to buy the chipper since it would only have to be rented for a short period of time resulting in an additional rental charge of \$600.00 as opposed to spending \$6000.00 to purchase.

The Board on its own authority in 1996 has spent \$76,000.00, but has done so within the present bylaws. Thus if the members wish to have the final say on the use of “**Timber Funds**” it is necessary to change the bylaws.

Some may argue that the Timber Fund should be available for emergencies. Any emergency, though, can be easily handled either from the yearly assessment funds or within 60 days by a proxy vote of the members. Additionally, our suppliers of goods and services will wait that long for payment especially in an emergency situation.

The members have shown a keen interest in any large purchase to be made by the Park. A limit of 10% of the overall value of any particular year's budget for a single purchase would give the membership that power. With the 1996-97 budget the Board would have the authority to make any single purchase of anything up to \$13,000.00. For example, the new roof on the lodge didn't even cost this much and wouldn't have been an issue under this proposed change.

It should be a further requirement that the Board live within it's budget. Any budgeting changes, long term borrowing, etc. are more properly in the purview of the membership and should be brought to the attention of the members at a meeting or through a proxy vote.

Excerpt From Odd Fellows Sierra Recreation Association Bylaws Article III. Directors

Section 1. Powers. Subject to limitations of the articles of Incorporation and of the California General Corporation Law as to action to be authorized or approved by the Members, and subject to the duties of the Directors as prescribed by the Bylaws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be controlled by, the Board of Directors; provided, however, that all timbering operations on, and all extraction of other natural resources from, any property owned by the corporation must be approved by the members. Without prejudice to such general powers but subject to the same limitations, it is hereby expressly declared that the Directors shall have the following powers: to wit,

Fifth - To borrow money and incur indebtedness for the purposes of the corporation and to cause to be executed and delivered therefor, in the corporate name, promissory notes, bonds, debenture deeds of trust, mortgages, pledges, hypothecations, or other evidences of debt and securities therefor.

Proposal to change the Fifth:

Fifth - No money may be borrowed nor any, promissory notes, bonds, debentures, deeds of trust, mortgages, or pledges, may be entered into nor incurred without the expressed consent by the membership through a vote. Shall not have any authority to disburse for any good or service, funds from the "Timber Account," nor any single purchase from general operating funds derived from assessments in an amount greater than 10% of a given years operating budget without the expressed consent by the membership through a vote. No spending shall be done which exceeds the yearly authorized budget of the membership.