DAVID F. BUSH GEORGE H. ACKLEY

## BUSH & ACKLEY

ATTORNEYS AT LAW
FIRST NATIONAL BANK BUILDING
OAKDALE, CALIFORNIA

TELEPHONE 37II

July 13, 1949

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Mr. Herbert M. Kearns, President, Oddfellows Sierra Recreation Association, 739 East Lindsey Street, Stockton, California.

Re: Oddfellows Sierra Recreation Association Subdivision.

Dear Mr. Kearns:

The writer and Mr. Milich spent the afternoon of Tuesday, July 12th in Sonora in conference with Mrs. Evelyn Hawley and J. C. Webster, her attorney, and also saw the secretary for Attorney Vilas, and two assistants of L. A. Storch, the County Surveyor, who surveyed the subdivision property.

I am enclosing herewith copies of letters to Attorney Webster and to Mr. Storch, which will assist you in appraising the present status of things.

In the conference with Mrs. Hawley and Attorney Webster, they orally agreed that if the subdivision as presently laid out did not include any part of the meadow, and if the acreage in actual lots and subdivision roads was approximately 100 acres, they had no objection to such subdivision (they would agree that it was all in one piece) and Mrs. Hawley would give a deed of partial reconveyance covering all of the subdivided lots and subdivision roads, but excluding the meadow, upon payment to her of \$10,000.00.

In checking at the County Surveyor's office I found that it will still be at least two weeks, and I think more likely closer to one month before we will be able to get the final map. I have done everything possible to hurry along the completion of such map, but it will still be more time than we first anticipated before we get it.

Attorney Vilas is still not back at his office but is expected this weekend. I am leaving on my vacation and will be away from my office for about one month, but Mr. Bush and Mr. Milich will be familiar with this case and will carry on during my absence. Mr. Milich will contact Mr. Vilas as soon after Vilas' return as possible to make sure that everything

is understood and agreed upon between our two offices.

You understand, of course, that we cannot get the subdivision officially approved before we have the final map to submit to the State Real Estate Commissioner's office, and until we have the written agreement from Mrs. Hawley for the reconveyance, by proper legal description, of the property included within the boundaries of the subdivided lots and subdivided roads. All sales of lots in the meantime, and all agreements for sale of such lots, and all deposits made toward the purchase of lots is of no actual legal effect. In fact all of the above is strictly forbidden under the provisions of the applicable state law relative to subdivisions. However, since the association has already engaged in committing lots for sale and taking deposits on same, and since this is apparently the only means of raising the necessary funds with which to pay Mrs. Hawley the payment required by her, as a practical matter I presume that there is nothing else the association can do but continue as you have been doing in the past and just hope that everything works out alright. The directors must understand, of course, that in the event things should not work out, and the subdivision should not be finally approved, by the State, or Mrs. Hawley should for some reason refuse to reconvey the property, then all moneys received from prospective lot purchasers would have to be refunded to them, and the association and its directors might also be liable for penalties for infractions of the law applicable to subdivisions. Section 11541 of the Business and Professions Code provides that any offer to sell, contract to sell or sale of lots, contrary to the law, is a misdemeanor and is punishable by fine of not less than \$25.00 nor more than \$500.00, or imprisonment in the county jail for not more than 6 months. I do not anticipate that your association or the officers or directors thereof will be called on the carpet for having committed lots for sale. or even if you should be I would think the fine would be nominal.

I also found out from Mrs. Hawley and Mr. Webster that title to the property you have purchased was originally in the estate of E. O. Sylvester. Sylvester died about 3 years ago leaving a will in which all of his property went to his sister, Mrs. Graves. The will gave her power to sell all or any part of the estate she might desire, for her support and maintenance during her lifetime, and if anything remained in the estate at her death such remainder went to a Mr. King, who, I believe, lives in Sacramento.

The Sylvester estate was probated in Sonora and has been closed. The property you purchased was distributed to Mrs. Graves and under the decree of distribution she was given power to sell or dispose of it, and if anything was left at her death it was to go to King. After the decree of such distribution Mrs. Graves deeded this property to Mrs. Hawley in return for services rendered by Mrs. Hawley. Thereafter Mrs. Hawley deeded the property back to Mrs. Graves. Thereafter Mrs. Graves sold the property to a Mr. Ward. Thereafter Mrs. Hawley again acquired title to the property by purchasing from Mr. Ward. Mrs. Hawley then sold the property to your association.

This is all the information I have been able to gather up to the present time. We will keep you informed of future developments.

Yours very truly,

George H. Ackley FOR BUSH & ACKLEY

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Loren W. Hosmer, Secretary, Copy to: Oddfellows Sierra Recreation Association, 616 Virginia Avenue, Modesto, California.

> Gene Bianchi, P. O. Box 96, Oakdale, California.