



Sierra Park Homeowners' Association



Newsletter

May 2012

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From the President

Dear Homeowner:

At the OFSRA meeting on May 12, 2012, it was pointed out by one of their board members that the assessment they are proposing is voluntary and that they are concerned that many lot owners will not pay. I think that is a legitimate concern. In fact, OFSRA and OFSHA use the same accountant and he told me that OFSRA cannot legally collect an assessment. He did not tell me anything new because several attorneys have also informed OFSHA of that fact. They are in a bind collecting any money from the lot owners this year and they know it. OFSRA illegally collected an assessment from the lot owners for twenty-five years.

The lot owners now have the future of the subdivision in their hands. If you want equity in the subdivision, you can force OFSRA to give all lot owners control over the interior of the subdivision by simply not paying this voluntary assessment. You should have control over what you have been paying for the last twenty-five years. If you do not pay, you will still have water and roads. Your water bill is paid up to November 1, 2012 and you have a right to use the roads. OFSRA can create a water company or form a mutual water company for the deliver of water. They can bill for roads under Civil Code 845. Water and roads are the only two services for which you are required to pay. If you receive a bill from OFSRA for the \$1,033 they are proposing, you can send OFSRA a certified letter asking them to break down their costs and list your share for road maintenance and water delivery. Until they form a company that meets CPUC regulations, you cannot be charged for water. If you disagree with the costs for roads, under Civil Code 845 you can ask the Superior Court to review the charges and make a fair decision.

Since you are being asked to voluntarily pay an assessment of \$1033, you need to think about some of what you are being asked to pay for.

1. The cost of labor is shown at \$70,000, but when you add \$12,000 for employee benefits and then add in the other costs related to employment, the actual cost of labor comes in at around \$100,000.
2. Another cost that seems quite high concerns professional service. The budget shows \$30,000 in legal services and another \$25,000 for consulting.

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OSFHA Calendar

Annual Meeting begins after the OFSRA meeting.

Annual Meeting: Sunday May 27th



Community Services District

All lot owners need to be extremely careful before agreeing to the proposed community services district. Our attorney has told us that generally these are used only for infrastructure such as roads and water. Roads and water are all the lot owners need and all many of us want. OFSRA cannot be allowed to establish this district, control it and continue to dominate things in the subdivision as they have for the last twenty-five years. If OFSRA actually does relinquish control, they should not be hired as the maintenance provider in the subdivision for this district. The last twenty-five years have been fraught with fraud and illegal acts. If this district is agreed on, then the subdivision needs to make the break from OFSRA once and for all. We can do without them providing any maintenance or service to the subdivision. Consider your decision carefully concerning a community service district because it will have a long term and possibly expensive outcome for you.

Outline of the History of Sierra Park

Sierra Odd Fellows Park was formed in 1948 and was owned and operated by individuals who had to hold membership in either an Odd Fellows Lodge or a Rebekah Lodge (the Lodge). The Park operated under a non-profit corporation, the Odd Fellows Sierra Recreation Association (OFSRA), until 1986.

In the early eighties the owners in the Park were no longer required to hold membership in the Lodge. Due to civil rights laws and court decisions, property owners other than members of the Lodge were able to own in the Park.

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Newsletter & Website

Newsletter – Please consider receiving your Newsletter via e-mail, it saves money and will aid us in holding down the assessment. Please e-mail us to sign up.

Website – Protected documents password: **Call for PW**



From the President *(Continued from front page)*

3. You are being asked to pay \$11,000 for maintenance on buildings. The buildings are owned by OFSRA and not assets of the lot owners.
4. Another expense is that of insurance??? This comes to \$17,000 but is it something the lot owners have to have???
5. OFSRA has almost depleted the water fund established by assessments on all lot owners. In May, 2011 the water reserve fund totaled about \$134,000 and now totals about \$7,000. OFSRA is asking the lot owners to pay \$2,900 in 2012 for this fund.

Based on the OFSRA budget and the expenses listed above, lets look at something that is a more reasonable alternative.

1. Garbage in their budget is shown as \$14,000
2. Needle expense is shown as \$10,000
3. Maintenance of roads is shown as \$35,000
4. Water has been brought up several times by OFSRA as costing about \$15,000 per year
5. Snow removal at \$40.00 per hour times 300 hours (in the worst winter) would equal \$12,000

When these five items are added up, they total \$86,000. Add another \$14,000 for unforeseen expenses and the total is \$100,000. Divide \$100,000 by 364 lots and the yearly assessment would come to \$275 per year per lot owner. Compare the \$275 per lot to the OFSRA proposal of \$1,033 per lot. Don't you think we need to shop around and find less expensive ways to operate the subdivision? At least, negotiations are in order to trim the fat from the OFSRA proposed budget for 2012-13. After all, you do not have to pay for anything but roads and water. The rest is voluntary.

Another issue that has upset many of you concerned the last newsletter regarding the use of the common area. OFSRA seems to have addressed this issue with signs stating that all lot owners can use these areas. I am sorry that you became upset with me and the OFSHA Board. We were simply representing you in an issue OFSRA created. OFSRA, at their member meeting on December 3, 2011, voted to not renew the License Agreement. When OFSRA did not renew this agreement, the lot owners technically lost the use of these areas. Item One of the License Agreement states, "LICENSOR grants to LICENSEE permission to use all private roads on its property for access purposes and the remainder of its property, except as hereinafter limited, for recreational purposes: including such activities as fishing (for persons under sixteen (16), camping, water sports, hiking, spelunking, horseback riding, rock collecting, sightseeing, picnicking, nature studying, nature contacting, recreational gardening, gleaning, and viewing or enjoying historical, archeological, scenic, natural, or scientific sights." As you can see, the use of the common area was granted to you by the License Agreement. It was our duty to inform you of the possible problems you faced without this agreement in place. Now it seems that OFSRA has ruled on your status concerning the common area and granted you the use of their land without requiring a new agreement.

Please read the item included in this newsletter that explains the fraud and illegal activities over the last twenty-five years. Once you read this, you need to determine if you are willing to allow this to continue into the future.

Thank you,

Fred Coleman
President
OFSHA Board of Directors



Outline of the History of Sierra Park *(Continued from front page)*

In order to deal with these changes and maintain control, the Lodge consulted with an attorney and initiated a plan that modified the advice of their attorney and allowed those owners who were members of the Lodge to retain control of the Park.

In 1986 OFSRA was reorganized as a for profit corporation and kept control of the roads, the water system, all of the common property, timber land, buildings in common area, supplies, equipment and a cabin rented to the caretaker. Lodge membership was required to own a share in OFSRA.

In 1986 a new corporation, Odd Fellows Sierra Homeowners Association (OFSHA), was organized as a non-profit corporation and was open to all lot owners providing they attached CC&Rs to their property. These CC&Rs were drafted by OFSRA but never sent out to the lot owners. Lot owners without CC&Rs attached to their property did not hold membership in OFSHA. The only property with CC&Rs was the cabin owned by OFSRA. This was the case until sometime in early 2011 when private lot owners attached CC&Rs to their property. Out of 364 lots in the subdivision, there are about ten lots with recorded CC&Rs.

By-Laws and Articles of Incorporation were drafted for each corporation along with the CC&Rs. These were all approved by the OFSRA Board and members of the OFSRA Board representing OFSHA and the lot owners.

A License Agreement between OFSRA and OFSHA was drafted and approved by OFSRA that allowed OFSHA members to use the roads, common area and other OFSRA property. OFSRA was to repair and maintain the roads at their cost and notify OFSHA of these costs at the end of each calendar year. OFSHA was to reimburse OFSRA for these costs within ninety days. Del Wallis signed as Secretary of and on behalf of the non-existent homeowners association. For twenty five years, the terms of this agreement were never followed. There was never an accounting at the end of each calendar year itemizing the cost of repairing and maintaining the roads.

A Water Use Agreement between OFSRA and OFSHA was drafted and approved by OFSRA. It was signed by Del Wallis as Secretary of and on behalf of the non-existent homeowners association. The Agreement stated that the GRANTEE was to pay GRANTOR \$69,350 per year during the first year of this agreement and shall pay during each subsequent year such amount plus any increase in expense of GRANTOR over its expenses for the prior year in furnishing water to Grantee under this Agreement.

The first three years after this agreement went into effect, the water fee was increased without showing any increase in the cost of providing water. In fact, the fourth year of the Agreement, the water fee was increased to \$104,000 which was the exact amount of the total budget for operating the Park for that year.

These increases were approved in a questionable manner. The OFSRA Board closed their meeting and immediately opened as the OFSHA Board. They then increased the water fee despite having a paper showing OFSRA's actual cost of providing water to be about \$15,000 per year.

NOTE – OFSRA HAS NOT PAID THEIR ASSESSMENT ON THEIR PROPERTY FOR AT LEAST THE LAST THIRTEEN YEARS. THE ONLY VOTE OF ALL LOT OWNERS FAILED TO PAY WHAT OFSRA HAS ASSESSED!

Another problem concerns membership on the OFSHA Board. The OFSHA By-Laws require a board of nine members and to vote and/or hold a position on the OFSHA Board a person was required to have recorded CC&Rs on their property. The only property with recorded CC&Rs was the cabin owned by OFSRA. Therefore, OFSRA could legally appoint only one member to the OFSHA Board. Instead, they allowed all nine members of the OFSRA Board to serve as the OFSHA Board. There was never an election or meeting of OFSHA. By owning the only lot with CC&Rs, OFSRA was able to maintain total control over OFSHA and the subdivision for twenty-five years.

For twenty-five years, OFSRA illegally collected assessments from those lot owners who were not members of their corporation, OFSRA. Without CC&Rs, a lot owner is not legally required to pay anyone an assessment.



OFSRA held annual meetings of their shareholders but allowed lot owners who were not members of OFSRA to attend and to vote on the annual assessment that all lot owners were then expected to pay. However, lot owners attending OFSRA shareholder meetings who were not shareholders were not allowed to vote in the election of OFSRA Board members.

The Articles of Incorporation of OFSRA state that OFSRA can assess their shareholders but only with their approval. How then can they legally assess the lot owners who were not members of OFSRA? How can they allow non-OFSRA shareholders to attend OFSRA shareholder meetings and vote on assessments that they are not legally qualified to vote on? If it was illegal for lot owners who were not members of OFSRA to vote on the assessment, was the assessment that the lot owners were then billed for also illegal? Why are lot owners who are not shareholders in OFSRA allowed to attend OFSRA shareholder meetings?

The OFSHA By-Laws state that OFSHA can assess and collect from their members. Until recently, there was only one member of OFSHA, the cabin owned by OFSRA. Because of this, it seems like the only assessment that OFSHA should have been legally able to collect was from the OFSRA property.

OFSHA never officially existed or held an election for a board until May, 2011. This occurred because OFSRA needed to renew the License Agreement and the Water Use Agreement. OFSRA used their one vote, as the only member of OFSHA, to amend the By-Laws and allow lot owners without CC&Rs recorded on their property to be members of OFSHA. However, a sign-up sheet was never circulated among the lot owners asking them to join OFSHA.

Under the Water Use Agreement, OFSRA violated CPUC regulations by selling water to other than its own members. CPUC regulations allow organizations or corporations to sell water that is not regulated by the CPUC to their own members. By selling water to OFSHA, they were in violation of CPUC regulations since OFSHA was not a member of OFSRA. In fact, the only member of OFSHA was the one OFSRA property.

OFSHA then sold water illegally to the lot owners since none of the lots in the Park, with the exception of the OFSRA cabin, had CC&Rs. Since none of the lot owners had recorded CC&Rs, they were not qualified to hold membership in OFSHA. Because they were not members of OFSHA, it was illegal for OFSHA, under CPUC guidelines, to sell water to the lot owners.

Over a twenty-five year period, OFSRA collected over \$2,000,000 from the lot owners under the terms of the Water Use Agreement. This included special assessments for water in order to fund big projects such as tank replacement, new wells, etc. The actual cost of delivering water to the lot owners during this twenty-five year period was approximately \$500,000. The cost of any improvements to the system was paid for by the lot owners through the special assessments.

During this same time period they collected an additional \$2,600,000 in assessments from the lot owners.

Special assessments collected from the lot owners paid for wells, pumps, a snow plow, motor grader, playground equipment, and entry gate. All of this was paid for by the lot owners but title is held by OFSRA.

Currently there are about ninety lots in the subdivision owned by shareholders of OFSRA. That leaves 274 lots in the subdivision owned by individuals who are not OFSRA shareholders or members of the Lodge.

**Odd Fellows Sierra Homeowners' Association
Board of Directors Regular Meeting Interim Minutes
May 5, 2012**

There was no quorum available for the May 5, 2012 Board of Directors Meeting. As a result, the meeting was cancelled and no minutes were created.



**Odd Fellows Sierra Homeowners' Association
Board of Directors Special Meeting Interim Minutes
May 10, 2012**

Called to order: 6:53 P.M. by President Fred Coleman at the home of Ruth Dargitz in Oakdale.

Invocation by Al Orth.

Board members present: President – Fred Coleman, Treasurer – Ruth Dargitz, Vice President – Steve Wallace, Al Orth, John Tenbrink and Larry Vaughn, Mike Ford. Excused: Bill Ordwein. Absent: Jesse Worsham

Minutes April 7, 2012: Motion by Steve Wallace, to approve the minutes presented. Seconded by John Tenbrink, carried.

Correspondence:

The following communications were received: Charles Varvayanis – Accounts Correction Demand • Larry Giacomino – Praising OFSHA's work • Bill and Barbara van Riet – Comments regarding the Town-hall Meeting • CAI - multiple newsletter articles and seminar information • Bill Ordwein – Letter of Resignation • Barbara and Dave Stauffer – Regarding OFSHA Newsletter • John Brasil – Regarding the common areas • April OFSRA newsletter • Michael Lechner – Comments for the Mat 5th Board Meeting • Jeff Cook – What is a CC&R? • Doug & Susan Kelly – Merged lot assessments • Robert A. Huckaby – Insurance Inspection: Recommendation Letter.

Committee Reports:

Finance – Treasurer, Ruth Dargitz:

1. Total bills presented: \$1,196.53. Motion by John Tenbrink to approve bills as presented. Seconded by Larry Vaughn, carried.

Unfinished (Old) Business:

1. 2012-2013 budget – Discussed and decided not to modify.

New Business:

1. None.

Other Business:

1. P.O. Box 236 continued for one year.

Members before the Board:

None.

Motion by Steve Wallace to adjourn to Executive Session to discuss OFSRA vs. OFSHA law suit for monies collected by OFSHA, disposition and future of OFSHA, disposition of OFSRA, disposition of funds and possible disbursements, discuss and pay May bills and disposition of Bill Ordwein the possible vacancy on the Board. Seconded by Larry Vaughn, carried.

Adjourned to executive session: 7:27P.M.

Adjourned to regular session: 8:37P.M.

Report and activity resulting from the Executive Session:

1. Motion by Steve Wallace and seconded by Larry Vaughn to accept Bill Ordwein's resignation. Carried.
2. Board approved motion to send money we are holding back to lot owners paying an assessment this year. To include a letter we agree on. Carried.
3. Motion by Steve Wallace and seconded by John Tenbrink to authorize Fred Coleman to schedule meeting with (the attorney) Gianelli when needed. Carried.



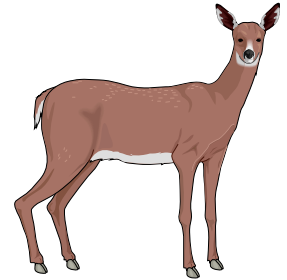
4. Motion by Steve Wallace and seconded by Larry Vaughn to authorize Eric Carlson to pay bills at the end of the month when they come in. Carried.
5. Motion by Steve Wallace and seconded by Al Orth to authorize Eric Carlson to send any money leftover in OFSHA account on June 1, 2012, providing all bills are paid, to OFSRA and designate the funds to be used for the lot owners in defraying any expense that they are responsible for in establishing a legal water company for future water costs.

The Annual Meeting is on Sunday May 27, 2012 after the OFSRA meeting.

Meeting adjourned: 8:50 P.M.

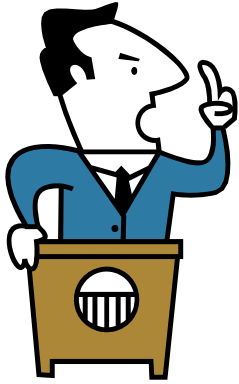
Respectfully submitted,

Fred Coleman



Checks Disbursed 4/12/2012 - 5/14/2012

Date	Number	Payee	Memo	Amount
5/11/2012	Electronic	Intuit – Check Supplies	766 • Office Supplies	\$147.59
5/14/2012	155	AT&T – Telephone – (209) 586-3733	787 • Telephone Expense	\$22.38
5/14/2012	156	Carlson, Haff & Associate – Accounting Services	756 • Accounting	\$312.20
5/14/2012	157	Gianelli & Polley	755 • Professional Services	\$275.00
5/14/2012	158	Charles Varvayanis	758 • Member Communications 767 • Outside Services	\$306.20
5/14/2012	159	Village Mail & Print Stop – Newsletter printing March & April	758 • Member Communications	\$280.75
			Total Disbursements	\$1,344.12



Annual Meeting May 27th 2012

Meeting starts after
OFSRA Meeting

Please participate!



Odd Fellows Sierra Homeowner's Association
P.O. 236
Long Barn, CA 95335-0236

Return Service Requested

U.S. Postage Paid
Bulk Mail
Permit #2
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