

**ODD FELLOWS SIERRA RECREATION ASSOCIATION
ALTERNATIVE FINANCING
NO GOOD DEED GOES UNPUNISHED COMMITTEE**

To All O.F.S.R.A. Shareholders:

IMPORTANT FACT: Your Odd Fellows Sierra Recreation Association is BROKE!

For the first time in 65 +/- years we all had to vote to take a loan to cover expenses. This required putting a lien on the 400+ acres of timber. This is a 5 year loan at 7.75% interest, similar to a line of credit. What happened to our savings and funds? The CPUC required us to pay approximately \$200,000 for many things to turn over the water system to the Sierra Park Water Corp. The gate move ran about \$160,000, and 12 lawsuits (original & amended) were & are very expensive. The OFSRA did win a \$230,000 lawsuit against the Odd Fellows Sierra Homeowners' Association but they are not active and have no money.

As shareholders you need to carefully read this message and let the committee & the OFSRA board know how you would vote to proceed. Options & ideas are what we need now to avoid interest payments and keep expenses as low as possible.

As Del Wallis said at the annual meeting, we have 3 or 4 options as viewed by the board. Some are good, some not reasonable at this time. We were facing \$30,000 within the next 30 days, so the only expedient measure was to vote to borrow the money to get us through the next 3 to 5 years. We would prefer to find a financial plan to get out of debt.

We as a committee were asked to look for alternative funds or actions to take. The following are alternatives that are in consideration. **If you have others let us know.**

1. Sell the tree farm. Unfortunately, the value of the acreage is low and potential buyers could be hard to find. After the sale, none of us as property owners would have a say in how it is logged or developed around our community.
2. Timber the property. Timber is at a low price at about 20% of what we have earned in the past because of the abundance of trees needing to be harvested due to the Rim Fire and Bark beetle damaged trees. The lumber mills are full and it might require trucking the timber out of the area. (Expensive and not cost effective) Timbering is our only source of income. The CPUC took away our plan to lease property to the Water Corp. and have an income flow.
3. Look into subdividing. This is another slow and expensive option and we do not have time or money to invest.
4. Sell shares in the OFSRA. This option would also be slow as it would require legal expenses to set up the additional shares, price and changes to the by-laws. Who would want to purchase shares in an association that at this time is broke? As it is now, if you sell your property you lose your share in OFSRA. NO one has ever personally received money from the tree farm. It has all gone back into Sierra Park. We have never paid for the share we each have, but many have worked and served to protect & help Sierra Park.

Would we sell to outsiders or only to current share holders, but hold the vote to 1 per person, not 1 vote per share? The dividends would be paid per share if and when the economy changes and logging becomes viable and profitable.

5. A different private loan with the caretaker's cabin as collateral. As it is today, a normal mortgage cannot be acquired due to the way the septic system is shared with the recreation hall. This is another expense that is facing us. The cabin cannot be sold due to this situation and at this time, the rent is our only income source. This would be a short term band aid to pay the current loan payments and interest but would not keep us going.

6. Benevolent donations to be made with no expectation of being paid back. We did have offers at the annual meeting but it should be everyone's concern and involvement for the lasting success of the tree farm and the privacy it provides around our park. **Would you pay an assessment to protect your investment?** Perhaps \$100. per year to cover the cost of the loan (\$4650. each year) for a few years.

7. File bankruptcy. We do not know the ramifications of this action but we would, in essence, be selling the property very cheaply to the lien holders.

8. Give the tree farm to Water or Services Corp. They would manage the future harvesting and potentially receive future income to help with park services. Again, large legal fees and loss of the property, if they are unsuccessful or forced to turn water over to TUD. (Very expensive for everyone to up-grade the system)

9. Donate the tree farm to the Forest Service. This will protect the area from building condos or other development but it would open the land around us to the public for hunting, camping, etc as in any area of Stanislaus National Forest.

PLEASE RESPOND WITH YOUR THOUGHTS ON THIS MATTER. We truly need your opinions and ideas by **AUG. 1, 2016.**

Below is a ratings form for you to respond with your feelings regarding the above items. Please return this response in the enclosed self addressed stamped envelope to the address below. Or, you may email your response to the email address provided below.



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Reading the letter, use the numbers of each paragraph and then use the following ratings to let us know your feelings about each one.

SA = Strongly Against **MA = Mildly Against** **N = Neutral** **MG = Mildly For** **SF = Strongly For**

Items: 1. _____ 2. _____ 3. _____ 4. _____ 5. _____ 6. _____ 7. _____ 8. _____ 9. _____

COMMENTS and ADDITIONAL IDEAS:

Mailing address on envelope provided:
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