

ODD FELLOWS SIERRA RECREATION ASSOCIATION

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April 2, 2020

Dear Sierra Park Property Owner:

Due to the standing Shelter-in Place order and the uncertainty of its duration, the Town Hall (TH) meeting that was scheduled April 18th has been canceled. However, we did hold a TH meeting on March 14th and wanted you to know what took place and pass on a summary of the results.

Recall from the postcard sent earlier that the purpose of the TH meetings was to solicit your help identifying the best approach to pay off the \$110,000 loan on the forest lands and common property of the park that help comprise our neighborhood. Together we need to find a payment approach that all property owners can manage. Your input is vital to helping us achieve a result we can all support.

The intended goal of the TH meetings was to come up with a proposal to be presented at the Annual Shareholders Meeting on May 24th. There it will be voted on and incorporated into the 2020/2021 budget.

Herewith are the slides from the TH and a summary of the discussion that came about as a result. If you were at that meeting great. If not we are soliciting your feedback via any of these options: 1) send us a letter to the address above, 2) call the number above and leave a message that you'd like to talk to a Board member about TH feedback, and/or 3) find a friend with internet access and provide feedback through our website www.sierraparkservices.com by clicking on "Make a Comment" via email.

Thanks in advance for any feedback you care to provide.

March 14, 2020 Town Hall Meeting Discussion Summary

The presentation and following discussion centered around 4 different loan repayment possibilities/ideas. Each was discussed in some detail then summarized at the end. A few other ideas were 'kicked around' and may be researched later but the general consensus was that in the end, Idea 2 represented the best option. By way of quick review and comment –

As a reminder, this is a seven-year loan that now has five years left. We will have made the first 2 interest payments on it, the second coming in June 2020. Whatever the adopted strategy is, as was over the last two years, the requisite cost amount will be integrated into Ancillary Services. That amount was \$60 last year to cover the first 2 interest payments. As you will note in the slides we used 285 as the number of lots paying for Ancillary Services compute cost impact of each idea explored.

Idea 1: would be an annual \$30/lot/yr payment for 4 years then a balloon payment of \$416/lot in 2025. The up front, low annual cost certainly has appeal. However, the loan would be defaulted on in the end if too many balk at or just can't pay the lump sum in 2025.

Idea 2: would be 5-years (2021 -2025) of about \$100/lot/yr

Idea 3: this would involve trying to refinance the existing loan over a longer time period and perhaps lower interest rate. Several scenarios were run with one example presented. It turned out that this resulted in about the same amount of annual payment (\$93/lot/yr) as was the case in Idea 2. However, it was pointed out in the meeting that the interest rate assumed for the calculation would in reality be more like 6%. This would increase the per lot costs to over \$100/lot/yr.

It was suggested that perhaps this option might be revisited in a few years (assuming Idea 2 was adopted) when the principal had been paid down some and perhaps interest rates might be more favorable.

Idea 4: pay off the loan now with one payment per lot of \$423. The appeal of this would be that this burden would be behind us. However, it was acknowledged that for those on fixed incomes this could be a huge burden and they may just not be able to participate. That being the case they would not be able to use the Ancillary Services that are a vital ingredient to making the Park work.

The TH concluded that putting in place a clear and reasonable strategy for the next 5 years was the right approach. This will ultimately bring about the discharge of the loan obligation and assures retention of the subject lands by OFSRA.