THE ODD FELLOWS HALL ASSOCIATION

OF SAN FRANCISCO, INC. (Aka "OFHA of SF)
26 Seventh Street
San Francisco, CA 94103

July 1, 2025

To The Shareholding Entities
of THE ODD FELLOWS HALL ASSOCIATION
oF SAN FRANCISCO, INC.

Subject: **RECENT QUESTIONS AND CLARIFICATIONS TO THOSE QUESTIONS; CONCERNS BY THE ABOVE CORPORATION**

To the Shareholders of THE ODD FELLOWS HALL ASSOCIATION OF SAN FRANCISCO, INC.:

We wish to address a concern that has come to our attention. It appears that some Directors of THE ODD FELLOWS HALL ASSOCIATION OF SAN FRANCISCO, INC., who are elected by individual lodges or encampments, may not be properly communicating information from board meetings to their respective memberships.

As a shareholding corporation, we are committed to transparency. To that end, minutes from each board meeting are distributed to all affiliated Lodges and Encampments within one week of the meeting's conclusion. These minutes provide an accurate and detailed account of the matters discussed and decisions made. With few exceptions, nearly all discussions during these meetings are openly documented, and Directors are encouraged—and expected—to disseminate this information to their lodge members through whatever method they choose.

If your lodge is not receiving or reviewing these minutes, this is an internal matter that must be addressed within your own organization. THE ODD FELLOWS HALL ASSOCIATION OF SAN FRANCISCO, INC. has fulfilled its obligation by distributing the official minutes in a timely manner.

Our meetings operate in strict accordance with parliamentary procedure, and the Association's bylaws are followed without deviation. During these meetings, Directors may ask questions, provide input, and receive detailed answers. Any member of a shareholding entity is permitted to attend as a visitor. While visitors may not speak during the meetings, they are welcome to listen and observe. If questions arise from members who have not attended meetings and whose Directors have failed to share the minutes, this again reflects a communication breakdown within the shareholding body—not a lack of transparency on the part of the Association.

We also understand there are ongoing questions about the pending sale of the Odd Fellows Building. Given the complexity of the transaction and the many contingencies involved, some confusion is understandable. However, we believe that some of this confusion stems from a failure by certain Directors to communicate accurate information to their constituents.

The Building Matters Committee, along with the Building Manager, President, and an outside Consultant, have worked diligently to present and explain all relevant facts at each meeting. These individuals have

provided thorough, thoughtful responses to every question and concern raised. They deserve sincere recognition for their dedication and continued service to the Association.

To clarify an important point: The lodges do not individually own the Odd Fellows Building**.** Rather, they hold shares in THE ODD FELLOWS HALL ASSOCIATION OF SAN FRANCISCO, INC.**,** which is a registered 501(c)(2) nonprofit corporation**.** This designation, granted by the IRS, means the Association is a legal entity established for the exclusive purpose of holding title to property—specifically, property used to maintain a place for Odd Fellows to meet.

According to the Articles of Incorporation, the Association is authorized to issue up to 100,000 shares at a par value of $10.00 per share**.** This share value is fixed and does not fluctuate. Any lodge or encampment holding shares may choose to sell them back to the Association for the original purchase price of $10.00 per share**,** much like stock transactions in a private or public company.

This $1,000,000 total—representing the full value of all issued shares—is considered unrestricted funds. Any proceeds from the building sale above this amount are classified as restricted funds**.** These restricted funds must be retained by the Association and used solely for the purchase or maintenance of a new facility to serve as an "Odd Fellows Building." These funds cannot be used for any other purpose and must be held in a separate restricted fund account.

If a shareholding lodge or encampment chooses to sell its shares, it is entirely within their right to do so. Conversely, if a lodge elects to retain its shares, its ownership stake remains, and any funds resulting from a building sale will be reinvested in a future property acquisition on behalf of all shareholders.

We appreciate your continued attention, participation, and cooperation in these important matters. Our goal is to maintain a high level of accountability, transparency, and unity as we move forward together.

The Grand Lodge Board of Directors approved the sale of the Odd Fellows Building and purchase of an Odd Fellows Building nearly two and a half years ago. A lengthy letter from the THE ODD FELLOWS HALL ASSOCIATION OF SAN FRANCISCO, INC. was presented to the Grand Lodge Board detailing the reasons for the request. The letter also stipulated that the corporation was fully aware of the "RESTRICTED FUNDS" clause in the Odd Fellows Codes.
That shall be obeyed.

THE ODD FELLOWS HALL ASSOCIATION OF SAN FRANCISCO, INC. has no intentions of dissolving at anytime. This would be detrimental to the corporation, as all monies held and accumulated would become taxable events. This would be a violation of every Director's fiduciary responsibility to the corporation. A Letter of Determination by the Internal Revenue Service is not easily granted. We are fortunate that we are tax-exempt.

Currently, the Directors voted *in-favor* and have accepted an offer to sell the Odd Fellows Building. The potential buyer has a 45-Day period to conduct inspections and/or change his mind. Because there are several "IF's" it is understandable why the Directors cannot provide firm answers. Here are some of those "IF's":

1. **IF** he decides to purchase the Odd Fellows Building, at the date of closing, the 4 remaining Odd Fellows and Rebekah Lodges may remain in the building RENT-FREE for six (6) months; thereafter, would be charged $1.00 per square foot if they remain.
2. **IF** he declines to purchase the Odd Fellows Building, then we shall continue to look for a buyer – OR A TENANT TO REPLACE CVS.

3. **IF** the building is not sold and we do not secure a replacement tenant for the CVS space when the lease agreement expires, then—per the Odd Fellows Code—The Odd Fellows Hall Association of San Francisco, Inc**.** must assess shareholders for the $20,000.00 in monthly lost income. The Grand Lodge has already indicated that it cannot provide a grant or other funding to cover this amount, as it holds a reversionary interest in all IOOF properties. To determine the amount each lodge or encampment must remit, calculate it based on the number of shares your lodge holds out of the total 100,000 shares. For example, if a lodge owns 20,000 shares (which equals one-fifth of the total), that lodge would be assessed $5,000.00 per month by The Odd Fellows Hall Association of San Francisco, Inc.
4. **IF** the property does sale, then we shall make an offer on a selected property that THE ODD FELLOWS HALL ASSOCIATION OF SAN FRANCISCO, INC. Directors approved at its May 28, 2025 meeting. The offer approved is substantially less than the asking price. The BUILDING MATTER COMMITTEE members toured the site and met with the realtors. Images were gathered and shared with the Directors of the THE ODD FELLOWS HALL ASSOCIATION OF SAN FRANCISCO, INC. Clearly, this is another "IF" as our offer is low. [We cannot divulge the amount offered as this was brought to the floor and voted upon confidentially; the Directors are fully aware of the offer price. The details of the offer were read verbatim in the meeting to the Directors.]
5. **IF** the offer proposed by THE ODD FELLOWS HALL ASSOCIATION OF SAN FRANCISCO, INC. is accepted, then there would be AN INSPECTION PERIOD, where the offer could be lowered or withdrawn should issues be discovered.
6. **IF** a property is acquired, then work would commence immediately to address all code issues, licenses, and permits. The venders currently used by THE ODD FELLOWS HALL ASSOCIATION OF SAN FRANCISCO, INC. (plumbers, electricians, roofer, etc.) shall remain associated. Nothing with the corporation changes other than the address in which it holds title.
7. **IF** we locate another potential property, as we have <u>ASKED EACH DIRECTOR</u> of THE ODD FELLOWS HALL ASSOCIATION OF SAN FRANCISCO, INC. to keep looking, then they should bring it to the attention of the BUILDING MATTER COMMITTEE. The realtor has been looking for other locations as well.
8. **IF** the building is sold, and no other property purchased, the income from the sale are placed in RESTRICTED FUNDS. Lodges would have the option to stay for six months free or seek another location on its OWN TERMS, like Morse Lodge No. 257, California Lodge No. 1, Bay City Lodge No. 71, Golden Gate Encampment No. 1, Franco American Lodge No. 207, have all done. All used to meet at the Odd Fellows Building at Seventh & Market Streets. All have moved out.
9. **IF** THE ODD FELLOWS HALL ASSOCIATION OF SAN FRANCISCO, INC. acquires another building, and the Lodges wish to remain or relocate to another building, they may. The THE ODD FELLOWS HALL ASSOCIATION OF SAN FRANCISCO, INC. would be using the proceeds to not only make such needed improvements on another site but also to facilitate the movement of all Odd Fellows property of each entity to another site.

The Odd Fellows Hall Association of San Francisco, Inc. is currently under an exclusive commercial real estate agreement with Colliers International through August 2025. Colliers is a globally recognized and reputable commercial real estate firm. No member of the Independent Order of Odd Fellows has any personal or financial affiliation with Colliers, thereby ensuring full compliance with the California Corporations Code regarding *self-dealing* and *conflicts of interest*.

It has come to the Board's attention that a member—who is licensed only as a *residential* real estate agent and lacks the proper credentials or authority to engage in commercial transactions—has engaged in inappropriate and unauthorized conduct. This individual has publicly questioned the integrity and reputation of Colliers without basis, and has taken actions that may constitute ethical violations, including conducting unauthorized inspections and inquiries into a commercial property under consideration by this corporation.

Furthermore, this same member has breached the confidentiality of deliberations made during a legal corporation business meeting. The member usurped the BUILDING MATTERS COMMITTEE and the authority of THE ODD FELLOWS HALL ASSOCIATION OF SAN FRANCISCO, INC. as well as the President of the same. Consequences considered, were to contact the realty company of this member and/or impeach the member from the corporation Board.

A more pressing situation that could affect our meeting at the current site of Seventh & Market Streets, is the Façade Engineering Inspection. This process has been long going and not easy. It has taken all of our efforts to meet. The City and County of San Francisco, more specifically the Building Department has created a new Technical Department which now requires all buildings five (5) stories or higher have an inspection done regularly of its façade. The inspection is costly and intrusive. In 2022, we requested a waiver of this inspection for a certain period, as we pointed out all of the improvements made to the façade and exterior of the building in 2014. CVS built out the façade for the first two (2) stories; THE ODD FELLOWS HALL ASSOCIATION OF SAN FRANCISCO, INC. scaffolded the exterior in 2014 and replaced all the metal dental work and re-starred the mortar, secured the tiles, reglazed the windows, and sealed the metal work. [All made possible by a generous donation of $100,000.00 by the Golden Gate Encampment No. 1, giving them a lifetime of rent free space for their meetings.) Given that the corporation did not have the funds needed to conduct the Façade Engineering Inspection we needed to save money to start the project. This was a slow process as we budget for insurance and property tax, which takes all the extra at the end of each month. In 2024, THE ODD FELLOWS HALL ASSOCIATION OF SAN FRANCISCO, INC. was instructed to complete the Façade Engineering Inspection and to have a report by November, 2024, whereby, after engaging several companies and being turned down, THE ODD FELLOWS HALL ASSOCIATION OF SAN FRANCISCO, INC. hired finally WJE Architects to perform the inspection. WJE evaluated the site and has been working out a plan of action, which includes allowing access to the façade for a physical inspection. The cost of this project is between $50,000.00 and $75,000.00. This is a tremendous amount causing the corporation to show a consistent deficit for the past several months. In the meantime, despite the progress reports made to the Building Department, the corporation is in violation by not completing the Façade Inspection Report. The Building Department threatened to "red tag" the building and evacuating all persons from use of the building. On May, shortly before the Board meeting a hearing was held by the Building Department, which the Building Manager did a good job in explaining our progress and intent, as well as, showing we have contracted WJE to perform the work. Since that time, figuring out the access has not been easy. The neighbors (BAART Clinic) finally gave THE ODD FELLOWS HALL ASSOCIATION OF SAN FRANCISCO, INC. permission to access their rooftop. Details are still being worked out in this sensitive process. The Building Manager is keeping the site inspector informed. **We are still at risk by not having this project completed. We also wanted the avoid assessing the Lodges and Encampment, given the recent assessments by the Grand Lodge of California being made on the Lodges. This would have placed too much of a burdened on the finances of each Lodge.**

Keep in mind that the normal operations of the building are being performed in an exemplarily manner and that the above matters and issues are in excess of normal work. The employees deserve a great deal of thanks and appreciation of every person who enters the building. Twenty-six (26) years ago, the Odd Fellows wanted to dump this building. This was the fourth Odd Fellows Building owned by THE ODD FELLOWS HALL ASSOCIATION OF SAN FRANCISCO, INC. The then- building manager had plans to burn it down, as he told one other member at the time. There was no basement to be used. There was no fire sprinker system. LINES was not a tenant. There were no offices on the top floors. It was a disaster. The income was a weak $7,000.00 a month. It all started with the hiring of a new Building Manager who was given the reigns to make all the improvements and add the tenants.

We ask that you seek out the minutes of THE ODD FELLOWS HALL ASSOCIATION OF SAN FRANCISCO, INC. from either your Lodge of Encampment secretary or a Director of THE ODD FELLOWS HALL ASSOCIATION OF SAN FRANCISCO, INC. and take a moment to review the document.

We have answered many of the questions in this letter, that we have had relayed to us through the rumor channels. We ask that the minutes of each meeting of THE ODD FELLOWS HALL ASSOCIATION OF SAN FRANCISCO, INC. be shared with the interested member prior to your Lodge of Encampment meetings. Keep in mind, the Board meets bi-monthly. If any changes occur, your Lodge secretaries/scribe shall be notified.

In Friendship, Love, & Truth,

Thomas McDonald
Board President

Attested by: David McLaughlin
Secretary/Manager