

DEER CREEK RV GOLF & COUNTRY CLUB, INC.
QUESTIONS & ANSWERS – since purchase – Updated 9/13/14 to Q34

GENERAL QUESTIONS

Q1. Why have the Questions & Answers no longer been published as they were during the purchase of Deer Creek until now?

A. Thank you for your question, and it is a good one. The fact that we offer a means by which people can ask and we can answer questions is a service that, in itself, takes a lot of personal time to perform by us volunteers. Most provided answers are a result of research and agreement among the board of directors, to provide the best and most accurate information available. When we were purchasing the park, we had more time to manage a web site and to update our Q&A's constantly. The same volunteers now have a responsibility to run the park and deal with a lot of issues. We hope that we are now able to begin a new round of Questions and Answers that will serve as a source of good information for our community.

Q2. Are Corporate Members allowed to attend Corporate Board Meetings meetings as observers? If not, why not? Are Corporate Members notified of Board Meetings? If not, why not?

A. Corporate Members are allowed and encouraged to attend announced Corporate Board Meetings, such as the ones that were conducted last March over 2 days at the Main Clubhouse. No one is allowed to attend Corporate Board of Directors Meetings. These are closed to all but Board members and invited attendees, such as Committee Chairs, Staff, etc. BOD meetings of our Not For Profit Corporation are guided by Florida Statutes, Chapter 617, and are different than Chapter 720, which guides HOA's.

Q3. What is the difference between a Corporate Member, a Social Member and the Public?

A. A Corporate Member is a Deer Creek lot owner who purchased a Corporate Certificate and is entitled to certain rights, privileges and discounts against certain fees. Social Memberships are for the non Corporate Mockingbird lot owners who do not pay Common Area Assessment fees with a Community Assessment to Deer Creek like the five other communities do. Altogether, by virtue of their Community Assessment payments, each owner in these five phases is a Social Member of Deer Creek. The category of Social Membership was created because of the necessity to separate and account for those owners in Mockingbird Ridge who pay a monthly Common Area Assessment fee to help maintain the common area from those owners in Mockingbird who choose to pay nothing. Those who pay nothing are not entitled to use or participate in activities or functions that occur in our common areas, such as activities in the Main Clubhouse, tennis, shuffleboard, pickle ball, horseshoes, main clubhouse swimming pool, hot tub and playground. These all cost money to maintain and are open to those who help support them. Mockingbird owners who choose to pay nothing are considered the public and may participate only in activities which are open to the public. These public activities include Sunday Worship Service, Golf, Tiki Bar and Restaurant (when open), and Monday night Music Jam.

Q4. I would really like to buy a share but can't afford it right now. Do you know of anyone who may be moving and wants to sell their share? Is there a process for those who want to sell their share and for others who may want to buy that share?

A. Corporate Membership Certificate holders who wish to sell their certificate(s) and are unable to do so will contact the Deer Creek office to place their names on a list of those wishing to sell. The office will have separate standby lists of people who wish to sell and of those who wish to buy Membership Certificates. Forms and the process are available on the web site and in the office.

Q5. Deer Creek has a Face Book page which is open to only Deer Creek residents by request and admission to it by an administrator. There is often debate, discussions and complaints on this forum which can be answered by Board Members, but I do not see them posting replies. Why not?

A. Board members have been monitoring the Face Book page and have been advised, as members, not to get themselves involved in a back and forth there. We will answer all questions forwarded to us by email, but we will not respond to questions posted on Face Book. We hope you appreciate the disadvantage that puts us in. Anyone can post anything within social norms on Face Book and other social media without concern for accuracy, truthfulness, validity, legality or consequences. We, on the board, do not have that luxury. The answers we give must go through a vetting process so that what we reply is legal, honest and accurate to the best of our collective ability. That's why some of our posted replies may seem to be "sanitized" and politically correct. They need to be, and they should be.

Q6. What is the latest information on a traffic light at Hwy 27 and Deer Creek Blvd?

A. As of 11:30 AM, Thu, 7/17/14: **Short version:** We had expected a traffic light at Hwy 27 and Deer Creek Blvd sometime in July, 2014. That's not happening now until February, 2015. Between 7/15 and 7/17/14, I spoke with both the Polk County Transportation Engineering Division and the Polk Transportation Planning Organization, requesting an update on the traffic light.

Details: I was told by Engineering that the design is complete. The county is planning to obtain bids for construction. They're processing an agreement with Florida DOT (27 is a US Highway, managed by the State) for joint funding of the project. He said he expects **construction to begin October - November** time frame. When I said that we had been told originally that the light would be operational last Summer, then this past May or June, then this month, July, 2014, he said the problem was that they had wanted to combine our location with a new signal at Citrus Ridge at the same time to get a better bid for the larger project, but for some reason the plans for the Citrus Ridge location were delayed, so they're just moving forward, separately, with Deer Creek Blvd. at this time.

More Details: On 7/17/14, speaking with Polk Transportation Planning Organization (TPO - and hoping for a better answer): Installation is tentatively scheduled to start sometime in October. It should be operational by the end of February, 2015, DOT is supplying materials; county to manage construction; DOT has to do an agreement with Board of County Commissioners, that's scheduled for September 16th, then bid packages will be prepared to go out for contractors' bids, then hopefully installation starts in October, then they're assuming a 120 day schedule to complete installation (building in weather delays, etc) then once completed, the light has to be flashing for an extended period of time (2 or 3 weeks) with warning signs, so motorists get used to a new signal where there had been none before.

Bottom line:

I did not get a better answer, but I did get a more specific one:
Installation to begin in October and we should have a fully operational signal by February, 2015.
That's the latest information, as of 11:30 AM, Th, 7/17/14.

Q7. What is the difference between buying a share and getting a certificate? I understood we were getting a share and having a say in things that pertain to Deer Creek?

A. The \$3000 you invested in the Corporation was for a Corporate Membership Certificate, sometimes referred to incorrectly as a "share." If you have not yet received your Membership Certificate/s, they are available at the office to be picked up at your convenience. As a Corporate Member you will have the opportunity to elect the Board Director to represent your community as well as the At Large Director.

Corporate members are able to take a 6% return on their investment as a credit against Community and Common Area Assessments

WATER & SEWER QUESTIONS

Q8. My water/sewer bill is automatically charged to my checking account. Is there anything that I will have to do for this new bill? It seems nothing much has changed. There are still things being done at a cost to the residents with little or no input beforehand.

A. We believe that your water/sewer bill should not change and should continue to be charged to your checking account. The corporation board of directors is comprised of at least one person from each Deer Creek community. Regarding decisions that are made by the board with "little or no input beforehand:" programs and processes on a large scale like the Water Meter Replacement involved negotiations over a period of time to arrive at the best deal for all of our residents. I remind you that these "things that are being done at a cost to the residents" are being done by your fellow residents who sit on this board for no compensation, put in numerous volunteer hours using certain expertise that they bring to the process from their former professional lives, and they will share in whatever resulting costs affect everyone else. They also live here. I know you understand that the process of negotiation cannot involve a large number of people, and we do not have the luxury of time. It's been determined that much of our financial shortfall pertaining to water loss is a direct result of bad water meters, which was explained in one of the recent updates.

Q9. I think the board is looking for every way they can to get more money from the people. There is nothing wrong with my water meter. The water meters are not the problem; running the water on the golf course all day and all night for 2 or 3 days is what is causing your water problem! I don't understand why we have to pay for new meters when our park (Regal Pointe) is not 10 years old. And the meters are the property of the county not the property owner. When our town installed all new state of the art meters we were not charged a fee for the installation of said meters. Why are we paying a fee for reading the meter and for monitoring?

A. The first thing you should be aware of is that the water for the golf course comes from an entirely independent source and is not residential water, but water from the pond.

The meters are the responsibility of the owners. The reason you don't think you're paying for the meters is because the states normally are charging you enough money to build a reserve for meter replacement. The former owner, Maxwell (CRF), never built up reserves for meter replacement, so we must charge everyone up front. Once this billing is completed and the meters are all paid off, in the future you will be paying a little bit more to build up a reserve so that 10 years from now the meters will be replaced with the reserve money.

The meters in the whole development are being replaced because many of them are bad, broken and not working correctly. All the meters currently in use have to each be read manually by a human. The new meters are electronic and computer read. We expect that they will be more accurate and less prone to having transposition errors and human mistakes. The county, from whom we receive our water, replaces their meters every 6-7 years, and **recommends** that meters in use for 10 or more years be replaced. Older meters give inaccurate, unreliable and false readings. Since that fits the general situation throughout all of Deer Creek, the board decided that all meters in the park will be replaced with brand new meters of the same type which will be using the latest technology.

Q10. How come we cannot pay up front for the whole amount of the new water meter and not give someone else the interest over three years? Why have payments for three years? If you read the bottom of the letter that came out it also says the payment will decrease, but not go away after

three years. What is this all about? Will our water bill still have the reading cost attached to it as it does now?

A. With regard to paying up front: There are many other factors involved with the meter replacement preventing us from doing it any other way. Structuring the loan over three years was the most economical way, as we took into consideration what the residents could afford. We believe it is one of the best ways to construct this loan. The payment will decrease after the loan is paid for, due to the fact that the meter part of the loan will no longer be a part of that bill. The water bill will have the cost of reading it still attached but that cost may also GO DOWN, depending on whether we are in the position to do our own billing or will we still need NES to do the entire package as they do now. **(NOTE: this answer was correct at the time, but “paying up front” part has since been updated. See Q13 & Q19)**

Q11. I have a question on Mockingbird's water: I was under the impression that there was a main meter going into Mockingbird off our main line. Then it was read and billed through Deer Creek. Where is their water source? Do they have a line that goes directly to 27 before our line?? It just does not make sense to me that they are billed directly from the county.

A. Up near the bank on the left side as you drive out on Deer Creek Blvd is a big set of hedges. Behind those hedges is the MAIN METER for the entire park, including Mockingbird. The water goes through that pipe and is metered and charged to us, Deer Creek. Then the water goes 915 feet straight down the Blvd. At the little guard shack at Mockingbird there is a junction. Here is where the water “branches off” and goes into Mockingbird. This is where there is another meter, controlled by the county that the county reads, and from which Mockingbird is billed directly. That amount is taken off of our bill and is shown as a deduction on ours. The answer to the other question you asked, a good one, is "no there is no direct line for them from 27. The county uses our line to get water to Mockingbird. Yes, to answer the next inevitable question: if that line breaks the corporation is responsible to fix it. This is just one of the many water problems we have run into with the county. We are working very hard to try to resolve them, as they come up. Simply stated: The water comes from the county off of 27 directly into the master meter into Deer Creek. The water continues down the street and branches off to Mockingbird and all the rest of the park. There is one master pipe. The county subtracts Mockingbird's total water from Deer Creek before the county bills Deer Creek.

The following questions are taken from the 7/24/14 Update with FAQ's on the pricing of the meters, and why we made the decision to replace the meters throughout the park.

Q12. Will the replacement of meters solve all of our water problems?

A. As previously communicated, this will not solve our complete water problems. We have taken many steps to try and resolve this problem, and the meter replacement program represents the next. This is a major step. One of the first things we did was check the main meter in the front of the park for accuracy. We have also been checking and repairing leaks as we find them in the park. We have also finally located and uncovered many of the shutoff valves throughout the community. During the installation of the new meters in Regal Ridge, many small leaks were discovered and fixed with new ball shut off valves. The ideal situation of water return is between 75% to 80% in a park of this size. When we purchased this property we were at 49%.

Q13. How is NES passing on the cost savings of having meters read electronically rather than manually? How much does the meter cost?

A. If the lot owner wishes to pay a onetime negotiated fee of \$372.60 (36x10.35) he/she may do so vs paying over a period of 3 years. You **Must** sign up for E-bill for the blue **AND** yellow cards.

- The normal Blue card will be $\$11.33 \times 36 = \407.88
- If you sign up for e-bill for BOTH CARDS, BLUE AND YELLOW, YOU WILL SAVE $\$.49 \times 2 \times 36 = \35.28 .

Now, the breakdown of the \$372.60:

- \$189.00 is to repay the loan, including the meter, installation of the meter and interest (\$5.25 per month x36 months).
- \$183.60 is to administer the water/sewer including reading the meter, producing E-Bills, processing and posting of the payments (\$5.10 per month).
- The old process of monitoring of the meters was paid for directly by the Corporation, using funds from each owner's monthly assessment payment. Each resident within the park was indirectly paying for it through their maintenance fees.

Q14. Why did we not get more transparency on this deal?

A. This is a very good question, and it was asked quite a few times in a few different ways. This negotiating took well over three months to complete. It involved getting other bids from other vendors, which was a chore in itself. The negotiating terms changed many times during this period because of the regulations and the state agencies that were involved. We found out from them what we could and could not do and charge. The terms changed constantly, some within days of each others. It was not a lack of transparency; it was the mere fact that if we put one thing out one day, it changed the next day. Also, the complexity of the park's structure made it more difficult to keep up with the changes. It was not the lack of willingness to tell the residents what was going on; it was the mere fact that constant changing of items and legal negotiations were very complex, and we felt it was important to communicate when we had as many facts as possible. We wanted to put out information that is accurate. Hopefully this information gives you a clearer picture of what we were and are presently dealing with.

Q15. Why can't we read our own meters?

A. With the **NEW** electronic meters we should be able to eventually begin reading them ourselves. Reading the meters is the easy part. Once read, the information has to be converted to **\$\$\$** by using the scale that the state regulates us by for both water and sewer. Once that is done, we will have to produce and process the bills, send them either electronically or by mail, and post the payments for both the loan and the regular bills. This would have been a huge task for us to take over at this time. This is a new Corporation that is just beginning to get the basics correctly in place for a park of this complex nature. We stayed with NES this time around so that in three years we may be in a better position to take this task over and better control the cost at that time.

Q16. Why did we replace all the meters in the park, as some are older than others?

A. We are going to a new system with digital technology. The meters in some of the phases are quite old. Some are over 15 years old with the newest about 8 years. Polk County has advised us through many conversations that the reliability of residential meters is based on the construction of the material in the meters. The county along with other state agencies that are involved with water & sewer service have

informed us that meter accuracy starts to degrade at 6 years and by 10 years, they should be replaced. These new meters are guaranteed for 10 years and then prorated for 10 more.

Q17. Why isn't Mockingbird mentioned in any of these meter replacement emails?

A. Mockingbird is a stand-alone entity in the park. They get their water directly from Polk County through our water line. They have a meter just for their park, and that meter is controlled and monitored by the county. Water to them is credited to our water bill from the county. We do not control their water at all. Recently their water meter was also certified by the county as correct.

Q18. I do not recall any kind of vote or hearing regarding changing out or replacing the old water meters throughout Deer Creek.

A. Deer Creek has been in operation for over 20 years. As the Declarant, previous owners had been paying for the monitoring of the water meters on a monthly basis. The cost of this was paid for through maintenance fees. We found this to be a cost in the \$35K range per year. There was no advantage for the Declarant to have you pay them directly, as they showed it as an expense. The Declarant also exercised its rights as outlined in the Declarations of Restrictions and Covenants and other governing documents to add up to (12%) for all items they could show as expenses to run the resort. The more they could show as operating expenses, the more the Declarant made. In addition, if the Declarant had borrowed money to mortgage the resort, the interest would have been passed on to the residents as a debt services cost.

Under the above scenario, the interest along with the 12% would have been all profit to the Declarant. Based on this, there was no need or motivation to raise your maintenance fees. However, little to no money was going back into the communities for maintenance.

Our new corporation is a "not for profit organization." Although the same governing documents allow us to take the same 12% profit on all items we expense to run the community, ALL of the money that is collected is put back into the community. There is no margin for us to absorb the \$35K monitoring fee. This is a big hit impacting our bottom line, a hit we could not and cannot absorb or afford. It is also important to understand that when we talk about water costs, you must also factor in sewer fees. When we purchased Deer Creek, we immediately incurred a \$20K per month short-fall on the water billed from Polk County vs the money collected from NES. Again the previous Declarant was not motivated to find or fix the water problem deficit, because they could pass it on to the residents. On the other hand, we as resident owners of this community are highly motivated and responsible for fixing this problem.

After many discussions with Polk County Utilities and a few professional water agencies in Florida, we were told that part of our problem was our water meters. The new meters will help with our short-fall of water expense, but we will still have more work to do to resolve the problem. We may never resolve 100% of our water problems due to the fact that water is lost through the swimming pools, irrigation (not the golf course, as it runs on its own water from the pond) and some through absorption, and some through small leaks that we detect and fix on a continuing basis. When we purchased this community, our water return was about 49%. Bottom line, we have more work to do to get closer to where we would prefer it to be.

We have strived to provide as much information as we can to help our fellow residents understand how we got to this point and what we are doing to correct it. We work very hard on the wording to make it as clear as possible, however, even after careful review sometimes our information is not worded perfectly.

Q19. I think there is something missing in this water deal. If I pay the full amount in the beginning, then I am paying for interest that is being charged over 36 months. There should be a prorated

amount if you pay in full at the onset. I want to pay up front but am not willing to finance interest on money that I have already paid. This needs to be fixed ASAP.

A. This deal that was made with NES was negotiated so we could get the best rate, terms and conditions for the entire park as a whole. We worked hard on this and feel that the deal was made in the best interest of the majority of the residents, understanding that not all residents have the ability to pay the full amount at once. To accommodate those residents that have requested to be able to pay all at once, NES has agreed to accept that one-time payment. The one-time payment will be for payment of the blue card ONLY and will only last for a 3 year period. You will still have to pay for your water and sewer bill usage for each and every month. Also you must be on E-bill for both the yellow and blue cards to get this one time rate. The overall interest is very minimal because we negotiated the rate as a package deal. We have had a few people make this request to pay in full which you can do, but we cannot eliminate the interest as, again, it was negotiated as part of a package. Please ... if you plan on making a one-time payment you must wait till you receive your first blue card to return it with your payment. The reason is that the blue card will have a different account number on it. Paying before receiving the blue card will result in the money being incorrectly credited to your water and sewer bill, AND WILL NOT BE POSTED PROPERLY. Once the process is established, a set of instructions will be sent out to the residents on how to get through the first one or two payments.

Q20. I know that the strip malls, bank and taco bell are still owned by Maxwell, et al, but I think that all the water needed to service these buildings comes through our main meter, which should give us some say as to how the water and sewer get read and billed.

A. The strip mall south of Deer Creek Blvd. gets billed for water and sewer usage by NES on behalf of Deer Creek. All water and sewer calculations are based on Polk County formulas. The businesses north of Deer Creek Blvd. receive water directly from Polk County and are billed directly from Polk County. There are different rules and regulations that control commercial businesses and shopping centers. We do not believe that Maxwell has ownership of the property or businesses north of the blvd.

Q21. The original strip mall and bank are about 6 to 7 years old and if they all have individual meters are we going to insist that those meters be replaced so as to maintain the integrity of our water charges? IF NOT, WHY NOT? Are we insisting on witnessing the water readings on those properties so as to verify use? IF NOT, WHY NOT?

A. The commercial properties operate under different rules and regulations than residential properties. At this time their meters will not be changed, and NES will continue to read their meters as has been done in the past.

Q22. Are electronic meters being installed on the motor vehicle building and Taco Bell?

A. We do not know, and we have no control over the meters they install. These are controlled and installed by Polk County.

Q23. It is our water and we should dictate policy on meters and readings. IF NOT, WHY NOT?

A. Because there are laws, regulations and regulatory agencies within Polk County that control water, sewer and meters.

Q24. If you feel that we cannot FORCE compliance on this issue then have we, at least, insisted on having Maxwell test all the meters on his property? IF NOT, WHY NOT?

A. The commercial properties are in compliance with Polk County's rules and regulations and documents that are in place at this time.

Q25. How does UDI get their water supply? If it comes through our main meter is there a main meter going into UDI or are the sites metered individually? Are these meter/meters being changed out to electronic or tested? IF NOT, WHY NOT?

A. Water to UDI flows from our master meter to their master meter. UDI has its own master meter, and it has been certified. No, the sites are not metered individually.

Q26. Same question and concerns as it pertains to MOCKINGBIRD. One meter, individual meters, are they being changed or tested? IF NOT, WHY NOT?

A. Mockingbird is completely separate from Deer Creek and we have nothing to do with their water. It is totally controlled by Polk County.

Q27. Why did no share holder find out about the cost of the meters ahead of time and vote on whether to continue using NES for service? It seems that this unelected board is keeping everyone in the dark, just like CRF did.

A. This Corporation's Board of Directors is made up of owners who have dedicated almost two years of their lives **to volunteer** to begin to bring Deer Creek back to the community it once was. The deterioration of this property and the impact on all residents had we not bought the park would have continued at an accelerated pace, further impacting the values of all of our properties; all while we continued to pay into a Corporation that demonstrated that it had no vested interest in the owners or in maintaining the value of the property. Every action we take is 100% with our fellow owners in mind; to imply otherwise is wrong. The fact that we are losing approximately \$20,000 monthly on water has been repeatedly communicated. It was recommended by two professional utilities groups and Polk County Utilities that the meters needed to be replaced to give us an accurate base point from which to go forward to correct this problem. After comparing various options to replace NES for the service they provide, it was determined that continuing with their service was the best decision we could make at this time.

ASSESSMENTS & FINANCIAL QUESTIONS

Q28. I was under the impression that we as certificate holders would be getting financial reports. I would like to know how the total money that is coming in from our assessments is being spent.

A. The property was purchased in Dec, 2013. We have recently completed our second quarter of ownership (April - June). The accountants have finished up with their numbers for this quarter. Yes, you are entitled to receive a copy of this report. This community is very complex to operate and account for. It consists of 4 HOA's, a Cooperative, a stand alone phase, a golf course, a commercial piece of property, a privately owned water system and a privately owned lift station. Due to the complex nature of what we are managing, the Board and the Accountants want to be sure we provide reports that will help people begin to understand what is required to manage the park.

This is our community, where we all need to cooperate and work together to have outstanding facilities to enjoy. We thank the people who support us and have confidence in the direction we are going. The WOW

factor is coming back to the community, but we have incurred many problems. Many of these problems, both tangible and intangible, were not known to us when we purchased Deer Creek.

Q29. Thank you Board of Directors! Since January of this year you have increased my cost of living here \$47.00 per month. That is more than my annual pension cost of living increase. When will these increases stop??? Really a \$47.00 jump in price. Unreal! I wonder how many “for sale” signs we will see when we come down this year. Ours may be one of them! We’re very unhappy at this point. What has gone up in price that constitutes this huge an increase ... and don't give me the crap about how the other guy never raised his price. We are going to out price ourselves right out of a great place to live, at least we thought so. As a share holder don't we have a say in anything that gets done there. Rome was not built in a day. Why does everything have to done right away? We haven't even owned this for a year yet.

A. The Board took the decision to raise the assessments very seriously, both in our role as Board members and as residents, as we too are impacted by this change. Over the last several months we have communicated with all residents the extent of the deterioration of the Resort and the need to make immediate and necessary repairs to the infrastructure. Careful consideration has gone into each decision to spend money now vs waiting until we could build up a reserve and balancing our desire to avoid Special Assessments. A key example is the main entry road which was in terrible shape and could no longer be repaired. We carefully evaluated a complete tear out and repair vs a repair that could buy us some time to build up Reserves. It was clear that repairing the Roads at an amount of \$21,000 - \$22,000 would buy us some time, and the alternative of paying what would be in excess of \$175,000 and that amount passed on to the residents in the form of a Special Assessment was not in our best interest. It is indeed factual to state as we have that the cost of everything has gone up significantly since the last increase in assessments. The money being collected was not sufficient to run the Resort and maintain the Amenities and had the previous owner increased the assessments as costs to do business increased, we would not have needed to increase the assessments in the amount we did. Another key point is unlike the previous owner we are not taking the allowed 12% as profit; we are investing it back into the Resort. The amenities we offer require money to maintain and they are a key selling factor for prospective buyers. To not make the necessary improvements to the infrastructure now vs later would have resulted in further deterioration of the property and cause additional expenses to repair. For what we offer with amenities, location and variety of housing options we are still a very affordable option vs other communities.

The true costs to run a resort of this size were never shown to the lot owners by the previous declarant, CRF. While the cost of everything has increased over the past 8 years, the declarant had not raised assessments since 2006 and collected the same monthly amount, giving the impression that the money they collected was sufficient to run the resort. We all know that over the last several years the condition of the resort continued to deteriorate, and very little of the money which was being paid into the Corporation went back into maintaining the resort. Bottom line: in our judgement the previous owner chose to keep monthly assessments artificially low, thus making it attractive to prospective buyers and to promote sales in the newer sections. Had the previous owner managed the resort properly they would have been raising assessments commensurate with expenses over the years and maintaining the resort properly. This did not happen, and while we realize this is a large hit for those of us on fixed incomes, it is an action that was needed to be taken.

Q30. How can you give a discount to ones who bought in and not non members? Most are living on social security and it will be a burden to raise it that much. Since it was your idea to purchase the property, why give us the burden? We don't golf. I think its illegal to give discounts, as you are trying to force us and you also give interest to those who bought in. We only use the road and not the pool or hot tub as we have our own.

A. The Corporate Members invested in the purchase of the community and as investors they are entitled to a return on their investment. The reduction in fees for Corporate members is their return on investment. Corporate members are not receiving interest.

Q31. How much is the monthly fee without use of the golf course?? There is no way that we are going to pay for maintenance of the golf course that my wife and I have not and will not use. Guess again if someone thinks that!!!!

A. Amenities and location are two key factors that go into the decision for many to buy a property. They have a direct impact on property values. The golf course, a major selling factor, is a key amenity for Deer Creek RV Golf & Country Club and serves both to identify and differentiate us from other communities.

There is no monthly fee reduction for not using the Golf Course or any other amenities. When owners purchased in Deer Creek, a golf community, they bought knowing the amenities that were offered and that a portion of their assessment would be applied to maintaining them. There is no option to pick and choose which amenities you pay for.

Q32. In Mockingbird Ridge we were told that our \$204.00 annual fee for both Corporate Members and Social Members had to be paid in one lump sum, which we did. This means that we are paid up through December of 2014. How does the Deer Creek Corporation plan to address this? Will they allow Social Members to opt out, requiring a refund, or will you honor the membership through December?

A. Your question will be answered in two parts: Starting in January, 2014, Mockingbird Ridge Corporate Members paid \$17 per month Common Area Assessment. Prior to payment, the \$15 Corporate Member discount is applied, leaving a \$2 per month balance due. With \$24 due for the year 2014 and the recording system that was in place upon purchase of the park, it behooved us to ask that the owners just pay the \$24, so there was a smaller chance of gross error.

Beginning on Oct 1st, the Common Area Assessment is increased to \$58 per month. There are a number of items that will be affected by this. First: It must be noted that currently, prior to the October payment, each Corporate member has \$6 credit on their account which is applied to future payments for Oct, Nov and Dec, 2014. For the Corporate Members with one certificate, their monthly amount due after discount will be \$43. If the Owner has two certificates, their monthly amount after discount will be \$28. Both of these are predicated on **all discounts** being applied to assessments, not golf. Owners with two certificates will now be able to apply both certificate discounts to their monthly fees. Additionally, if they did not use their second discount on golf during Jan - Sep, 2014, they will have an additional credit on their account in the amount of \$135 for those 9 months that will also be applied to what is due.

Starting October 1st, Mockingbird Members have the ability for ACH (Recurring Payment from bank account) and Credit Card Payment, both managed by the Administrative Office. They also can have automatic bill pay set up through their bank. Bring or mail a check to the office.

Now to discuss Social Memberships: Social Memberships are for the non Corporate Mockingbird lot owners who do not pay Common Area Assessment fees with a Community Assessment to Deer Creek like the five other communities. This was designed as an annual fee from January 1 - December 31. The reason for this is simple. It could easily become overwhelming to keep track throughout the property if residents were allowed to pick and choose which month they wished to participate; i.e: would join for one month to go on a cruise, or only want to go to the New Years Eve Party. It is actually a contract that, for the cost of Common Area Assessment fees, an owner or renter has the use of the facilities that the rest of

Deer Creek pay for. These payments are currently a onetime payment made in January (not prorated for current residents) in the amount of \$696, which is \$58 over 12 months.

Q33. When reading the financial reports, there is a line item for Credit Card Charges that I find confusing. The amounts don't appear to be for finance charges due to the size. If these amounts are for items purchased with a credit card, shouldn't the purchase amount be shown under the category of the item purchased such as Office Supplies & Expense instead of having an individual line item for it?

A. The Corporation has no Credit Cards at this time, so there are no interest payments for charges. The Credit card charges are our costs for taking credit cards as payment.

Q34. As Corporate Members, we received the Financial Statements thru June 30,2014. These indicate (essentially) a 6 month loss (including Interest Expense) of \$185,000 or an average monthly loss of roughly \$31,000.

The figures used to justify increase in assessments show monthly maintenance expenses of approximately \$12,000 for the "Communities" and \$33,000 for the Golf Course and Common Areas, totaling \$45,000. Please explain the difference in the two sets of figures. It would appear that our assessments should only increase 2/3 of the amount the Board is requesting.

A. It is very difficult to compare the Accountant financial statements to the Community Assessment spread sheets. There are a number of items that are on one that do not apply to the other.

The "Assessment Letter - Corporate Members" that was attached to the email that also had the financial sheets has supplementary information that explains these items. The main item that fits this is the Income from Sale of Lots. By contract, this was to be applied to the mortgage on the lots and not applied to Operations.

Q35.