



DEERCREEK

Deercreek Country Club Owners Association

December 26, 2013

Dear Deercreek Home Owner,

In receipt of your Annual Homeowner's Association package, you should note that there has been an increase in association assessments for the 2014 calendar year, unanimously approved by the Deercreek Board of Directors. This increase of \$10 per month is the first increase in 5 years! While it has been the desire of the Board to keep assessment increases to a minimum, the Board found this increase was necessary to avoid "Special Assessments" in the near future.

The budget of the community is divided into two separate financial entities: Operations and Capital Reserves. The operations of the community include the daily administrative management activities, the 24/7 guard gate, security services and the standard maintenance of our common properties including landscaping, irrigation, lighting and more. The Board and all committees have worked extremely hard to effectively manage our budgets, avoiding many years of increases in your assessments.

The Capital Reserves budget on the other hand has had challenges and continues to need additional funding that is long overdue. The capital reserves budget represents the maintenance and replacement of major assets within our community that the owner's association has responsibility. The biggest capital reserve item is our roads, which cover 10 miles. Our roads are not public roads and therefore, they are not maintained by the city. Six years ago, our roads were in dire need of repair throughout. The expenditure of these repairs for re-asphalting was estimated at approximately two million dollars. Previous capital reserve budgeting had only accrued \$322,000 for all capital reserve liabilities. In light of the 2008 economic recession and the desire to avoid a \$1,500 special assessment, a short-term road improvement alternative was designed, approved and implemented to allow for a 7-year solution to give the association time to improve our financial condition for the future.

In order to solve our Capital Reserve funding, the Board of Directors is taking action. All of the increase in assessments approved will be going to fund our Capital Reserves and therefore working to avoid any "special assessments" in the future. Our short-term alternative for our roads will be coming to an end in 2016-17 and it is the Board's intention to be funded for the next road improvements required, plus others.

As we all enjoy the quality of life and preservation of property values that we expect it is the mission of the Board to continue to uphold these values and protect our investments by being good stewards of these principles.

Sincerely,

Danny Becton
Deercreek Board – Treasurer

Sincerely,

George Partin
Deercreek Board - President