

VOTING PAGE FOR 2016 ALGORITHM AMENDMENT

I am a member of the Deer Creek Landowners, Inc. Road Association and am a signatory, beneficiary, heir, or assignee to the Amended Deer Creek Landowners, Inc. Right of Way and Joint Maintenance Agreement originally recorded in Book 1515, pages 119 – 125 January 4, 1963, Santa Cruz County, and further amended and recorded in Book 2285, pages 309 – 322, February 21, 1973, Santa Cruz County, and further amended and recorded January 23, 2007, Document 2007-0004087, Santa Cruz County

Regarding the Proposed Revision to Attachment V of the
Joint Maintenance Agreement:

I vote (circle one) **FOR** **AGAINST** **the proposed revision on the reverse of this page, and attest that following is my notarized signature.**

Printed name _____

Signature _____

APN(s) _____ Date _____

On the reverse of this page is the proposed NEW wording in its entirety.

(Please have this form **notarized** and then mail to DCLI in the enclosed self-addressed stamped envelope)

****CIRCLE YOUR VOTE FOR OR AGAINST! ****

PROPOSED CHANGE TO ATTACHMENT V

Attachment V

Deer Creek Landowners, Inc. Road Assessment Method

Basic Maintenance Fee:

_____ (A) _____

Consists of fixed annual administrative fees such as liability insurance, Post Office Box fees, postage, office supplies and applicable Income Taxes

Discretionary Budget:

___ + (B) _____

Consists of the annual costs to maintain or repair the maintained roads and bridges

Total Approved Budget:

= (C) _____

Determination of each Landowner's Annual Assessment:

Each landowner's annual assessment will be the sum of two components: a share of the Basic Maintenance fee (A) and a share of the Discretionary Budget (B).

Each landowner's share of the Basic Maintenance Fee (A) will be the same. The share will be equal to A divided by the number of landowners.

Each landowner's share of the Discretionary Budget (B) will be equal to the number of miles on DCLI roads to the landowner's property multiplied by a cost-per-mile factor.

For resident landowners, the cost per mile will be equal to the Discretionary budget (B) divided by:

(D) = the sum of all residents' miles + 2/3 multiplied by the sum of all non-residents' miles.

For non-resident landowners, the cost per mile will be equal to 2/3 multiplied by the cost per mile for resident landowners.

Explanation of what happened, why this change is needed:

At the time Attachment V (the part of the JMA that deals with the algorithm) was written and made part of our JMA, the number of residents was roughly equal to the number of non-residents, and the formula for assessment stated that residents would pay 60% of the cost of maintaining the road, and non-residents would pay 40%. That worked fine for quite a while until the demographics changed.

When the Spring 2015 billing was sent out, it turned out that non-residents, who now numbered less than residents, were still have to split 40% of the budget amongst many less of them, and being billed at a higher rate than residents. There has been great and rightful outcry about the unfairness of that billing.

The present Board (and subcommittee) has developed a formula so that no matter how our demographics change, non-residents will be charged 2/3rds less than residents.

Because the current board felt bound to follow the JMA 'to the letter', it was decided that this change to Attachment V needs to be voted upon before the billing process can be rectified, an adjusted billing mailed out, and credit given to those members who were overcharged.

An 'AGREE' vote will fix the language so that the algorithm uses better math that won't be affected by changes in our demographics.

The proposed amendment corrects the problem by ensuring that the cost per mile for non-residents will always be equal to 2/3 of the cost per mile for residents, regardless of the relative number of residents and non-residents.

DCLI will reimburse you for the cost of getting your vote notarized. Include the receipt from the notary and we will credit it to your account. If you are local to Boulder Creek, you can have your voting sheet notarized at Central Ave Paper (formerly Sincerely Yours) and have the expense added to the DCLI account we have set up for this purpose. YOU MUST GET THIS NOTARIZED AND MAIL IT BACK AS QUICKLY AS POSSIBLE. DCLI needs membership involvement to work fairly and efficiently, and the board felt the expense of mailing this amendment to you, paying for notarization and paying for the return mail, a cost of potentially \$800 or so was worth the effort. Please take the time to participate.