

Deerfield Home and Property Owners:

Paul and Jim Fields asked me to implement the Deerfield Resort Homeowners' Association, Inc. (DRHA), passing control to the residents. In addition to discussions with Paul, I have talked with a number of Deerfield property owners and a small group of us have met on several occasions to discuss Deerfield and the full implementation of the owners' association.

(X) Deerfield Resort consists of approximately 800 acres abutting the Greens at Deerfield golf course and Norris Lake. Approximately 50 acres of this land, including roads, right-of-ways, swimming pool, and tennis courts are Common areas deeded to the Deerfield Resort Homeowners Association, Inc. (DRHA). Currently there are 250 owners; 51 owners are Deerfield residents. Approximately 70 of the 250 owners own one or more lots. Of the 70 multiple-lot owners, 5 are developers owning 10 to 20 lots each, and Deerfield Resort owns approximately 150 acres. The golf course, restaurant, and boat docks are separate entities and are not included in the 800 acre estimate.

The future success of Deerfield and the value of the property we hold depends on the continued development, operation, and organization of the community. Deerfield Resort offers amenities not currently available elsewhere on Norris Lake: paved roads, tennis courts, sand volleyball, an airstrip, privacy, and, most importantly, security. Also available to those who visit and live in Deerfield are the golf course, restaurant, boat docks, and luxury rental availability. Our property values depend on the continued operation of these amenities and services and on the careful management of the common areas.

The Deerfield Resort Homeowners Association, Inc. (DRHA)

The Deerfield Resort Homeowners Association, Inc. was incorporated March 1, 1986. The current board members, Paul Fields and Jim Fields, meet annually in July and will vacate their board positions when the new board is elected.

The purpose of the association, as stated in the Articles of Incorporation, are "to provide for maintenance, preservation and private control of Common areas and Roadways within" ... "the Deerfield Resort Area, and to promote the health, safety, and welfare of the residents within" the property. "The affairs of this association shall be managed by a Board of three (3) Directors, who need not be members of the Association." The number of Directors may be changed by amending the by-laws.

(X) Article VI of the Articles of Incorporation defines all property owners as members of the Deerfield Resort Homeowners Association entitled to one vote for each lot owned.

DRHA Implementation

The Process. First, owners will have an opportunity to comment on various aspects of the operation of the DRHA and to express an interest in the governing of the organization by responding to the enclosed interest survey. Secondly, a temporary Board of Directors will be appointed if needed, and a Nominating Committee will be organized to oversee the election process for the permanent Board of Directors. Third, the Board will gather information and determine the direction and order of business. The interest survey data you submit will be passed directly to the Board for review and consideration in planning and implementing association business.

Discussion

The discussions of the group centered primarily around four broad issues: roads, right-of-ways and airstrip; security; recreational facilities; and fee assessment.

Maintenance of the roads and airstrip surfaces and mowing and landscaping the right-of-ways are the highest expense item. Fields Development, Inc. will pave/repave all roads (that have not been paved/repaved during the prior three years) under his development prior to turning maintenance over to the association. Other developers in Deerfield are responsible for the first paving of roads in their respective development areas. The association will maintain all roads following the initial paving. There is a possibility the county could take over maintenance of the roads in Deerfield; however, this would require removal of the security gate and opening the roads to public access. There have been reports of breaking and entering and vandalism in other, unsecured developments on the lake.

Paul Fields has offered to continue managing the security and invoicing owners, or, the association could assume management of this function and include the expenses in the association fee. Though some of us do not use the recreational facilities (swimming pool, tennis courts), their availability and maintenance adds to general property values.

Association fees will be determined and assessed by the Board. The Restaurant at Deerfield and the Deerfield Resort Rental Program have offered to contribute 2 percent of their gross earnings for association fees.

Interest Survey

The results of the attached interest survey will be most helpful to the Board if all property owners respond and provide comments and opinions. Include additional pages for your comments as needed.

Obviously the association cannot exist without participation. Based on the current Articles of Incorporation, a Board of three directors will be the governing body of the organization. Your support as a member of the Nominating Committee or as a candidate for a position on the Board will be welcomed.

Your comments and suggestions are appreciated. Please send your survey response and comments by August 15, 1997, to:

Deerfield Resort Homeowners Association, Inc.
7897 Deerfield Way, LaFollette, TN 37766

Thank you for your interest and support,

Pat Martin

Deerfield Property Owners' Association Interest Survey

*My permanent legal residence is Deerfield
 although I travel approximately
 5 months per year*

Owners:

Are you a permanent resident of Deerfield Resort?

Yes No

If you are not currently a permanent resident, do you plan to become a permanent resident in the next (check one):
 ___ 5 years ___ 10 or more years ___ No plans to be a permanent resident ___ Undecided

Check all that apply to you:

- Own one or more lots with no structure
 ___ Own one or more condos
 Own one or more homes.
 ___ Rent a home or condo to others

Association:

Part 1 - Roads and Right-of-Ways and Airstrip

I prefer to maintain roads and have the option of keeping a gated, secured community. Yes ___ No
 I prefer to turn the roads and airstrip over to the county, if possible, and remove the security gate. ___ Yes ___ No

Part 2 - Security

I am familiar with the current security system. Yes ___ No
 Current security coverage is adequate. Yes ___ No *(not for future)*
 I prefer 24-hour security (this will increase expenses). Yes ___ No
 Security should be managed by the owners rather than the Resort. Yes ___ No

Note: consider autom gate by electronic card use for daytimes

Part 3 - Recreational Facilities (Deerfield Rental program renters are not considered visitors for purposes of this questionnaire.)

Do you or your visitors use the swimming pool? If yes, how often? 5-10x/yr Yes ___ No
 Do you or your visitors use the tennis courts? If yes, how often? 5-10x/yr Yes ___ No
 Do you or your visitors use the sand volleyball court? If yes, how often? 5x/yr Yes ___ No
 The association should maintain and manage these facilities. Yes ___ No
 Deerfield Resort should maintain, manage and operate these facilities charging owners user fees. ___ Yes No

Part 4 - Fees *Need much more information before these questions can be answered !!*

How should owner association fees be assessed (check one)
 ___ Each owner, regardless of what property is owned, is assessed the same rate and retains one association vote.
 (Expen: _____ mber of owners.)
 ___ Each owner is assessed for each lot owned.
 ___ Home/condo owners are assessed at 3 times what vacant lot owners are assessed and retain a 3:1 vote.

***Part 5 - The Board**

I would be interested in participating on the Board Nominating Committee. Yes ___ No
 I recommend the Board be expanded to seven (7) members plus alternates Yes ___ No
 I would be interested in participating as a Board member: Yes ___ No
 I would be available to participate: Spring '97 Summer '97 Fall '97 1998 ___ Other +++
 (check all that apply) Annual meeting Quarterly meetings Monthly meetings unnecessary after
reception

7/21/97
Date

Signature
*This information will be provided to the Nominating Committee.

Thank you for your participation. Please return the survey pages by **August 15** to:
Deerfield Resort Homeowners' Association, Inc., 7897 Deerfield Way, LaFollette, TN 37766