

SPOKANE RV RESORT OWNERS/INVESTORS

5 June 2012

As just a quick "alert."

Friday we received the 2013 "new" assessed values on our individually platted lots, the common areas belonging to the HOA and our undeveloped portions of the Resort. Like you, I hope, I was sitting down at the time.

As you know the HOA is tax exempt. So not much impact there.

However, the county assessor picked up our 2011 lot sales and have re-assessed all of our lots according to their new "opinion" of value based on what they call "market value." They, of course, chose the highest priced sales in 2011 to come up with their new assessed value.

This is a considerable impact on our taxes. The levy rate for Spokane County for 2012 was 12.36. So, for example, if you have a lot assessed at \$43,000 the taxes for 2013 (assuming the rate will be similar to 2012) will be \$531. That is a substantial increase over last year.

We fully intend to appeal this raise through the Spokane County Board of equalization prior to the July deadline. This is a board of private citizens that will listen to our appeal. We have done many of these with reasonable success. Last year we received substantial reductions on residential lots on the Deer Park Golf course. We stirred enough attention that we received a special hearing with the assessor, and negotiated the appeal prior to the Board of Equalization hearing. While there is no guarantee, the assessor has been quite reasonable, particularly where there is a radical increase.

In any case, since all of our lots have been treated about the same, we are also willing to appeal in your behalf. Each appeal and defense must be submitted separately, but if you will sign an authorization, we can duplicate most of the data and most likely make a joint defense, much the same as a class action.

Please let me know if you would like us to represent you in this process and we will forward the correct authorization documents to you.

Sincerely,



Dennis Alwine
Spokane RV Resort Management And
Windermere, Deer Park

Dear Spokane RV Resort Owners/Investors:

This year is off to an encouraging start. The snow left a lot earlier this spring than last and I've noticed that reservations are coming in ahead of schedule and people are staying longer. It looks like we will have another growth year.

The trend has changed somewhat in that our big rigs are staying longer and there is an increased interest in family reservations in the south end of the Resort. That supports two of our goals this spring in finishing the re-constructed miniature golf course and laying the ground work for a toddler through pre-teen playground. This will help meet the needs of the family travelers, take some pressure off of our swimming facilities and strengthen our 5 Star status.

We appreciate that in order for the Resort to be a successful financial investment for all of us, we need to sell lots as well as continue to grow our attendance. Last year's lot sales were disappointing. I believe it was caused by anxiety over the 2012 presidential race and the state of the economy. We're trusting that those with stable or fixed incomes who are our primary purchasers are feeling less stress about the future.

Our strategy for this spring is to continue to grow the Resort attendance and to ramp up our lot sales efforts. We are going to increase the sales incentives. In addition to our U.S. and western Canada media and on-line exposure, we are going to increase our selling commission to 6% and open the door to the 1400 Real Estate agents in the Spokane Multiple Listing Service as well as any franchise agent in the U.S. Our office will handle all referrals so that we do not have other agents on the premise other than to introduce us to their potential purchaser. To maintain our 5 Star rating, we intend to be sure that all purchaser contacts are handled discreetly. Other incentives that we all have within our power as sellers is to offer one year of HOA dues, a one year golf pass, or reimbursement for 2013 rental fees. Those would be part of a seller's closing costs so would only be offered after consulting with you, as a seller.

We feel our prices at \$48,000 on course, and \$40,000 off course, are still the best in the industry. We want to remain competitive.

I plan to have a much greater sales "presence" at the Resort this summer without creating any pressure sale tactics that would not be in the best interest of our 5 Star Status. Our visitors continue to reinforce that we are the best kept secret between the Canadian border and Sun City West in Arizona. Our best sale tools continue to be the positive recommendations of our resident lot owners and the resort itself.

Something we have not done in the past and are considering, is to offer regular opportunities where those interested in purchasing can come for a casual question and answer session.

These are some of the ideas that we are working to implement as we look ahead toward May when things will get busy.

As always, I would appreciate your feed-back and suggestions and you know you are free to call or email me at any time.

A handwritten signature in black ink, appearing to be 'D. Smith', written in a cursive style.