

# CUTTY'S NEWSLETTER - - NINTH EDITION - - NOVEMBER 9, 2009

## Series #10 - - At Last We Have Some News on the Bankruptcy!

First and foremost: Please remember that Cutty's DM Camping Club (your Club) is not in bankruptcy. The bankruptcy we are communicating to you about involves Cutty's, Inc. who was the Developer for the Club. They neglected to sell 932 of the 3000 total 1/3000ths undivided interests in the Club. That corporation was placed in bankruptcy and the 932 interests are considered an asset to be sold to pay the corporation's creditors.

The impasse between the Trustee and Board has been resolved. The Board and the Trustee have agreed on a price of \$300,000 for the purchase of the 932 interests. While this is a great deal of money, it is much lower than the \$500,000 previously offered by an investor and accepted by the Trustee. This particular investor was not able to follow through with his offer. We all know the property is worth much more, but the poor economy has played in our favor.

The Board has deemed the \$300,000 a reasonable amount, considering the money (exorbitant legal fees and court costs) and time it would take to gamble and go to trial. If the Club does not buy the interests, the Trustee has a buyer to purchase the land upon which the Club stands. This buyer has offered the Trustee \$1,250,000 for the land. Should the Club not purchase the 932 interests for \$300,000, the Judge could approve the purchase for \$1,250,000. It would seem that the Trustee recognizes the fact that after the above-mentioned legal fees, etc., ultimately he would be better off accepting the Board's latest offer. **What each Member must understand is if we do not purchase the 932 interests, the land will be sold to another buyer.**

It is now the responsibility of the Members of Cutty's D.M. Camping Club to raise the money necessary to purchase the interests. How can this be done? Every Member must realize the question is "Not should we buy the interests, but how do we raise the money to buy the interests?"

The Club's finances are under control, a sales program is in place to stop the loss of members, so again the question is "How do we raise the money?" Let's examine the possible ways with explanations following:

1. Borrow from a bank
2. Donations from members
3. Member Loan Program

Borrow from a Bank - - Due to our past financial problems, it is doubtful if any bank would lend the Club money. Even if we could find a bank to lend us money, we could not handle the payments to repay the loan. This is due to the large payments being made on the 50 Amp Electrical Loan.

Donations from Members - - Should the Members decide they would like to donate sufficient money to purchase the interests, that would be wonderful, but is it realistic?

Member Loan Program - - The program works as follows: A Member or even a Non-Member loans money to the Club, the Club pays 7% simple interest per year on the loan. The interest is paid in a lump sum at the end of five years and loan repayment starts after five years. The loan is secured by a mortgage on an interest now owned by the Club, or more depending on the amount of the loan.

**This is a very critical time for the Club. Meetings will be held to explain in detail both how the bankruptcy was resolved and to further discuss the methods to be used to raise the money to buy the 932 interests. All meetings will be held in the Clubhouse. Please plan to attend only one meeting so there is room at each for everyone wishing to attend. The meeting schedule is as follows:**

Friday, November 13<sup>th</sup> at 7:00 p.m.

Saturday, November 14<sup>th</sup> at 10:00 a.m.

Sunday, November 15<sup>th</sup> at 2:00 p.m.

Thursday, November 19<sup>th</sup> at 7 p.m.

Saturday, November 21<sup>st</sup> at 10 a.m. **and** 2 p.m.

Sunday, November 22<sup>nd</sup> at 2 p.m.

If you are unable to attend and have questions and/or wish to loan the Club money, please call 800.798.2267.

***Without a doubt, we must purchase the outstanding interests so that the Club is in charge of it's own destiny!***

Sincerely,

James Murtha, President

**PLEASE BE ADVISED THAT THE CLUB'S STREET ADDRESS HAS BEEN CHANGED TO: 2350 SE 37<sup>TH</sup> ST**