



November 28, 2018

Dear ,

We encourage you to take a few minutes to read through this letter as we are making a few significant announcements with respect to Mayacama and our resigned list. We have a somewhat lengthy list of Charter and National Golf Members who have resigned from the Club, and many have been on the resigned lists for longer periods of time than anyone would have expected. These Members have been waiting patiently for their refund and Club Management and our Advisory Board believe the resigned list issue must now be addressed as a priority. Therefore, today we are making an announcement related to the resignation and refund policy.

The Club's Membership Plan currently states:

"Prior to the initial sale of all of the memberships in the resigned Member's category of membership, every fourth membership issued in that category will be a resigned membership from the waiting list, provided there is a resigned membership on the waiting list. The other three memberships issued will be from the Club's unissued memberships. This procedure allows the reissuance of resigned memberships prior to the issuance of all memberships in the Club."

In simple terms, after three new memberships are issued or sold, the fourth membership is a reissuance from the waiting list, and the first resigned Member on the list receives their membership deposit refund.

While not being able to reduce our National and Charter Golf resignation lists as quickly as we would have preferred, Mayacama has had some very successful years by welcoming many new Members and families to the Club throughout all of our membership categories. We anticipate our membership growth will continue to be strong, and even accelerate due to some of the changes being announced later in this letter. **Therefore, the Club has chosen to voluntarily move to a 1:1 selling ratio, meaning Charter and National membership sales will *ONLY* come from the resigned list as of January 1, 2019, until further notice. In essence, if the Club sells 20 memberships per year, then 20 Members will be refunded and move off of the resigned list.** The benefits are obvious; resigned membership refunds will accelerate and the resigned list should then shorten over time. The long-term strategy is to create a waitlist to acquire a membership in all categories and once this occurs the value of the Club memberships will increase over time. Clearly, we can all agree there is far more value in a waitlist to acquire a membership at Mayacama as

opposed to a resigned list. The Club and the membership will also benefit in the future by having a full roster of dues-paying Members.

Again, beginning on January 1, 2019, parties interested in joining Mayacama will have no other option but to purchase a membership from the resigned list. This change, however, does not come without challenges. To illustrate, the current average price of a refundable resigned Charter membership is \$154,000, while the refundable resigned National membership is \$98,000. So, the reality is we must increase the price of memberships in order to ensure there are adequate funds available for refund.

We will work hard to make this happen, however, if the market will not allow for this, the Club will simultaneously create a wait list to join Mayacama at our current non-refundable pricing. The element of scarcity can only assist in membership price appreciation and will also help create more overall interest in the Club. Every time we add a prospective Member to this wait list, and/or should a non-refundable membership become available for sale (through attrition), the Club may offer the first Member on the resigned list the option to take the refund at the going market price and forgive the Club of any remaining debt. Many Members on the resigned lists have contacted the Club's Management stating they would agree to take less than what is owed and this strategy is being put in place, in part, as a response to this.

If the first Member on the resigned list chooses not to accept the discounted refund amount and prefers to wait for their full refund, then the Club will ask for their permission to offer the person below them on the resigned list the same or similar offer. For every five of these memberships sold, the price will be increased by \$5,000. For example, non-refundable Charter memberships will continue to be sold for \$75,000 and after five of these are sold, the price will increase to \$80,000. The goal is to create a price convergence between refundable and non-refundable memberships over time. If the first Member on the resigned list chooses not to accept the discounted refund amount and also refuses to give permission for the Club to ask the resigned Members behind them, then the Club will continue to market golf memberships at the price due back to the resigning Member who is number one on the list.

We are excited to announce we are close to completing four new 3-bedroom villas which will be made available for overnight rental purposes. The entire membership will soon benefit from greater flexibility and availability to stay on the grounds. We all know there is something magical about waking up on property, heading out to play a round of golf, driving your golf cart to dine at the Clubhouse, or simply enjoying a glass of wine on your patio. Members will be able to make reservations for the entire 2019 calendar year beginning on January 2, 2019. Along with satisfying our rental needs, this positive change should help drive stronger membership sales growth with the increased demand and value through all membership categories.

We acknowledge selling through our membership resigned lists has taken the Club much longer than we expected and we appreciate your support and patience over the past several years. The Club's ownership has spent a great deal of time and money marketing the Club in an effort to increase the pace of membership sales. It is clear even more efforts are needed above and beyond what has already been done in order to find a way to accelerate the refund process and our hope is we find lasting success with this plan.

Mayacama continues to offer one of the greatest golf experiences in the country and we're very excited about our future. The Club staff is proud to serve our Members and their guests on a daily basis. Our goal is to offer fabulous amenities & services throughout the property as we continue to build out the remaining lodging, reinvest in the Club's assets and infrastructure, and enjoy the tremendous growth that Sonoma County and Healdsburg have experienced over the past decades.

Please be sure to send us your referrals and remember your positive comments will only help build increased value to the Club which can bring more demand for our memberships. We hope you will join us as we embark on this new program and we look forward to sharing the results with you over the next several months.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jonathan D. Wilhelm', with a stylized, flowing script.

Jonathan D. Wilhelm