



Mayacama Residence Association
Minutes of the Annual Mayacama Residence Club Meeting
Wednesday, September 11th, 2019

The annual Mayacama Residence Association meeting was held on Wednesday, September 11th, 2019 at 10am PST within the Rotunda of Mayacama Golf Club, in Santa Rosa, California.

Board of Directors Present:

Jonathan Wilhelm – President
Geoff Gomes - Treasurer
Danny Hildebrand – Secretary

Residence Club Members Present:

Brent Lowinger
Erik Gilberg
Jim Henry
Julia Greifeld
Chris Clifford

Announced Residence Club Members joining via phone:

Barry Neulen
David Karnstedt
Clark Winslow
Mike Blach

1. Welcome

Jonathan Wilhelm called the meeting to order at 10:04 and introduced all of the Mayacama representatives in the room and acknowledged the Residence Club Members attending in person and the members on the conference call.

2. General Update/Access to New Villas

Jonathan began by mentioning that Mayacama has had a very strong summer. The addition of (4) new Villas has kept the property busier in all departments. The restaurant and pool have been noticeably in higher demand than in past years.

Clubhouse construction has taken longer than expected. We are wrapping up the final part of this relative to the outdoor seating at the West end of the clubhouse. The county has held up the construction for multiple factors – most notably engineering inspections. Footing will be poured quickly and we are hoping to have it all buttoned up very soon.

Membership has been solid. Traditionally it is a slower sales time in the beginning of the year however we tend to see a push at the end of summer into fall.

Member asked about total number of new members:

Total new members in all categories is approximately 15 spread out pretty evenly across social, national, charter, etc.. Relative to last year, we had a total of 41 new families join so certainly we are behind, but as stated, sales tend to pick up closer to the end of the year.

Member asked what is the size of membership you are trying to get to:

JW: We are around 535 total members and the general cap is about 650.

Member asked if there is a cap on the number of Residence Club Members:

JW: Of the 535 total members, about 125 are in the Residence Club and the plan is to cap it around 145. Our plan is to not add any more residence club membership to the program for various reasons:

In a 1/10 program we can sell 10 shares into each building as monitored by the Department of Real Estate – So 15 buildings would equate to 150 memberships. If we were to “add” the 4 new buildings into the program, that would obviously allow for 40 more shares to be added to what’s left to sell. Having a limit on the number of shares available benefits the members on price appreciation, resale value, time for resale, etc... this way after we sell the remaining available interests, the only thing that will be left to sell are resales. This has been proven to help the price of the sales tremendously at properties like Kohanaiki. For those that are on the resale list as well, once we are sold out, the 4:1 reimbursement ration goes to a 1:1. At that level, we would have approximately a year time frame to reconcile the resale list.

There have been many questions about access to the new residences:

One of the most frequent comments received is largely from people not in the Residence Club and their lack of ability to access units here to stay overnight. Years ago, we came up with the idea to build units that would allow this access. We built the new Villas with the goal to allow for more rental opportunities for the entire membership. Relative to how the Residence Club members access this, for our purpose – it is a function of nights. One villa to us is 365 nights to rent and when a non-residence Club member comes up, they are looking for a night – regardless of if it is 409/410 or 209/210. It all comes down to the management of the process by Danny and his team. There are many times where a renter will not want/need to rent an entire 3-Bedroom, but rather a 1-Bedroom Casita. If there happens to be a Residence Club member who is booked in (2) 1-Bedroom casitas and would like a Villa, there is a clear match there and switching accommodations can be executed.

As far as by the book and identified by title, yes the villas are designated as “these certain units are dedicated to the Residence Club and these units are not...” however when it comes to how we manage your stays, you will be going into the units that are most convenient based on time requested, rentals requested etc.

Member voiced the lack of cooking options in the casitas relative to the length of her stay:

JW: We are hoping that with the addition of these residences, there will be opportunities to reconcile some of those challenges in the future.

Member asked about the recent feedback of rentals:

The feedback has been strong – and the demand of the residences has been as well – to the tune of almost a 90% occupancy of the weekends of the units over the first couple months.

Member asked about maintenance for the casitas within the Residence Club program:

JW: The HOA dues cover all of this such as maintenance, reserves, everything in totality.

Member: Applauded the new villas and handling, however encouraged revisiting the use next year when there is sufficient data on their use and most importantly, he did not want there to be a negative effect or have the Residence Club experience be less than it has been.

Member: Was hoping there would be some statistics showing what was requested and what was actually granted.

Danny noted he has some statistics on this and can distribute as a later date.

Jonathan noted that there have been many members that were extremely frustrated as there was nothing here to rent and these units had truly been designed to help alleviate that issue and at the same time be a revenue stream for the club. If they are not going to be added to the Residence Club, the residences need to be monetized through rental income; however the addition of more units creates more flexibility.

Building going forward will be a challenge as well with some very strict ADA guidelines grading guidelines etc... The plan would be to hope to start more construction next spring on the next phase, of which there has been strong interest.

Member asked about any whole owner purchases of the new Villas:

Jonathan noted the wheels are turning on (2) of the 4 as we speak.

Member: What is the full build out?

JW: (20) 3 or 4 bedroom units and 10 (1) bedroom units

Mr. Clifford asked about a small hotel:

Jonathan noted it is complicated and if it actually happened it would be in "addition to..." many hoops to jump through there but that would be well down the road if at all.

3. Fire Insurance

Tubbs fire was the one that affected us and the Paradise fire compounded the increases. Our previous carrier CIG left the California market completely. On August 1st, 2019 we were bound to our new carrier. For our previous policy, we were paying \$90,000/year for \$60m in coverage. The best rate we could get is \$800,000/year for \$40m in coverage. The 40m was as much as we could get. The original offer was at 30m and we decided to buy up to 40m. The thought process was at least 20m for the Residences and 20m for the Clubhouse. This is a balloon so if the residences needed more, it could be floated from the clubhouse or vice versa. Recently we have done a lot of fire mitigation, bought new equipment, and undergone further training so we are much better prepared at this point than before.

The idea would be that half of the fiscal burden would lie with the golf club and half with the Residence Club so 400k and 400k. What that means from the HOA stand point... with the 150 interests, plus the 4 new residences and gets us to 190. The 400k increase will break down to about \$180 per month per 1/10th interest.

Jonathan asked that John Hahn joins us for the meeting. John Hahn is a fellow Residence Club Member and the broker for our new Insurance carrier.

Company is the 14th largest in the United States
Primarily hospitality, wineries, golf course

This is a crisis. Global Climate Change has staying power. Until there is a trend around a reduction in CA wildfire incidents and considering these “once in a lifetime” events have now happened in back to back years, carriers and the marketplace have made and stand by this correction. A couple years ago, it was easy to gather 20 – 25 bids. This year, it was a struggle to gather 3 bids. (2) were horrendous and this current deal was easily the best and also was better than anticipated. John expressed while he represents Jonathan and Mayacama on this, he also represents the Residence Club membership, of which he has been a part of since the beginning, and will be paying the same increase as everyone else. John exhausted national and global resources on this and this is the best news he could deliver at this point.

Jonathan reminded everyone that we have done a tremendous amount of fire mitigation and worked with Cal fire, purchased extra equipment, etc. in an effort to be better prepared than we were before, but this is something we will have to live with.

Night of the fire was recapped.

Member: Who is the carrier?

Arch insurance company.

Member: There is a concern that \$40m is not enough coverage. He suggested bringing out a Risk Assessment team and involving them to see if we can execute somethings to lower the rate.

Jonathan mentioned that we have been working closely with CAL Fire and we have done about 80-85%. There is about 15% left that we still plan on doing. This will be an ongoing process.

We also have a couple of advantages here. The golf course is a natural buffer and we saw that during the Tubbs fire. Our buildings are on a couple different ridges so with the way we have seen fire spread – there are certain advantages to this property and to lose everything at once would be less likely than to lose things piece by piece.

Member: How does this affect the golf member dues?

Jonathan we are going through a similar exercise with our advisory board of governors. The biggest challenge we face is employment. Cost of living in the area is incredible. The Tubbs fire eliminated 1500 homes in Coffee Park that were rentable around \$1500/month are now closer to \$2500 - \$3000. We can barely get dishwashers here for to interview for \$16/hour. Some of the local wineries are paying \$20 - \$24.00 an hour for a dishwasher. Long and short of this is the dues are going to go up club wide, but we will be working with advisory board to make sure the services offered are still important to everyone as there is cost associated with everything and we still need to be sensitive to the increase.

On top of this there are close to 2,000 hotel rooms going up in Sonoma County so competition for these employees is fierce. Companies are getting creative with amenities for employees such as complimentary daycare and increasing healthcare benefits.

Member: Is there any more work being planned for the front bar area?

Jonathan expressed that he had permitted to get the bar knocked down and but by the time all of these things added up time wise, he was not interested in starting another project this fall/winter. We like where things are and will sit on it for the foreseeable future.

Member: Is there a plan to add a meeting room now that the board room is gone.

At this time there is not a plan for a “new” meeting room. Alternatives such as the rotunda or using Wi-Fi calling still are a viable option. The phones in the residences all have the access to dial out long distance as well. Also, with advanced notice, members have been given access to employee offices if needed.

4. Residence Club Updates

(Reciprocity)

Reciprocity – There have been 67 deposits into Elite Alliance year to date so far which mirrors what the trend has been over the last handful of years. At this point of the year, we have usually seen 65 – 70 deposits using EA so this is right in line. Additionally, we have seen 30 deposits through Timbers Resorts which again is par for the course. Without seeing large jumps or declines, it’s fair to say we are seeing this volume of deposits become the norm for reciprocity activity.

Going forward we will be expanding the number of “Black out” dates for deposits from Residence Club Members. This is in a effort to keep our members here during large member evens and holidays. Below are the new dates that are not “deposable:”

Spring Aeration: March 29th - April 5th

All Vintner Pour: May 3rd – May 10th

Mayacama Cup: May 17th – May 24th

Member–Member Tournament: June 21st – June 28th

Mayacama Club Championships: August 16th – August 23rd

Women’s Member Guest: September 6th – September 13th

Men’s Member Guest: September 20th – September 27th

Fall Aeration: October 4th – October 11th

Thanksgiving: November 22nd – November 29th

(Certificates and Donations)

As a reminder relative to unaccompanied guests, when using your Residence Club Membership, you are only allowed to send unaccompanied guests during your Planned Vacations time periods. This means that if you intend to donate a vacation to a charity, auction, etc... and you do not intend to stay on campus with the winner, you must use one of your Planned Vacations to do so.

Unaccompanied guests are not allowed to use Space Available and Short Notice time frames per the Residence Club Rules and Regulations meaning you cannot donate these classifications of stay.

There are certain things to consider for donating:

- Housekeeping – there is still a charge associated with housekeeping so the responsibility of that payment will fall with the Residence Club Member unless specified in the issued certificate.
- The correct chain of events to issue a certificate or donation of your overnight lodging to communicate your intention with the Residence Club. From there, the Residence Club team will get the necessary information and work with the Mayacama Admin team to create a physical Certificate as well as supply the donator with necessary collateral. This way is a tracked
- Consider your membership type and if this is a good fit for your cause. If you are not a National or Charter member, but rather an “In-Res” member, then you do not have the access to send unaccompanied guests to golf. This is important to consider as for many, the main reason someone would want to stay at Mayacama is to play the world class course. That being said, we certainly have folks who like to be here and have no interest in golfing, but rather exploring wine country. When donating a vacation, please be sure to consider all aspects of a stay at Mayacama before committing.

(Golf Cart Safety)

In years past, we have implemented some golf cart safety and liability forms in an effort to tighten up what can only be seen as an accident waiting to happen. With the rising popularity of the club, additional Residences that have come online and the general footprint of the club, we are concerned about the safety of all on property. Our largest challenge with the golf carts is having children driving the carts. To reiterate the signage and rules that are already set forth, to operate the golf, cart, the driver must have a valid driver license. We will be enforcing this procedure going forward and appreciate your cooperation with this policy. Again, this is not meant to be penal in anyway, but rather aid in the general safety of the property.

- To make the execution of the form as easy as possible, we will be issuing the form via email so you can complete and send it back to us all online.

(Residence Club Survey)

Overall we were thrilled with the Residence Club Survey, most specifically the participation. We had approximately 85 completions of the survey which was wonderful to start to get feedback.

I was happy to see that our concierge staff and offerings were greatly appreciated. It is wonderful to hear that for the most part, we are exceeding expectations and I think that speaks to the wonderful team at the front desk and on our Guest Services team.

Feedback on our Reciprocity partners was not quite as glowing, however one of the common themes that surfaced was general availability. While I understand that specific dates in specific locations maybe harder to secure, we have had some success with more of a blanket style request that maybe spans a handful of weeks in one location. As stated earlier the

general trend of volume of deposits has remained pretty constant over the years. So I know that there are a good amount of people who have had success with our reciprocity partners, however it is evident that flexibility is necessary.

***Again, any questions can be directed towards Brian Hill or Danny Hildebrand and of course, you can reach out to the programs directly as well.

One last common theme that we saw was relative to technology and the movement to enhance it. This has been something we have had challenges with in the past, however we have made great strides. These strides include an upgraded internet infrastructure that now allows for Wi-Fi calling on your mobile device. The infrastructure upgrade also has allowed for faster uploads and downloads. We also fitted all residence with new alarm clocks that have Bluetooth capabilities as well as USB charging ports.

As we move forward into 2020, we will continue to keep the need to improve our technological packages front of mind. With the infrastructure upgrade that was completed, we will work on outfitting and updating the residences to utilize the full capability of that infrastructure upgrade.

One of the premiere questions on the survey was relative to retrofitting the Residence Club's Villas with accordion style doors so as to be able to enclose them or keep them in an indoor/outdoor state.

- First I have to apologize if I created any confusion as I had intended to program the survey so restricted members would not see the question as they would not be included in the assessment because they do not have access to the villas. Obviously I did not do that correctly and many of the comments we received were relative to this... so again, I apologize for the confusion.
- That being said, of the unrestricted members, only 33% were in favor of this which is far from a majority. At this time we will not proceed with gathering quotes or anything of the sort. The overall response to the question truly surprised me as it is one of the things I am asked about the most so I may go back to the drawing board, consider all comments that were provided and research alternative other solutions.

While the multiple choice questions allowed me to gauge a general temperature, The general feedback section is where I feel I gained the most insight. We had over 50 responses in this area so I feel like people were able to successfully express themselves. I want to sincerely thank you for all of your feedback, both positive and negative. Of course I cannot touch on all of the comments, however if anyone wants to speak on anything specific, please feel free to reach out to me at any time.

(3) Things that came up often:

Coffee Machines – We received more than a handful of comments relative to the coffee machines, and their size. Overall it seems like people are thrilled with the Phillz Coffee we are now providing, however we will look at the task of possibly changing out our machines to increase their size. We used to have larger machines with glass coffee pots, however we made the switch as the pots were breaking at an alarming pace. More to follow here...

Online reservation system to view availability: This was mentioned by 4 members and while I can continue to look for viable options, I feel it is important to let you know my feedback. First off as promised, this past year I looked into an online booking portal that our PMS, Jonas, has to offer. The result is I was not impressed and as I feel I have a good pulse on our Residence Club, I'm confident in saying that you would not be impressed either. The reality is Jonas is a club management system that has a lodging component. The lodging component, while sufficiently functional is not their primary focus and will not be receiving attention from Jonas relative to updates and facelifts. This means that we can/should explore 3rd party companies that might be able to bridge this gap. I have direct experience with a situation like this when I worked at The Sebastian in Vail Colorado. What we found there is even though the members had access to book online and add themselves to a waitlist, etc... they more than not would follow up their online requests with a phone call or email to the operations team. Brian Hill and I pry ourselves on availability to the members every single day of the year; to answer any inquiries and shed light on things like waitlist length and Villa configuration that many online portals won't be able to provide. As stated, I will continue looking at this process and options that are available to us.

Lastly, In-room amenities, specifically consumables: This came up as the second highest "Not satisfied" answer in the category so we will be addressing this as going forward. Much of the feedback geared towards "healthier options," thus we will look to improving this and providing healthier options for all.

5. Open Forum

Member: Outdoor fireplaces – is there any plan to retrofit or add true wood burning fireplaces in the new or upcoming villas or just the general aesthetic as it is not much to look at.

Jonathan: We are no longer allowed to build wood burning fireplaces in the outdoor areas in this county. The size is something that had been more of a function of the build, but certainly something we can take a look at. Maybe it is a log set or something we can change out to provide a better experience.

6. Closing

Jonathan pointed out and thanked team and the way they manage the Residence Club.

Member: Also wanted to thank the spa staff for their services.

Jonathan also wanted to remind members that they can send guests to the spa. This really helps the team stay in place and echoes back to the staffing challenges. The more work we can give those team members, the higher retention rates we will have!

Club wide, Jonathan is very happy with the way things are going at the club. We are wrapping up some of these projects up at the clubhouse, there is new furniture in the women's locker room, we have installed new bunkers, and did some renovation to the waste water treatment plant. We will continue to push forward to new Casita furniture package as we get into winter and can take some of those units off line.

Jonathan closed the meeting at 11:47am and thanked everyone that attended and those that dialed in.

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