

Dear Members,

Over the last several weeks, your Board of Governors has been working with our standing committees as well as our management team to address two critical issues—course conditions and tee time access. Many of you have also shared your opinions on both matters, and we appreciate the constructive dialogue that has ensued. These issues are not mutually exclusive, and we have evaluated both with that in mind.

Course conditions

We asked T.J. Shine and his assistant, Cliff Thweatt, to provide a professional evaluation of where our course stands now based on what they expect following a restoration of the magnitude we undertook last year. T.J.'s recent email to members summarizes their findings. Bottom line, we are not in danger of losing any areas of turf now, and T.J. assures us that if we were, he would be the first to recommend appropriate actions to protect our course. In the next few days you will see more sensitive areas staked off, and we urge you to continue your efforts to observe cart patterns, repair divots, and be mindful of ball marks on the greens.

Tee time access

We have completed our review of January golf operations and note what you have experienced—about a 13% increase in golf rounds for the month compared to last year. 91% of these rounds were played by members compared to 87% for the same period last year. With golf membership at 317 compared to 281 at the end of January last year, we have begun to experience reduced tee time availability and in some cases an inability to secure tee times on desired days and/or times of day.

The Golf Committee met on Monday morning and made several recommendations to address the access issue. These recommendations were reviewed by your Board and we have voted to make the following changes effective immediately:

- Tuesday morning (ELGA) and Tuesday afternoon (Men's groups) will continue to have priority at these times. However, participants in both the morning and afternoon events will need to sign up a week in advance. Unused tee times will be released for open play the preceding Wednesday. The Tuesday afternoon shotgun will move to 1:15 p.m. to ensure the course is clear for afternoon play. We expect this will free up approximately 12-16 tee times on Tuesdays.
- The ENHLGA has agreed to eliminate at least 2 of their tee times on Wednesday morning. Participants in this group will also need to sign up a week in advance and unused tee times will be released for open play the preceding Thursday.
- The lottery system used to assign tee times in ForeTees will be modified to more equitably allocate tee time requests. This formula-based system will now track guest play as well as event rounds like shotguns and league play. Tournaments will not be tracked which should encourage participation. These changes should create clearer distinctions regarding a golfer's play frequency and enable the Pro Shop to use more precise, objective information as they make assignments.

- The Golf Shop staff is also reevaluating registration periods for Club events and may release tee times if these events are not fully subscribed 72 hours before the start time.

The decision to make these changes was a considered one as we realize that one of the best things about ECC versus other Southwest Florida golf clubs is the ability to play golf often, without encumbrance. We chose not to reduce the interval between tee times for the sake of pace of play—adding 8 tee times a day does not seem worth the cost. We also chose not to restrict guest play beyond current rules as we know many enjoy the privilege of sharing our fine Club with friends and family.

Happily, we are now approaching what we see as our peak desired membership. The revised and amended bylaws being presented for member vote in March reduce our golf equity cap membership from 350 to 325. It is our belief that this is the “right” level for a community of our size and our historical play patterns.

Our Club is in a strong financial position with a solid revenue stream. However, our financial strength is predicated upon stable membership. Each year we forecast net membership growth and make certain assumptions about it to guide budgeting. Historically we have lost 20-25 members per year as individuals make lifestyle decisions due to health, age, or a desire to be closer to family. We generally learn of these intentions in the summer months and adjust our financial projections accordingly. We now know of at least 18 members who will be downgrading or departing the Club by year end. It’s unusual to hear of so many departures so early in the fiscal year, so we remain mindful of the financial impact of these and any future now unknown resignations. We are also mindful of the opportunity that approaching a membership cap brings in terms of pricing. In January the Board voted to increase the initiation fee for non-resident members to \$10,000 which we believe is reflective of the value of an ECC membership relative to our competition.

We appreciate the support and suggestions many have provided and have done our best to address the issues at hand while preserving those things about ECC that make it special. We will continue to evaluate the impact of these changes to ensure that the desired outcomes are achieved.

Sincerely,

Estero Country Club Board of Governors