

Dear Equity Members,

At the January 27, 2020 special Estero Country Club member meeting regarding a Clubhouse renovation, our 42% approval threshold was short of the 50% majority needed to move forward. Since this vote, your Board, the Long Range Planning and Finance Committees as well as our ECC management team, have worked diligently to develop an acceptable alternative to fill immediate member needs, enhance our overall experience, and provide the programs and amenities needed to compete and remain financially strong both now and in the future. Our Members have shared their points of view through our recent survey and accompanying comments in addition to dozens of emails and personal discussions. We take these valuable insights to heart.

Your Board's primary duty, to protect the Club's financial stability and long-range viability, remains the same regardless of the vote outcome. For this reason, your Board proposes an alternative plan that:

- Reduces the scope/size of the project.
- Replaces a sizeable assessment down payment with a special monthly fee with no down payment.
- Eliminates any ongoing obligation upon resignation.

The Club will hold one Informational Meeting on Monday, March 2, at 6 pm to discuss the changes in the scope and fee structure. A special meeting will be held at the Clubhouse on Monday, March 23, 2020 at 10 am for a Member vote on this revised plan.

The ***Revised Renovation Plan:***

- **Reduces Project Scope and Cost:** The Formal Dining and Grille rooms will not be renovated given that repairs were completed in 2017 following Hurricane Irma. The furniture and seating used to create a casual seating area on the dance floor will not be purchased. Eliminating this work reduces the project scope to \$3.9 Million with a \$500,000 contingency for a total investment not to exceed \$4.4 Million.
- **Significantly Changes the Assessment Structure:** The Board has replaced the sizeable down payment structure with a special monthly assessment of \$109 to be shared by all dues-paying Equity Members beginning March 31, 2020 (April billing), if passed. With the unanimous recommendation of the Finance Committee, the Club would finance a 7-year loan at a historically low-interest rate of 3.2% (finalized at closing), with no-prepayment penalties after the first 3-years and an initial interest only draw. During this 2-year draw period, the Club expects to collect fees of approximately \$1,400,000, which will reduce the total loan to \$3,000,000.
- **Eliminates the Assessment Obligation and Renovation Fee:** The new plan has a special monthly assessment of \$109 per month that will be paid solely by all dues-paying Equity Members until the loan is satisfied. If a member resigns from the Club, the special

monthly assessment will cease. No balance will be owed or transferred. No additional renovation fee will be charged to future members.

- **Provides New Resignation Options:** Equity Members opposed to this plan and not subject to the Vines mandatory membership requirement may submit an advanced resignation form by April 30, 2020. Members who complete the advanced resignation form retain all privileges through the end of the fiscal year, October 31, 2020 and will not be charged the special monthly assessment. This form will be non-recallable. If an individual chooses to rejoin the Club in the future, all membership requirements must be met including the payment of an initiation fee.

- **Project Timeline:** Construction will take place in one phase between Easter and Thanksgiving 2021. However, if permitting allows, the Club may elect to begin some of the project during the summer of 2020 without disrupting any service levels.

Please see the meeting and Membership Vote schedule below.

Informational Meeting: Monday, March 2, 2020, at 6 pm in the Main Dining Room

Membership Vote: Monday, March 23, 2020, at 10 am in the Main Dining Room

The Board thanks you for your continued support through this important process to serve the entire Membership at Estero Country Club.

Sincerely,

Estero Country Club Board of Governors