

Desert Mountain Club, Inc.
Board of Directors

Town Hall Meeting

January 17, 2011

Introduction

David White

Agenda

- Turnover Report
Paul Wutz
- Nominating Committee &
Election of Directors Process
Roger Dunbar
- Moving Forward
David White
Rick Harrington
Bob Jones

Turnover Report

Presenter:

Paul Wutz

Turnover Details

- Final Reported Vote Tally
- Member Assessment Summary
- Collection Effort
- Surrender/Suspended List

Final Reported Vote Tally

VOTE STATUS	YES	NO	VOTES NOT CAST	TOTAL MEMBERS
Paid	1,772	10	177	1,959
Unpaid	13	2	50	65
Total	1,785	12	227	2,024*

* Does not include 129 suspended members not eligible to vote

- 88.8 % of all members eligible to vote cast a ballot
- 99.3 % of all votes cast were YES
- 96.8 % of all members in good standing have paid their assessment

Member Assessment Summary

Assessments Collected

Total to date \$34,753,570

Member Assessment Options:

Dues Reduction/Transfer Fee Credit - 181

Assessment Financing - 117 (114 paid)

Assessment Collection Effort

- **Categories**
 - 'Checks in the mail'
 - 'Check will be in the mail'
 - Non-responsive
 - Miscellaneous
- **Remedies (Bylaws - Article 6)**
 - Demand letter sent week of December 20th
 - Sixty days past due - suspension
 - One hundred twenty days past due – expulsion
 - Collection Initiative

Surrender List & Suspended List

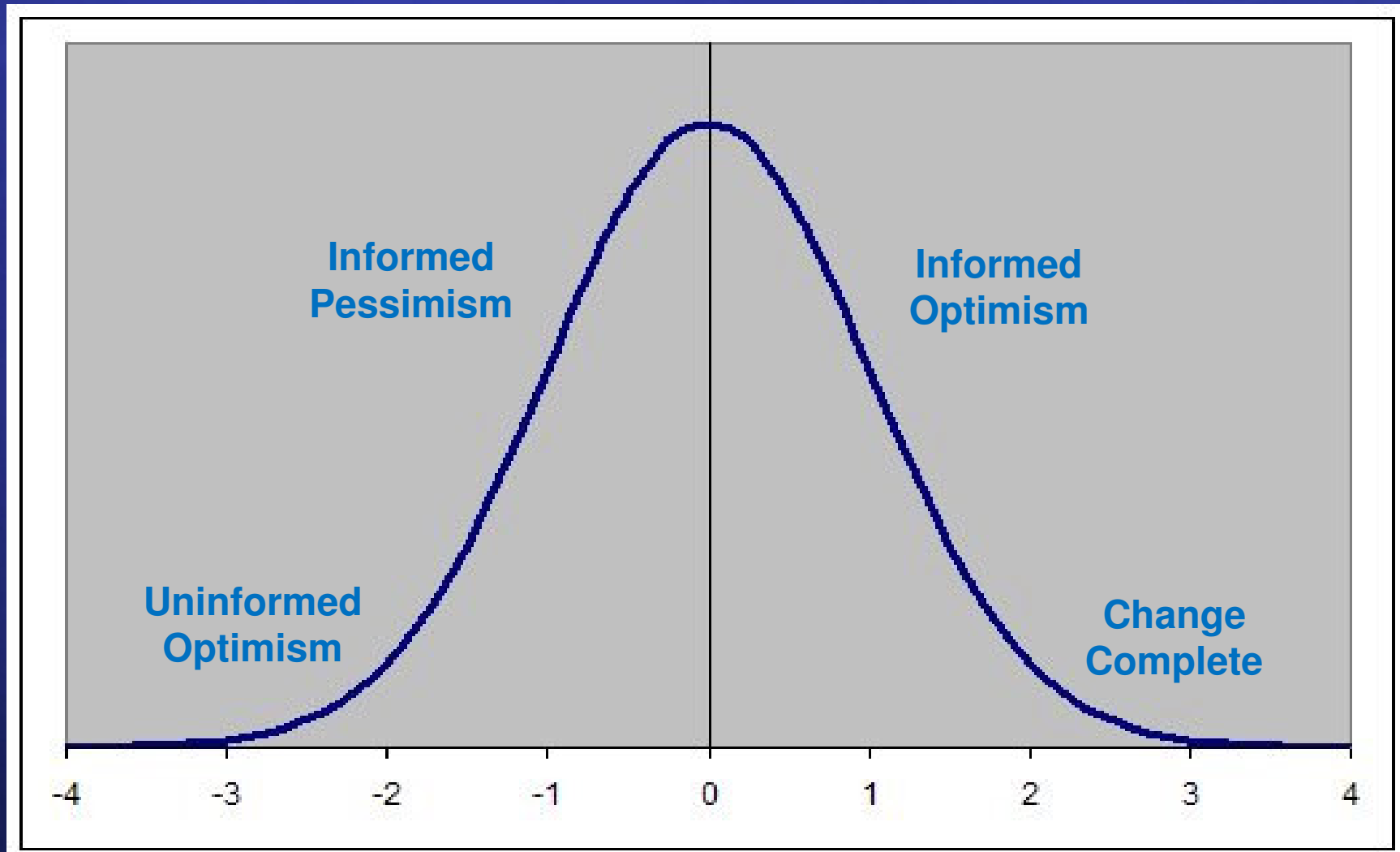
- **Surrender List as of 01/15/11**
 - 118 golf memberships (23 suspended)
 - 3 club memberships (1 suspended)
 - 5 memberships withdrawn

- **Suspended List as of 01/15/11**
 - 127 memberships
 - 107 memberships (120 + days past due)
 - 10 memberships (assessment paid)

Nominating Committee
&
Election of Directors

Presenter:
Roger Dunbar

Normal Reaction to Change



The Annual Club Meeting sets the Nominating and Election Calendar

- The Annual Meeting of the Club shall be held during the first quarter of each calendar year (*Bylaws – Article 11.1*)
 - Accelerates the process by two months compared to prior years
 - Bylaws specify a new process using a Nominating Committee (*Bylaws – Articles 9 -12*)
 - Nominating Committee selects a ‘slate’ of Board candidates that are then voted on by the membership

Nominating Committee

- **Committee Members**
 - 2011 Chairman – Roger Dunbar
 - Committee consists of Chairman plus three Board Members & three DMC Members in good standing
 - Service is for one year
- **Commitment to serve**
 - 7 – 10 days of meetings plus interviews of potential Board candidates
 - Call for potential Committee volunteers on 1/11/2011
 - Members requested to submit names by 1/17/2011

Nominating Process

- **The Committee Nominates:**
 - The number of candidates no less than the number of positions to be filled
 - Use reasonable efforts to assure candidates represent the expertise, experience and diversity available within the pool of potential candidates
- **Nominations made by member petition require:**
 - 75 or more Equity Member endorsements (signatures)
 - Must be delivered to the Committee Chairman 30 days prior to mailing of ballots
 - Must include verifiable endorsement signatures and a resume/nomination form
 - Deadline extended to February 7th for this year only

2011 Election Key Dates / Events

- **Monday January 17, 2011**
 - Deadline - Equity Members self-nominate as Nominating Committee candidates
- **Monday, January 24, 2011**
 - Final selection and Board approval of Nominating Committee members
- **February 7,8, and 10, 2011**
 - Nominations by member petition are due (2/7/2011)
 - Nominating Committee meetings for candidate selection

2011 Election Key Dates / Events

- **Friday, February 18, 2011**
 - Finalization of the Nominating Committee's slate of candidates including petition nominees
- **Week of February 21, 2011**
 - Ballots with completed nominating forms mailed to membership
- **Monday, March 21, 2011**
 - Deadline for returning completed ballots from the membership
- **Friday, March 25, 2011**
 - Announcement of Election results following independent accounting firm tally / audit

Moving Forward

Presenters:

David White

Rick Harrington

Bob Jones

Moving Forward

- Maintain a commitment to excellence
- Enhance the Desert Mountain experience for both existing & prospective members
- Wisely use the vast resources, amenities and additional assets that are now ours to distinguish us from our peers
- Preserve our uniqueness and the 'personality' of Desert Mountain

Moving Forward (cont'd.)

- Expand upon what defines us:
 - Six Jack Nicklaus Signature courses
 - Location – High Sonoran Desert
 - Wildlife
 - Open Space and scale
 - Weather
 - Range/quality of Club facilities/amenities

Possible Projects

- Initial project list derived from turnover acquisitions, past consideration and planning by DMP and historical member input
- Enhancements will be evaluated subject to a structured review process
- Review process will also consider how projects contribute to enhanced social interaction and club dynamics, not simply adding 'things'

The Process

- Alignment with our vision & strategies
- Member input
- Impact on marketability
- Contributions from management & staff on feasibility and development
- Engagement of outside consultants where appropriate
- Coordination with the HOA and its role
- Financial analysis
- Planning for implementation

Possible Projects (cont'd.)

➤ TECHNOLOGY CENTER

- ✓ Computers and more
- ✓ Classes
- ✓ Repairs
- ✓ Usage
- ✓ Fairway Office
- ✓ Potential partnership arrangements

Possible Projects (cont'd.)

- **NORTHERN PROPERTIES/RANCH LOT/ PARCEL 1**
(phased development)
 - ✓ Equestrian, hiking, mountain biking trails
 - ✓ Corrals, stable, arena
 - ✓ Outdoor gathering areas for art shows, photography classes, music, etc.
 - ✓ Amphitheater for concerts, etc.
 - ✓ Picnic and BBQ facilities



The Ranch



The Ranch



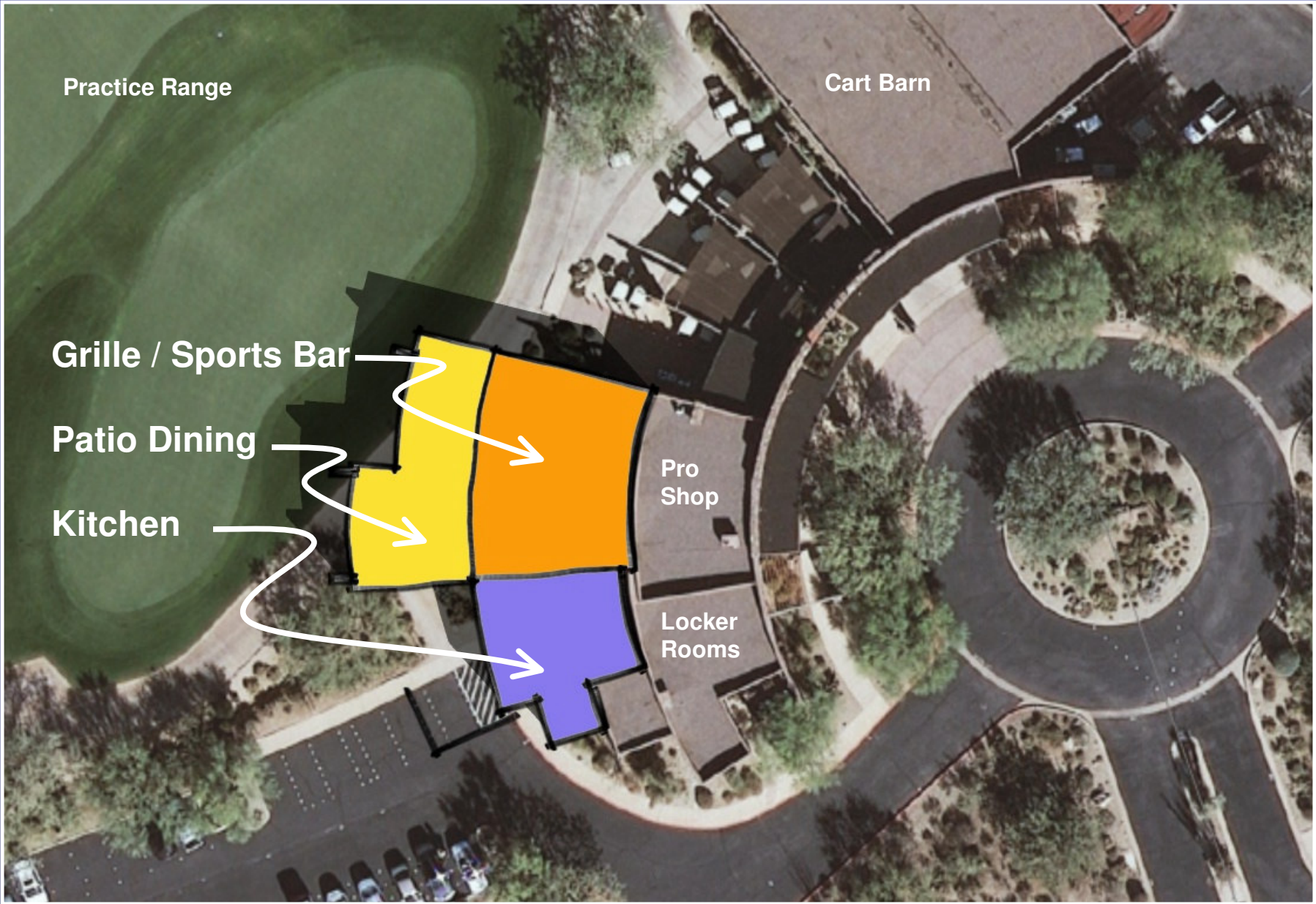
The Ranch



The Ranch

Possible Projects (cont'd.)

- **RENEGADE SPORTS BAR/CASUAL DINING**
 - ✓ Replace aging, undersized and inconveniently located Hideout
 - ✓ Expand service to include evening hours
 - ✓ Situated to the west of the pro shop
 - ✓ Practice chipping & putting areas relocated



Practice Range

Cart Barn

Grille / Sports Bar

Patio Dining

Kitchen

Pro Shop

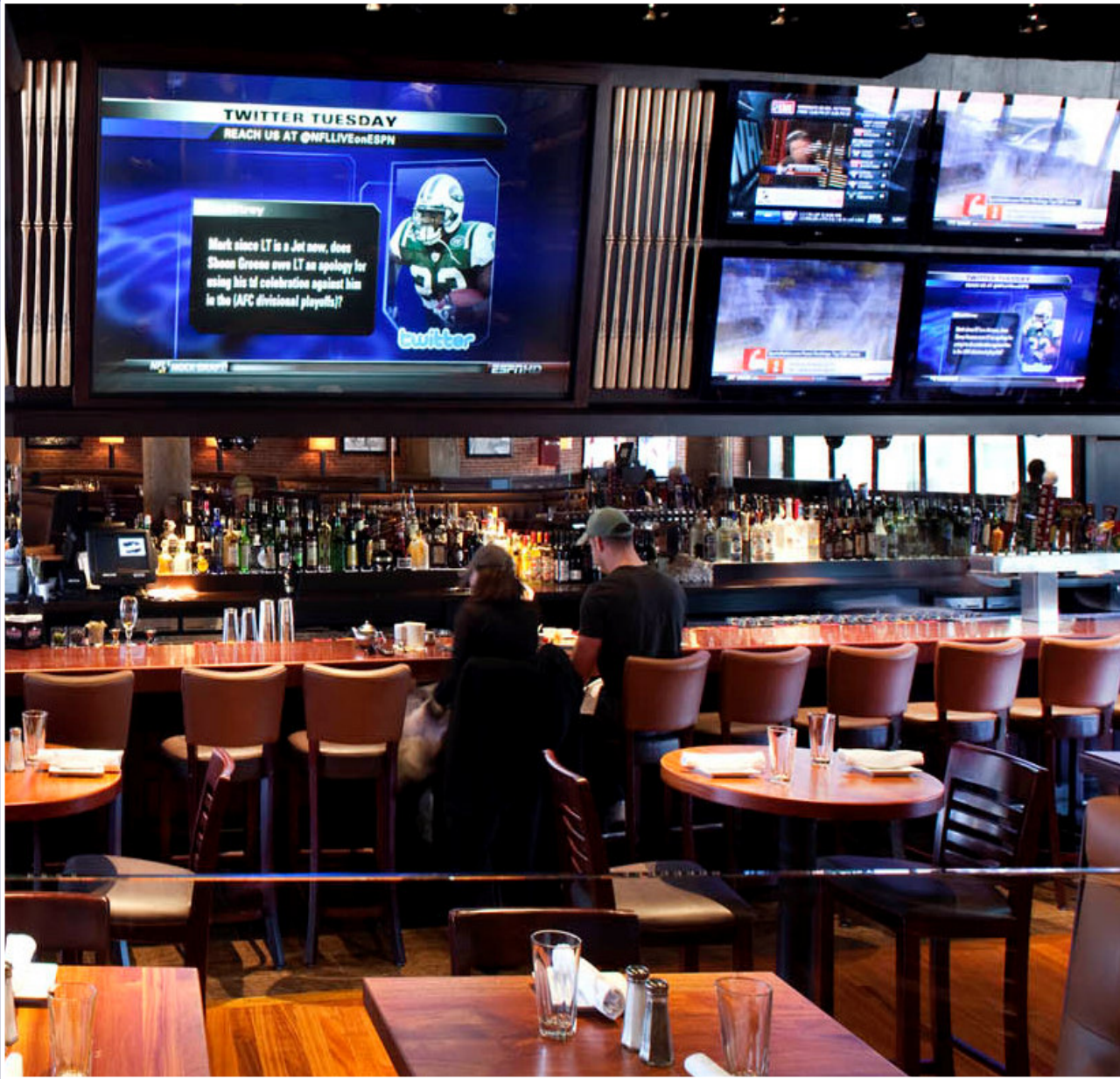
Locker Rooms

Renegade Golf Course and Clubhouse



View From Renegade Patio

Renegade Golf Course and Clubhouse



Renegade Golf Course and Clubhouse

Possible Projects (cont'd.)

➤ SONORAN FITNESS/TENNIS/SWIM CENTER

(phased development)

✓ Fitness upgrades and expansion

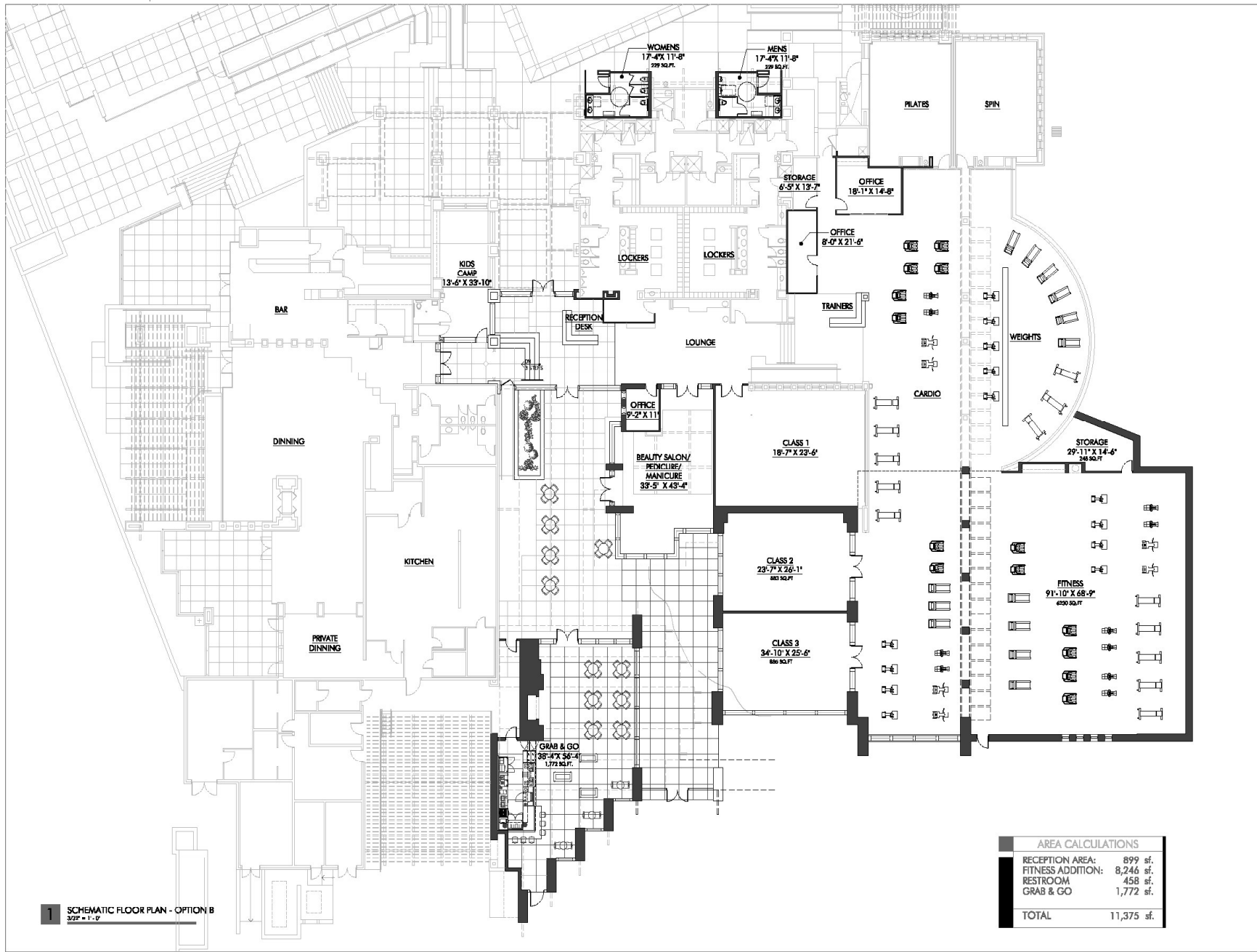
Equipment, workout areas, classes, etc.

✓ Related enhancements

Spa, salon, physical therapy, etc.

✓ Supplemental services

Bakery, special coffees, deli, to-go food (similar to a Paradise Bakery), dry cleaning pick-up/delivery, veterinary and pet sitting services, limited medical facilities, grocery delivery, apparel, etc.



AREA CALCULATIONS	
RECEPTION AREA:	899 sf.
FITNESS ADDITION:	8,246 sf.
RESTROOM	458 sf.
GRAB & GO	1,772 sf.
TOTAL	11,375 sf.

1 SCHEMATIC FLOOR PLAN - OPTION B
 3/27 = 1'-0"

Sonoran Clubhouse Remodel – Possible Floor Plan

Possible Projects (cont'd.)

➤ GOLF PERFORMANCE CENTER

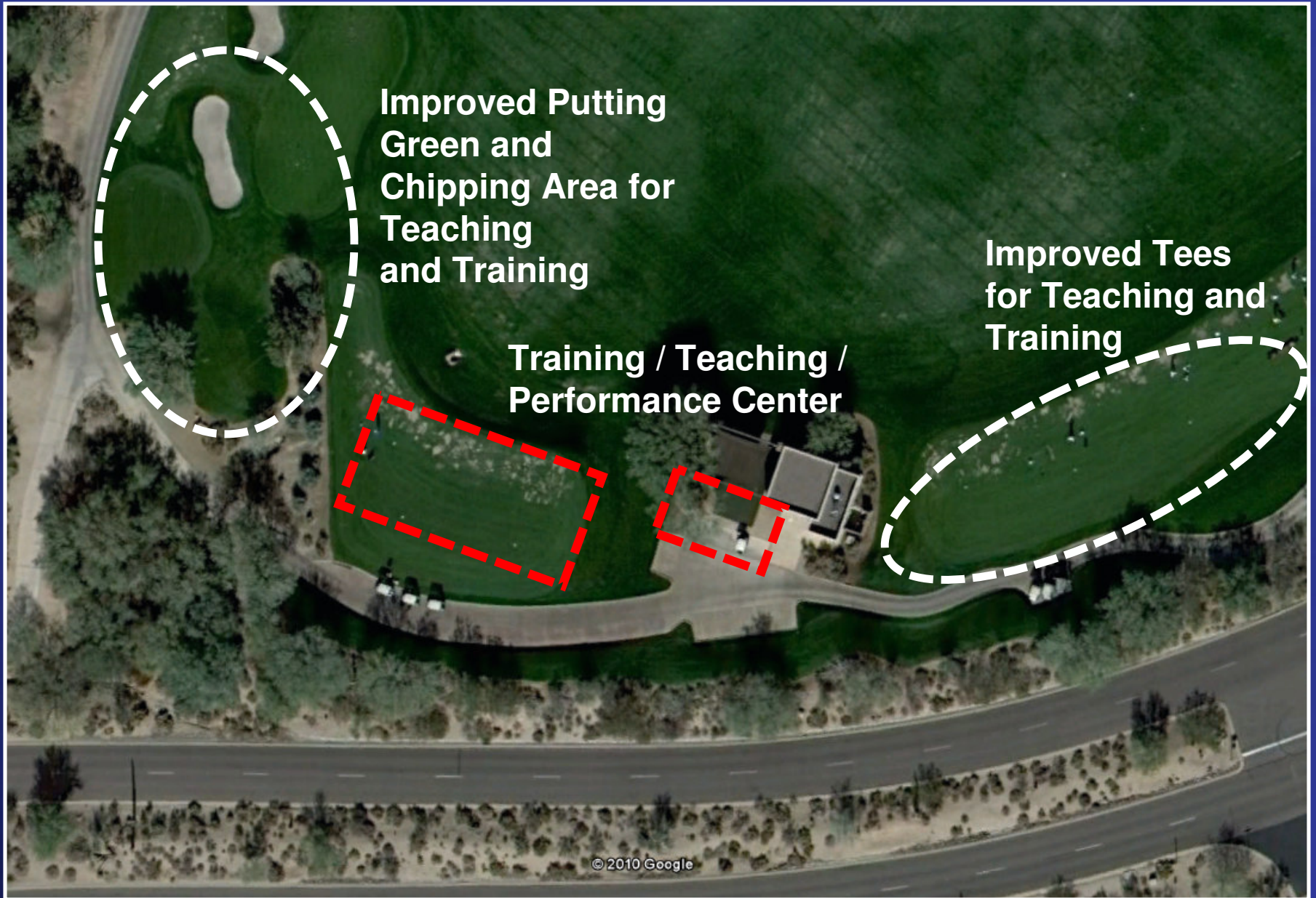
- ✓ Expanded facilities
- ✓ Upgraded fitting areas (lighted/covered)
- ✓ Enhanced use of technological advances
- ✓ Fitness and flexibility testing
- ✓ Greater instructional opportunities



Renegade Golf Course and Clubhouse



Renegade Golf Course and Clubhouse

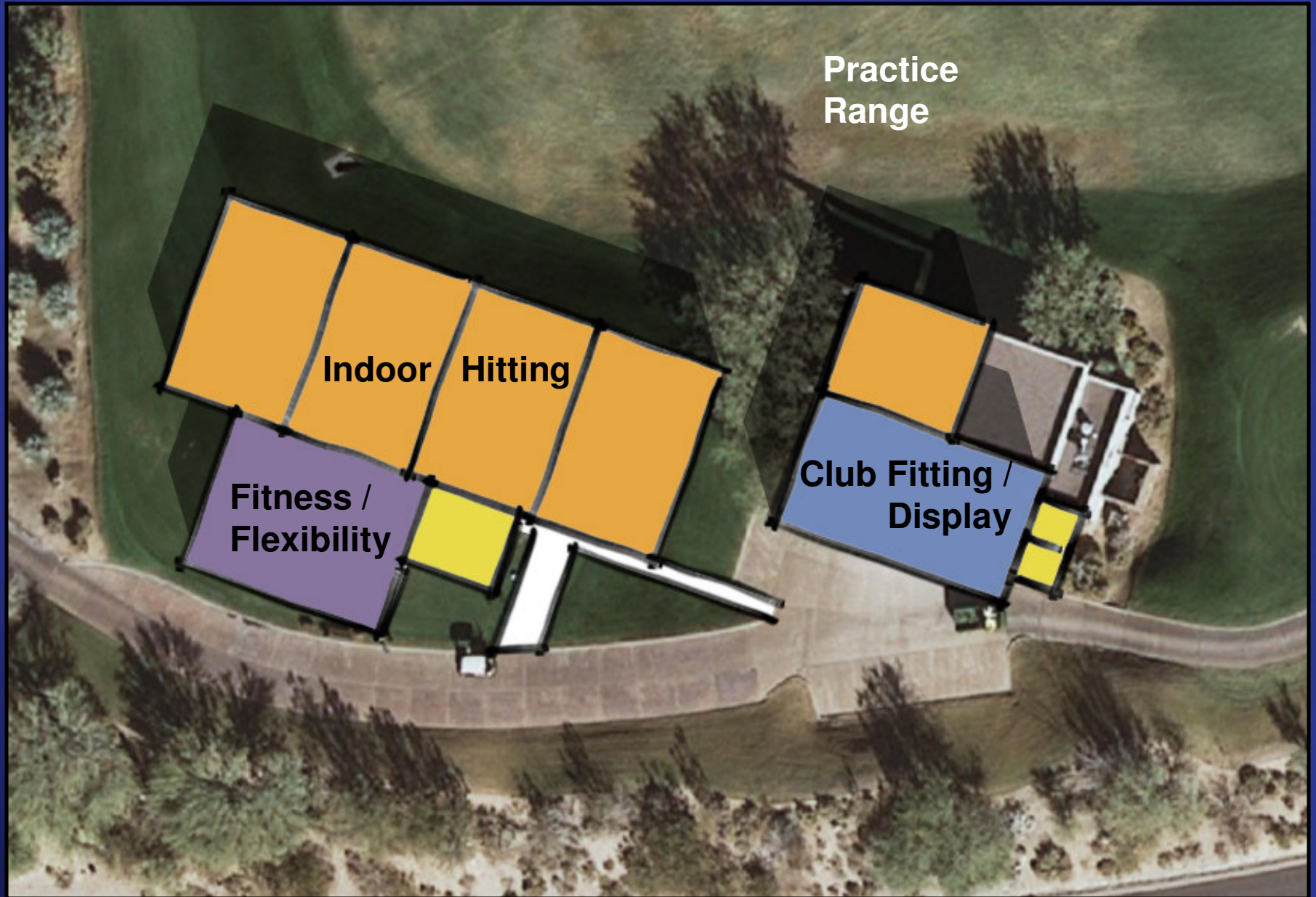


**Improved Putting
Green and
Chipping Area for
Teaching
and Training**

**Training / Teaching /
Performance Center**

**Improved Tees
for Teaching and
Training**

Renegade Golf Course and Clubhouse



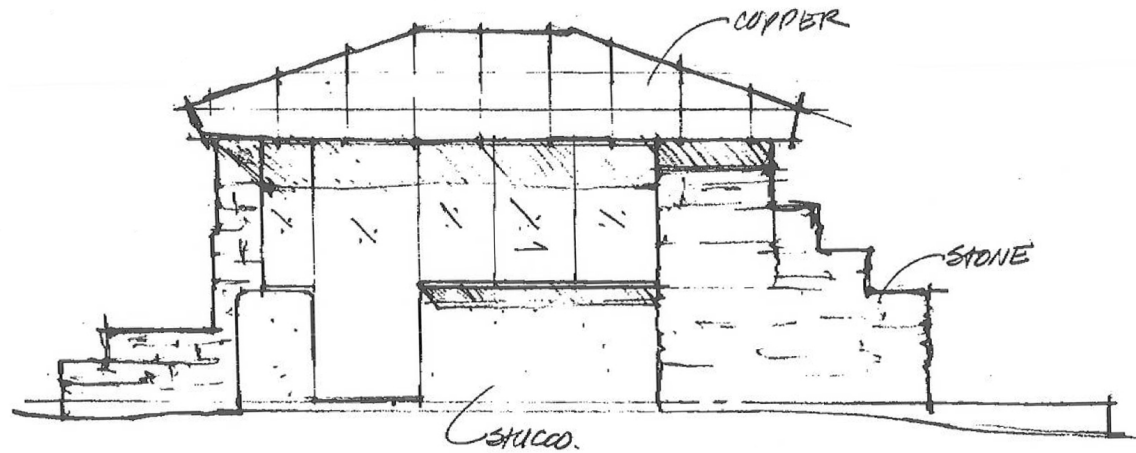
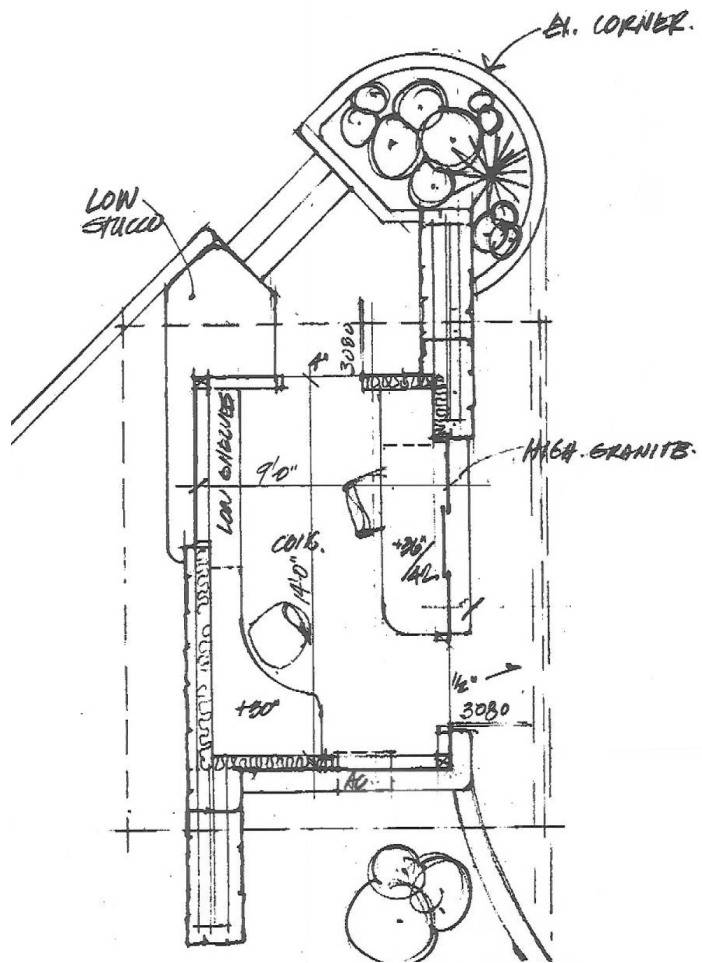
Renegade Golf Course and Clubhouse

Possible Projects (cont'd.)

- **STARTER STATION AT COCHISE/GERONIMO**
 - ✓ Improved cart & player traffic flow
 - ✓ Complementary structure to clubhouse
 - ✓ Improved conditions for starters



Cochise-Geronimo Golf Courses and Clubhouse



Cochise-Geronimo Golf Courses and Clubhouse

Let's Not Forget

- Parcel 19
- C/G Expansion
- Parcel 10
- DMC shuttle service
- Charitable Foundation
- ???

Golf – The Ongoing Project

- **The Courses – our greatest asset**
 - ✓ Irrigation systems – maintenance/upgrade
 - ✓ Poa annua control
 - ✓ Sod & trap repair/refurbishment
 - ✓ Re-vegetation
- **Tournaments** (Tradition, Jingle Bell Jamboree, etc.)
- **PGA/LPGA Pro Affiliations**

Potential 'Outside The Gate' Partnering Relationships

- Carefree Resort
- Carefree Airpark
- Bartlett Lake
- Music
- Art
- Education
- Medical
- Sports

Next Town Hall Meeting

February 18, 2011

Q & A