



May 16, 2016

Dear Desert Mountain Member:

In the April 13 *From the Boardroom* communication, the Board advised the Membership that it was conducting a comprehensive review of the Membership Resale Program ("MRP") to include . . . *alternative programs for an orderly and more efficient exit from the Club, and the setting of a minimum floor price. The Board has received a number of emails and calls from many of you expressing your thoughts with the current Program and suggesting certain changes for the Board's consideration.*

In considering changes to the Program, the Board also seeks to address the recent slowdown in Membership sales. Although we continue to evaluate possible reason(s) for the slowdown, the exit strategy and floor price of \$53,000 may be among contributing factors.

As a result of the Board's review of the MRP and suggestions from the Members, the Club is implementing a temporary Program referred to as the "Exit Transfer Option." More specifically, the new Program will:

- Enable Members to elect to exit the Club during the Program Option Period upon payment of \$32,500 with no further obligation for the \$65,000 transfer fee.
- Provide Members with the option to elect to prepay in full their exit transfer fee obligation (set by the Board, pursuant to the Club's Bylaws, at \$65,000) upon the payment of \$32,500 during the Program Option Period and obtain certainty as to the timing of their exit from the Club on a future date of their choosing.
- Offer new Members purchasing a Membership during the Program Option Period to prepay in full their transfer fee obligation (set by the Board, pursuant to the Club's Bylaws, at \$65,000) upon the payment of \$32,500, in addition to the applicable Membership Contribution, and obtain certainty as to the timing of their exit from the Club on a future date of their choosing.

Additionally, as part of the Exit Transfer Option Program, the MRP is being amended to eliminate the utilization of a "Floor Price" and will move to a "Market-Based" approach.

Please keep in mind that the Exit Transfer Option is a temporary Program that will hopefully provide us with additional insight regarding our exit strategy and pricing of Memberships. Of note, **the Exit Transfer Option is available to the first 150 Members who confirm their participation pursuant to the terms of the Program, and will be offered from May 16 through September 1, 2016 or on an earlier date in the event the maximum cap of 150 is reached before September 1, 2016.**

We invite you to review the specific provisions of the Exit Transfer Option Program by clicking [here](#). If you are interested in participating in this Program, please click [here](#) or contact Nicole Forbes, Director of Membership Sales, at 480-595-4318 or [nforbes@desertmt.com](mailto:nforbes@desertmt.com).

**Action Item for Members Participating in the Resale Program**

The Club will be accepting new Membership Resale asking prices for the month of May effective immediately. All Membership Resale Forms must be completed via the Member Website on or before May 19, 2016 at noon, Arizona Time. Please review the MRP Resale Notice by clicking [here](#) as well as frequently asked questions for MRP sellers by clicking [here](#). These documents can also be accessed on the Member website by going to the "My Club" tab and clicking on "Membership Resale" Program" on the drop down menu.

The majority of our new Members come from Member referrals. Please take the time to refer your friends and family for Membership in your Club by going to the Member website or clicking [here](#). You may also contact Nicole Forbes, Director of Membership Sales, at 480-595-4318 or [nforbes@desertmt.com](mailto:nforbes@desertmt.com).

We have a truly special Club with exceptional golf and unsurpassed recreational amenities and we look forward to working together to make Membership at Desert Mountain an even greater value and experience for all of you.

Sincerely,  
Board of Directors and Senior Club Management  
Desert Mountain Club