



Mayacama Residence Association
Minutes of the Annual Meeting for All Residence Club Members
Tuesday, September 26th, 2023, at 10am

The annual Mayacama Residence Association meeting was held on Tuesday, September 26th, 2023, at 10am PST within the Rotunda of Mayacama Golf Club in Santa Rosa, California.

Board of Directors Present:

Jonathan Wilhelm – President

Brian Hill – Secretary

Also Present Were:

Morgan Olhiser – Residence Club Manager

Levi White – Chief Operating Officer

Mayacama Residence Members Physically Present:

Michael Bradley

David Albin

David and Barbara Cohen

1. Welcome

Jonathan Wilhelm called the meeting to order at 10:01am and thanked everyone for attending the meeting whether in person or via conference call.

2. General Club Update

Jonathan Wilhelm – welcomes all and introduces physical attendees. Jonathan gives a general Club and Membership. In general things were a bit slower this year. We had a wet winter which affected golf rounds more than anything else, but the club felt quieter this year all around. Weekends and tournaments are still full. We had slower real estate sales as it relates to the Residence Club, however a few folks have signed up in the past few weeks in anticipation of the Selection process. The sales of the new villas are basically sold out. We have 2 Quarter Shares left in one, and one more Whole Owner unit that will start going vertical soon. They're about 12 months out from being fully complete on those units. All the site conditions will be completed by the end of Q4 this year, including the quiet pool which is for members staying in Residence. That pool will be heated year-round. We'll begin 2024 budgeting in October, don't anticipate anything really out of the ordinary there. I think we will see pretty normal activity next year.

Question (Unidentified): Could you put some metrics to the real estate sales?

JW: Fractional sales, we had not sold one all year. We have had people go into the Quarter Share program, but we had not seen any movement on 1/10th Fractionals until recently. We have two closing this week and another one in contract. We have had people choosing the Quarter Share memberships over the 1/10th but those are almost gone, so hopefully then 1/10th sales will pick

back up. Total sales of Golf and National Memberships are right around 5 Nationals and 5 or 6 Charters.

Question (Unidentified): How many Residence Club Members are there?

JW: We have about 125-130 active Residence Members, however a number have gone on the resignation list in the last couple of years whether they're moving up here more permanently or for other reasons. So you have about 40 that are not really using the time and are actively reselling.

Question (Albin): What about total club memberships?

JW: We're at about 550 in all categories, including the Residence Club Members.

Question (Simor): What is the maximum number of Residence Club members that you can accommodate?

JW: The maximum would be 150. We have about 10 Club inventory that have never been released for sale.

Question (Bradley): What are the consequences of being on the resignation list and can you continue to use the club while on it?

JW: The documents require that you are paying your membership dues until your membership resells, and then you get the value of your membership or the residence club once it resells. It might be a couple years before your membership sells so if you are thinking about buying or building up here, it's not a bad idea.

3. Construction Update

Thank you all for your patience with the patio construction. As you know, we had significant water damage so the last couple of years we've been significantly rebuilding those porches and at the same time enclosed the harvest rooms. There is one unit that we have not made those upgrades to yet as it didn't need them as significantly, and we have decided to wait a year to do that so it doesn't take a unit offline for this coming year. We are putting that on the schedule to get done in the winter of 2025. That unit still to be completed is 205/206. We added bigger heaters which make that Harvest Room more usable throughout the winter.

Going back to the new villas we've already touched on – the goal is by the end of this year, the pool, pool house, and all the hardscape will be complete and the pool will be usable. It's about 12 months from the time we start moving on the last one, so the entire site should be completed in about a year hopefully. Remaining to build, we have three additional units that we can build. They will be on the 9th fairway so we will work with our architects to fit those there. And we can actually build one more casita in the 300s to replace the one that burnt down during framing and was never rebuilt.

The Bar and Grill was done on time and on budget, that opened this June. Most people have had a chance to see it, although it's really nice to see folks come in who haven't been here and have them see what a great addition it's been. The feedback we've received has been really positive.

We are actively working with a group called Casa Verde Golf – if you all remember, we talked about building a performance center. We are looking at a master plan of the entire practice facility and looking at doing it in two phases, the upper range and improving that chipping area, and then putting a performance center down on the main part of the range. My hope is we will start the lower range first with the performance center this winter and try to get that open for the spring and then look at the top side, so we don't have to close the entire range down. The performance center will be covered, it will be a place you can get club fittings. We'll be resurfacing the actual driving range as well. We're looking at redoing the lower chipping green too, moving that bunker and some other options.

Question (Unidentified): Going back to the sales of 1/10th memberships, just wondering if you're seeing that as a market wide thing or is it local that sales are slower?

JW: That's a good question. We did focus some of our marketing efforts on the national markets to get people more interested in that particular product type. I think there has been a softening of fractional products on the market. People are looking for more time, more flexibility, like the Quarter Share program. There aren't a whole lot of places like this in the private club fractional world, there's larger fractional products that are more universal. I know a lot of other places locally have seen things slow down a bit. I still think this is the best value product to get into wine country when you talk about it as a relatively inexpensive guest house in wine country compared to just a golf membership.

Question (Cohen): You mentioned there's been more demand for Quarter Shares, if that trend were to continue would you consider combining some 1/10th memberships and selling as Quarters?

JW: We have people who have been in 1/10th and upgraded into the Quarter Shares because they want a little more time.

Levi White: The Quarter Shares are also specific to one unit. So the Unrestricted 1/10th memberships can access all the Residence Club units, but when someone buys a Quarter Share, they are buying a quarter of just that one specific unit and that's the only place they stay.

Question (Albin): Was there a furniture refresh planned?

JW: Yes, it is happening in the Villas during Fall Aeration. There will be a new configuration for the harvest room, new beds, some other new case goods. It's a pretty significant change.

4. Residence Club Board Rotation

We did rotate Mr. Stuart Singer as your Member Representative with Mr. Barry Neulen. We want to thank Mr. Singer for his time and thank Mr. Neulen for joining the Residence Club Board as the Member Representative.

5. Residence Club Update

Brian Hill – thanks everyone for calling in or being there in person. This being Brian and Morgan's first year in new roles, we are excited to continue relationships and grow with the Residence Club. We've been focusing on improving in-room amenities like upgrading the snacks and getting some locally produced olive oil and balsamic vinegar. We would love to hear any

recommendations or suggestions from Members regarding the snacks and different amenities in the residences.

You may have noticed we switched to a new key system property wide, we're finding that we aren't having nearly as many issues of keys demagnetizing when near cell phones or in a wallet, so we hope that's been a good transition there for the Members. The new heaters that Jonathan mentioned earlier that are in the harvest rooms, they're a bit more powerful than the existing ones, so hopefully they'll make those harvest rooms a bit more comfortable in the colder winter weeks. We've had a few members mention that if you're staying in the casitas near the putting green and driving range the back patios are a bit exposed, so we're looking at some ideas for privacy screens on those patios.

We've had a couple of people use the forum and it turned out to be successful for them, so that's good. We're hoping to see that get used a bit more. Just to clarify what this is, we created a forum to try to give you all the ability to talk and exchange weeks with one another. The couple of people who have used it have had complete success with it. If you have a week that you cannot use and you put it on the forum, then all the other Residence Members have a chance to see that week and potentially make a switch. When someone lets the Reservations team know, we can really only make the switch if someone else has specifically asked for that week. So the more utilization the forum gets, the more that is available for everyone to see and the odds are higher that you'll be able to make a trade within each other.

We will send another email to recirculate the forum and some quick instructions on its intended use. That way rather than just giving the week back to the Reservations team we can try to circulate the weeks and get some other Members to be able to use them. There is a spot on there as well to share some tips and tricks about Reciprocity stays through Elite Alliance or Timbers – what properties you've visited and suggest other Members go to, things like that.

Last year we had a Member ask about getting dimmers on the light switches in the bedrooms. We're happy to say those have all been completed, so we hope you enjoy that but please let us know if there are other suggestions and recommendations of that nature that you'd like to see in the rooms.

6. Open Forum

Question (Albin): Is this the first year of the weeks being Tuesday to Tuesday?

BH: Yes, 2023 was the first year of that change.

JW: It seems to have worked out really well. With not as many turnovers on Sunday, it allows us to turn the rooms more quickly if needed but also allows you all to spend the entire weekend here and not have to worry about being out of the room during the summer when you want to go to the pool or golfing. It's definitely allowed us to be a bit more flexible through the weekends which has been great.

Question (Albin): Could you go over a bit of the mechanics of how you choose between villa or casitas for the selection process?

BH: We always start by looking for a 3-bedroom unless otherwise noted. So we'll look at your first pick and if a 3-bedroom is there we'll choose that, or if the 3-bedrooms are taken but there

are casitas, then we'll select those. We always try to prioritize by dates rather than moving to the next week if the 3-bedrooms are gone but casitas are still there, unless that is specifically requested.

Question (Albin): So if I want a particular week and am willing to take casitas if those are available before you move onto the next week I should mention that in the notes?

BH: We will always try to do this yes. We think people would rather have the specific week than not getting it at all if the 3-bedrooms are gone but the casitas are still there. The more information you want to give us, the better. We always try our best to get everyone their preferred weeks.

Question (Sherman): I gather from some of your earlier comments that the market is softening and you have experimented with reducing the price, I was wondering if there are other factors or attributes to the offering that could be considered to enhance the marketability?

JW: We did lower the price to try to create a little more momentum, but what Tim and the Sales Team will sometimes do is give delayed dues starting January 1 instead of starting today. We are trying to focus our marketing efforts on the national markets more than the local ones particularly Dallas, Chicago, Southern California, and Arizona. We looked at places with direct flights or places where we've seen pockets of Members from those areas. We did a couple offsite meetings as well with the idea that a person flying in to visit Mayacama has more incentive to look at this Fractional membership. Once we sell the final two Quarter Shares, there won't really be a "competing" real estate product here, so hopefully that will increase momentum in 2024. It's also reliant on people wanting to spend a significant amount of time in Sonoma County so we're almost reliant on the overall market of the area as well and it seems like a lot of local places have been slower this year, occupancies in Healdsburg have been down about 15% across the board. We sent out a marketing campaign to the membership showing what it costs to rent on a nightly basis and what they would be spending in annual dues of a Residence Club membership, and we did get a couple people looking at upgrading.

Question (Simor): In lieu of offering a discounted membership rate, have you explored offering new members club credit with respect to dining or guest rounds where cost of goods sold isn't dollar for dollar? Also, have you thought about reducing the number of shares available if current members want to buy part of those other shares?

JW: We've played around with a couple different marketing incentives, but we haven't done a food credit. We've done delayed dues, club credits in the golf shop, a set of clubs as a welcome gift, things like that. The guest pass is a good idea, people see value in those. We have talked internally about if there are ways that other Residence Club members might want to absorb some of the inventory and have more flexibility short of just buying a second 1/10th. We would have to see if there are enough members that might take some kind of discount and absorb nights from folks on the resignation list and say instead of having three planned weeks you just picked up two or three extra and now have five or six. There are ways to do it, but there are complications to it as well, but it might be a good idea to look into it if enough people seem interested. We do have an incentive if you buy what amounts to 1/5th, there is an incentive for buying two.

Question (Simor): How about putting unused dates on the member forum so we can see if what availability looks like?

JW: The intention is that members are putting the nights on there and trading those amongst themselves. Our goal is to get more people to participate in it so we will send out a reminder

about the forum and the benefit of it to encourage more participation for this very reason. It will provide more flexibility.

BH: If you are certain you are going to cancel, let us know anyway. That way we can go through the waitlist but again, the forum gives you the opportunity to trade and mix and match with other members.

Question (Zarcaro): I wanted to give two quick points of feedback. We were there recently and the landscaping looked so great and I know it's partially due to the wet weather this year, but everything looked great and I noticed the additional plantings around the units, we appreciate that. It looked terrific. We saw some improvement in the food as well which was nice to see. We still miss the Sunday fried chicken dinner, though.

JW: Don't worry, us too. Next time you're here on a Sunday, we'll do our best to surprise you, but you're not the only person I've heard that from. Thank you for that feedback. I've talked to Chef about expanding our vegetarian and vegan options as well as more people are starting to eat that way. One thing we can say is that we are gluten-free but not celiac safe. Most people ask for gluten-free as more of a preference, but we don't have a whole separate kitchen to be 100% celiac safe. Those are some of the things we are going to work on and you'll see some continued improvement there. And thank you for the comment on the planting, we have asked Dale and his team to focus a bit more on landscaping on the exterior areas of the villas to change some watering practices and such there, thank you again for the compliment.

Question (Bradley): I'd like to voice my compliments for Brian, Morgan, Levi, and Danny. You don't always get exactly what you want, but you always get a punctual response and a courteous response, so thank you.

JW: I appreciate that. If you all see things we can do to make the experience better, we are all ears and will always take it as constructive criticism. The new gentleman who took over housekeeping this year, Daniel Dommer, has really done a terrific job. We'll continue to listen to you all and always make improvements as we can.

Question (Cohen): Curious what the club's position is on the casino?

JW: I still think that is a very uphill battle. They don't have a lot of local support, whether they need it or not, but there is very little political support for it, which there was for the other two casinos in the county. They can try to get it put into federal land, but they would still need a gaming license signed by Gavin Newsom and he is going to have a lot of political pressure not to do that, even if they are successful in actually getting the federal land. They have a reduced plan if they cannot do the casino that is a winery and event space. There are a lot of reasons why it shouldn't go there.

Jonathan Wilhelm closed the meeting at 11am and thanked everyone for attending the meeting and those dialing in.