

## SPECIAL MEMBERS' MINUTES UPDATE ON ISSUE OF EARLY TURNOVER

March 28, 2005

Rumors regarding the possibility of an early turnover of the Club by WCI have been around for quite awhile. We have been putting some fuel on the fire by our comments in the Members' Minutes as well as letters and articles in *The Soundings*. Our purpose was to insure that any activity in the area would not come as a complete surprise to the Membership. On the other hand, we also had to limit information disseminated due to confidentiality and the many "unknowns" involved. We are now in a position to bring you up to date with as much as we know. First, however, we want to provide some background and history on the subject.

As elected Members of the Board of Governors, we believe that it is our responsibility to investigate and pursue any and all opportunities for improving the Club. It is for this reason that two years ago we asked the Finance Committee to develop a plan that would accelerate the early turnover of the Club by acquiring the inventory of unsold memberships held by WCI. At the same time, we investigated through formal and informal channels the degree of interest WCI might have in developing some mutually agreeable early turnover plan.

The issue pretty much came to a head last November when we sent a letter to WCI management suggesting that we open "exploratory talks" that might lead to formal negotiations. WCI's response was that an early buy-out was very premature and that their inventory of memberships would be used in their development plan in downtown Fort Myers. (The complete text of this correspondence was published in the December issue of *The Soundings*.) It's not that we cannot take no for an answer, but we felt that we owed the Membership as much effort as needed before we would accept closure.

We continued our pursuit of an early turnover in December '04 through February '05 with correspondence and conversations with WCI top management. This all led to a meeting we had on March 24, 2005 with Mr. Jerry Starkey and Mr. David Fry. In general, it was a very good meeting because both sides had more than adequate time to present their positions, and, while the outcome was not entirely what we were hoping for, it did create a new avenue for future dialog. To summarize:

- 1) WCI has complete confidence that their plan for the downtown development will fully utilize the remaining memberships over the next several years,
- 2) During the time period to implement these plans, WCI is very reluctant to turn the club over because they feel that the value of these memberships will depend in large part on their professional management team – not Gulf Harbour members,
- 3) Something has to be done about the size of and growth in the "resign list" particularly if the implementation of this plan takes years to accomplish,
- 4) There will be future discussions on all issues as events develop, and
- 5) WCI is seriously committed to improving, expanding, and renovating Gulf Harbour Golf and Country Club.

Bottom line, it looks as though there will not be an early turnover in the near future. However, based upon the efforts WCI has made in the last six months regarding landscaping, maintenance, and food service, if these commitments are met, we may not need one.

As is always the case, if you have any questions please let us know.