

There have been many similar/identical questions asked and/or submitted by Members and they have been combined below for brevity.

Question #1: Why does the Board want to sell the club?

Answer: The RMCC budget provides virtually zero resources to enhance our assets and operations. This likely will continue indefinitely. The Board's overriding responsibility is to make sure RMCC continues to provide a strong, distinctive foundation for our community. Having evaluated many ownership and operational options over the years—always with the goal of ensuring and enhancing the club's future—the Board has unanimously concluded that this proposed transaction provides the best opportunity to provide our membership the high-quality golf courses, services and other amenities that we deserve. We reached this conclusion based on the commitments that Bob Husband is making to our members, and based on the respect Bob has earned in the golf and country club business. Bob's vision for RMCC matches ours . . . to return Rancho Murieta to its place as one of the very best clubs in all of Northern California.

Question #2: Why would we buy the club from the current owners to resell it to Bob Husband?

Answer: The golf course **real estate** is owned by Murieta Club Properties, LLC & Consumnes River Land, LLC, often referred to as “the developers.” The RMCC leases the club property from the developers. Under the terms of the lease, RMCC has the right to purchase the club property from the developers for a price based on independent assessments of club-property value. Any differences between assessed values obtained by RMCC and the developers will be subject to mediation and negotiation. The Board has begun the process of “exercising our option to purchase the club.” If the membership votes to approve this purchase at the ultimate settled price, RMCC will then own the club properties. Only then will RMCC have the right to sell the club to Bob Husband. The membership will simultaneously vote on whether to sell the club to Bob Husband.

Question #3: Is Bob Husband Working for the Developers?

Answer: Bob Husband does not have any personal, business or financial relationship with the developers. His goal in purchasing the club is to add amenities and improve services to a growing membership. Improvements to the club obviously will add value to the community and our homes.

Question#4: How much will members have to pay to buy the club?

Answer. Neither RMCC nor its members will have to pay anything to buy the club. Bob Husband will loan RMCC the funds to buy the club from the developers and will forgive this loan as part of his purchase of the club from RMCC.

Question#5: How do I know that RMCC will remain private?

Answer: It will be a binding condition of the sale to Bob Husband. He firmly believes that country clubs should not offer open public play.

Question#6: What kind of improvements will Bob Husband make to the club?

Answer: Bob Husband has committed to invest at least \$2.5 million for a swimming pool and fitness center and for much needed improvements to our clubhouse and other facilities. Bob also is committed to improving quality of services to members.

Question#7: Will all of this entail an assessment?

Answer: No. The present assessment would be removed following the sale and Bob Husband has committed to never impose assessments on the membership.

Question#8: Will my dues increase?

Answer: There will be no dues increase for one year after the date of sale and no increase in the dues of more than 5 percent per year until improvements are complete. In addition, the special assessment will be eliminated. Bob Husband assures the Board that any future changes in dues will reflect the willingness to pay by existing and potential new members.

Question#9: Will there be a change in the member's current privileges or additional costs for being a member?

Answer: There are no planned changes in privileges and there would be no additional out-of-pocket costs to members.

Question#10: What responsibilities & commitments would Bob Husband have?

Answer: Bob Husband would assume all of RMCC's operating leases and all of its debts on the date of purchase. He will also provide assurances

acceptable to the Board of Directors that the pool, fitness center and other improvements will be completed within 24 months.

Question#11: So what am I voting on?

Answer: Members will vote on whether RMCC should both buy the club from the developers and sell the club to Bob Husband. A yes vote means you want both to happen. A no vote means you want neither to happen. The Board unanimously recommends that you vote yes.

Question#12: What is scheduled to happen next?

Answer: The Board notified the developers on February 11, 2016, that RMCC is exercising its option in the lease to purchase the club. The Board also asked the developers for a meeting immediately to establish the steps we will take to make that happen. In mid-March, during the sales price negotiation process, the club will mail out ballots to all eligible voters.

Question#13: Where is the location for the construction of the pool and fitness center?

Answer: The location has not yet been determined but the goal is to have it in an area near the main Club House. Member input will be sought for finding the optimum location for member convenience and access.

Question#14: Is the company he is forming nonprofit or a “for” profit?

Answer: His is a for profit company.

Question#15: Where does Bob Live and where will the home office be?

Answer: Bob lives in Del Mar outside of San Diego. The home office will be in Rancho Murieta.

Question#16: Has he decided where he will spend money besides the pool/fitness center?

Answer: There have been discussions as to the many needs and upgrades to the club and a formal plan will be submitted to the membership within a reasonable time-frame.

Question#17: Regarding the dues increases beyond the one year period - what will determine what the increases may be?

Answer: Bob said he knows as a businessman that he cannot keep raising dues or he will price himself self out of the market.

Question#18: Will the Union Contracts be honored?

Answer: Yes.

Question#19: Will you be trying to coordinate the pool & Fitness Center with RMA?

Answer: Bob said he that he will obviously be talking with them, however the facilities will be a part of RMCC and for membership use.

Question#20: What approach will you (Bob) use to target the Community?

Answer: Focus groups of RMCC members and non-members.

Question#21: What thoughts do you have about tennis?

Answer: Bob said that Tennis is definitely part of his plan.

Question#22: Will non RMCC members be receiving information?

Answer: Yes.

Question#23: How can I be sure my interests as a member are fully protected in this proposed transaction?

Answer: First and foremost, no sale of the club can occur without a membership vote. Specifically, for any sale to take place, the RMCC Bylaws require approval by a majority of the required quorum of eligible voters. Second, the Board is totally committed to informing you in depth prior to the vote. In addition to three "town hall" meetings and information we disseminate, you are free to ask any member of the Board any question or questions you may have prior to any vote. Third, the Board is made up entirely of members like you, so Board members and you share the same interest in ensuring the club's future. And, fourth, the Board takes very seriously its responsibility to structure the best deal for your consideration and for the future of the club we all value and enjoy.

Question#24: What is the difference between Equity Clubs and non-Equity Clubs?

Answer: In brief, an **Equity Club** is owned by its members and governed by a Board of Directors that is composed of members and elected by the club's membership. RMCC is a bit of a hybrid. While we govern the club we do not at present own the club property. We lease it. But the terms of our lease give us the option to buy it, which is what the Board is advocating we

do. The proposed purchase/sale transaction depends on membership approval.

A **Non-Equity Club** is owned and governed by an individual or corporation, not the club members. This is what RMCC will become if the members approve the purchase/sale and the transfer is completed. Bob Husband and his associates will own and govern the club but they have said they will have various advisory committees made up of members. These committees offer the dual advantage of serving as a resource for the owners and allowing members to continue to provide input.

Question #25: Would RMCC be required to get RMA approval for this transaction to be in compliance with the RMA CC&R's page 43 Article VII Section 8 on Business Activities that states "No business activities of any kind whatsoever shall be conducted in any building or in any portion of any Lot without the prior approval of the Association; provided, however, the foregoing covenants shall not apply to the activities, signs or the maintenance of the buildings (including model homes) by the Association of Subdivides in furtherance of their purposes as set forth herein."

Answer: No. This can best be answered by quoting Vicky Lentz, a previous RMA vice president who chaired the Compliance, Governing Documents and Nominating committees. She was known for a fact-based approach to issues that relied on research and knowledge of the association's governing documents. Ms. Lentz wrote the following post on RM.Com regarding requirements for non-RMA members that reside within the RMA gates:

"They (the Villas) are not annexed into the RMA ... and are NOT members of RMA is why they don't pay the full RMA assessment. RMA could enforce its CC&Rs and prohibit use of its amenities from the Villas owners/tenants if it chose to. Similar to Country Club members who are not residents, they have bar codes that give them access to the community but are only allowed to use the Country Club. Also, there are other costs that are included in the RMA assessment that would not apply to the Villas. The cost of the operation of Basic Cable comes to mind; the Villas do not have access to RMA's basic cable service." We also have had conversations with RMA management and members of the Board and everyone believes we are operating within the guidelines.

Question #26 How binding are the presale commitments of Bellagio Road LLC to RMCC, what forms will they take and what is the enforcement mechanism?

Answer: Many of them are part of the signed MOU and the critical ones would be part of the final binding contract such as: water issues, spending of additional funds for the facility and courses, etc.

Question #27 In the event that Bellagio Road LLC sells the club after purchasing it from RMCC, will the presale agreements bind any new owner?

Answer: The Board is confident that Bob Husband is committed to RMCC for the long run. Nevertheless, the Board and our attorney are addressing this issue with Bob, and we will clearly address this matter in the final sales agreement.

Question #28 Given the current number of members and dues structure, the club is struggling financially, what is Bellagio Road LLC going to do different to operate the club and improve the financials?

Answer: Nationally the majority of the thriving Country Clubs are now catering to families and by putting in a Pool & Fitness Center in then one of the biggest complaints of the non-golfing spouse would be eliminated and not only would this infusion of cash and amenities bring in many new Social members it would also add to our golfing membership. Member run clubs are typically run by Board members that play golf and have little to no experience in running such a hospitality oriented organization, Bob Husband and his associates do.

Question #29: Will the commitment to freeze the current dues include a commitment to the current dues structure where members were guaranteed a life time dues reduction for recruiting new members?

Answer: The current dues structure will be honored.

Question #30: Does the commitment to freeze the current dues include the quarterly food and beverage requirement and trail fees?

Answer: Yes

Question #31: Will the current RMCC rules such as the dress code, carts on paths, use of personal carts etc. continue in place where applicable?

Answer: Bob would be creating a new set of Bylaws but no changes to such rules would be anticipated since these rules have worked for the Club for years.

Question #32: After the sale of the club, what means if any will members have to provide input to the new owners regarding club management and operations?

Answer: Bob has requested that several of the Advisory Committees remain in place but, just like now, they would be advisory in nature except that Bob or his designated staff would be taking those recommendations and be making the final decision and not the Board.

Question #33: What type of pool is Bellagio Road LLC committed to building, an Olympic sized pool suitable for competition?

Answer: It would be, as was the RMA proposed Pool was back in 2014, a competition sized pool but not a full Olympic sized pool.

Question #34: In a vote of the membership to buy the club, what vote tally is needed to pass?

Answer: Per our Bylaws it takes a majority of a quorum which is 40% of the eligible voting members

Question #35: How many full golf members are there in the club?

Answer: As of February 24th there were 534 Full Golf Members which included 26 Legacy members.

Question #36: For members in their 70's who are not that dissatisfied with the current dues and condition of the golf courses, what incentive do they have to vote to sell the club in lieu of just letting the lease expire when they will probably no longer be members?

Answer: The lease expires in October of 2028 and without some significant infusion of members and capital funds to make sure that 70+ aged members do not become very dissatisfied with the condition of our courses. The Board sees this as the most viable way of insuring that. We believe based on the current and future needs not only would dues

continue to be raised by 5% under our current Bylaws but an assessment program would have to remain in place during the balance of the lease. The purchase of the club brings with it enhanced facilities and amenities to be enjoyed by every member regardless of age and will help ensure viability of the club for the future and will help in maintaining or increasing our property values.

Question #37: If RMCC doesn't enter into this proposed deal with Mr. Husband will the membership, in the near future, be faced with substantial dues increases and/or further assessments?

Answer: Dues increases, per our Bylaws cannot increase more than 5% per year without a member vote and a continuation of the existing assessment slated to end in March of 2017 would be asked for by the Board for membership approval. If our aging facility and infrastructure continues to require large cash outlays like the recent and unbudgeted \$100K kitchen repair then an emergency assessment would become mandatory.

Question #38 (Similar to question #10 above): What exactly would Mr. Husband's group be getting if RMCC enters into this proposed transaction?

Answer: Bob Husband would assume all of RMCC's liabilities and debts on the date of purchase. He will also provide assurances acceptable to the Board of Directors that the pool, fitness center and other improvements will be completed within 24 months.

Question #39: If the membership of RMCC does elect to enter into this proposed transaction with Mr. Husband's group will the current employees of RMCC, including the golf shop staff, be retained by Mr. Husband's group?

Answer: Yes

Question #40: There are some members of the current ownership groups that are also RMCC members does that present any conflict of interest.

Answer: Not as the plan of execution has and is being structured. Basically they are members like everyone else and they will have an equal vote like everyone else.

Question #41 (Similar to question 23 above): Will there be a contract, M.O.U., Letter of intent or other legally binding contract that the membership will have the opportunity to review prior to the vote?

Answer: Not during the negotiation phase. (See question #40 above). No sale of the club can occur without a membership vote. Specifically, for any sale to take place, the RMCC Bylaws require approval by a majority of the required quorum of eligible voters. Second, the Board is totally committed to informing you in depth prior to the vote. In addition to three "town hall" meetings and information we disseminate, you are free to ask any member of the Board any question or questions you may have prior to any vote. Third, the Board is made up entirely of members like you, so Board members and you share the same interest in ensuring the club's future. And, fourth, the Board takes very seriously its responsibility to structure the best deal for your consideration and for the future of the club we all value and enjoy.

Question #42: What is the vision for increasing revenue (i.e. focus on outside tournaments, corporate membership, public play etc.)?

Answer: Increasing membership by making RMCC the social hub of RMA with increased amenities and service but definitely not public play or increasing the number of outside tournament.

Question # 43: What happens if the membership of RMCC elects to enter into this proposed transaction with Mr. Husband and an agreement for the sale and purchase of the Club under the current lease cannot be reached?

Answer: The Club, under the current lease stipulations would not be able to exercise any buyout until another five years in 2021 and not after October of 2023. There are certain provisions in the lease for both parties obtaining appraisals and some very specific mediation activities that will help in coming to a reasonable price.

Question #44: Why is the membership being asked to vote on this transaction now instead of waiting until the final price has been either negotiated or arbitrated with the developers?

Answer: The Club, under the current lease stipulations, is required to deposit funds into an escrow account at Chicago title as part of the purchasing process. That amount required is presently \$85,612 which the

landlord would draw from to pay for their various expenses such as attorney fees, appraisals and other documentation costs. If the transaction does not occur then those funds spent by the landlord would be subtracted from that specified amount and any funds remaining would be returned to RMCC. Since the majority of the anticipated cost will be spent during the negotiation process the Board has elected to first determine first if the members approve the purchase to limit our expenses if they vote not to approve this transaction. Note that Mr. Husband has loaned RMCC the required amount which has already been deposited into the Chicago Title Company. (Note: See question43 above-If the purchase option does not take place this year the amount required to be deposited in 2021 grows to over \$126,000).

Question #45: Will the fitness center and pool be part of the Full Golf Membership or will there be a separate membership?

Answer: The fitness center and pool would be part of the Full Golf Membership and there may be another membership or memberships added in addition to the existing Social, Jr. Executive or Sport Social membership that would add access to the fitness center and pool.

Question #46: Have you considered adding dedicated Pickle ball Courts to the Club?

Answer: To date there have not been any discussions regarding the addition of any Pickle Ball Courts but during the planned focus groups and polling of the members they may be added.

Question #47: Can a member Opt out without a penalty?

Answer: To Opt out of any existing membership where no specific term contract has been entered into there are no planned penalties to resign after any specified contract term has been fulfilled other than the same 30 day written notice that is presently required.

Question #48: Are all of the existing pieces of equipment, structure, furniture and fixtures included in the sale?

Answer: Yes

Question #49: Is there a commission being paid?

Answer: Yes the broker will receive a fee but there will be no cost to the RMMC members if the transaction is approved.

Updated following the Feb.27th , 28th & 29th 2016 Town Hall Meetings



There have been many similar/identical questions asked and/or submitted by Members and many were combined & answered in the first 49 Q & As.

Question#50: What is the value of the club debt that Mr. Husband will assume?

Answer: There is no way to tell what the exact debt that Mr. Husband will assume when/if this transaction goes through however the latest Gallina LLP audited financial for 2014, that were presented at October 2015 Annual meeting, showed in page 5 of that report that the total liabilities at the end of 2014 were \$4,307,207. The 2015 audited financial should be available by May of this year.

Question # 51: What will be the integrated dependences of the RMCC and the Rancho Murieta Community regarding the reuse of reclaimed water (both reclaimed and raw) and community security?

Answer: The rights and working relationship with CSD and security will remain the same as they have been with RMCC per the existing agreements.

Question #52: Will I be able to sell my Full Golf Membership.

Answer: Currently anyone can put in a request, per the Section of the 4.11 (b) of the RMCC Bylaws, to place their Full Golf Membership on a Sellers waiting list, for 50% of the current Initiation rate of \$5,000. There are currently no names on either the Sellers waiting list nor are there on the Buyers waiting list (ref. Section 4.11 Waiting List). It is anticipated that this this option will no longer be available when/if this transaction occurs but there has yet to be any detailed discussions with Mr. Husband on this matter.

Question#53: Will there be any set percentage limit of membership outside of the community?

Answer: There are presently over 80 RMCC Members that reside outside of the RMA gates but Mr. Husband stated that, in the future, that members outside of the community would have a membership that could be recalled to protect the community (he wants to make sure that any community member has a right to join)

Question#54: Would there be a cap on the maximum number of Golfing Membership?

Answer: There are no caps planned unless there becomes a problem with members not being able to get Tee times on Saturdays.

Question #55: Shouldn't the value of the Country Club property per acre be higher than the value of a house lot per acre in Rancho Murieta ?

Answer: No because existing Golf course properties which are established and run as income properties are valued considerably lower per acre than property where high valued houses are able to be built.

Questions#56: Will you be working with CSD regarding the fresh water requirements for the fitness center and Pool?

Answer: Definitely, as soon as the requirements are somewhat more solidified.

Questions#57: What are the terms of the current Union contracts?

Answer: The OE3 contract was just resigned for a two year period and a one year period with the Culinary Union.

Questions#58: Why doesn't Bob buy the club directly from the developers?

Answer: The structure of our existing lease that ends in 2028 with the developers only gives the RMCC members the option to purchase the club. The lease also comes with an arbitration clause that has the significant advantage of reaching a fair price in a short period of time.

Question #59: What is the estimated closing date for this transfer of ownership if the membership approves this transaction?

Answer: The closing date, in accordance with the terms and time periods of the Lease, was submitted as being May 31, 2016.

Question#60: Will the dues be based on a calendar year or a fiscal year?

Answer: The dues will be based on a fiscal year. (Many members have already prepaid their dues in 2016 based on the calendar year)

Question #61: Have you owned or operated any Country Clubs before that were Union?

Answer: Yes

Question #62: Can the details of the MOU be shown as part of the ballot such that they are part of the transaction so that the members can make a more informed decision?

Answer: Yes the ballot will include that except, for obvious reason, the prices may be redacted.

Question #63: Can Bob resale the club in five years to some outside investment group that may not share the RMCC member's vision?

Answer: Bob has no plans whatsoever of selling the Club and if any outside group were to somehow purchase the club they would, out of financial necessity, have the same business model that keeps the Rancho Murieta communities interests and must cater to the current members.

Question#64: Can the members see the club financials?

Answer: Yes the detailed monthly financials are and have been for several years posted on the member's side of the RMCC of website. The 2015 year end audited financials should be available by the end of March. The preliminary 2015 year end financials show a net gross revenue of \$7,168,743.

Question#65: Are you aware of a 3% tax that is supposed to be imposed on the sale of houses?

Answer: We are not aware of any such tax that is applicable to the sale of a business or Corporation but we will look into it.