



STATE OF THE CLUB REPORT

FEBRUARY 28, 2015

Dear Member,

Spring is on the horizon and the anticipation of better weather is filling the air. From the greening of our golf course to the increased daylight, these are the signs of transition that we all look forward to. As many of you are aware, Eldorado is undergoing a transition of its own. During my tenure here as your Assistant General Manager, and Head Golf Professional, I've witnessed a sense of camaraderie within our Eldorado membership that has been overwhelming. Eldorado has a proud heritage, a wonderful golf course, and most importantly, a passionate, caring membership. It is a Club that you enjoy, and that others want to belong to. However, we have the opportunity to significantly improve our standards of operation, to continue to increase and improve our activities, services and special events, and to truly personalize your experiences at the Club. With your input and feedback we have already begun working to further tailor Eldorado to meet your needs, and to exceed your expectations.

Since C-BONS International Golf Group (CBIGG) purchased Eldorado four months ago, we have had the pleasure of meeting with many of their senior staff numerous times. They are aware of the tremendous amount of growth and activity at our Club, and they recognize the positive improvements made in our recent past. Most importantly, they are fully aligned with our Vision to make Eldorado "One of the Premier Family Country Club's in Dallas, known for Outstanding Service and Value, and with a Waiting List to Belong". CBIGG is committed to our enhancing the "Member Experience", at our Club and at all of their properties. With their support we have already been making great strides in improving product quality, service, and cleanliness at Eldorado.

IMPROVEMENTS / CAPITAL INVESTMENT

When formulating a plan to address ongoing capital needs, it is important to recognize the things that have been accomplished previously to have a full view of the Clubs position. In 2014, we made a number of improvements to the Club that we are proud to mention. Some of these improvements include men's and ladies locker room renovations which included new carpet, tile in the bathrooms/showers, fixtures, tables/chairs and new paint throughout both locker rooms. We also were able to add new lobby furniture and install window treatments throughout ballroom.

As the year progresses, we will focus on the improvements many of you have requested and we have set as priorities for our Club. An immediate priority is to improve our golf course conditions and playability. Part of the plan is an immediate increase to the day to day maintenance budget that will allow for more staff and increased fertilization of the golf course. On the capital investment side we are

working on projects such as a greens complex renovation to recapture the original size of each green, as many have been reduced over time by more than 20%. This will not only improve the quality of our greens, but have a significant positive impact on the playability of our golf course. A golf course bunker project, cart path repairs throughout the course, and the necessary replacement of a key irrigation pump are also planned.

There are many other capital projects that take place behind the scenes. For instance, there have been and will continue to be investments in clubhouse, kitchen and golf course equipment. This will provide the tools necessary for delivery



CBIGG is committed to enhancing the "Member Experience" at our Club.



of the quality product we have set as our standard. While not seen, these investments are imperative to the operation and your overall experience. We will also be working on a roof/repair renovation and the purchase of ladies locker room chairs. As we work with CBIGG to complete our due diligence and prioritize these items, you can expect updates regarding these projects throughout the year.

OPERATIONS

It takes much more than capital funds to make a great Club, and as noted earlier there will be numerous improvements this year. Training is a critical component of our future success, and is a necessary cornerstone for improving service. Our commitment to improve in this area is already being realized, and as we focus on training and hiring we will be taking our service to a much more consistent and higher level. Along with this there has been a few organizational responsibility changes made heading into 2015. We were saddened to lose a couple of great employees over the past year as they have moved to Nevada, but we assure you that the team that is in place now is as strong as or stronger than it has ever been. Cathy Taylor has been promoted and will be taking over the very important position of Membership Director for our Club. Cathy has been a “go to” department head at Eldorado for over 12 years and is looking forward to working with each of you to successfully grow our Membership Roster and develop a true “Waiting List to Belong”. Please help us congratulate Cathy by thinking of friends you’d like to invite to join you as Members at Eldorado.

Starting this week you will see another new face among the team and his name is Joe Don Davis. Joe Don comes to Eldorado as our Interim General Manager and leader of the team. He has an extensive background in leading Private Clubs throughout his 20 year career and he is excited to get to work to provide you with a great 2015 season. You will hear from Joe Don in the coming weeks after he schedules a few events to meet everyone. Please help us welcome Joe Don to the Eldorado family!

Another critical component of our operation, and of your

“Member Experience” here at Eldorado, is the consistency and value associated with the offerings throughout the Club. We had a few “prize” hires in 2014 in our Food & Beverage department. Executive Chef Chris Smith had an immediate impact in the food quality and presentation in the dining room. You will typically see Chef Chris walking around the dining room with plate in hand showcasing new recipes and asking Members if they would like a “taste test.” He will also continue to evaluate the menus on a regular basis to make sure we introduce new trends in the culinary world to our Members while keeping items that have proven to be Club favorites. The vast majority of you who have experienced

Chef Chris’s food have shared your excitement and appreciation for his new offerings. Working hand in hand with Chris is Arnel, our food and beverage service manager. Chances are that if you have eaten at all in the grill you have seen or run into Arnel. A tireless worker, Arnel is in charge of the F&B service staff and their training and execution within the department.

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Equally as important will be the attention to detail in both the golf operation and tennis and fitness departments. With new focus comes new priorities for the teams. In both of these departments you should have already begun to see a difference in the attention to detail and accountability for some of the service and cleanliness issues that we need to overcome. Each department has been challenged with looking at things through “Members’ eyes.” In order to improve the product we first must establish very clear expectations that can be evaluated easily and frequently. With the support of CBIGG, and the insight that many of you have provided to me, we are now doing this at a rapid pace. We take your feedback seriously and will utilize it as we continue to better our processes going forward.

As with every business, there is an ever increasing cost associated with improving quality and offerings. Eldorado too faces these issues. Most recently insurance costs, as well as the cost of employee benefits as a whole, have risen dramatically. Therefore you will note that your annual Dues Increase will be reflected in your March statement. However, with this minimal increase we are confident that we will be better positioned to operate Eldorado at a level that will make a noticeable difference in your “Member Experience” and secure our continued success.



It is also important for our Club to be a relevant partner within the community. The best Clubs create a “sense of belonging” and that includes a solid relationship within its community. We will continue to support Members and local organizations that give their time and money to such great causes like *Rally for the Cure*, *Wounded Warriors Foundation*, *The First Tee Foundation*, *Toy’s for Tot’s*, both *Boyd & McKinney High Schools*, *Patriot Paws*, *The Epilepsy Foundation*, and many more. We have always tried to be the social epicenter of our community, but are committed to expanding our reach and involvement to bind the Club and community even closer. Linking together the Members of our Club for a common cause through major community events will allow new homeowners and the families in our community to better understand the experiences that make Eldorado Country Club so special.

EXPERIENCE

As I noted in the opening of this report we are committed to continuous improvement. Not only will we continue to improve the service and quality components of your “Member Experience,” by enhancing the aesthetics of our Club, but we are also focused on adding events and activities that stir a sense of excitement and camaraderie throughout the entire membership.

We are committed to offering events for the entire family, in all areas of Eldorado, so that you, our Members, are enticed to use the Club even more this year. We are very proud of what we have already created on the social side of our Club, and working with our Committees and team members we will continue to provide the variety and quality events that you have grown to love at Eldorado.

There are many lasting measures by which one can assess the overall value of a Private Country Club. One measure might be the setting of the clubhouse. Another might be the challenge and condition of the golf course, or the culinary delights that come out of the kitchen. While appropriately proud of our Club in all these regards, when all is said and done the most lasting measure of success is the intangible feeling and tangible “Experiences” our Members realize from their Club Membership. Whether it is the camaraderie among friends, networking with business associates, the

social or competitive golf and tennis matches, favorite Member Events or just having dinner with your family and friends, it is our goal that Eldorado will be a part of your special memories and be your “Home Away From Home.”

MEMBERSHIP

In an effort to help reestablish the value associated with being a member at Eldorado, we have reset the Initiation Fee requirements going forward. A Golf Membership now requires a \$2,500 Initiation Fee. With this State of the Club report you received two (2) Certificates valued at \$1,500. These are yours to bestow upon friends or colleagues who may have interest in joining the Eldorado family, and they can apply this \$1,500 towards their Initiation Fee. This means that for the next sixty days your referrals can join Eldorado for only \$1,000. This opportunity will expire May 1, 2015 – but the sooner they join, the better their investment, as upon payment of their \$1,000 Initiation Fee they will also enjoy FREE DUES until May 1!

While we are aware that this is an exceptional value, please recognize that we are committed to reestablishing our Initiation Fee at a higher price to more appropriately represent Eldorado, and that this program is simply the first step in the process. As we work towards our goals, your help in referring your friends and neighbors to Eldorado is critical. For us to achieve our goal of a “Waiting List to Belong” (approximately 40 away), we must not only continue to improve our quality and consistency, we must also partner with you, our Members in all of our endeavors. The referral of your friends and neighbors to help grow our Membership is an important component of this partnership. We hope that you will share these Certificates with friends who you would like to join you here as fellow Members of Eldorado.

And for our Tennis and Social Members, we’d like to take this opportunity to thank you for your support of Eldorado, and give you this opportunity to use one (1) of the enclosed Certificates as a vehicle to UPGRADE YOUR MEMBERSHIP TO GOLF – and by doing so YOUR COMPLETE INITIATION FEE WILL BE SATISFIED! That’s right, any Tennis or Social Member who desires to upgrade to a Golf Membership before May 1st can use the total value of the enclosed Certificate and will not



have to pay an Initiation or Upgrade Fee!

CONNECT by CBIGG – The Ultimate Member Benefit

The most exciting addition to our Club this year will be our NEW program to better “connect” you, our Members, with not only our Club, but with our entire CBIGG family of Clubs.

CONNECT by CBIGG, is indeed the “Ultimate Member Benefit”... it will allow you to enjoy 50% OFF almost all of your food purchases when dining here at Eldorado! In the past, a similar benefit was offered to new Members, (and only to new Golf Members), and it was priced significantly higher than our new CONNECT program – but now ALL Members can enjoy the benefits of CONNECT.

EVERY Member can upgrade to CONNECT, and the cost of this new Member Benefit is only \$50.00 per month! Plus, through May 1st the \$1,000 Connect Fee will be waived. In addition, as a CONNECT Member you will have reciprocal privileges at all the properties in the CBIGG portfolio, plus select additional affiliate clubs, including Lantana Golf Club and Bridlewood Golf Club, both located here in the DFW Metroplex. Your reciprocal privileges will mirror the membership privileges you have here at Eldorado – and you will also enjoy 50% OFF on most food purchases when dining at all of our CBIGG private clubs!

Plus, Golf Members can play our other CBIGG private clubs, as well as the additional affiliate private clubs, for only a Cart Fee! Additionally, your Guests will enjoy half-priced Guest Fees at our CONNECT courses, and at our CONNECT daily fee properties you will have full range privileges, plus special pricing throughout the day, as well as Pro Shop discounts!

Obviously we’re all extremely excited about this new program, and I strongly encourage you to contact Cathy this week to enroll in this great new benefit – the “Ultimate Member Benefit”!

FUTURE

We have already seen significant investments in people, time and money to ensure our success. However the real key to our future is partnering with you, our Members. The support we receive from you will never be taken for granted as the insight and feedback you provided has been invaluable. Many exciting things happened at our Club during 2014, and we are working hard to provide you an even better 2015! You can find wonderful facilities at most Clubs in the greater Dallas area; what differentiates us is our Members. On behalf of the Board of Governors and the entire Eldorado staff, we thank you for your dedication to the Club and for being a Member with us.

“CONNECT by CBIGG is indeed
The Ultimate Member Benefit...
providing reciprocal
privileges and 50% OFF...”

Personally, I am honored to be your Golf Professional and Assistant General Manager, and I will take on whatever is asked of me to help improve Eldorado and your “Member Experience”.

Sincerely,

Mike Calef
Assistant General Manager / Head Golf Professional