



November 18, 2011

**To our valued members:**

The purpose of this letter is to help the members of Pinewood Country Club understand the action of the Board of Directors, to explain why dues are what they are and the analysis and rationale behind the capital reserve fund, and to answer some questions that have been raised throughout the year. We value your membership, and we want to make sure that we continue to offer a relaxed Country Club atmosphere that meets your needs and desires. Listed below are answers to some frequently asked questions (FAQs).

**How were the dues for the year 2012 calculated?**

As in the past years, the annual dues are calculated based upon the costs associated with running the Club, considered in conjunction with the projected number of full and clubhouse members, as well as member spending projections.

Year in and year out, it costs approximately 2 million dollars to operate Pinewood Country Club. This amount includes costs for electricity, gas, sewer and water, and salaries. In conjunction with our projected costs to operate all parts of the Club, the Board considers and projects anticipated membership numbers and member spending based on historical data. From these projections of both costs and revenue, dues are calculated.

**How is the Club doing financially?**

After a number of years of hard work and efficiency improvements, cost cutting, and improved management by contracting with In Celebration of Golf, the Club is again in an enviable position of projecting a small profit. Despite a continued down economy, your membership and patronage, coupled with ICOG's and your Board's efforts to run the Club well, have made the year a financial success.

**What is the Annual Capital Investment Fee and how was it calculated?**

Members of your Board of Directors and ICOG management have worked hard over the last year to identify and quantify the capital improvements required to keep the Club functioning at a high level. In the past the Club never had a plan for funding the replacement of broken and/or aged assets or making property enhancements that increase the value of the Club and the member experience. This year we undertook a long-range planning process for capital expenditures. Once the Club's needs over ten years were identified, we analyzed how we could fund these needs.

Our estimate is that each year we will need about \$100,000 in funds outside of normal operations to ensure the Club replaces major equipment and improves the current facility and the property in it. For example, for 2012 we have determined we will need to re-plaster the swimming pool, and we will add a

pool cover to help with heating costs. For those two items alone we will need over \$25,000. Each year we anticipate one or more large pieces of equipment will need replacing, such as a kitchen oven or a heating unit. Many of the capital improvements will be visible to you, but others may not be as visible yet still needed to operate efficiently behind the scenes.

We will also use the new member initiation fee for capital improvements, and we have renamed that fee to the Capital Improvement Initiation Fee. We will also have an annual golf fundraiser to supplement the revenue and for which we will target specific improvements to the golf course, equipment, or facilities.

**If the Club projects a profit in 2011, why is it necessary to increase dues and introduce an Annual Capital Investment Fee?**

As we wrote last year, the Board of Directors has consistently attempted to keep dues as low as possible to retain and attract as many members as possible. Unfortunately, that meant there has never been a sufficient surplus to create a fund to address replacement of major items or make renovations. We have been fortunate to use voluntary contributions and investments from members up to this point, but the Board also feels that all members should share the responsibility because they share the benefits as well.

**What is the status of the flood control project?**

We completed all the work we had planned, on time and within budget. Steps we took included installing gutters and drain pipes to carry water away from the Clubhouse, as well as re-grading and repaving a portion of the parking lot to channel runoff away from the Clubhouse. In addition, a generator was added to provide power to our sump pumps in the event of a power outage. We will continue to monitor the situation and determine if we need to do additional work on the cart/pedestrian bridges to better the flow of water. Improvements like rebuilding those bridges will fall under our capital improvement needs.

**What other major expenses does the Club anticipate in the future?**

We have planned for and will have sufficient funds through normal operations for pay down of the debt balance. We have well payments to make at the end of this year and in mid-2012, and payments on our flood control debt in 2012 and 2013.

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In conclusion, if you have questions or comments about the operation of Pinewood Country Club, we encourage you to contact any one of the members of the Board of Directors. We are busily planning for the 2012 season and are excited about offering all members an experience that creates great memories all year long.

Sincerely,

AG  
Jim DeCello  
Rick Schilgall  
Al Hochstadt

Connie Hottel  
Margaret DeLeon  
Gloria  
Richard Kaupin  
Mike Daugherty

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Pinewood Country Club Board of Directors  
In Celebration of Golf Management



**PINEWOOD COUNTRY CLUB**

P.O. BOX 18614  
 MUNDS PARK, ARIZONA 86017-8614  
 TELEPHONE (928) 286-1100

MEMBER NUMBER	STATEMENT DATE

Full Membership

Clubhouse Membership

PLEASE FILL OUT BACK PORTION →

PLEASE DETACH AND RETURN THIS PORTION WITH YOUR PAYMENT

MEMBER NAME

DATE	REFERENCE	DESCRIPTION	AMOUNT	SERVICE	SALES TAX	TOTAL
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During the November Board of Directors meeting, the board concluded Pinewood Country Club will continue with the same membership structure for 2012, continuing to provide two levels of membership.

**DUES STRUCTURE FOR 2012**

- FULL MEMBERSHIP:** At this level Members may enjoy full privileges of all the club's facilities, including the Clubhouse, Swimming Pool, Tennis Courts, Workout Facility and Activity Center. Golf Packages are available to this level of membership as well as the ability to play by paying green fees at member rates.  
**Annual Dues of \$925 + Annual Capital Investment of \$75 = \$1,000**
- CLUBHOUSE MEMBERSHIP:** Clubhouse Members may enjoy privileges of only the Clubhouse facility for dining, entertainment, parties, bridge and social activities. All other Club Facilities outside the Clubhouse, such as the Swimming Pool, Tennis Courts, Workout Facility and Activity Center are **NOT** available to this level of membership.  
**Annual Dues of \$585 + Annual Capital Investment of \$50 = \$635**

Please carefully select the level of membership you desire and remit the appropriate dues amount. The 2012 dues are due January 1, 2012 and are delinquent March 31, 2012. The board would appreciate payment of your 2012 dues upon receipt.

As always, please do not hesitate to contact us regarding any questions you may have at [feedback@pinewoodcountryclubaz.com](mailto:feedback@pinewoodcountryclubaz.com). As well, please call me personally if you have any questions at 480-951-5771.

Sincerely,

William "Bill" Corn, CPA  
 Director of Finance  
 In Celebration of Golf Management

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CURRENT	30-60 DAYS	60-90 DAYS	OVER 90 DAYS

Balance Due	
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