

***Minutes of New Seabury Annual Meeting***

***August 25, 2024***

***Location: New Seabury Country Club***

The Annual Meeting was called to order on August 25, 2024, at 3:00 p.m. by New Seabury Board of Managers Chairman Ralph Lepore. In addition to Ralph, Board members Kathy Griffin-Mayo, Rick Russo, Marliese Zafiroopoulos, Dave Tacelli, Larry Raffone, Heidee Anastos and Doug McHale were present.

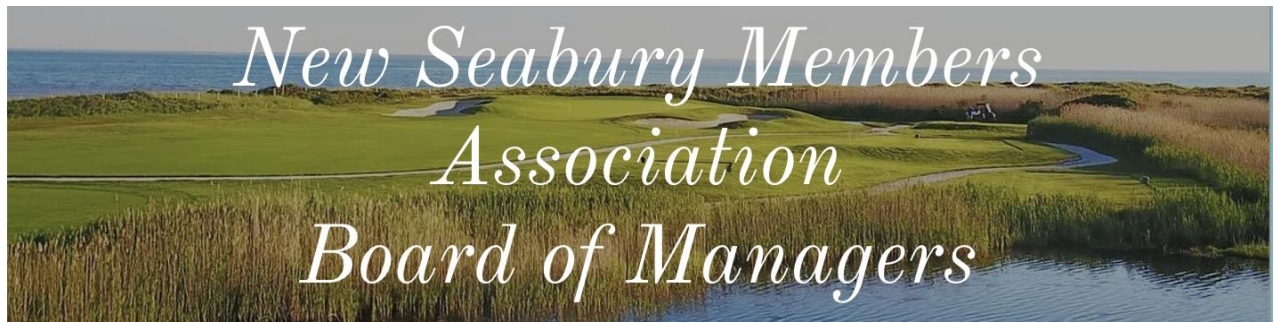
Chairman Lepore welcomed and thanked the members that had attended and introduced his fellow Board Members. Ralph also introduced and welcomed New Seabury President Chris Card and General Manager, Jim Clay. On behalf of the Board and membership, Ralph thanked the Management team for their participation.

Ralph provided a brief overview of the meeting's agenda which covered the role of the Board of Manager, a review of the 2023 - 2024 Board term, results of the 2024 Board election, and a Club update from Chris Card and Jim Clay including a member question and answer period. A copy of the full presentation will be posted on the NSBOM website, [www.nsbom.com](http://www.nsbom.com).

For the benefit of the new members Ralph briefly discussed the role of the New Seabury Club Members Associates, LLC and the Board of Managers. It was instituted in 1997. The Board of Managers is elected by the membership and charged with the representation of the members' collective interests and advancing their interests in matters concerning the operation of the New Seabury Club. He explained the Board doesn't have an active role in running the Club, however as the voice of the customer, it does have a critical role in creating and maintaining a healthy and vibrant community.

Ralph reviewed how well the communication system has been utilized. There has been an 80% open rate for email blasts and 1000's of views on videos. He explained that he responds to many emails throughout the season. The member's feedback is reviewed with Jim Clay and Chris Card and we work to accommodate the member's requests as the best we can.

The presentation continued with a detailed review of the 2023-2024 activities of the Board since the last Annual Meeting and the focus of the Board for the remainder of the year. Ralph emphasized the importance of the annual survey. It provides direct communication to



Chris and Jim to use in their business planning process. The survey is used to build value for the members. Ralph encouraged the members to participate in the annual survey.

Ralph introduced the chairs of each committee, Rick Russo, Chair of Food and Beverage, Dave Tacelli, Chair of Golf, Kathy Griffin-Mayo, Chair of Racquet Sports and Fitness and Chair of Nominating Committee, and Jylann Dunne Chair of Youth Programs. They each gave a brief overview of improvements and enhancements of each department. The Committee Chairs work with the department managers on any suggestions and comments that arise from members. The presentation outlines each committee chair's topics discussed on behalf of the membership.

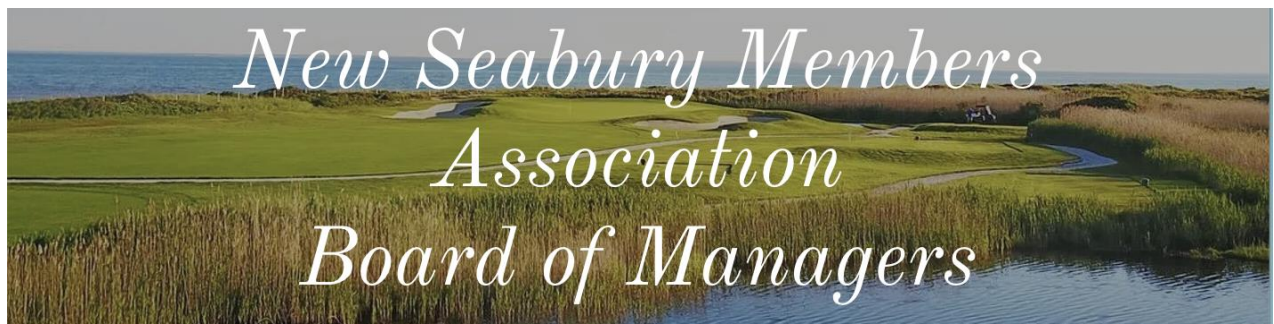
Ralph then provided a brief overview of the Board election process and results. He thanked the three board members whose term had been completed, Michael Bonacorso, Dave Tacelli along with himself (Ralph Lepore). He also thanked Suzanne Bates and Steve Pierce for being willing to serve on the Board and standing for election. He explained that the Board's bylaws call for a ballot of five candidates to be put forward to fill the vacant positions each year. Many people participated in the selection process this year. The Nominating Committee interviewed all candidates to discuss their interests, activities, and experiences at the Club and proposed the slate of five. This year the members elected Larry Begley, Ralph Lepore and Dave Tacelli.

Ralph once again welcomed Mr. Card for the Management presentation. Mr. Card opened by thanking the Board for the invitation to participate in the Annual Meeting and for the positive partnering relationship he and his team have with the Board. Mr. Card said the Board has been instrumental in the planning process.

As an overall comment, Mr. Card and Jim Clay noted that their team is constantly striving for growth in service and attention to detail. Memberships and homes continue to sell. He said the 2024-2025 planning process has begun and his team's goal is to continue their efforts to improve the community and member experience at New Seabury regardless of the potential sale of the club.

The Question-and-Answer session followed Mr. Card's opening remarks. Ralph introduced Chris Card and asked him to address the sale of the club. Mr. Card congratulated and acknowledged Jim Clay on becoming the general manager. He noted that Jim's first hire was Sean, who has been a great asset to the Club.

Chris Card explained the process of the sale is ongoing. They have had about two dozen inquiries and tours, they have offers that they are considering, but no final decisions have been made. He emphasized that they continue to invest in the property if there is no sale. He has plans to enhance the Athletic Center and the Popponesset Inn needs a refresh. The Inn has



permits pulled with Cape Cod Commission that expire in 2025, and he noted he also has worked with various architects to build a structure on the existing footprint.

He explained that last week he reached out to Ralph and told him he would give the members an opportunity to present an offer. Ralph explained that as soon as the news came out about the potential sale of the club that a small group of members approached Chris to have an opportunity. He explained they have been working with various industry experts in all fields to build models and strategize a way to buy the club for the last five months. He emphasized that they have done a great deal of work in order to be prepared for this opportunity. Larry Raffone explained that there are financial opportunities, and that they have been working on various financial models. Ralph noted that there are many variables that they are working through and no details can be provided at this time without a NDA in place. He also reiterated that he would continue to keep the members informed as things develop.

Jim Clay remarked that working with NSBOM has helped improve the members' experience. He noted the New Seabury team has done a great job of coming together during this time, and it is business as usual, but they really wanted to make it the best year yet. He feels it was proven across all entities and he looks forward to a great fall and there are lots of events to look forward to.

#### **Ralph introduced the Q & A Session:**

**Q. At last year's meeting you discussed the new golf cart tracking software purchased to improve pace of play and keep carts away from the greens. It doesn't seem that much has changed. Is the system being used?**

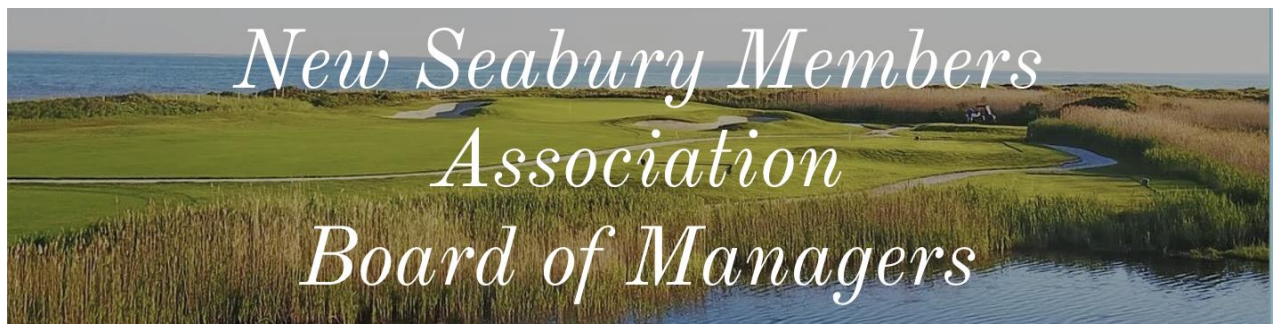
**A. Yes, Jim Clay stated that they have an aerial view of the carts indicating their location.** fairway IQ The golf team monitors the system and intervenes as necessary. He noted that the golf carts are up for renewal in 2025 as they have a 5-year lease with the company.

Jim said the average round on the ocean is 4hr 10 min and 3 hr 15 min on the Dunes.

**Q. It's still difficult to get weekend morning tee time. How does the club feel the new tee-time system is working?**

**A. Yes, the system is working, but it is very difficult with the number of members that want to play between 7-9am. We have contacted our software provider and are trying to set up a system that will default you to the next available time. We are looking at different systems and want to ensure to provide the best member experience.**





**Q. Can you provide an overview of any enhancements/changes planned for the golf courses? Tree removal/cart path improvements, etc.?**

**A.** Kevin always has a plan and is constantly forward thinking! They will be busy with continue tree removal, and still working on the driving range as it still needs touch up. The front side ocean we are looking for better drainage on the cart paths.

He will continue to chip away at the dunes with more tree removal making it a bigger course.

**Q. Rumors persist that the Club is planning a major renovation of the Poppy/waterfront area. Is there anything actively being planned to do this? If so, what is the timing?**

**A.** Chris answered, yes something is going to happen. Plans have been made.

**Q. Are there any plans for the Club to purchase Holiday Estates?**

**A.** Chris answered, that is not happening.

**Q. How is the 14-day policy implementation working?**

**A.** Jim said that this season it has not been an issue, and it seems to be working out great. The members are using the app, and therefore people that do not belong, or abuse system have been caught.

**Q. Are there any near-term plans to update the Athletic Center?**

**A.** We know it needs to be addressed.

**Q. Are there any significant off-season capital projects the Club is planning for next year?**

**A.** The sale up in air so we don't know.

**Q. Is there anyway a fire pit and barbeque area at the Athletic Center that can be opened for member use after the pool closes?**

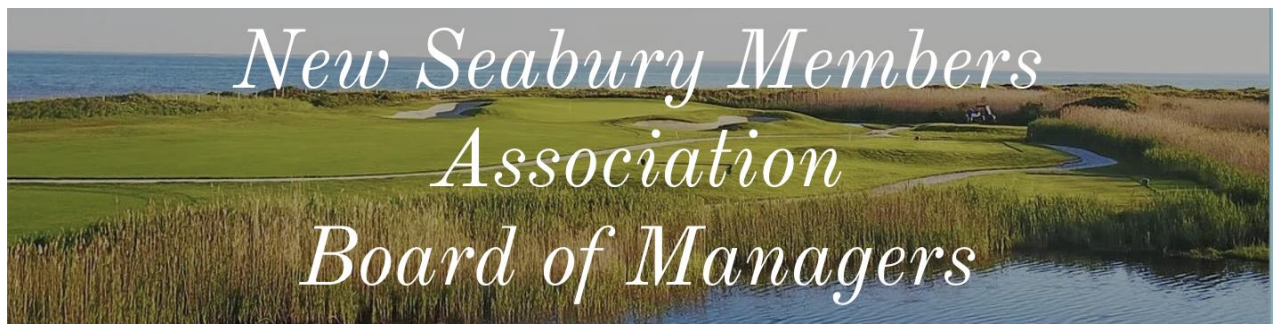
**A.** No, not at this time due to legal and insurance implications.

**Q. Are there any dues or fee increases planned for 2025?**

**A.** We won't know that for a while.

**Q. What plans have been developed for the re-development of the Inn, the Lure, and the adjacent parking areas?**

**A.** Chris Card said yes there are plans for the Inn. The Lure plans have not been submitted yet to town. The Inn must be on same footprint, or we would have to go back 75 feet which is an issue for parking etc. We are looking to do 2 levels and have the 2<sup>nd</sup> level be for members only. We are working with



architects on a plan with the current footprint. Our permit with Cape Cod Commission runs out in 2025. If and when we get to the point where it is ready we will share the plans with the members.

**Q. Is it likely that some of the area will be sold separately from the sale of the Club?**

**A.** They want to sell to one group. It is up to the buyer and depends on what the deal is, but it makes sense for the buyer to buy all of it.

**Q. What changed or triggered with Icahn to allow members have an opportunity?**

**A.** Chris responded he wants to deal with reputable buyers so they would do the right thing, as I want to be able to come back and not have a bulls eye on my back on property, as we have a great club and I do not want that taken away. We have given multiple tours that last about five hours. We have felt some of them will not work out as they do not have the wherewithal to bring New Seabury to the next level. Therefore, he said he has agreed to give the members an opportunity to present an offer.

Ralph stated that the working group is going to do their due diligence and make a recommendation whether to proceed. At some point, it is expected that a presentation will be made to the members. We are not sure we will be able to pull this off, but we are trying to make the best recommendation for us, our kids and our grandkids.

**Q. What is the inconsistency with the 10% food discounts at the entities?**

**A.** It is 10 % at Poppy because it is open to the public.

**Q. Can you quantify memberships, and how many are still available?**

**A.** Chris responded 350 Lifestyle, 635 Golf with a cap at 690. Death opens a membership. I feel we have 6-7 yrs before we hit cap. The Lifestyle Membership is unlimited.

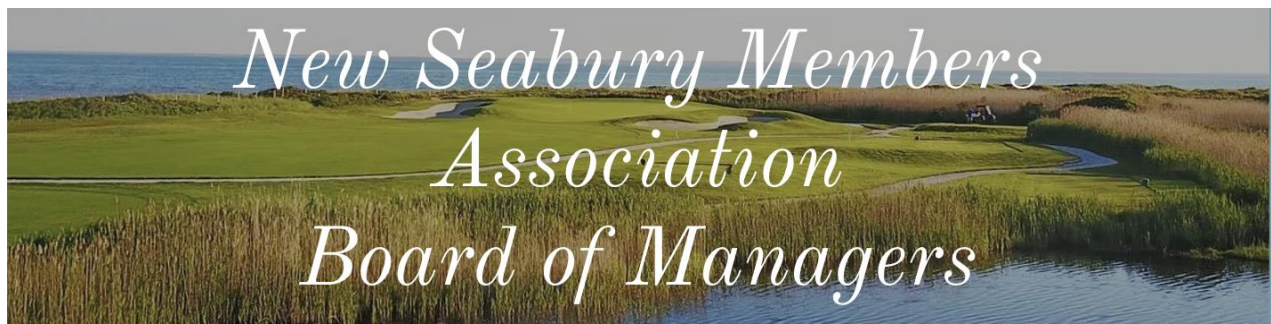
There are many different membership categories and ideally we would like one but the bankruptcy categories have rights that can't be changed.

**Q. Do you have a desire to move to an all-equity club, and what if you don't want to buy in?**

**A.** We would have to buy it to make it an equity club. Members will have to come up with some money at some level.

**Q. Will we lose our membership?**

**A.** We don't know yet as it can be designed many ways. For example, it can be a three-tiered design.



**Q. You have waited for this opportunity, and coincidentally it is being presented at the annual meeting, do you have any reason for skepticism or and do you think it is being done in good faith?**

**A.** Ralph responded I have no skepticism at this time, I have had conversations with Chris and Jim. The time is merely coincidental.

**The timing is surprising and whenever there is an auction process you want as many bidders as possible and we were not given the opportunity to bid, but I am glad we are now.**

Larry noted you can understand point of view, it is much cleaner to go to capital markets group and someone who has done these transactions before. If you look at it as the glass half full it has been on the market for a long time and it has not traded. We look at it as we have an opportunity, and as you said they had a process, but it has not sold so we need to change our strategy. They didn't say yes, but there have been constant conversations, and we felt they were on our side, and we are entering in good faith, but it will be tough to pull off.

**Q. If sold to another management company will the new management company make current members write checks? Will they exclude member groups/categories? Are parameters built in? Will we have to rejoin the club?**

**A.** Ralph noted it is a risk.

**A.** Chris Card said he is doing his best to not change things. Everything but Diamond memberships are recallable, while pre-bankruptcy have certain rights. He is putting in parameters. The buyer is getting a healthy club that is young. It is one of the best clubs financially out there. The goal is to maintain and grow. There are groups that wanted me to change the membership documents, and I have turned them down. There are groups that wanted to make it an equity club and have the members re-write checks and I said that is not going to happen and good luck. I am putting in terms in place to protect the members.

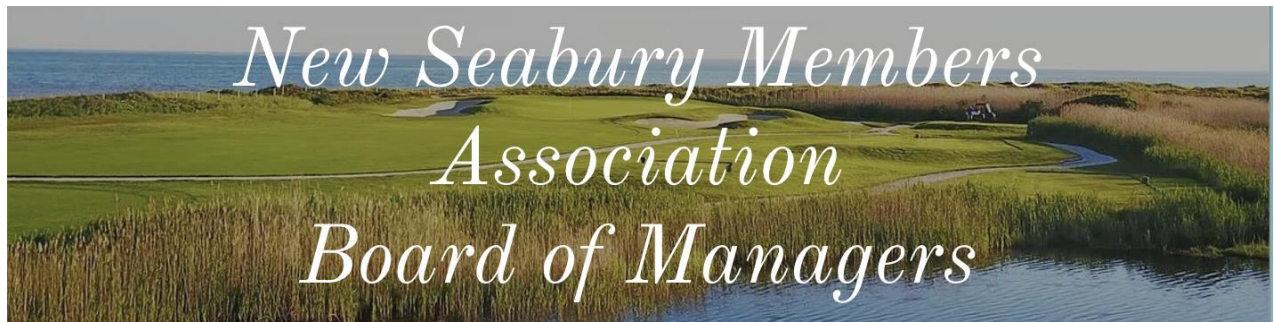
**Q. Can you put as part of the Purchase Agreement that they cannot do that?**

**A.** Chris said I will be tied up with the attorneys, but again I want to come back here as a guest and have the members say you did right by all of us.

**Q. You don't sound positive about a sale in future?**

**A.** Chris- I think I sound positive for sale. We have always had conversations with them regarding selling to members, but it has been one-sided, but members continued to keep asking.

**Q. You don't sound like it is working out with potential buyers?**



**A.** No, it is working out well with potential buyers. There are multiple buyers and serious buyers. I can sell it tomorrow for nothing.

**Q. What about the older members and having to fork up money and not in a position to do so? And you will have a real estate issue if they do not want to buy in. They will want to sell their homes.**

**A.** Yes from an age perspective we have a lot of members that are older, in their 80s.

The groups I am speaking with are telling them not to do that. It will have a serious impact if many homes go up for sale, but I do not think that is necessarily a bad thing. There is no more real estate to build and that is one of the reasons we are selling. I am now doing a project on the west coast and in Pinehurst and building 500 homes and rebuilding a club house there which is a \$14 million deal, and those are the deals we are looking to do with our team. Homes on the market is not a bad thing. I think it helps the club it is part of the cycle.

**Q It has an impact on the people.**

**A.** Chris said like I stated the groups I am talking to understand it not going to be acceptable to do that to members. And depends on Ralph and Larry and their team how they look to structure it, there are a lot of different ways. It maybe not an equity group for all members, maybe only for a small group but it is yet to be determined.

**Q. Does this have anything to do with the sale of Poppy, or just the sale of golf courses?**

**A.** Ralph responded it has to do sale of everything. The Poppy, Lure, this building, golf courses.

**Q. How about developing homes?**

**A.** There is nothing else to develop that is why they are selling

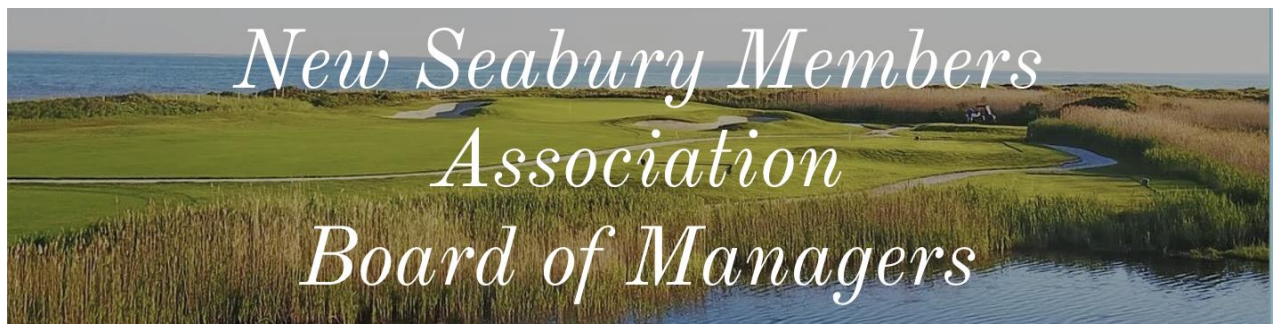
**Q. It makes perfect sense of the timing of this and does not raise any flags to me and thank you for being proactive.**

**A.** Thank you

**Q. Weekend Tee times are now the worst they have been. Someone that is on at 7am and have 3-4 people trying to get tee times and we are getting bumped to dunes – what can we do to make it easier for getting tee times?**

**A.** Ralph responded as Jim said they are looking into it understand it is a problem. We cannot bring guests here during the week because there are no tee times.





**Q. With this big change if member owned and with all the different memberships will the Board bring in more representatives? It is a risk with this big change.**

**A.** Yes, we understand that, and we are looking into all options and taking into account of all the current class of memberships and some members may have been here for 50 years and may not want to put up the money so maybe we have a non-equity class/category. There are many structures for clubs, and we are looking at them all. The goal for everyone to be equal, but it may not be possible and will have to come up with something else. We have been looking at this for five months with many models, and the working group will present what we think is best, assuming that this is a financial deal that we want to buy. We will keep everyone informed.

**Q. What is the process once you have a plan? Who makes the decision?**

**A.** Ralph stated that the working group is going to make a recommendation and presentation, but the timing is unclear.

Larry said it is not only 4-5 of us, but also a wide variety of members and we will bring in other people as needed. We have 3-4 people that are operators of places as big as New Seabury or bigger. We will have people participate in all categories and it is an entire process. We are still negotiating with Chris on how many people we can bring in. We don't have the data yet and we do not even know if we can buy it. The Club has not traded and been on the market for a long time. There will be a series of meetings and communications. We are looking to pull together something in the next few weeks. If we think we can make it happen, we will then communicate with a plan. We are getting a shot and pulling data together, and we are excited to have a chance.

**Q. If the membership can't buy it, is it likely that things will change? How could it stay the same?**

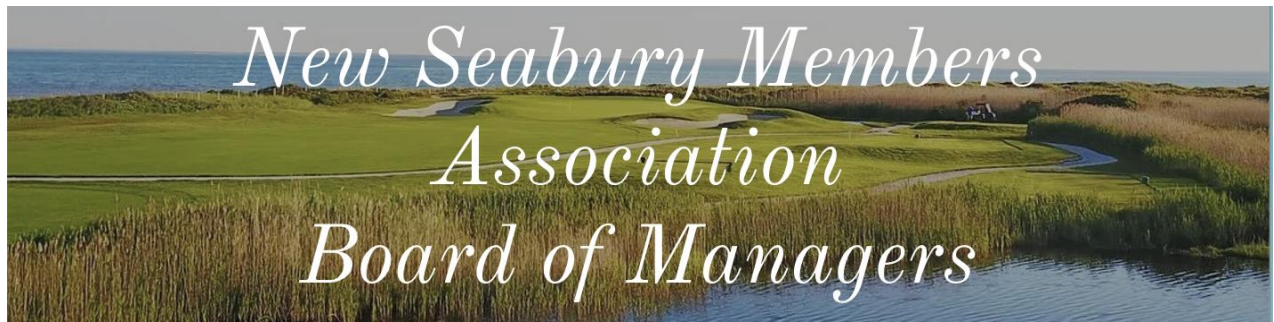
**A.** Ralph stated any new owner can make changes, and Chris is trying to protect us down the road. We are trying to figure out if it would be better off being a member-owned club. Making sure there is no turnover and no changes. We will be running it as a non-profit. There is a built-in money reserve we are looking at because there are capital projects that need to be done. We haven't seen all the numbers so we can't control what the new buyer does. An outside organization will most likely bring some change, but Chris is doing what he can to minimize that, but we can't control that.

**Q. All this time has gone by from the announcement to sell, what is your timeframe?**

**A.** Chris said when the right opportunity comes and there is no timetable. We have three good offers on the table, and it is my decision.

Ralph concluded the meeting by thanking all the staff and said they have lived up to their word "business as usual." It has been a great season. He stated we will continue to keep you all updated. We are in the preliminary stages, and we are reviewing documents. The group of us are experienced





experts as business, resort owners, accountants, and lawyers and are looking at this and it is a time consuming process, should take us 10-15 days but we have the best minds in the business here in this room, and goal is to make the best recommendation to be member owned, and it may or may not be equity and there will be issues involved and we will explain it all but we promise will keep you informed.

He closed the meeting by thanking the membership for its continued involvement, interest, assistance and cooperation.

Respectfully submitted,

Marliese Zafiropoulos