



Dear Member:

The Friends of ArrowCreek (FOA) and The Club at ArrowCreek have worked diligently to fulfill our mission of making our Club the premiere 36-hole golf and social venue in Northern Nevada.

We have had many successes including: our expanded and active membership; the improvement in our golf courses and clubhouse facilities; the significant expansion of social options and activities; improved dining experience and more.

The single biggest disappointment at this time is that even with our growth in membership and continued improvement in operating results; our operating cash flow is insufficient to meet our capital improvement needs and operating requirements. Our capital improvement needs are stressed by previous years of neglect and our single largest operating requirement in 2017 is to make the final Special Assessment District payment to Washoe County of \$250,000. Once this final payment is made in 2017 it will reduce the financial strain on the club. In 2018 and beyond we will no longer have this expense creating additional funds for operations and capital improvement projects.

Consequently, at our current level of members and dues we will not be able to sustain a viable 36-hole format unless certain actions are taken soon.

The FOA Board sees two viable options:

1. Close 18 holes and operate as an 18 hole course; or
2. Incorporate the 2018 dues increase with the 2017 dues increase and continue as a 36-hole course, with the next dues increase in 2019.

The FOA Board has opted for combining the 2017/2018 dues increases. With approximately 550 golf members (currently we have 560) this approach works. With fewer than 550 members we will very likely need to furlough 18 holes.

Beginning April 1, your dues rate will include a \$30 increase. Even with this increase, we hope you agree that The Club at ArrowCreek represents the best golf and social value in our area. Remember, we are the only private club in the area that does not have a food and beverage minimum.

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While we are taking actions to prevent the furlough of 18 holes, The FOA Board has agreed that if the membership level falls below 550 as of June 1, 2017 we will likely need to suspend operations of 18 holes. With an 18-hole layout, the Club would take on similar characteristics to other 18-hole private clubs. Making tee times well in advance will become more the norm. In addition, the general membership will have limited access to the course on 15 (and up to 24) weekend days during the regular season due to currently planned inside tournaments (Men's Club, Ladies Club and TCAC sponsored events -- 11 days) and outside tournaments. We would also need to reschedule or restructure many of our weekly internal/informal golf events and limit the fields for some events such as the Ladies Luau and the Men's Classic.

Our goal by combining the 2017/2018 dues increase above is to try and eliminate these potential realities. What we ask of you is:

- A. Your understanding and participation in the planned bi-annual dues increases;
- B. Your continued and accelerated (if possible) actions to help bring additional golf members into the Club;
- C. If possible, join the FOA as an investor to help us continue to address the long-neglected capital spending opportunities we have not been able to get to yet (e.g. additional new sprinkler heads, clubhouse improvements and more).

Growth certainly appears to be coming to Reno and specifically the South Reno area. We are well poised to achieve our objective of becoming the premiere 36-hole golf and social club in Northern Nevada and we ask for your help to get us there.

Should you have any questions, our General Manager, Jayson Petersen, or any of the FOA Member Managers are available to meet with you. Thank you for your continued support of the club, and thank you for being a member.

The Friends of ArrowCreek Member Managers,

Gary Pestello, Tom Gurnee, Gene Humphrey, Mark Wimbush and Joe Petite

Enclosure: 2017 Election Form