



April 12, 2018

DESERT MOUNTAIN CLUB BOARD OF DIRECTORS

STATEMENT ON THE DMMA 30-DAY MINIMUM HOME RENTAL PROPOSAL HOW IT IMPACTS OUR CLUB - AND WHY WE UNANIMOUSLY SUPPORT THE DMMA RECOMMENDATION

While the DMMA (HOA) Board of Directors and our Club Board of Directors are separate entities with different roles, we share a common bond in our desire to make our community the finest in North America. We collaborate on a host of initiatives aimed at making Desert Mountain a special place to live.

DMMA and their Board of Directors are the lead entity in determining the rental policy that is appropriate for the success of our community. While we understand and respect their leadership role on this issue, our Club Board felt it necessary to make a unanimous statement in support of the 30-day rental restriction proposed by DMMA. Our decision on this matter is directly linked to the documented impact of abuse that short-term rentals have had on accessing our Club amenities, and hurting our Brand. We encourage our members to become educated on the facts and vote to support the DMMA proposal for the 30-day rental restriction.

- Since January 1, we have documented over 70 individual situations where non-members were attempting to use our Club facilities and amenities - most all of whom were short-term renters. The elimination of credit card use exposed this major problem being fueled by short-term renters.
- Since January 1, we have witnessed a large surge in requests for unaccompanied guest passes. While this program has been in existence for years, it is intended for family and dear friends of members, not for commercial purposes. The recent surge we are witnessing is from renting members requesting these passes for unknown, short-term renters to allow access to Club amenities. We will continue to address the abuse, the abusers, and the policies to ensure our Club is for member use only. Our challenge with addressing this effectively is compounded by the volume of short-term renters we are witnessing.

Our Board of Directors and Senior Management have a deep-seated desire, a vested interest and an obligation to maximize access to our facilities for our members while strengthening our Brand as a premiere, Private Club that is special, unique and memorable to its members - rather than operating the Club like a resort.

We need your vote to support the 30-day restriction to counter a campaign of inaccurate information being distributed by a non-member who has a financial interest in renting his property. Your vote

of support is needed even if you live in a village that already has the 30-day restriction in place. A sophisticated campaign of misinformation distributed by this non-member is creating doubt in our members' minds, and this misleading information weakens the strength and vitality of our wonderful community. Here are the facts, and we encourage you to go to the official DMMA website for information (desertmthoa.com):

- The proposed 30-day rental restriction has zero (0) impact on our members' abilities to rent their homes to their families and dear friends, and/or to host their families and dear friends as guests at the Club.
- We feel the restriction will have no impact on our ability to attract new members to our club and will actually strengthen our qualitative Brand initiative by making us more attractive to prospects.
- Six (6) current villages (approximately 540 properties) already have this 30-day restriction in place.
- The beautiful homes planned for Seven Desert Mountain are not intended as rental properties. These homes are million dollar homes where 100% of the homes in the community are deed restricted/members of our Club.

Our vision is to make Desert Mountain the finest private Club and residential community in North America. We are determined to improve the quality of our Club facilities, service and programming and assure the exclusive access by members, their families and dear friends. By protecting our private Club for the exclusive use by our members, the end result is a more desirable Club and community for all members to enjoy. We unanimously support the DMMA 30-day rental policy and believe it will strengthen our Brand as the most desirable Club and community in North America. We hope that you become educated on this important issue and vote to support the 30-day proposal from DMMA. Thank you for your support of our Club and our community.

