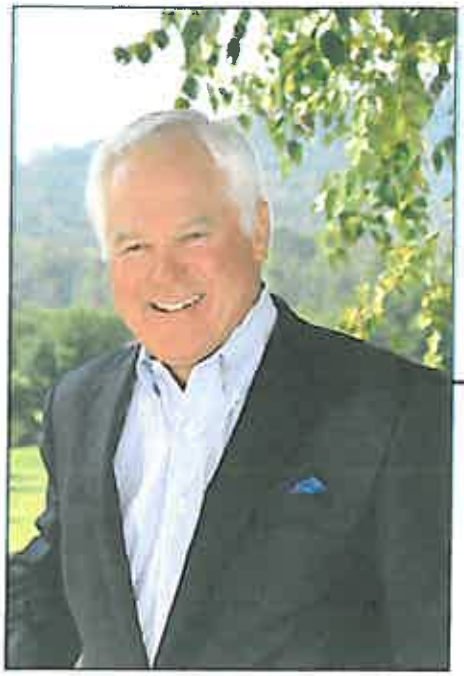


february 14, 2013

PRIORITIES *and* PROGRESS

DEAR FRIENDS,

It's been five months since my arrival and I have learned a great deal about The Cliffs and its potential. I've also had the pleasure of meeting many of you and look forward to meeting more. I have listened to a lot of your accolades and concerns for The Cliffs. We all agree that we have a one-of-a-kind collection of unique amenities and communities. Since August, we have been designing our master plan to recapture the positive curiosity surrounding The Cliffs and it has started with reinvigorating our team of incredible employees. Now that Team Cliffs is reenergized, we have emphasized our focus on you, the Members, for you are our priority and most valuable ambassadors.

To impress you and prospective Members, we have tasked each department in our clubs to identify what's possible, appropriate, and best. We are vigorously working to deliver exceptional culinary, fitness, health & wellness, lake life, mountain life, tennis, hiking, bird watching, and yes...exceptional golf and instruction to you all.

A few items that you will see soon are:

- Improved programming and events
- Interactive membership participation in culinary, golf course grooming, hiking, party planning, concerts, and the organic farm
- A redesign of the pro shop concept at Glassy as a prototype to better serve our community as a supply store and not just a golf shop
- Alignment with a nationally-acclaimed chef and fitness expert
- A revolutionary approach to beginning golf that will actually be fun
- Innovative, informative and engaging communications with our Members
- Active reengagement with our land owners to inspire them to build and join us
- The opening of Gary Player's finest creation in the United States in late summer

Our ultimate goal is not to provide just a happier OR healthier lifestyle, but to provide a happier AND healthier lifestyle.

We look forward to an exciting spring season and constantly improving The Cliffs experience.

Cheers,