



August 1, 2024

Dear Oaks Members,

As we progress through the midpoint of another year, on behalf of the Board of Directors ("Board"), I am pleased to share with you detailed updates and accomplishments from across all sectors of the club. The Oaks Country Club ("Club") continues to perform well both financially and operationally, which is underpinned by the depth of the membership and the strong leadership team we have in place. In the sections that follow, you will find an overview of year-to-date activities and a glimpse into some future plans.

Member Survey Update: In June of 2024 the Membership Survey was sent to 1,364 members of the Club, of which 633 were submitted to the McMahon group, for an overall response rate of 46%. Of the 731 total households eligible to complete the surveys, 466 completed at least one of their surveys, for a household participation rate of 64%. The McMahon group has indicated that the response rates are good, and the information provided for an accurate representation of the entire membership.

Management and the Board were provided the results of the survey last week, and we are still digesting the survey results. Generally, the overall satisfaction at the Club is above-average compared to other private clubs in the McMahon Group database. Ninety Four Percent (94%) of respondents are satisfied or very satisfied with the Club. With that said, the McMahon group has identified some priority improvements and missed opportunities that would greatly enhance the member experience.

In the coming weeks, the McMahon group will be back on site to give a download of the survey results and a preview of the materials that will be circulated to the membership. I hope to have those materials in your hands the 3rd week of August, then we will follow up with a date for a town hall meeting to discuss the results and go-forward plan.

Financial Performance: During the first half of 2024, the Club performed well in all financial aspects, highlighted by \$4,521,097 of gross revenue and \$1,092,740 of EBITDA. Our management team continues to steward the operations efficiently, keeping our operating expenses within budget despite inflationary pressures in food & beverage, staff salaries, health insurance, fertilizer & fuel and property insurance.

Our full membership has allowed us to continue the practice of using membership dues to pay our operating expenses and reduce our debt obligations while utilizing the initiation fees (\$226,867 year-to-date) to fund improvement projects for our club. So far in 2024, over \$700,000 has been invested back into the Club, which is highlighted throughout this letter.

Membership: The Club continues to have a robust membership. As of this month, the Club has 522 full shareholder equivalent members – this is up 10 members from July of 2023. We continue to have an extensive waitlist of new members eager to join. Currently, the waitlist stands at 36 people with the vast majority requesting either a regular shareholder, intermediate or junior membership. The current initiation fee is \$20,000 for a full shareholder membership.

Golf Operations: The golf course continues to be in fantastic shape for this time of year. Many thanks to Dan and his team, who have really provided a great golf course throughout the year despite the wind, heat, snow and everything else we encounter here in Oklahoma.

We recently received the tree management plan from Sav-A-Tree. The plan consists of an independent assessment from a certified arborist determining species, current condition and best practices for the management of our trees. The tree management plan will guide our decisions in the future as we deal with aging trees and how we go about being proactive in planting and replacing those trees.

The Club has and will continue to make prudent investments in our course and equipment to ensure we have a championship caliber golf course. The re-routing of the cart path behind #2 green and #3 tee, the autonomous mowers that we are testing and the new fairway mowers that will be delivered in August are just a few examples of how we continue to invest in our golf operations.

The 2024 golf season has offered a lot in the way of events, clinics and tournaments for all to enjoy. Derrick and his team still have a lot on the books for the rest of the season with Friday Night Lights, Saturday Night Fever, the return of the individual match play, founders cup, women and men's guest days, Cocktails and Golf Gals and many other fun events for all.

The newly updated Club welcome area, in the parking lot, has been met with great praise from all visitors. The outside operations staff has been on a mission to ensure our guests and members have a great experience as soon as they arrive on property.

Lastly, new driving range balls arrived yesterday and are now on the range.

Clubhouse Operations: Food and beverage sales have remained strong throughout the year. This is a testament to the quality of offerings the Club has and the hard work of our dedicated team. However, we do recognize there are many areas in which we can improve upon to make the member experience better. Our management team is committed to providing top tier service and dining options throughout the clubhouse. Your support and feedback is crucial as we strive to improve and excel in our operations.

The House Committee has been diligently working on multiple projects to ensure our clubhouse remains beautiful, operationally sound and equipped with the best facilities for our members and guests. This year, the Club has completed several notable projects, including the replacement of seven (7) HVAC units, installation of new tankless hot water heaters, upgraded lighting and security cameras throughout the parking lot, large umbrellas on the radius patio and the renovation of the Oakleaf room.

As the year progresses, there are plans to further enhance our facilities by re-upholstering the chairs in both the Tilly Grill and the Centennial Lounge. Additionally, plans are in the works to roll out a multi-phase landscape project around the main clubhouse.

Entertainment: The past few months were filled with some wonderful events at the club. The July 3rd Extravaganza party was a spectacular affair, with an incredible turnout (~3,000 people in attendance) and impressive show. Our wine and beer dinners have been a tremendous success, offering delightful culinary experiences with exquisite beverages. A special highlight was the release of the Club's Maker's Mark Signature blend that coincided with the unveiling of the back 9 restroom – It was a great event.

As we round out the year, we have the ever so popular Halloween Spooktacular on the slate followed up with some additional fall festivities. Additionally, the Entertainment Committee is working hard with Justin and his staff to come up with additional activities that will be new to the club.

Pool & Racquet: This summer, our pool has once again been a vibrant hub of activity, providing a place to escape the summer heat. As a Club, we're committed to continuously improving our pool facilities to enhance your experience. This summer, we've made several notable upgrades including a new upstairs HVAC unit, new diving board and an automated chemical system that provides for a safer swimming environment. Management and the Board recognize there are still some limitations at the pool, and we are committed to addressing these issues as part of our long-term planning.

The Club's racquet programs have really taken off this year thanks to the efforts of Liz Bacon. Since Liz has joined us, the Club has seen the addition of several new exciting offerings including pickleball leagues, ladies tennis round robins, pickleball and tennis clinics, children's tennis clinics, individual tennis and pickleball lessons. This has been a great addition to all the other activities the Club has to offer.

In closing, the Board is thrilled to share these financial and operational updates, highlighting the success of our Club and offering a glimpse into all that the Oaks has to offer. The Board and management's commitment to excellence remains unwavering as we continually seek ways to enhance our service and operations. As always, please feel free to contact any member of the Board, our committees or the Club's management team with questions or comments. Thank you for your ongoing support and engagement at the club.

I look forward to seeing you at the club!

Sincerely,

Zach A. Malchi
President