

TALIS PARK

TURNOVER INITIATIVE

Setting the Course for Our Future

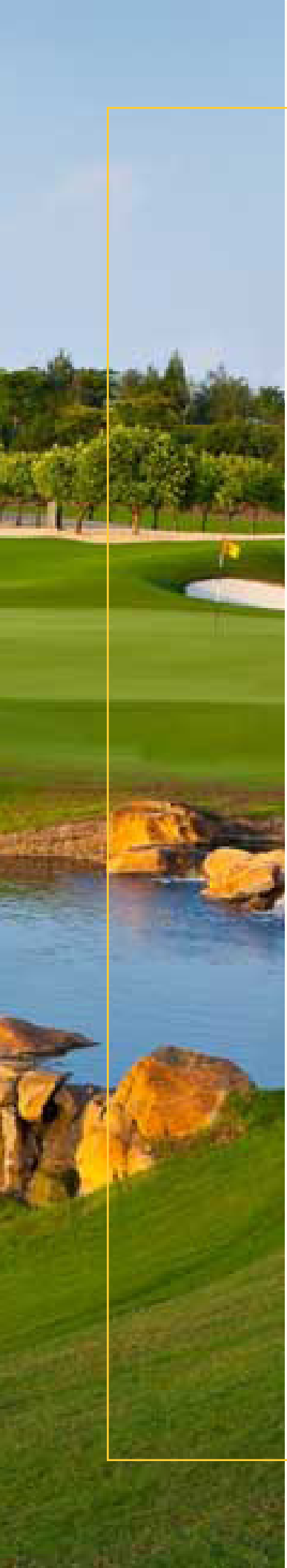


Table of Contents

Introduction 3

The Current Situation 4

The Process 5

The Proposed Plan 6

Funding the Plan 7

Voting Process 8

Vote 1 Detail 9

Timeline 10

With Passage of the Turnover Initiative 11

FAQ Highlights 12

Introduction

Talis Park is one of the finest golf club communities in the country, known for its exceptional lifestyle, championship golf course, and vibrant membership. We are privileged to call it home.

Today, we stand at a pivotal and promising moment in our Club's history. The Talis Park Club Turnover Initiative presents a unique opportunity for members to assume stewardship of Club operations and shape the strategic direction of our future.

Over the past year, the volunteer transition committee has worked thoughtfully and diligently to shape the Talis Park Turnover Initiative—a comprehensive plan to transition management of our Club from the developer to the members.

This effort has been guided by member input, and informed through town hall discussions, a community survey, board chat sessions and GGA Partners listening sessions to ensure broad representation of perspectives and priorities. It has all been made possible through voluntary member contributions, which funded the professional expertise necessary to develop a sound plan aligned with the long-term best interests of the membership.

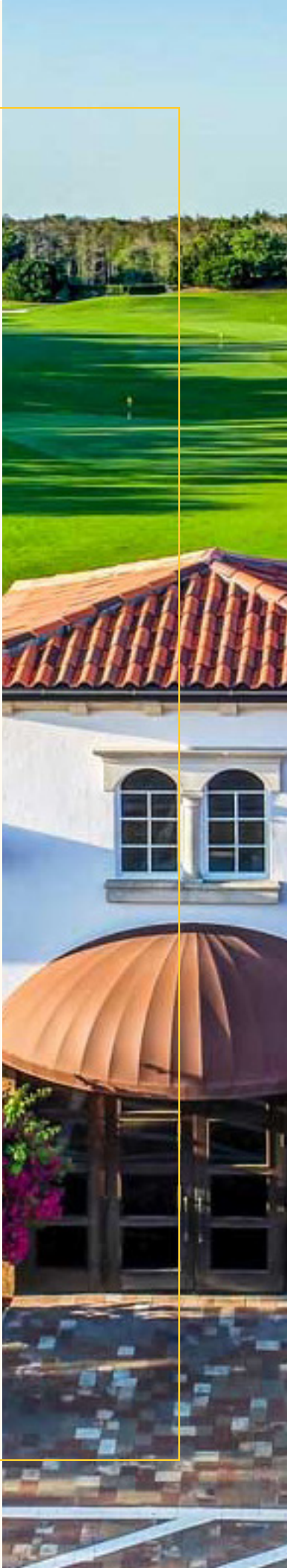
On the following pages, you will find details of the proposed plan as well as how it will be funded, timing of the member vote, and answers to the most frequently asked questions that have been raised.

We encourage you to read the information so you can make an informed decision when asked to support the initiative through your vote. In addition, important information about the turnover plan and its impact on the Club and its members is available at tpgcturnover.com.

We hope you will join us in support of this opportunity to not only enhance what makes Talis Park extraordinary—but to set our course for the future of our Club.

TPGC Transition LLC Board

David Carlquist
Tom Kruger
Kathy Ross
Joe Sousa
Chris Virgulak
Melissa Wilson





The Current Situation

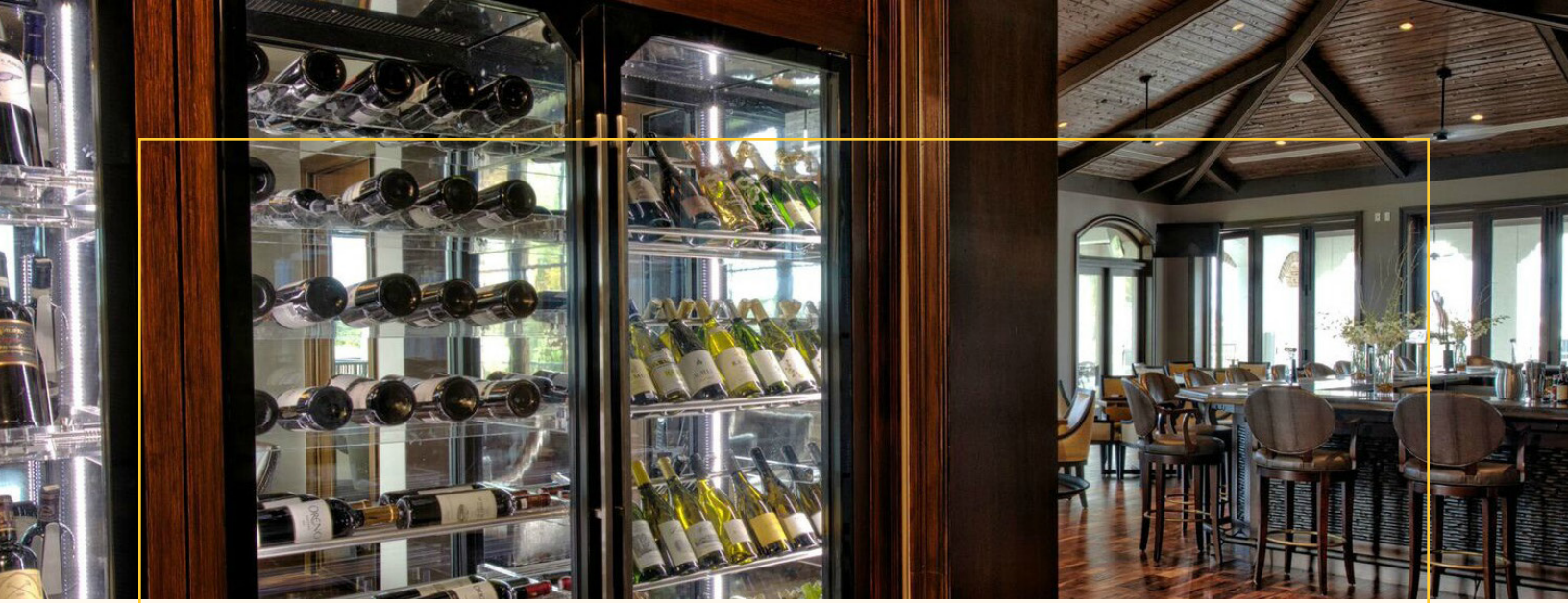
Kitson & Partners acquired the 465-acre property that would become Talis Park in 2012. Syd Kitson and his team then set out to re-imagine the Naples lifestyle by focusing on health, well-being, connections with family and friends, long-term value, and legacy.

Their vision resonated and Talis Park built a reputation as a place where residents came as they were and experienced each day in a relaxed and welcoming setting. As testament to the success of the concept, all properties, except the RAV lot, have been developed and sold.

Since the acquisition, Kitson & Partners has managed Talis Park Golf Club. Under the current management agreement:

- Becoming a member-managed club may not occur for many years.
- The developer appoints the three person Board of Directors.
- Members have no input into club improvements, dues, and fees.
- The developer retains 75% of all fees from membership resales ($2.1MM in 2025).
- The developer has the ability to sell up to 250 additional Sport memberships, including to outside members.
- There is a $12.9 million “due-to-developer” liability on the Club’s books for funding provided by Kitson & Partners.
- Kitson & Partners is free to develop the RAV lot.

In short, as members we currently have no say in how the Club is managed. Supporting the turnover initiative will change that, allowing us to set our course for the future.



The Process

Quarter 1 2025	TPGC Transition LLC formed and board established to represent member interests on an interim basis.
Feb-June 2025	A Town Hall meeting held, member survey conducted, and fund raising initiative commenced.
Summer 2025	Developer agreements and financial records collected and analyzed.
Fall 2025	Turnover discussions begin with Kitson & Partners.
Jan-Feb 2026	Handshake agreement reached with Kitson & Partners; town hall meetings held to review proposed plan.
Mar-April 2026	Member dialogue through information and question & answer sessions, listening sessions, ambassador and email updates.
May-June 2026	Negotiations with Kitson & Partners; development of Vote 1 documents; legal review
July 2026	Special Member Meeting of Talis Park Golf Club - Vote 1
Fall 2026	Closing and operational handover, subject to voting results.



The Proposed Plan

In exchange for the turnover deal cost of $23,000,000:

- Kitson will exit the management agreement and transfer control of the Club board to members.
- Kitson will transfer the RAV lot.
- The golf course returf bank loan will be extinguished.
- Kitson will contribute the “due-to-developer” account to the Club’s capital.
- Kitson will vest in the Club the right to receive 100% of future membership resale proceeds.
- Kitson will agree to assist in effectuating a smooth turnover.

Member Benefits

As a member-managed club we will realize the following benefits:

- A club led by members with the Club’s vision, services, and facilities shaped by members.
- Disciplined financial management and capital planning.
- Improved transparency.
- Better operational efficiencies.
- Enhanced property values.

Member Costs and Risks If We Don’t Act

- Continued dues and initiation fee increases over which we have no control.
- Developer continues to retain 75% of all fees from membership resales.
- Developer proceeds with the RAV lot development potentially creating an eyesore, additional congestion near the clubhouse, and prolonged management of the Club.
- Club amenities continue to fall behind the market with no improvements in sight.
- Member-driven enhancements to amenities unlikely.
- Talis Park could suffer diminished appeal, depressing real estate values if Kitson does not reinvest in the property.



Funding the Plan

To meet the obligation, the funds required to implement the turnover initiative will be secured through member assessments and borrowing by the Club.

Kitson and the transition committee have agreed to a turnover cost of $23,000,000. Combined with a targeted initial buildup of $5MM in capital reserves and operating reserves to support turnover costs and short-term capital needs, this will require securing bank debt in the amount of $16.5MM and member assessments totaling $14.4MM.

PROPOSED ASSESSMENTS

Golf members - $35,000 each.

Sport members - $14,200 each.

All members who contributed funds to TPGC Transition LLC will receive a credit equal to their contribution against their assessment.

Approval of these assessments will be conducted via ballot (electronic, mailed, or in-person) which will be provided to members as voting begins. Upon member approval, the assessment notices will be provided to members and the assessment will be due within 30 days. The turnover plan requires the assessments to be collected prior to the closing.

Funds raised through assessment will be placed in escrow for release to the Club on closing of the turnover agreement or to be returned to members, net of any costs incurred by the Club in connection with the turnover, if the turnover does not close.

ASSESSMENT REFUNDS

Members who sell their home in Talis Park within five years of the turnover closing and, as a result, surrender their Golf or Sport membership, will receive an assessment refund of 100% if they sell in year one or two. Sales that occur after year two, but before the end of year five, will receive an assessment refund which will be reduced 1/36th each month until it reaches zero at the end of year five.

Any additional details of costs and terms related to the project will be posted to the website.

The Voting Process

Members will vote twice: first to authorize moving forward with the turnover plan and related financing, and later to approve the final legal agreements completing the turnover.

Vote #1, expected to begin in July, will confirm member support for moving forward with the Turnover Initiative. The vote will ask members to approve the assessment of the Golf and Sport members, with the proceeds of the assessments to be deposited in escrow to be released to the Developer and to the Club at closing. Additional detail on Vote 1 can be found on page 9.

Members are directed to www.tpgcturnover.com where copies of the Memorandum of Understanding entered into with Kitson, pro forma financial projections, the interim bylaws to be adopted to facilitate the turnover process and other documents and information of interest to members are accessible.

Vote #2, which will occur shortly before completion of the turnover transaction (currently expected in Fall 2026), will ask members to approve:

- The definitive turnover agreement between Kitson and the Club
- The definitive borrowing agreements the Club will enter into to finance part of the cost of the turnover
- Amendments to the Club's governing documents, including the Club's bylaws, eliminating provisions that give Kitson control rights over the Club while otherwise making as few changes as possible to those documents.

Following completion of the turnover, it is expected that a comprehensive review of the Club's governing documents will be undertaken through a process that engages the Club membership.

Member voting will be conducted through an electronic voting system administered by EZVote Online, the same provider used by the Talis Park Homeowners Association. Under this system, each Golf and Sport member will receive a ballot by email for each of Vote #1 and Vote #2. Members will cast their ballots by responding to the ballot email. The results will be tabulated and reported by EZVote Online. All members will also receive a hard copy of the ballot, which can be returned by mail or in person at the Special Meeting (however, for ease of tabulation, members are encouraged to vote electronically where possible).

The ballots for **Vote #1** are expected to be distributed to members in the next week. Once voting opens, the window will remain open for **11 days**. We encourage members to vote promptly.

Under **Article XII of the Club's bylaws**, Golf members are entitled to **five (5) votes each**, and Sport members are entitled to **one (1) vote each**, on the proposals included in Vote #1. Under Section 5 of Article IV of the bylaws, a quorum—required for the vote to be valid—exists when ballots are cast by members holding at least 30% of the votes entitled to be cast. Approval of Vote #1 will require **a majority of the votes cast**.

Vote 1 Detail

Vote 1 will be broken into two sections. The first section, approving an amendment to the bylaws, enables the election to proceed. The second section contains a number of items which, collectively, create the framework for the turnover. As these items are interdependent, they are grouped together for approval.

Members will be asked to vote "Yes" or "No" on each section. Approval of the turnover requires "Yes" on Section 1-1 and "Yes" on Section 1-2.

Ballot Component	Purpose	Key Points
BALLOT SECTION 1-1		
Bylaws Amendment	Approve minimal changes to bylaws to support the turnover	▪ Enable electronic voting ▪ Enable election of interim and successor Boards.
BALLOT SECTION 1-2		
Memorandum of Understanding	1. Approve proceeding with the proposed turnover 2. Establish the framework for the final turnover agreement to be approved by members in Vote 2	▪ $23MM price and what is included ▪ Terms for the turnover ▪ Club rights and responsibilities ▪ Kitson rights and responsibilities
Transition Committee Appointment	1. Create a Club Board committee to work on the turnover on behalf of members. 2. Establish key responsibilities of the Transition Committee.	▪ Transition LLC Board becomes the Club Transition Committee ▪ Responsibilities include preparation of final Vote 2 documents and negotiation of the loan agreement.
Member Assessments	Approve the Member Assessments required for turnover	▪ $35,000 per Golf member ▪ $14,200 per Sport member ▪ Due within 30 days of approval ▪ Funds to be escrowed
Equity Membership Amendment	Establish terms for refund of assessment if home is sold	▪ 5 year limit ▪ Sliding scale
Escrow Agreement	Approve the escrow facility to hold the assessments	Escrow to be held by Acquiom Agency Services LLC, an affiliate of SRS Acquiom
Interim Board of Governors Election	Position a member Board to provide Club oversight immediately following turnover	Election of 5 members to serve on interim Board until successor Board elected
Bridging and Cost-Sharing Agreement	Allocate responsibility for one-time transition costs (legal, technology, etc.)	▪ Kitson and Club share 50/50 ▪ Cap of $1MM in shared costs
Transition Committee Indemnity Agreement	Indemnify volunteer Transition Committee for activities related to turnover	▪ Extends D&O protection to Transition Committee
Ratification of Turnover Activities	Ratify actions performed in connection with the development of the ballot and MOU.	Work completed by the TPGC Board, Club Officers, Transition Committee, and Transition LLC



Turnover Initiative Timeline

The proposed timeline for the next steps in the process is as follows:

July 2026
Turnover initiative information book distributed to members

July 2026
Vote #1 initiated to confirm support of the turnover initiative and member assessment

Fall 2026
Vote #2 conducted to approve:
- Turnover agreement
- Borrowing agreement
- Amendments to governing documents

Fall 2026
Turnover initiative closes once operational transition activities are completed. Kitson Board resigns; members' interim Board of Governors formerly appointed.

Fall/Winter 2026
Nominating Committee identifies candidates for the successor Board of Governors and election conducted.



With Passage of the Turnover Initiative

Post a successful membership Vote #2 and deal closure, the interim Board will begin oversight of the General Manager and ensure continuity of operations of the Club.

The interim Board will also initiate four processes to accelerate the transition of the Club to a member-driven organization:

1. A Nominating Committee will be appointed and charged with forming a Board that is representative of the Talis Park community. It will solicit expressions of interest from members, review and vet interested candidates, and nominate seven individuals for election to the successor Board of Governors. A membership-wide election will then be held, with the successor Board expected to be in place by the end of 2026.
2. A search committee will identify a new General Manager for Talis Park, utilizing an outside search firm to identify potential candidates.
3. A broader committee structure will be put in place that welcomes member participation, focusing on areas such as golf, fitness, finance, dining, governance, and membership experience.
4. The interim Board will launch a strategic planning process and long-range facilities planning initiative to discern the wishes of the membership about future club improvements.

Frequently Asked Question Highlights

OVERVIEW

What is the Talis Park Golf Club Turnover Initiative?
The turnover initiative is an effort by representatives of the community to proactively engage with Kitson, the developer, to negotiate a transition of the Club's governance from a developer-appointed board to a member-elected Board of Governors—years earlier than might occur under the existing Club agreements.

How was the $23 million deal amount determined?
The $23 million amount was the result of detailed negotiations between member representatives and the executive team of Kitson. That amount reflects a balanced outcome based on financial modeling, contractual considerations, and the long-term interests of both parties.

Under the proposed agreement, of the $23 million amount, approximately $6.3 million will be applied by the Club to pay off the Club's existing bank debt incurred to help finance the cost of the returfing, $2.6 million will be applied to the purchase of the RAV lot by the Club from Kitson and the approximately $14.1 million balance will be paid to Kitson as payment for the buyout of the management agreement.

In exchange, the Club's existing indebtedness will be extinguished and Kitson will convey the RAV lot to the Club, cede control of the Club to a member-elected board, contribute to the Club its claim to the Due to Developer account, transfer unissued Sport memberships to the Club, and surrender its right to receive 75% of the proceeds from the resale of Golf and Sport memberships.

Did the committee consider potential litigation avenues against the developer?
The committee carefully considered with counsel possible legal claims against Kitson, including the viability of challenging the 800-Sport member trigger to turnover, the validity of the Due to Developer claim, claims that Kitson should provide additional parking in the vicinity of Vyne House, the Avatar v. Gundel theories and the performance of Kitson against obligations set out in the Club founding documents.

The committee's conclusion was that proceeding down a path of a consensual deal and a win/win negotiation with Kitson would (i) get to the desired turnover with much less uncertainty, (ii) achieve this result much sooner than could be possible pursuing a litigation-based strategy, and (iii) would support the important goal of securing Kitson's cooperation in a smooth transfer of operating control. The committee believes that this will result in greater long-term value to the community and recommends pursuing this course.

How will the cost of the turnover be financed?
Informed by feedback from the financial blue ribbon task force and member input during chat sessions, the transition committee determined that a combination of member assessment ($14.4MM) and bank debt ($16.5MM) was the best way to raise the $23MM amount described above, establish an initial club reserve, meet the transition costs incurred in connection with the turnover and provide funding to begin to address deferred maintenance costs. The committee believes that this approach will give the Club the best balance of cost of capital, flexibility, and long-term financial stability.

Frequently Asked Questions Highlights

What happens if members do not support the turnover initiative?
The committee's initiative will conclude, and the current Kitson-led governance structure will remain in place. Kitson will continue to receive a 75% share of resale initiation fees. Member concerns about club assets, new amenities, adverse property value impact and overall member engagement in club leadership will remain.

Under current Club governance agreements, Kitson could turn over control of the Club at its discretion. However, the mandatory turnover trigger of three years after having sold all Equity memberships is many years away: 250 unsold Sport memberships still remain, including 18 unsold Sport memberships tied to Kitson's projected development of a condominium building on the RAV lot.

FINANCIALS

Will taking on debt increase member dues?
Based on current projections, there will be no increases to 2026 dues or other member assessments in 2026 beyond the one-time assessment for the turnover. Future dues increases, beginning in 2027, will depend on future conditions but are expected to track inflation much more closely than the larger increases experienced under Kitson's management (e.g., golf dues increase in 2025 was 15.6% and 7.5% in 2026).

How was the allocation of the assessment between Golf and Sport members determined?
The split of assessment between Golf and Sport memberships is in the same ratio as Golf and Sport dues for 2026, consistent with Bylaws guidelines on assessment categories other than facilities capital improvements. The proposed assessments will be $35,000 for Golf members and $14,200 for Sport members. All members who contributed to the transition committee will receive a credit equal to their contribution against their assessment.

When will the member assessment be due?
If approved in Vote 1, the assessment will be invoiced by the Club shortly after the vote and will be due 30 days after billing.

Will my assessment be refunded if I sell my home in Talis Park?
Members who resign their Club membership in connection with the sale of their Talis home within five years of the turnover closing will receive a refund of their assessment in an amount that declines over time. Full refunds will apply in years one and two, with a linear reduction on a month-by-month basis thereafter to zero at the end of the fifth year.

The buyer of the home will be required (i) to pay the prevailing membership contribution for the Golf or Sport membership he or she acquires and (ii) to reimburse the Club for that portion of the assessment refunded to the seller of the home purchased by the buyer. The buyer will be entitled to the same refund right if that buyer sells his or her home within five years of the Closing.

Frequently Asked Questions Highlights

Will there be future assessments?
Future capital assessments are possible, but assessments for capital projects will require member approval. Going forward, 100% of membership resale proceeds will be retained by the Club and directed to Club purposes.

A comprehensive strategic planning process will be launched post-close to develop a roadmap for the Club to address both deferred maintenance and amenity needs.

GOVERNANCE

Why do Golf members have 5 votes and Sport members have 1 vote?
Per Article XII, Section 4 of the Bylaws, on all voting matters of the Club, Golf members have 5 votes and Sport members have 1 vote. The sole exception is for approval of assessments for capital expenditures for non-golf facilities, when both Golf and Sport members will each have 1 vote.

Will membership categories change due to the turnover?
No. Golf Equity and Sport Equity memberships will remain unchanged. Golf Equity membership will continue to be capped at 325 members. No future modifications to membership categories will be made without review by the Membership Committee, approval by the board, and a vote of the Golf and Sport members

How will Golf and Sport members' rights and privileges be treated under a member-controlled Club?
A member-controlled Club is obligated to honor the rights and privileges of every category of membership as defined in the governing Membership Plan and Bylaws. This turnover initiative does not impact the status of membership privileges.

After turnover, the member-elected board will oversee policies; however, any significant change in the rights of either category of membership would require a vote of the membership.

In most member-controlled clubs, both Golf and Sport members' experience improved clarity, fairness, and engagement because policies are set by fellow members who share the same desire for a high-quality club experience.

Who is representing the Members?
The transition committee was formed by a small group of Club members focused on negotiating an early turnover of control of the Club, and currently consists of Dave Carlquist, Tom Kruger, Kathy Ross, Joe Sousa, Chris Virgulak, and Melissa Wilson. The committee is representing members' interests on an interim basis until a future TPGC Board of Governors is elected by all members.

The transition committee has been supported by an advisory committee of more than 20 Talis Park members. In addition, the committee has relied on a community-wide survey and on five subcommittees organized to evaluate and address key Club functions.

Frequently Asked Questions Highlights

What are the responsibilities of the interim Board?
From turnover until the new successor Board is elected, the interim Board's responsibilities are to oversee Club management, ensure a smooth transition, address emergency matters affecting the Club and its operations, launch the Nominating process to elect the successor Board, establish member committees to advise the Board, and commence a strategic and capital planning process.

What limitations apply to the interim Board?
The interim Board will not, without member approval, levy new assessments (other than emergency assessments for Extraordinary Repairs and Replacements), incur additional debt beyond approved levels, amend any Club governance documents, or commit the Club to significant capital expenditures outside the ordinary course of business.

Will the bylaws change?
In Vote 1, only limited changes are proposed to support the vote itself. These changes include enabling electronic voting, the election of the interim board, description of the nominating process for the successor Board, and clarifying assessment provisions.

In Vote 2, bylaws changes will also be limited and focused on removing provisions specific to the Developer.

After turnover, it is expected that a member committee will be convened to review and make recommendations for updating the bylaws. Any future bylaw amendments will require member approval.

MEMORANDUM OF UNDERSTANDING

What is the Memorandum of Understanding?
The memorandum of understanding (MOU) forms the basis for the legal documents that will need to be developed to execute the turnover. This legal work will occur between Vote 1 and Vote 2; all members will vote on the final, binding documents during Vote 2. The MOU is indicative of the parties' intentions and is designed to cover most of the major elements of the deal. It lays out Kitson's rights and responsibilities and the Club's rights and responsibilities.

Does the MOU provide additional indemnity to Kitson?
No. Indemnity provisions for Kitson remain the same as they are today (as documented in the Club Bylaws, Club Acquisition Agreement, Membership Agreement, and other documents which each Member agreed to when signing his or her membership purchase agreement on home purchase).

What facilities due diligence has been completed?
A Property Condition Assessment (PCA) and a Capital Reserve Study have been completed to evaluate the condition of Club assets, identify potential issues, and guide future capital planning. A list of items has been agreed that will be repaired or remediated by the Club prior to Turnover. In the event any items are not completed, Kitson will provide a credit to the Club, less a $150,000 deductible.

Frequently Asked Questions Highlights

What is the Bridging and Cost Sharing Agreement?
Kitson has agreed to bridge the remaining funds needed to cover costs that the Committee will incur in implementing the turnover plan and to share in the costs incurred by the Committee in executing the turnover plan.

Under this arrangement, Kitson has agreed to provide a "bridge" to fund the Club's (including the committee) remaining turnover-related closing costs up to a cap of $1,000,000 to provide sufficient cash flow to support the closing.

Upon Closing:

- Kitson and the Club will share on a 50/50 basis costs incurred by the Club (including the Committee) in connection with the turnover up to a maximum of $780,000 and costs incurred by Kitson in connection with the turnover up to a maximum of $220,000.
- The Club will be responsible for reimbursing Kitson for bridged costs advanced to or on behalf of the Club (including the committee) in excess of $780,000 and will be responsible for all costs incurred by the Club (including the committee) in excess of $780,000. Kitson will be responsible for all costs incurred by Kitson in connection with the turnover in excess of $220,000.

If the turnover closing does not occur, cost incurred in connection with the turnover will be shared as described above.

What are the provisions for Kitson's continuing with Honorary Memberships?
Under the Club agreements put in place by Kitson in 2012 and agreed to by each member when he or she purchased a Club membership, Kitson is entitled to eight Honorary Memberships and five Company memberships. These are golf memberships that do not require initiation fees or dues.

After the turnover, these memberships will remain outstanding, with the following limitations: 1) They are assigned to specific individuals and are not transferable; 2) They have no voting privileges or Club ownership rights; 3) They have no VIP status for tee time access; 4) They will not retain guest passes.

In practice, Honorary and Company Member usage is quite low. All Honorary and Company members live outside the community and most live outside Collier County. These memberships do not count in the Club's 325-member cap.

What is the anticipated Closing Date for the turnover?
The turnover is targeted to close as soon as practicable following a successful Vote #2, completion of the definitive turnover documentation and completion of the operational transition arrangements, but in any event by December 31, 2026.

However, if Kitson and the transition committee agree that an extension of the December 31, 2026 date will be necessary or desirable to enable the parties to complete final preparations for transition and the turnover, the December 31, 2026 date may be extended to a later date agreed to by Kitson and the committee but not beyond February 28, 2027.

Frequently Asked Questions Highlights

What happens if the turnover does not close?
In the event of the turnover not being completed, member assessments will be returned, less the one-time transition costs incurred. Kitson will continue to manage the club and retain 75% of initiation fees.

POST TURNOVER

Do the employees of the Club change after turnover?
The turnover is about Club governance, not management and operations. In most club turnovers across the country, day-to-day employees continue in their roles with no interruption.

Certainly, a new board will evaluate staffing needs as part of routine budgeting and will oversee the General Manager and ensure staffing levels support the service standards members expect.

The goal is continuity of operations and preservation of the relationships staff have built with members.

Will the turnover affect the quality or availability of Club amenities, dining or events?
A successful turnover is expected to enhance the member experience, not diminish it. Once the Club is member-controlled:

- Amenity standards and service levels will be set by the membership through their elected Board and committees.
- Capital priorities such as dining upgrades, racquet improvements, golf practice facilities, or parking solutions can be addressed according to member preferences.
- Programming, events, and social activities can be expanded or refined based on actual member demand.

Most member-run clubs experience stronger alignment between amenities and member expectations because members, not the developer, determine priorities.'

Frequently Asked Questions Highlights

What impact, if any, is expected on property values in Talis Park if a favorable turnover is achieved?

Industry experience across the country shows that successful transitions from developer control to member control tend to safeguard property values. This is because:

- **Governance becomes aligned with homeowners' interests**, ensuring the Club is maintained and improved in ways that support community desirability.
- **Capital reinvestment becomes predictable and appropriately funded,** which protects the long-term condition of facilities.
- **Financial transparency increases**, giving buyers greater confidence in the Club's stability.

The risk of large, unexpected increases in dues decreases because decisions are made by a board elected by—and accountable to—the members.

While each club is unique, the general pattern in well-run club communities is that a favorable turnover enhances the club's reputation, increases buyer confidence, and safeguards real estate values over the long term.



TALIS PARK

www.tpgcturnover.com