

From Bill Braznell on December 18, 2010

Just received: This letter, with its news of recent favorable developments respecting the Club's reorganization, couldn't be more welcome to Peacock Gap's members and staff. The writer is Syufy Enterprises EVP and General Counsel Andrew McCullough. Mr. McCullough writes:

"Since our presentation to the membership on November 14, Ray and I and the rest of the team at Syufy Enterprises have been busy working with the debtor and with counsel to craft a plan of reorganization that will bring Peacock Gap Golf and Country Club out of bankruptcy as soon as possible. We expect that the amended plan document will be filed with the court next week and a hearing will be set in January. A disclosure statement (describing the reorganization plan) will be sent to unsecured creditors and most of the members. We hope that court approval will be forthcoming early in the new year.

"In the meantime, we have stabilized the club's operations by having the court appoint an interim manager to oversee its affairs. This interim manager will assure that the club continues operating properly until the bankruptcy reorganization is complete. To ensure that the club remains on solid footing during the rainy season, Syufy Enterprises has extended a \$150,000 line of credit (via a so-called DIP Loan) that the interim manager can draw against for needed expenses.

"In addition to securing the club's operational and financial base, we have worked closely with the debtor and the City of San Rafael and have obtained an extension of the development entitlements originally granted in 2008. This means that once the club comes out of bankruptcy, it may complete the range pro shop and pursue the clubhouse renovation, as originally planned. We have continued our work on conceptual plans for the range pro shop, and we expect to file for permits and resume construction once the club emerges from bankruptcy.

"All of this is very exciting for us. We are confident that Peacock Gap Golf and Country Club has a very bright future and we look forward to giving members the chance to enjoy a first-class, full-service golf club in central Marin.

"I'll keep you posted on any further developments. In the meantime, please accept my best wishes for the holiday season."

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