

MAGNOLIA SPRINGS GOLF & RV HIDEAWAY

10831 Magnolia Springs Highway

Foley, Alabama 36535

August 24, 2010

Hello, from Magnolia Springs RV Hideaway. I would like to take a few minutes of your time and explain what has happened in your absence and our plans for the future. The park has been “for sale” for several years. The park was owned by Pelican Development, Inc. which was owned by Carla Sanderson, my mother and operated by Ralph Sanderson, my dad, and me, David Sanderson. I have purchased 100% of the stock of Pelican Development, Inc. and now am the sole owner of Magnolia Springs RV Hideaway and Par 3 Golf Course. We are in the transition process now and should be complete in several more weeks. The property is no longer listed “for sale”. You will be seeing a lot more of me. You will also see more stability, continued improvements, and added value for your dollar.

I would like to take this opportunity to introduce our new RV park managers, Joe & Nellie Baughman; they come to us with over 20 years experience in park management, problem-solving, and customer satisfaction. I have had the pleasure of working with them for several months and I am very excited about our future. I think you will be too when you meet them.

Last winter we installed electric meters on all of the sites with plans to change the monthly renters to metered electric in an effort to give you more control of your expenses and reward those of you who are more conservative. Due to the extreme temperatures last winter we did not institute this new policy. Our current policy, which will remain unchanged at least through the Spring season of next year (2011), will be to include the electric in all rental rates. The rental rates will stay the same as they were last year. (\$360/ month for concrete pads and patios & \$330/ month for crushed stone pads with concrete patios.) The laundry will also be included in those rates. To recap, the monthly rates include – the site, water, sewer, electric (20, 30 & 50 amp), and use of the clubhouse facilities, outdoor games, wireless internet access, and laundry. Best I can tell, that is the most inclusive rate in Baldwin County!!!—and that’s before the golf discount. We will continue to honor all discount clubs, Good Sam, and AAA for our short term guests.

We have received the health department permit necessary to begin construction on our new laundry facilities. We're planning to immediately install the field system, and will probably be working on the building construction this winter. Hopefully, we'll have the facility online by the Spring. In an effort to continue to increase value for you, we are planning to have regular unmetered washers and dryers in the facility and they will be included in the monthly rental as they have been in the past.

We are planning to put in a dog run per customer's requests. The dog run is going to be located on top of the new field system that we are installing from the washing machines; as soon as we have completed the field area we will plant grass and put the dog run fence up. This should be completed by the winter season.

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As I'm sure you are aware, British Petroleum had a oil spill in the Gulf of Mexico this summer. It seems the response effort combined with a lot of cooperation from Mother Nature (providing lots of heat and microorganisms) is dissipating the oil rapidly. No odor or any other ill side effects from the oil are being experienced at Magnolia Springs RV Hideaway. The water clarity in the Gulf of Mexico and the beaches is good at this time. The State of Alabama has reopened its fishing waters. It does not seem that the short-term impacts are going to be near as bad as we had anticipated. The main concern now is with the quality of seafood in the future, and that just remains to be seen.

Magnolia Springs Par 3 Golf has remained open all summer. We've just finished aerifying and top dressing the collars, tees, and greens. We'll be over-seeding the greens and tees again this fall with winter grass. The retail green fee is remaining at \$14 plus tax for all-day play. RV Hideaway tenants will receive a 25% discount. We will be offering a six-pack deal this winter that will allow you to purchase six rounds and receive two rounds free. You pay for six and get eight; this will result in a green fee of \$10.50 per day. We're doing this in an effort to make golfing more convenient and affordable for our returning customers. You will also have the option of paying for the golf in the RV office instead of having to go up front and pay in the golf office. We're attempting to make it more convenient and be as accommodating as possible.

We hope that you will be staying with us again this winter. If you would like to guarantee a space, please make a reservation as soon as possible. The reservation deposit policy will be the same as last year. You only need to make a reservation if you want to be assured of a space when you arrive. We do not require that you have a reservation to stay with us; only if you want to be guaranteed a space. The deposit schedule is as follows:

One month or more \$100

One week or more but less than one month \$50

One night or more but less than one week is \$28

Monthly deposits are partially refundable when canceled 30 days before the arrival date; weekly deposits are partially refundable if canceled seven days before the arrival date; and nightly deposits are partially refundable when canceled one day before the arrival date.

A transaction fee equal to 10% of the total dollar amount of reservation will be deducted from the amount of the deposit held for your reservation to determine the amount refundable.

Please call Nellie at **1-800-981-0981 toll-free or 251-965-6777** and give her your information. You may also e-mail a reservation request to hideaway@gulftel.com. We hope to hear from you soon. We are looking forward to seeing you this winter, even if you are just passing through.

Thanks,

David Sanderson
President, Pelican Development, Inc.
251-968-3283