

BAY POINT PREFERRED GOLF ASSOCIATION, INC.

Post Office Box 27157
Panama City, Florida 32411-7157

DOF IV Bay Point, LLC
c/o Torchlight Investors, LLC
280 Park Av.
New York, NY 10017-1274

Crescent Hotels & Resorts
Attn: Michael J. Metcalf
Chief Operating Officer
Via Email: Mike.Metcalf@crescenthotels.com

Via Email to Gianluca Montali
Gmontali@torchlightinvestors.com

Ridgewood Real Estate Partners
Attn: Jonathan Grebow, President
25A Hanover Road, Suite 310
Florham Park, NJ 07932

Kemper Sports
c/o Torchlight Investors, LLC
4701 Bay Point Rd.
Panama City Beach, FL 32408

Via Email to Jonathan Grebow
jgrebow@ridgewoodrep.com

Re: Torchlight Draft Conceptual Plan for Bay Point Meadows Course Redevelopment

Ladies and/or Gentlemen:

The Bay Point Preferred Golf Association (BPPGA) board of directors has thoroughly reviewed the Bay Point Meadows draft conceptual design which was provided to us. The result is: At a specially called board meeting held on February 5, 2020, the board unanimously voted to reject the plan and not to recommend it to the consideration of our members. The board's position is non-negotiable, with respect to the proposed plan. The board stands firm in its stated desire to see the Meadows Golf Course returned to operation in its original eighteen-hole championship design.

The board addressed significant concerns arising from the plan, including, by way of example:

1. The redesign would violate contractual commitments made pursuant to the written and recorded Grant of Preferred Golf Memberships, which includes a commitment for the two golf courses which are defined and described therein and which, by the terms, constitutes covenants that run with the Golf Property to perpetuate the rights described therein and encumber the Golf Property with those terms and conditions.
2. The proposal, if implemented, would constitute such a departure from the current community plan as to significantly reduce Bay Point's value as a protected community in which to live, work and play. The suggestion that the destruction of the Meadows Golf Course and the creation of small lots and a poorly designed uninterrupted row of non-conforming dwellings will be of benefit to the community is an unacceptable affront and was accepted as such by the Board.

3. If implemented the plan would significantly jeopardize Bay Point's security services and its reputation as a safe community. The plan would insert into the very heart of Bay Point new developments featuring unsecured access. The result would be a disturbance to the tranquility of the community and a danger to the safety of its residents and visitors.
4. The integrity of our already fragile infrastructure of drainage and streets cannot withstand the stress of an additional 330 homes and triplex units concentrated in Units 1 and 1A.
5. Magnolia Beach Drive, Delwood Beach Road and Bay Point's streets cannot absorb the traffic that would be generated from the proposed development. If implanted the plan, with its numerous, ill-considered, dangerous, and poorly located curb cuts would create a hazard not subject to easy mitigation and would threaten safety.
6. Green space, tree lined venues and well-planned open areas are the hallmark of the Bay Point Community. Each of those assets would fall victim to the closing of the golf course and the proposed increase in Units 1 and 1A density of more than fifty percent. Neither our members or their board will sacrifice the integrity and charm of this community to development such as that contained in your proposal.
7. The layout of the new golf course is confusing and we believe impractical. You have suggested that the major reason to abandon the Meadows Golf Course is because it is not financially rewarding, yet you provide no evidence that the untested plan you propose would operate to any better effect, nor do you suggest how and upon what terms the community will have access to the amenity, or who would own and be responsible for the maintenance of "buffer" areas and land set aside for parks, and walkways.

These are only a handful of the concerns raised by the board. They are by no means inclusive. We believe that numerous legal and regulatory issues would arise should you pursue this proposal. We also believe that Bay Point's neighbors would be impacted and that Bay Point's commercial businesses would be irrevocably harmed by the lessening of Bay Point's perceived value as a resort and its superior designation as a gated resort community.

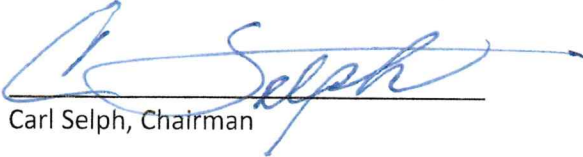
The list of reasons not to support the plan was not offset by a single benefit that any member of the Board could identify which would cause the board to consider any action other than a complete rejection. Our community is worth defending. We want all who live here to benefit from the peaceful enjoyment of their property. We want those who invest in the amenities of the resort, including the owners of the hotel and golf courses, to prosper in their investments. We want visitors to Bay Point to experience a resort comfortable in itself, inviting and welcoming of guests.

We know that over the course of time communities change. But there is no reason that those changes cannot result in improvement. Your plan offers no hope for the future and seeks our acquiescence to a scheme to capitalize on the damages wrought by Hurricane Michael by converting your purchase of a

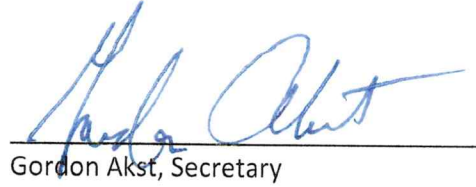
resort into a real estate development that would be disrespectful of its neighbors and inconsistent with the obligations we all accept when we purchased property in Bay Point.

Respectfully submitted,


For the Board of Directors
Bay Point Preferred Golf Association, Inc.



Carl Selph, Chairman



Gordon Akst, Secretary



Carl Anderson, Treasurer