

The National Arts Club
15 Gramercy Park South | New York, NY 10003 | (212) 475-3424

April 24, 2012

Dear Members of the National Arts Club:

You recently received a proxy solicitation from William C. Samuels and Pat Hackett, which copied the format and color scheme of the Notice of Annual Meeting and proxy that was sent to you by the Nominating Committee of the Board of Governors of your Club. The Samuels/Hackett proxy falsely described Mr. Samuels and Ms. Hackett as "the duly constituted Nominating Committee of The National Arts Club." There have been widespread reports of confusion among the membership about the Samuels/Hackett proxy, and dozens of our members have indicated that they intend to revoke their signatures on that proxy. If you were misled into signing the proxy that was requested by Aldon James' supporters Pat Hackett and William Samuels because you mistakenly believed you were signing a proxy solicited by the Board of Governors, you are not alone. Because of the many complaints of deception, arrangements have been made for you to revoke that proxy by calling the Club at (212) 475-3424 and asking Kristin for the authorized revocation form.

After speaking with other members of the Executive Committee and many Board members, I would like to share with you why we think that the Samuels/Hackett amendments and proxy do not represent your best interests, or those of our Club, and that identifying them as "Good Governance" is misleading and deceptive.

Proposed Amendment #1 - Move the Annual Meeting Date from May to September so that the Annual Financial Report for the year that Ends June 30 is Available for the Annual Meeting of the Members

Several years ago the Board, at the recommendation of Mr. Samuels and the Audit Committee that he led, moved the Club's fiscal year to June 30, which is what it is currently. Ms. Hackett supported this. Mr. Samuels did this knowing that audited financial statements would not be ready in time for Annual Meetings. I leave it to you to draw your own conclusions about why he led this charge. Now he and Ms. Hackett are concerned about this issue - it seems odd that they would complain about this now, doesn't it? Regardless, in order to move the Annual Meeting date we would have to amend our Certificate of Incorporation also, which is much more difficult, so passage of the proposed amendment would be meaningless except to create a confusing conflict between the Certificate and the Club's Constitution.

Proposed Amendment #2 - Distribution of the Annual Financial Reports to All Members before the Annual Meeting

Because of the recently proven misconduct that need not be revisited here, a special forensic, or "investigative" audit was required before licensed, external auditors would certify the Club's 2011 financials. The Club's auditors are still

working on the Club's books, because they were in such disarray and there were so many problems with the records when Aldon James left office. It is true that financial statements were not regularly distributed during Aldon James' Presidency, but you have different Officers today, along with a professional General Manager and Controller, whose responsibilities include circulation of audited financial statements as soon as they are available. No Constitutional Amendment is necessary or appropriate to inform them of their responsibilities - fiduciary and otherwise.

Proposed Amendment #3 - Prohibition on Tenants Serving on the Board of Governors

In the past, apartments were used by the former administration as currency with board members and supporters of the former administration. Below market rents and threats of eviction were political tools. The James Group controlled almost 20 spaces themselves and deprived the Club of the related income and use of those spaces. Currently three board members, including myself, rent apartments in the building. We all pay market rents and have invested significant amounts of money in renovating those units, to the Club's direct benefit. Mr. Samuels' and Ms. Hackett's idea that we be asked to choose between living at the Club or serving our members when we are finally implementing the reforms to get this ship righted is suspect at best and vicious at worst.

Proposed Amendment #4 - Distribution of Membership List Upon Request

The prior administration fought hard and won the legal right to keep our membership information private. Now that administration's supporters would like that information to be made public. The timing of this is, again, suspicious at best. More importantly, the only time members were polled on this issue there was overwhelming desire to keep their personal contact information private. It is not unreasonable for the Club's members to expect privacy and discretion, and many do. We should respect that.

Proposed Amendment #5 - New Nominating Procedures to Allow Candidates for the Board of Governors with at Least 50 Signatures

Fifty signatures to run an opposing slate of governors... I encourage everyone to think about that -- I guess if you are pining away for the old days and like chaos and turmoil, this will work. I can assure you that if this is passed, you will see some very old and familiar names on the next slate of governors a year from now. Remember, it was only last September when Aldon James announced in the press "We're taking back the Club." Fifty signatures are hardly representative of a real interest of the Club's general membership.

Fellow members, you have to vote for what you think is right. If you think that the Samuels/Hackett intentions are pure and the coincidental timing of these "Good Governance" proposals has nothing to do with the fact that Aldon is no longer running The National Arts Club, then you should vote in favor of those

particular amendments. But, if you are among those who feel "tricked" into returning a deceptive proxy to Ms. Hackett, please speak up and call Kristin at our Club's office to correct your proxy. I look forward to seeing you at the Annual Meeting on Tuesday, May 1st and thank you for your commitment to the future of The National Arts Club.

Sincerely,

Dianne B. Bernhard

President