

TALIS PARK

TURNOVER INITIATIVE

VOTE #2 Information Packet

Our Club. Our Future.

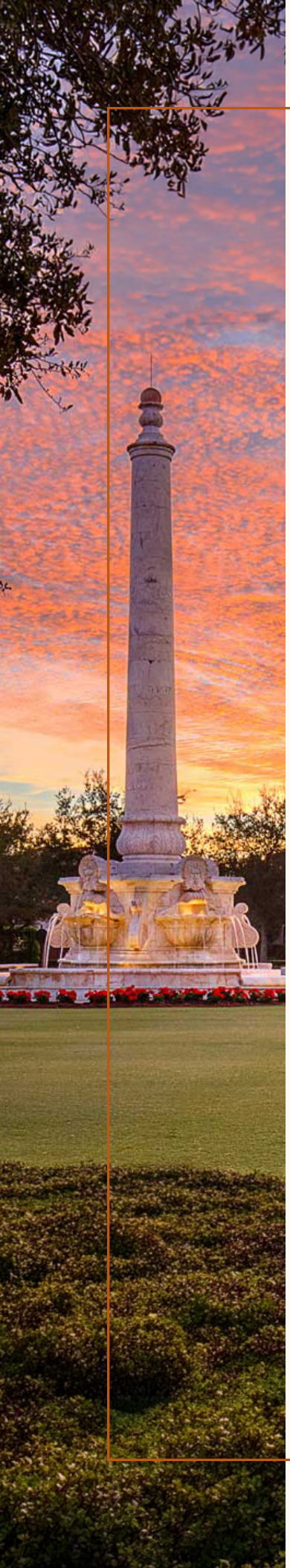


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Executive Summary

In August the members of Talis Park voted, as part of Vote #1, to move forward with the member-led turnover initiative and approved the related membership assessments.

The documents in Vote #2 translate the framework approved in Vote #1 into binding legal agreements. This eBook walks through where the turnover stands today, recaps the plan and its benefits, explains how Vote #2 works, and details the four inter-related items on the ballot:

- **Turnover Agreement**: the binding contract that transfers control from Kitson to the members.
- **Loan Agreement:** the $16.5 million financing package with Bank of America, covering the part of the turnover cost that member assessments do not.
- **Club Document Amendments**: updates to the Club's Articles of Incorporation, Bylaws, and Membership Plan, that remove Kitson's control and put member governance in its place.
- **Ratification:** approval of the actions taken in negotiation and preparation of the documents above.

Members are encouraged to review the eBook in detail. The Turnover Agreement, Bank Credit Agreement and redlined copies of the Club's Bylaws, Membership Plan, and Articles of Incorporation, showing changes for those documents from the versions approved in Vote #1, are available on tpgcturnover.com.

Vote #2 is expected to occur in October. Formal voting dates and instructions will be provided with the EZVote ballot.

With the passage of Vote #2, the transaction is expected to close in November. Kitson's Board will resign, and the Interim Board will take office. From there, the recently-appointed member committees will stand up, the General Manager search will proceed, and the election process for the Successor Board will begin.



The Current Situation

Since the last eBook, the Turnover Initiative has moved from a member-approved concept to active transition preparation. Here is where things stand heading into Vote #2.

Vote #1 Approved

In August 2026, members overwhelmingly approved the Turnover Initiative and the Member Transition Assessments. That vote authorized the Transition Committee to move forward with the definitive Turnover Agreement, Club Document Amendments, and financing arrangements now before you in Vote #2.

Committees Announced

With Vote #1 behind us, new member-led committees are being organized to prepare for the transition to member-led governance post-Turnover Closing.

Operational Transition Underway

Behind the scenes, the Transition Committee and Kitson are advancing the operational workstreams needed to make Turnover Closing possible, including legal, technology, financial systems, HR, insurance, initiating a General Manager search and finalizing the Club's financing. Members will continue to receive updates on these workstreams as they progress.

The pages that follow recap the proposed plan, its benefits, and how it is funded; walk through how Vote #2 works; and detail exactly what you are being asked to approve.

Transition Timeline

Quarter 1 2025	TPGC Transition LLC formed and LLC Board established to represent member interests on an interim basis.
Jan-Feb 2026	Handshake agreement reached with Kitson; town hall meetings held to review proposed plan.
August 2026	Vote #1: members approved the Turnover Initiative and the Member Transition Assessments.
September 2026	Member-led committees announced and operational transition workstreams continue.
October 2026	Vote #2: members vote on the Turnover Agreement, Loan Agreement, and Club Document Amendments.
November 2026	Turnover Closing: Kitson's Board resigns and the Interim Board takes office.

Recap: The Plan, the Benefits, and the Funding

Vote #1 confirmed member support for the Turnover Initiative - moving control of Talis Park Golf Club from Kitson to the members. Vote #2 now asks members to approve the definitive legal agreements that put that plan into effect. Here is a quick recap of what was approved and why, before turning to those documents.

The Proposed Plan

Under the proposed plan, Kitson will exit the management agreement and hand control of the Club's Board to members, transfer the RAV parcel to the Club, contribute the "due-to-developer" account to the Club's capital, give up its right to 75% of future membership resale proceeds, and assist with a smooth transition. The Club will pay off the existing bank debt, purchase the RAV parcel from Kitson, then pay to Kitson an exit fee of $23 million less the cost of the loan payoff and the purchase cost of the RAV parcel.

The Benefits

- A member-led Club, with vision, services, and facilities shaped by members, not a developer.
- Disciplined financial management and capital planning.
- Improved transparency and better operational efficiencies.
- Enhanced property values and 100% of future resale proceeds retained by the Club.

Without action, dues and fees keep rising with no member input, Kitson keeps 75% of resale fees, the RAV parcel could be developed without member say, and amenities risk falling further behind the market.

How It Is Funded

The Kitson exit fee, loan payoff, RAV purchase, $5 million reserve and operating reserves to support short-term Club needs are being funded with $16.5 million in bank debt and $14.4 million in member assessments. These member assessments - $35,000 per Golf member and $14,200 per Sport member - have been billed to members and are being placed into escrow pending closing. Assessments are refundable on a sliding scale for members who have paid their assessment by the turnover date and resign their membership within five years of Closing: 100% in years one and two, phasing down to zero by the end of year five.

What Vote #2 Actually Decides

The assessment amounts and principal economic framework were approved in Vote #1. Vote #2 is the final member vote before closing, and approves the definitive Turnover Agreement, the loan agreement financing the Club's share of the cost, and the amendments to the Club's governing documents that carry this plan into effect.

After Vote #2: The Turnover Closing

A successful Vote #2 does not turn the Club over immediately. Closing follows some weeks later, once the remaining operational steps are complete. At Closing: Kitson's appointed Board resigns and the five-member Interim Board elected in Vote #1 takes office; the new loan is funded; the existing Club debt is repaid; the RAV parcel is acquired; the Club pays Kitson; and Club employees transition to the Club. The Club becomes member-led.

Vote #2: The Process and What You Are Deciding

Vote #2 is the final member vote before Turnover Closing. Where Vote #1 confirmed support for the Turnover Initiative and approved the member assessments, Vote #2 approves the definitive legal agreements and Club document updates that make the turnover binding.

How Voting Works

Voting will again be conducted electronically through EZVote Online, the same system used for Vote #1. Golf and Sport members will each receive a ballot by email and may vote by responding to it. Voting in person at the Special Meeting is also an option, although electronic voting is encouraged for ease of tabulation.

- Under Article XII of the Club's Bylaws, Golf members are entitled to five votes each, and Sport members to one vote each.
- A quorum requires ballots cast by members holding at least 30% of the votes entitled to be cast (Article IV, Section 5).
- Approval requires a majority of the votes cast.

As with Vote #1, the items being voted on are interdependent and comprise a single group of related matters - only one vote will be cast to approve or disapprove. The voting window will be communicated when ballots are distributed, expected shortly.

The Four Items Vote #2 Asks Members to Approve

Item	What It Is	Why It Is Necessary
Turnover Agreement	The definitive, legally binding contract between Kitson and the Club that actually transfers control - Kitson's exit from management, the RAV parcel conveyance, the existing debt paydown, and related terms.	Vote #1 approved the concept and the MOU. This is the actual contract that must be signed at Closing - it turns the MOU into a binding legal obligation at Closing.
Loan Agreement	The definitive credit agreement with Bank of America for the Club's $16.5 million share of turnover financing - a $10.5 million term loan plus a $6 million revolving credit facility.	Member assessments cover $14.4 million of the total cost. The loan funds the remaining balance needed to pay the Kitson exit fee, the purchase of the RAV parcel, payoff of the bank debt, turnover transaction costs, and build the Club's reserves at Closing.
Club Document Amendments	Updates to three of the Club's governing documents - Amended and Restated versions of the Articles of Incorporation, Bylaws, and Membership Plan - removing Kitson's control provisions and adding member-governance mechanics.	These documents currently give Kitson Board-appointment authority and other control rights. They must be amended for the Club to actually be governed by members once the Turnover closes.

The Four Items Vote #2 Asks Members to Approve (continued)

Item	What It Is	Why It Is Necessary
Ratification of Vote #2 Activities	Ratification of the actions taken in negotiating and preparing the Vote #2 documents above by the Club's Board, officers, the Transition Committee, and the Transition LLC.	Confirms that everyone who acted for the Club on the Vote #2 documents - the current Board and officers, and the member volunteers - had the authority to do so, an important assurance for the Bank and for Kitson.

Bottom Line for Members

A "yes" vote on Vote #2 authorizes the Interim Board to proceed to Closing and execute the definitive agreements. No further member vote is required before Turnover Closing takes effect.

Understanding the Turnover Agreement

In Vote #1, members approved moving forward with the Turnover Initiative based on a Memorandum of Understanding ("MOU") outlining the deal terms. Since then, the Transition Committee and Kitson have translated that MOU into a definitive, legally binding Turnover Agreement, the contract that actually transfers control of the Club from Kitson to the members. This is the document Vote #2 asks you to approve. The full agreement is available at tpgcturnover.com; below is a plain-language summary.

What the Agreement Does

The Turnover Agreement is the legal mechanism that ends Kitson's management of the Club and hands control to a member-elected Board. In exchange, the Club makes a closing payment to Kitson, pays off the Club debt and Kitson conveys the RAV parcel, gives up certain rights, and takes on certain ongoing obligations to the Club.

The Money: How the Payment to Kitson Works

The total turnover cost is still built around the $23 million figure approved in Vote #1, split into three pieces and adjusted at closing for a few items:

- RAV parcel purchase - $600,000, for the Club's purchase of the RAV parcel next to Vyne House and the Toscana condos.
- Club payoff of existing Club debt.
- Kitson Exit Fee - the remaining balance, paid for Kitson surrendering the management agreement, its 75% share of resale proceeds, and related rights.
- Credits that may increase or reduce the payment: a credit for any unfinished repair-list items (capped, less a $150,000 deductible), a credit for costs advanced by Kitson to cover closing costs, and a credit, if required, tied to the Club's First Horizon cash reserve.

The Vote #1 eBook described $2.6 million going toward the RAV parcel purchase; that is now $600,000, with the difference reallocated to the Exit Fee. The total cost to the Club is unchanged.

What the Club Receives

- Full ownership of the RAV parcel, free of liens.
- All logos, trademarks, and other intellectual property currently used by the Club.
- All unsold Sport memberships still held by Kitson, and Kitson's claim to the "due-to-developer" account, which will be contributed to the Club's capital prior to closing.
- All Club contracts, licenses, and permits, assigned into the Club's name.

What Continues After Turnover

A few Kitson rights survive Turnover, all limited to six years:

- 50% of the initiation fee if the Club sells a Sport membership to a non-resident, and 5% of the initiation fee on any new golf memberships beyond the current 325.
- Kitson's annual holiday party and charity event at the Club, at standard Club rates.
- Existing Honorary and Company memberships continue on limited terms (no vote, no ownership stake, no transferability, and no tee time preference).

Employees, Protections, and Disputes

Club staff transition to the Club through a staffing arrangement (a "professional employer organization", see more in the FAQs) with continuity of employment and benefits; Kitson's General Manager may stay on temporarily to help with the handoff. Kitson provides standard legal representations about the Club's condition and agrees to indemnify the Club if any prove inaccurate, and funds a one-year insurance "tail" policy covering the Club for pre-Turnover employment practice matters. Future disputes go to private arbitration rather than court.

Summary of Major Changes: MOU vs. Turnover Agreement

Topic	MOU (Vote #1)	Turnover Agreement (Vote #2)	What It Means
RAV Parcel Price	$2.6 million to RAV purchase	$600K to RAV purchase	Total to Kitson is unaffected - the difference shifts to the Exit Fee.
Lender/Loan Structure	Bank TBD; single ~$16.5 million loan contemplated	Bank of America selected; $10.5 million term loan + $6 million revolver	Same total borrowing, more flexible structure (see Understanding the Bank of America Loan).
Kitson Indemnification	Not addressed	New: Kitson indemnifies the Club for breach of its representations, with an 18-month claim window and a $1 million liability cap.	A new protection for the Club not in the MOU.
Insurance Tail Coverage	D&O tail policy only	D&O plus a new EPLI (employment practices liability) tail policy	Broader post-Turnover coverage related to historical employment issues.
Club Staffing Structure	Employees become "employees of the Club"	Employees are co-employed by a professional employer organization engaged by the Club.	Provides greater leverage to achieve favorable benefits for employees and HR support for the Club; day-to-day roles and benefits are unaffected.
Club Acquisition Agreement Amendments	Not addressed (considered as a separate document)	Terminates virtually all sections of the Club Acquisition Agreement with the exception of the liability and exoneration provisions, which survive but are modified to match the gross negligence, willful misconduct and bad faith provisions incorporated in the Turnover Agreement.	The CAA primarily covered Kitson's developer rights in design, construction, marketing, and operation of the Club. With the end of Kitson's operating role, these sections are no longer relevant post-Turnover.

Bottom Line for Members

The Turnover Agreement puts the Vote #1 deal into binding legal language. It also adds member-favorable protections, like Kitson's indemnification obligation and a new insurance tail, that were not spelled out in the original MOU.

Understanding the Bank of America Loan

In Vote #1, Talis Park membership approved pursuing a $16.5 million loan as part of the total turnover financing package. The Transition Committee has had discussions with several lenders as well as consulted with banking experts in the community and recommends partnering with Bank of America, who will provide both the loan financing as well as other banking services to the Club. The information below is a summary of the formal loan agreement, which can be found at tpgcturnover.com.

What the Loan Is For

The Club is seeking $16,500,000 in financing to pay off existing Club debt, fund the purchase of the RAV parcel, fund part of the exit payment to the developer, and build reserves for future Club needs.

How the Loan Is Structured

The proposed financing is split into two pieces instead of one large term loan; together the two pieces add up to the full $16,500,000:

- A $10,500,000 Term Loan - the Club borrows this amount, and it is paid down on a set schedule.
- A $6,000,000 Revolving Credit Facility - works more like a credit line. The Club will borrow this amount at Closing, but will repay it in late November when 2027 Member dues are received. The Club can redraw on it during the year as needed, and the amount available shrinks over time as it is drawn down.

The Transition Committee favors this approach because it gives the Club flexibility: rather than borrowing the full $16.5 million up front and paying interest on all of it while pre-paid dues are held in a bank account, the Club can draw on the revolver only as funds are actually needed, lowering interest costs over time.

Loan Terms at a Glance

Total facility	Up to $16,500,000
Term Loan portion	$10,500,000, fixed interest rate
Revolver portion	Up to $6,000,000, floating interest rate, fluctuates over time
Borrower	Talis Park Golf Club, Inc.
Loan Length	10 years, with a final “balloon” payment in 2036 (see FAQs for more information)
Term Loan interest-only period	First 24 months
Term Loan payments after that	Monthly interest, plus principal paid twice a year, based on an 18-year straight-line schedule (even though the loan itself matures in 10 years)

Understanding the Bank of America Loan

Interest Rates

Term Loan rate	Fixed at closing - indicative rate on 9/24/26 was 5.83%. The actual rate is set when the loan closes and may be higher or lower.
Revolver rate	Floating - One-Month Term SOFR + 1.95%, with a 0% floor. Indicative rate on 9/24/26 was also 5.83%, and it adjusts monthly with the market.
Closing fee	0.25% of the facility, due at closing.
Early Payoff fee	If the Club pays off the term loan early, the Bank charges a fee on the amount prepaid - but only during the first five years, and the fee shrinks each year: 5% in year 1, 4% in year 2, 3% in year 3, 2% in year 4, 1% in year 5. No fee after year 5.

What Secures the Loan

The loan is secured by a first lien on the Club's non-real estate assets. The Club also agrees not to place liens on its real property, and this loan would be cross-defaulted with any future credit facilities - meaning a default on one would count as a default on the other.

Financial Covenants With Which the Club Must Comply

The Bank requires the Club to maintain certain financial health measures throughout the loan, as monitored through quarterly financial statements and audited financials each year:

- Debt Service Coverage Ratio of at least 1.10x - a measure of how comfortably the Club's EBITDA (earnings before interest, taxes, depreciation and amortization) covers its loan payments.
- Net assets maintained at a minimum percentage of the prior year-end: 90% through 2027, rising to 94% through 2028, and 98% from 2029 onward.
- At least $2,000,000 in minimum liquidity (cash on hand) at all times.

If, in any year, dues, initiation fees and assessments alone are not enough to cover the Club's debt payments, the Board would need to either levy a special assessment on members, show the Bank another reliable funding source, or have enough cash on hand in a Bank-designated account to cover the shortfall. As long as one of these is in place, the Club would not be in default of the Debt Service Coverage Ratio covenant. It is important to recognize that the level of initiation fees cannot be easily predicted, and the Club will need to plan for this variability in income.

Bottom Line for Members

This financing option is designed to give the Club the funding it needs for the transition while keeping debt service requirements and interest costs lower in the early years. The financial covenants above are standard safeguards a bank expects on a loan of this size. While future assessments cannot be ruled out, this loan provides a structure within which the Club can responsibly manage its commitments.

Understanding the Club Document Amendments

Vote #2 also asks members to approve updates to three Club governing documents: the Articles of Incorporation, the Bylaws, and the Membership Plan. Together, these are the "Club Document Amendments" referred to in the MOU. The Marketing, Access, and Use Agreement and the Management Agreement will be retired, and the Club Acquisition Agreement is amended in the body of the Turnover Agreement itself. Below is a look at what each of the remaining three documents does and a table of its key changes. Full drafts are available to download at tpgcturnover.com.

1. Articles of Incorporation

This is the Club's foundational charter, filed with the State of Florida. It establishes the Club's legal existence, its name and purpose, the allowed size of the Board (3 to 9 governors), and members' basic protections (no personal liability for Club debts). Because it is a public filing tied to the Club's legal identity, it changes rarely - only for fundamental structural matters.

Section	What Changes
Article III - Purpose	The Club purpose is clarified; it is now to operate "exclusively for pleasure, recreation, and other tax-exempt social purposes" within the meaning of Section 501(c)(7) of the Internal Revenue Code. The Club is currently a not-for-profit; this modification supports a possible conversion to tax-exempt status in the future.
Article XII - Registered Agent and Registered Office	Currently names Kitson's own representative and Kitson's Palm Beach Gardens office as the Club's registered agent and address. This will be updated to an independent registered agent.
Developer/Kitson references (Articles III, IX, X)	Removed.

2. Bylaws

The Bylaws are the Club's internal rulebook - how the Board is elected, how meetings and votes are run, officer duties, committees and other matters. This is the document members interact with most directly for day-to-day governance mechanics. Vote #1 approved an amendment to the Bylaws to cover electronic voting, the turnover process, the Nomination process, and a limited set of other changes. Those approved changes are incorporated into this document. A redline version that highlights the changes in Vote #2 from those approved in Vote #1 can be viewed at tpgcturnover.com.

Section	What Changes
Article V, § 1	Clarifies that the indemnification of the Developer does not apply in the case of gross negligence or willful misconduct, or failure to operate in good faith.
Article V, § 2	Lowers the petition deadline from 75 days to 30 days prior to the vote to improve access to this pathway (see FAQs for more information).
Article XVII	Clarifies the Club's Grievance and Discipline process, with greater specificity regarding the grievance and discipline processes to support their becoming member-driven post-Turnover.

2. Bylaws (continued)

Section	What Changes
Article XIX, § 2	Current bylaws implicitly authorize assessments without a membership vote for Emergency Repairs and Replacement and Operating Deficits. The rewording makes this explicit and consistent with the language in the Membership Plan. Other assessments explicitly require Membership approval.
Article XIX, § 3	Reorders the priority of the Club Documents to place the Bylaws above the former Developer documents.
Developer/Kitson references (various)	Removes most references to Developer's authority to appoint the Board or control Club decisions, as well as items obsoleted by the Turnover (e.g., Deferred Capital Reserve, Approved Community, Marketing, Access, and Use Agreement, etc.). What remains is limited to Article V's historical references to the resignation of Developer-appointed governors at Turnover and the liability clarification described above.

3. Membership Plan

The Membership Plan is the disclosure document members hold to understand their membership category, dues, and the rules for transferring, upgrading, or resigning a membership - separate from how the Club is governed. A full redline version of the proposed amendments is at tpgcturnover.com.

Section	What Changes
Assessment Refunds	Updates the Assessment Refunds section approved in Vote #1. This revision clarifies that the refund applies only to members who paid the assessment prior to the Turnover date, and extends the refund to non-resident equity members.
Developer/Kitson references (grouped)	Removal of Developer references and items that are obsoleted at turnover, e.g., recallable memberships, deferred capital expenditure account, Vyne House construction turnover, initial retail purchasers, Approved Community, Associate Memberships, and Signature Memberships.

Bottom Line for Members

Across all three documents, the pattern is consistent: provisions that gave Kitson control, approval rights, or an operating role are being terminated or narrowed, new member-governance mechanics (electronic voting, the Interim and Successor Boards, a Nominating Committee, Grievance process) required to support the Turnover are being added, and the indemnification and exoneration provisions are being tightened.

What's Next

After approval of Vote #2, Turnover Closing is targeted for the first half of November. Kitson's appointed Board will resign, the five members of the Transition Committee will take office as the Interim Board, and the Club's new financing and governing documents will become effective. From there, the important work of building a member-led Club begins.

Electing the Successor Board of Governors

The Interim Board's role is intentionally temporary: to oversee the General Manager, help ensure continuity of operations, and guide the transition to an elected Successor Board as promptly and thoughtfully as possible. Preparations for the election are already underway. In September, the inaugural Nominating Committee, chaired by Joe Sousa, was named and includes ten fellow members: Arthur Bourque, Bill Torzolini, Carole Bek, Darryl Iwai, Dennis McCarthy, John Hassett, Mike Devereux, Nick Costa, Nick Valeriani, and Trish Lukasik.

Once the Interim Board is seated at Closing, the Nominating Committee will be formally appointed and will recommend seven candidates for the first elected Board. More information about the Board selection and election process can be found at tpgcturnover.com. The election is expected to be in January. The newly elected Board, whose members will serve staggered one-, two-, and three-year terms, is expected to be seated immediately following the election.

Finding the Next General Manager

Our General Manager search is already underway. Kopplin Kuebler & Wallace (KK&W), a leading executive search firm in the private club industry, has been retained to execute this search. A Member Search Committee has been established and will include the seven newly elected Board members alongside six at-large members: Jeff Babka, David Clark, Glenn Lyon, Dennis McCarthy, Jim Simmons, and Gail Sousa. Under the current timeline, candidates are expected to be presented in January, followed by interviews in February, and selection of the new General Manager in March.

Building Member-Led Committees

More than 80 members have already volunteered to help shape the Club's future through new standing committees - including Governance, Finance Audit & Risk, Long-Range Planning, Golf and Greens, Lifestyle, Wellness and Recreation, and Membership Experience and Communications. These committees will be advisory, listening to members, weighing in on key issues, and bringing recommendations to the Board and management, while giving many more members a meaningful role in shaping the Club's future.

A Club Shaped by Its Members

This transition will succeed through the time, expertise, and judgment contributed by members. We are moving from a Club run by a non-resident developer to one governed by its members - with standing committees, meaningful member participation, and transparent communications.

The Interim and Successor Boards will not have every answer on day one, but if the HOA's own turnover is any guide, this transition offers an opportunity to build a better club shaped by members.

Our Club. Our Future.

Frequently Asked Questions

Previously answered FAQs, which describe the Turnover Initiative and the major deal elements, can be found on tpgcturnover.com in the Vote #1 materials section. Since that time, additional questions have arisen, which are captured below.

Has the Committee considered making additional improvements to the Club documents as part of the transition?

Our club documents were largely constructed more than 10 years ago, and contain a number of provisions that the Transition Committee feels warrant review and updating. The Committee intentionally limited the pre-turnover amendments to the documents to those necessary to achieve Turnover (for example, electronic voting and Interim Board mechanics), remove Developer references and control provisions, allow the Club to swiftly elect a Successor Board post-Turnover and smooth the Club operation in the first year.

A new member-led Governance Committee has been formed which, post-turnover, will review all club documents, seek community input, and propose changes to bring them up to best practice standards.

Why does Vote #2 recommend reducing the Board election petition deadline from 75 days to 30 days?

Under the original Bylaws, members received notice of a Board election 90 days before the election, and petitions were due 75 days before the election. The amendment approved in Vote #1 shortened the election notice period to 45 days, helping accelerate the process of seating the Successor Board - as early as January.

This change created a timing conflict: the existing 75-day petition deadline would occur 30 days before members received the 45-day election notice. Vote #2 therefore proposes shortening the petition deadline to 30 days so members retain a practical opportunity to use the petition process to access the ballot.

This change is reflected in Article V, Section 2 of the Bylaws proposed in Vote #2.

How is the staff impacted by the transition?

Retaining and engaging the Club's staff has been an important principle of the Turnover. Talis Park Golf Club staff have historically been Kitson staff, not TPGC staff. Kitson provided the benefit package, HR support, payroll, HR information system, workers' compensation insurance, payroll tax filing and compliance oversight.

After the Turnover, the Club will be partnering with ADP to provide these services. ADP is one of the largest and most respected companies in this field, and this partnership allows us to offer a comprehensive benefit package to the employees, comparable to what they currently receive, at a competitive cost that would be difficult to achieve as an individual employer. This relationship is known as a "co-employment" relationship, and ADP is a "Professional Employer Organization" (PEO). Employees will not experience any interruption in their pay or benefits during the transition, and will be able to maintain their Club tenure.

What is the practical implication of the Loan's balloon payment?

Balloon Payment at a Glance

Years 1 - 2	Interest-only. Principal balance is not reduced.
Years 3 - 10	Level payments; sized as if the Club has 18 years to pay it off.
Year 10 (balloon payment)	Roughly 2/3 of what was originally borrowed.

If the loan is not paid down early, or the Club does not accumulate reserves, approximately $9-10 million will need to be refinanced in 10 years' time. This highlights the importance of establishing a long-term financial plan for the Club, an early priority for the Finance Committee.

Can you explain the mechanics of the Assessment Refund?
In Vote #1, Members approved an amendment to the Membership Plan to permit members who resign their Club membership in connection with the sale of their Talis home in the next 5 years to receive a refund. The assessment refund is 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.

In Vote #2, two clarifications are included: 1) To extend the refund provision to non-resident members who resign their membership within the 5-year period, and 2) To make explicit that this refund only applies to members who pay an assessment prior to the Turnover date. Subsequent members, or members as of the Assessment Record Date who choose not to pay their assessment prior to the Turnover transaction, will not be eligible for the refund.

For eligible residents, the refund will be provided through the residential sale closing process, when they receive a credit on their settlement statement. For eligible non-resident members, the refund will be provided directly from the Club.

For new home buyers, the assessment will be added to their residential purchase settlement statement.

Prior to Turnover, it will be itemized separately, along with member initiation fees and other charges. Post-turnover, the assessment amount will be folded into the member initiation fee.



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