

1. I buy an annual golf pass every year. Isn't my annual golf pass considered my "dues", and haven't I been paying dues all along?

This can be confusing. In the original 2001 Club bylaws, what we now refer to as an annual golf pass (unlimited golf) was described as "annual dues". Greens fees were described as "limited dues". The board was given the discretion to establish a dues structure as needed; however, all past boards never established "required dues" that applied equally to all members, primarily because it was never deemed necessary. Members, up to this point, have been able to selectively purchase golf services or not. Now, all members will be equally required to pay dues to the Club.

2. Can I abandon my membership and play golf as a guest of another member at the member rates?

No. Club "Policies and Procedures" state that only non-residents are eligible for member rates when they are specifically invited by a Club member. If you abandon your membership and still reside in Sunbird, you will be able to play at resident rates.

3. Why aren't these dues the same thing as an assessment? Why didn't we vote on this?

An assessment is for a specific purpose and a specific amount, dues are reoccurring obligations in effect until modified by the board of directors. SBGC bylaws provide for assessments by requiring a vote of the membership for approval. Dues are determined by the board of directors.

4. If I don't pay my dues, will I lose my membership?

Ultimately, yes, your membership will be forfeited if you do not pay the required dues as scheduled. You will have sufficient time from the record date of dues in which you can complete any delinquent dues payment. At the end of this period, if you haven't paid the required dues, your membership will be forfeited without further opportunity to reinstate it.

5. If I choose to redeem my membership, do I have to pay dues while I'm on the waiting list?

All members have an obligation to pay their dues while they are still members. So, whether or not a member is waiting for his/her membership to be redeemed, the dues are still required. Once a membership is redeemed, your membership ends, and you are no longer responsible for any further dues.

6. If I get on the redemption list, how long will it be before the Club pays me off?

The SBGC cannot state when your membership redemption request will be completed. Upon receipt of your signed request, your membership will be added to the list of requested redemptions. If you choose to redeem at a discount of 50% or more, your request will be listed immediately ahead of the first redemption request listed at a discount of 49% or less. The Club pays redemption requests based upon the receipt of funds related to the purchase of new memberships only as provided for in the current bylaws.

7. I bought a \$5000 dollar membership a long time ago. Why do my spouse or partner and I each have to pay dues?

For the first several years in our Club's history, the only membership option was to purchase a \$5000 membership giving membership rights to two individuals within the household, whether or not both individuals played golf. Bylaws have since been changed by the membership separating these \$5000 memberships into two individual memberships. Each has a value of one half of the original membership cost and each has one vote in Club affairs. If both people have a membership in their own name, each person is responsible for his/her own dues.

8. Does it help the Club if I donate my membership? Redeemable vs Non-redeemable?

If you have a "redeemable" membership, one obtained prior to 2/13/13, by donating back your membership to the Club you will have reduced the outstanding number of redeemable memberships. As of 5/1/20 there are 272 redeemable memberships. Since the SBGC bylaws prohibit the Club from financially benefiting from the sale of new memberships, and based upon the current average number of new memberships sold each year, it could take approximately 19 years before all redeemable memberships have been redeemed. Until then, the Club cannot take new membership sales into operating income. If you have a non-redeemable membership, one obtained after 2/13/13, there is no benefit to the Club if you donate or abandon your membership.

9. If I choose to redeem, is there a way the Club can benefit from my redemption proceeds?

Yes. Once you receive your redemption proceeds, you can turn around and donate those funds directly to the Club. This is strictly voluntary on your part. When this is done, the Club is able to take your donation directly into operating income. Keep in mind that if you are paying dues while waiting for a redemption, you may want to net the cost of paying dues out of the redemption proceeds before you make the donation to the Club.

10. If I didn't receive notification from the Club, do I still have to pay dues?

Yes. The Club is making its best effort, through various channels, to contact each of our members. But, it's the member's responsibility to notify the Club of any changes in their contact information (i.e. mailing address, email, phone number, etc.). If the Club is unable to contact a member, we hope that the member (or family) will contact us in order to update their membership information.

11. How long will these dues be required? What happens when the mortgage debt is paid off?

These dues were enacted because of our current financial stress. How long they continue will depend upon future financial performance. Increasing property taxes, unexpected repairs, unfunded future capital improvement projects, increasing expenses, fewer new memberships and unanticipated economic events such as the effects of the coronavirus all play a part in the success or failure of the golf Club. The mortgage will be paid off in 2026. This will eliminate over \$60,000 in annual payments and allow us to redirect that income to operating revenue.

12. When are the dues will be payable?

Structured individual membership dues are as follows: Semi-annual dues of \$150 (one hundred fifty) to begin as of 7/1/2020. \$300 yearly total.

January 1st	- date of record; payment due on or before February 10th.
February 10th	- unpaid members are delinquent.
March 10th	- membership privileges are suspended; 30 days to cure delinquency.
April 10th	- LOSS OF MEMBERSHIP
July 1st	- date of record; payment due on or before August 10th.
August 10th	- unpaid members are delinquent.
September 10th	- membership privileges are suspended; 30 days to cure delinquency.
October 10th	- LOSS OF MEMBERSHIP

13. If all of our members support the Club and pay dues, how much will the Club collect?

As of 5/1/20 the Club has 418 individual memberships on the books (272 redeemable and 146 non-redeemable with 9 memberships waiting for redemption). If all 418 fulfill their dues obligations, on an annual basis the Club would receive \$125,400. However, the Club anticipates possibly losing a significant number of members. It is suspected that up to 200 members are currently inactive and not supporting the Club in any financial way. The actual amount collected can't be determined until all delinquent members reach the final payment deadline.

14. Is the restrictive HOA CC&R which prevents the HOA from financially participating in mutually beneficial projects, the root of our current golf Club problems?

Absolutely not. The HOA and the golf Club have always been separate entities within the same gated community. Each corporation is responsible for their own success or failure. The Club's current problems stem from a variety of past and present situations, all of which together are creating the "perfect storm" which your volunteer directors are facing head on and attempting to correct.

15. What are the differences between golf Club "members", golf Club "owners", golf Club "investors" and HOA "members"?

The SunBird Golf Club, Inc. is a corporation in which the "members" own all of the club assets such as the real estate, water rights, equipment, etc. SunBird Golf Club "members" each have a membership or ownership interest in the financial success or failure of the corporation. There are no "investors" in the golf course. The golf Club has a first mortgage note on the course real estate with 12 different mortgage note holders. The note is due for payoff in 2026.

16. Are the mens, ladies, and niners golf clubs connected to the Sunbird Golf Club?

Only as valued customers. These various weekly or periodic groups are customers of the golf Club and are not sponsored or managed by SBGC. These groups' interests are strictly in having a place for their members to play golf. Of course the golf Club appreciates its customers and accommodates these groups in furthering the best interests of the golf Club, socially or financially.

17. Do HOA homeowners that actually live on the golf course support the golf Club in any way?

Nominally. Any support provided by these homeowners is usually in the form of a voluntary contribution to the cost of over seeding the course each Fall. HOA members that bought houses on the golf course have no obligation to SBGC, other than their own individual memberships. There are approximately 433 homes that border the golf course real estate; about 40% are owned by non-golf Club members. Not surprisingly, very little in contributions come from SunBird residents who are not golf club members.

18. Is the golf Club pricing golfers out of playing in Sunbird?

We certainly hope not. Adjusting seasonal pricing is a constant challenge and we hope that we keep our golfers here. We also hope that there is a sense of "community" within our walls that motivates our residents to use their golf "amenity". The golf Club is sensitive to all of the marketing challenges that any business has and is trying to do the best it can.

19. Does an increase in HOA dues have anything to do with the golf Club?

At this time, any increase in HOA dues has nothing to do with the golf Club. HOA CC&Rs currently prohibit the use of any HOA funds to support the golf Club.

20. The Board approved a 3 month only promotion of new memberships for \$1500. Why?

The lifeblood of SBGC is in recruiting new, active members who financially support the Club and in the sale of "annual" golf passes. Our new member and annual pass sales have been declining for the past several years, and we need to reverse this trend. This program is a one-time effort to encourage all individuals, whether residents of SunBird or not, to become members and purchase annual passes. The promotion is only in effect for 3 months; October, November and December of this year. The program offers a new membership for \$1500 but requires that a new member also purchase an annual golf pass at the same time; the membership fee and an annual pass must be paid in full up front (no installment plan). The Club needs new members that actively play golf and buy annual passes. Income generated by annuals are a large and important part of course revenue. The Club sold 12 new memberships in 2019, we have sold 2 new memberships in 2020 so far. Without programs to generate new memberships and additional annuals, we'll have difficulty in maintaining the level of course conditions that all of our members have come to expect.

21. Why did the board approve a 10% discount on the Canadian dollar which makes it less expensive for a Canadian member to buy an annual golf pass?

This also is a limited one-time program that applies only to the purchase of a 2021 annual golf pass by a Canadian golf Club member. Depending upon the exchange rate, our SunBird Canadians are paying their equivalent of \$2500+ for what our U.S. citizens are paying \$1850. In addition, our Canadian members, due to the coronavirus, were forced to return to Canada a month or so earlier than normal. They are not receiving a refund for any portion of their 2020 annual. With the current travel cautions and border restrictions, many of these friends are thinking twice about coming back next season. We are encouraging these members to come back and golf with us.

22. Why did the board approve reducing the cost of range balls to annual golf pass holders? Why not reduce the cost for all Club members instead of one particular category of members?

This program is giving back a fairly insignificant amount of revenue to the Club members that actively support Club finances by purchasing annual golf passes. It also helps to keep SunBird competitively priced for those who choose SunBird as their home course.

23. Is the coronavirus situation just an excuse to charge dues?

No, but its impact is part of the reason. The Club has lost money in three of the last five years. As a result, our cash resources and reserves are being depleted. March and April are extremely important revenue generating months, and the coronavirus has impacted these months. Significant cash doesn't start flowing back into the Club until late Fall when snowbirds return and people start buying next year's annual passes. The implementation of these dues is to reduce the possibility of running out of our cash reserves.

24. I recently purchased a membership for \$2500. I'm not happy about the Club selling memberships for \$1500 at the end of the year. What does the Club hope to accomplish with this program?

Our goal is to generate a number of new and active memberships that purchase annual golf passes. If you are a recent member who is paying off the \$2600 membership cost with annual installments, and you owe more than \$1500, you may consider abandoning your current membership and purchasing a new membership under the program being offered at the end of the year. Just remember, you will have to purchase an annual golf pass along with the \$1500 membership. The full amount will be required at the time of purchase.

25. If a potential new member does a cost/benefit breakdown analysis before making the decision to purchase a membership, what will they find?

Previously, a person evaluated purchasing a membership based upon how long he/she would be playing golf in the future, the amount of the member discount available for the golf services used (including range balls), and the actual cost of the membership. If you purchase an annual every year, with the \$500 member discount, it will take about 5 years before you would recoup your membership investment. Now that required dues are part of the analysis, it becomes an additional decision as to whether you will be receiving value for the reoccurring dues, such as the continued operation of your golf course at an acceptable level of play. Even with the new dues, the cost of a member annual is still below the cost of a non-member annual.

26. How can a member learn about Club finances?

The Club's website is www.sunbirdgolf.com. The "Member Login" section will require a username and password unique to each member. If you don't know or have never received a username and password, contact club director, Duane Dub, at vicepresident@sunbirdgolf.com. You may also contact any of the Club directors through the public "Contact" section on the website. Once you gain access to the Member section, you will have access to board and committee meeting minutes, bylaws, Policies and Procedures and other information. The Finance Committee section will contain committee minutes along with past and present financial statements and the 2020 Club budget.