

Date revised: May 13, 2019

FAQs will be updated as information is obtained

FREQUENTLY ASKED QUESTIONS ABOUT THE HERITAGE BAY ENHANCEMENT PROJECT (HBEP)

The Heritage Bay Enhancement Project (HBEP) was approved by the membership at the Annual Meeting on April 25, 2019, with a vote of 1,016 (81%) to 234 (19%).

PROJECT DESCRIPTION

1. Does the scope of the project include more than the Grille Room/Kitchen and Chickee Hut/Pool Deck Expansion?
 - *The scope of the project is only the two strategic initiatives related to “Casual Outdoor Dining” and “Chickee Hut/Pool Deck Expansion”. During the Town Hall meeting on January 18th, the Architect, David Humphrey, also presented a comprehensive master plan, of which these two areas only are the focus of this project.*
2. Why do you need a Master Plan if we are only addressing two areas, the Grille Room and the Chickee Hut/Pool Deck expansion?
 - *Developing and working within a master plan allows us to carve out areas that we currently want to address while maintaining a well thought out comprehensive plan. Thus, the HBEP will work harmoniously into a larger plan, avoid being disjointed, and be developed in a financially responsible manner.*
3. Are the Town Hall meetings from January 18th and February 21st available for viewing somewhere?
 - *The Town Halls were recorded and you can watch them on our YouTube channel. To view the January 18th meeting click [this link](#). To view the February 21st meeting click [this link](#). These links are also posted on the website under the Enhancement Project tab.*
4. What additional detailed information is there on the HBEP?
 - *We have created a special Enhancement Project tab on the Heritage Bay website. This page has information on the project, conceptual drawings, timelines, FAQs, and other details. This page will be updated continuously as new information is made available.*
 - *We have posted the conceptual drawings on the HB community channel available on your in-home Hotwire activated TVs.*
 - *We have large scale boards of the conceptual drawings in the clubhouse lobby.*
 - *We have a [virtual reality tour](#) which will visually take you through the conceptual renderings of the project plans.*

5. Where can I get a brochure on these enhancements?
 - *An electronic version of the brochure is posted on the Enhancement Project page and hard-copy printed brochures are available at the clubhouse. The electronic version is also available on the public side of the website on the Our Story, Dining and Real Estate pages.*
6. Who do I contact if I have specific questions about this project?
 - *Submit your questions or concerns on-line through the [web portal on the home page](#) of the Heritage Bay member website. They will be answered promptly.*

PROJECT TIMING

7. How long will this renovation be going on; will it be phased over years or done all at once?
 - *This project is expected to be completed no later than December 31, 2020. On February 8, 2019, the Board of Directors unanimously voted to approved the recommendation by the LRPC for the construction phase option that has the shortest length, is least costly to the membership, and involves the minimum of disruption to members in the height of “season”. This option has construction beginning on the exterior of the Grille Room in January 2020 and being completed in three phases. The construction of the pool café and pool deck expansion would begin shortly after Easter of 2020 and will open to the membership in October of 2020.*
8. When will the project commence?
 - *The plan is that exterior construction will begin on the Grille Room’s first phase as early as the second week of January 2020. There is a lot of work necessary before a shovel is ever placed in the ground. Detailed studies, including site plans, surveys, mechanical drawings, permitting, etc. cannot even be started until the vote results have been determined.*

PROJECT COST

9. What is the cost of this project?

<i>The costs and methods of funding are:</i>	
<u>Costs</u>	
Budgeted Project Cost	\$9,850,000
Less: Funding Available from Capital and Reserve Funds and Operating Surplus	(\$1,900,000)
Balance to be Paid by Heritage Bay Members:	\$7,950,000
Cost to be Assessed to Each Member	\$6,360
<u>Estimated Payments @ 6.25% Interest Rate* on a Ten (10) Year Term Loan</u>	
<i>(*Bank recommended conservative interest rate for budgeting purposes – the final interest rate and installment payment amounts will be provided when funding is in place)</i>	
<u>Estimated Installment Payment Options (Over 10 Years)</u>	
Estimated Annual Payment	\$860
Estimated Monthly Payment	\$72

10. Who do you mean when you reference a Member?

- In Heritage Bay, each unit is provided one Membership appurtenant to the ownership with one indivisible vote in all matters upon which the Members are entitled to vote. So, there are 1,250 Members who voted on the HBEP and will be levied an assessment.

11. How will the project be billed to the Members? Can I pay for the whole project up front in one payment? Can I make installment payments?

- *Yes. Annual and monthly payment options are shown above in Answer 9.*

12. When will I make my choice between the three payment options?

- In August, 2019, the Club will send a letter to each Member with information on the upcoming Special Assessment of \$6,360 and ask that they select a payment option from the three available:

1. Single payment: \$6,360

- Due on or before December 31, 2019

2. Annual payments (for ten years): no more than \$860

- The actual annual payment amount will be determined when financing is in place.
- Billed each year at the time of the Annual Assessment, due on or before January 1.

3. Monthly payments (for ten years): no more than \$72

- The actual monthly payment amount will be determined when financing is in place.
- Billed and due each month.

(Note: Members who do not respond to the letter with their payment option will automatically be billed monthly beginning November 2019.)

With your payment option known, on your November 2019 Statement, each member will be billed for the selected assessment payment installment.

Example 1: 2019 Special Assessment Installment 1 of 1: \$6,360

Example 2: 2019 Special Assessment Installment 1 of 10: \$860

Example 3: 2019 Special Assessment Installment 1 of 120: \$72

13. If I choose either the annual payment or the monthly payment option, can I pay off the balance at a future date?

- *Yes, however, the payoff amount will include the remaining interest. For example:*
 - *If you choose the annual payment option of \$860 and after two years you want to pay off your balance, the calculation is: 8 remaining years X \$860 per year = \$6,880.*

Or

- *If you choose the monthly payment option of \$72 and after twelve (12) monthly payments, you want to pay off your balance, the calculation is: 9 remaining years X 12 payments of \$72.00 = \$7,776.00.*

14. Why do I have to pay the remaining interest if I'm paying off my assessment early?

- *Once a member chooses to pay in installments, the Club (not each member) is responsible for the terms of the loan with the bank, which will accrue interest for the entire ten-year term. There is one loan, not 1,250 separate loans each providing a declining balance and interest owed. Basically, when a member chooses an installment option they have "purchased" the interest for the full ten years – similar to the terms on a car lease versus a mortgage.*

15. If I choose either the annual or monthly payment option, but then decide I want to change to the other payment option at a future date, can I switch?

- *Due to the complexity of the bank financing and fee structure, the only option to change from annual or monthly payments will be to pay off the entire remaining balance.*

16. What happens if I choose annual or monthly payments but sell my home in the next ten years, do I have to pay off the remaining balance of my assessment at my closing?

- *The Club would continue to charge the remaining monthly or annual payments to the current owner of the property, regardless of who that is. HOWEVER, how the Special Assessment for the HBEP is pro-rated by your closing agent will depend on your*

sales contract. Your contract will dictate whether you, the seller, are responsible for paying off the balance of the assessment or if you are able to negotiate the balance with the buyer. The Club will include the details of the Special Assessment on the estoppel given to your closing agent, so they would have the information they need to conform with your contract. The estoppel will include the amount assessed, how much you have paid to date, future scheduled payments, and the amounts to be paid if the balance is being paid at closing or if the monthly/annual payments were to continue.

17. Is the debt for this project assigned to my home title?
 - *No - the debt is assigned to the Club/Community Association, Heritage Bay Golf & Country Club, Inc.*
18. If my home is currently on the market to be sold, do I have to incur any costs for this renovation?
 - *Yes, every Heritage Bay homeowner is be responsible for the assessment.*
19. I remember the 2016 FIP projected cost to be a little over \$7 million, why is this project estimated to cost more while appearing to provide less?
 - *The 2016 Facilities Improvement Plan (FIP) was different than this plan in many ways. Although the total scope of the FIP was broader, the HBEP is more extensive in the Outdoor Casual Dining elements as well as addressing the membership need for pool deck expansion. Additionally, within the last three years, construction costs in South Florida have increased.*

FOOD AND BEVERAGE

20. Will there be a time during the renovation when F&B is not available to me?
 - *The construction plan approved by the Board will provide no operable kitchen facility during August and September of 2020 in order to meet the challenging construction timeline. Alternative plans for food service at the Club are being developed.*
21. Should I anticipate that the Club's Food and Beverage revenue will be significantly higher and that the increased profit will decrease my dues?
 - *We expect some increase in revenue, but we do not expect a decrease in member dues because expenses will also increase.*

FACILITIES IMPACT

22. Will any of the amenities (golf, tennis, fitness, pools) be closed during the project?
 - *It is expected that all sports amenities, other than lawn bocce ball, will continue to operate as normal. Additionally, although the main pool will be closed for construction, the satellite pools will remain available to the membership.*

23. If I am either an investor or one who rents my unit(s), would my ability to rent to others be impaired in any way by this project?
- *You can still rent your unit and transfer your Membership with the understanding that different areas of the Club facilities will be closed during their time of renovation but that golf, tennis/pickleball, the fitness center and the five satellite pools will remain open as normal.*
24. Will the renovation increase my property values?
- *You should not expect to see an increase in your property value. As discussed by industry expert, Henry DeLozier, during the January 18th Town Hall meeting, it may be more important to ask what happens if there isn't a renovation of the facilities. He said: "There's a great deal of evidence that suggests you'll see a substantial erosion of your property value. With aging facilities with an aging community, and no indication of improvement, that's certainly a formula for lost property value. And the range of lost property value typically is 17-30%."*
25. Will there be an impact on parking at the Club during construction?
- *Yes, there will be an impact during renovations, as the contractors will use some of the clubhouse parking as a staging area.*
 - *In an effort to provide more members the options of walking or riding their bikes to the Club for golf, we have provided additional golf bag storage for the previously waitlisted members.*
26. At the special meeting on February 8, 2019, the Board unanimously voted to approve \$80,000 for work related to the dry retention area to the NE of the main pool. Can you explain what this is?
- *That approval was for permitting work by the engineer; no construction was approved.*
 - *The \$80,000 approved by the Board for the re-permitting of the retention area is included in the engineering costs of the HBEP. However, the Board decided the filling and regrading of the retention area was a necessary project regardless of the outcome of the HBEP. They approved the \$80,000, understanding that 1) if the HBEP was approved, it is part of the HBEP and had only a three-month cash flow effect on 2019 operating budget or, 2) if the HBEP was not approved, the actual expense to the 2019 operating budget will probably be even lower, closer to \$50,000.*
 - *As related to the HBEP, now that it has been approved, the entire regraded retention area will probably not be used in the project, thus allowing alternate uses, such as additional parking.*

VOTING ON THE PROJECT

27. How was the voting processed on the HBEP?

- *On March 26, 2019, all Members were mailed (to the mailing address currently on record) the Second Notice of Annual Meeting and Elections.*
- *This Second Notice packet included the Notice and Agenda for the Annual Meeting, the Board of Directors election information, information for the vote on the proposed amended governing documents, and information for the vote on the HBEP.*
- *Members were able to vote on the HBEP prior to the Annual Meeting on April 25, 2019, by completing and submitting the Limited Proxy enclosed in the packet.*

28. How was my vote for the HBEP counted? I was told we vote in groups, is that correct?

- *Every vote was counted, they are just formally announced as part of a group - the Neighborhood Associations (of which there are twenty-one).*
- *First, Members cast their vote either in person at the Annual Meeting or by the Limited Proxy form sent in the Second Notice packet described above in Question 28.*
- *When received by the Club, each Members' vote was logged and then organized with the votes of the other Members in their Neighborhood Association.*
- *Then, at the Annual Meeting each vote was tabulated along with all of the other votes cast by the Members in their Neighborhood Association. Once all of the "yea" votes and "nay" votes submitted for the Neighborhood Association were tabulated, they were converted to "total voting percentages" ("TVP") which were then multiplied to equal 100% of the votes attributable to the Members within the Neighborhood Association. Let's use the Single Family Homes Neighborhood Association as an example:*

<i>Total Votes POSSIBLE</i>	<i>252</i>
<i>YEA votes received</i>	<i>87</i>
<i>NAY votes received</i>	<i>81</i>
<i>Total Votes RECEIVED</i>	<i>168</i>
<i>"Total Voting Percentage" ("TVP") of yea votes</i> <i>(Yeas received divided by total received, $87 \div 168$)</i>	<i>51.786%</i>
<i>"Total Voting Percentage" ("TVP") of nay votes</i> <i>(Nays received divided by total received, $81 \div 168$)</i>	<i>48.214%</i>
<i>"Final Tally" of Yea Votes</i> <i>(TVP of Yea votes multiplied by total possible votes, $51.786\% \times 252$)</i>	<i>130.501 rounded up = 131</i>
<i>"Final Tally" of Nay Votes</i> <i>(TVP of nay votes multiplied by total possible votes, $48.214\% \times 252$)</i> ..	<i>121.499 rounded down = 121</i>
<i>Total Votes Tallied for the Single Family Homes Neighborhood Association</i>	<i>252</i>

- *The “Final Tally” for the yea and nay votes were during the Annual Meeting by the Board President.*
- *The voting procedures are detailed in the [Amendment to the Bylaws](#) of Heritage Bay Golf & Country Club, dated March 24, 2016, if you would like to learn more. Or ask us!*

29. How many votes were needed to pass the HBEP?

- *The HBEP required a simple majority to pass and, using the tabulating method in Heritage Bay’s governing documents outlined above in Question 28, 100% of the votes are tallied. If a Member failed to vote, their vote was cast regardless. It was cast in proportion to the votes cast within their Neighborhood Association.*