



- Q. The letter that was mailed to the Membership on May 3, included an option to pay the assessment in a lump sum or in 36 monthly installments plus a 10% convenience fee. Could you better explain how this will be applied?**
- A. A member may choose to pay the full assessment up front or may select to divide it over 36 months. If they choose the second option, a one-time \$250 (10%) convenience fee will be added to the assessment and divided over 36 months. The total monthly fee is 76.39.
- Q. It seems like a better way of financing the project would be to obtain a loan from the bank. Why not obtain a loan instead of assessing the membership?**
- A. The Board discussed the possibility of a loan but then looked back at our last significant project which was the Lounge. The Club financed the entire one-million-dollar buildout of the Lounge with a loan. The reality today is that the loan has outlived the life of the project. The Lounge needs upgrades now but we still need to pay off roughly 25% of the loan. We have arranged for a line of credit and anticipate some portion of this project will need to be paid for by drawing from that line.
- Q. What process was used for selecting the interior design firm?**
- A. As Board members learned more about the Club's infrastructure needs, they realized a broader scope of work was necessary. The Governors Club reached out to similar clubs throughout the state that had recently undergone renovations and gained knowledge about several companies that came highly recommended. After several interviews, the Board of Governors selected Bozeman Club & Corporate Interiors of Atlanta, GA. Bozeman understands the needs of a club with southern roots and has worked with many prominent clubs throughout the Southeast.
- Q. What happens if a member resigns their membership to avoid the assessment and then later wishes to rejoin?**
- A. Any member who resigns during the assessment period and later wishes to rejoin will be required to pay a \$2,500 reinstatement fee, monthly dues and a \$35 monthly capital fund fee.
- Q. I understand that the Club does not have any reserves that could be used to support capital projects. What steps are being considered to ensure we have the funds necessary in the future to pay for renovations and capital replacements?**
- A. Several months ago, the Board approved an increase in the initiation fees for new members. The fee is now \$2,500 with \$1,000 of that going directly to the newly established capital fund. In addition, all new members are required to pay an additional \$35 per month capital fund fee and monthly dues. Discussions are underway to expand on this concept sometime after all the renovations are completed. By establishing an active capital fund, the Club will have dedicated funds necessary for future projects without assessments.
- Q. I am a new Member/Founding Member/young executive. Why am I being assessed at the same level as others?**
- A. It is important for all members to have an equal interest in the future of the Governors Club. Some members have enjoyed 36+ years of membership, while others are relatively new. With all members participating on equal terms, the Club remains an exclusive member Club and the renovation project creates a strong bond and sense of pride among the membership.
- Q. Why didn't the Board simply increase dues instead of implementing an assessment?**
- A. An increase in dues would cost more to the Club in the long term as we would still need to finance a large portion of the renovation.