



REGAL PALMS

Owners Association

Hello Owners,

I would like to provide you with an update on the board's efforts to (1) purchase the Regal Palms Club (the "Club"), and/or (2) build our own pools inside our community. I am pleased to announce that after months of trying to find financing, which was our biggest obstacle, we now have a letter of intent from a lender to finance an outright purchase of the Club from Mr. Wilkes & Mr. Christner. The lender is willing to loan us up to \$10,000,000 towards the purchase of the Club. This same lender has also given the board an indication that they would be interested in providing financing for the building of pools inside our community. Obviously, our first preference would be to purchase the Club.

When it comes to acquiring the Club, earlier today the HOA's attorney provided Mr. Wilkes & Mr. Christner with a formal written offer to purchase the Club outright. They have until noon on Wednesday, April 26th, 2017 to either accept or turn down our offer.

Please note, that this offer is contingent upon multiple factors, including the following: a) their acceptance of our offer; b) the Homeowner's vote to approve the purchase; c) our **inspection** of the Club's facilities; and d) an **appraisal** of the Club by a certified appraiser. If our offer is accepted, the tentative closing date will be August 1, 2017.

After many discussions, we feel that an offer of up to \$10 million (subject to appraisal) is a price that would give the Owners complete control of the resort and our future. After looking at the financials, the board believes this offer will be manageable to repay without imposing an excess burden on you, the homeowners. Our plan is to keep the total cost you are currently paying for HOA assessments plus Club dues at current pricing, which will give us the ability to actually have the 5 star resort that we had envisioned. More specifically, instead of paying HOA assessments to the HOA and Club dues to Regal Palms Club, you will combine the two and make one assessment payment to the HOA only. Better yet, you will have full transparency to see how all of your money is being spent to operate the Club as a true common area of the HOA!

It is possible that Mr. Wilkes and Mr. Christner may not accept our offer to buy their Club under the terms we have presented them. In this case, we intend to take the lender up on its interest to finance the building of pools (and possible a clubhouse) inside our community. As we were working on obtaining financing, we also have been working with two (2) separate pool contractors for preliminary bids for the 1st pool.

As a board, we strongly feel that buying the Club is still the best option, but we are completely prepared to

move ahead with Plan B if our offer is not accepted, **as long as we have the support of the Homeowners.**

The board has discussed that there will be challenges with building our own pools due to the timeframe for construction.

Regardless of which way we go, without the votes of the homeowners, neither option will be approved and we will be in the same position that we have been in for the last 12 years, with no control of our future.

As a board, we realize that this has taken longer than we expected or wanted. We are very proud of accomplishing the promise that we made at the last AGM.

Thank You for your patience. We are excited to finally have a positive direction. These are exciting times. We look forward to gaining control over recreational facilities that we can all enjoy at a fair cost for the Owners one way or another.

Sincere regards,

Kathy Laboon
President
Board of Directors
Regal Palms Owners Association