



June 1, 2018

Re: Submission of Downgrade Requests by Full Equity Members

Dear Full Equity Member:

We know that the majority of our Full Equity Members enjoy and value the privileges associated with their Full Equity status, either as participants in our active golf program, or in offering the amenity of a Full Equity to the subsequent purchaser of their BallenIsles property. However, we also recognize that due to lifestyle adjustments some Full Members have a desire to downgrade. The Downgrade Request Program creates a pathway for current Full Members to request a downgrade to a lower equity category, in a manner that is fiscally responsible for the Club, manages the Full Equity count and facilitates the ability of new and existing members to upgrade to Full Equity.


New requests for the 2018 Downgrade Request Program may now be submitted.

- If you are a Full Member who would like to request a downgrade to a lower category of equity, including Sports or Tennis when available, please complete and return the enclosed Request Form to the Membership Office on or before the deadline of 5:00 pm on Saturday, June 30, 2018.
- No fee or deposit is required to submit a request.
- Eligibility to submit a downgrade request, applies to all Full Members who maintain their Club account in good standing, including resident and non-resident Full Members on the Resignation List.
- All downgrade requests received by the above deadline, will be prioritized on the basis of tenure, which will be determined by the date upon which a Full Equity was acquired by purchase or upgrade. In the event that multiple requests are received that share the same date of Full Equity acquisition, the member number sequence will determine tenure, i.e. lower member numbers represent longer tenure.
- The 25 downgrade requests that have the longest tenure will be held as a downgrade inventory pool for potential upgrade activity generated from existing Members through June 30, 2019. Excess requests will not be held in inventory, and a wait list of requests will not be carried-forward. Full Members cannot submit a request to downgrade and enter the downgrade inventory pool after the deadline, regardless of tenure, but may submit by the next annual deadline, if applicable.
- The number of downgrade requests which can be processed as actual downgrades will be dependent upon the number of new and existing Members electing to upgrade to Full Equity through June 30, 2019.

- As each Full Equity Upgrade occurs, a Full Member in the downgrade inventory pool will become eligible to downgrade. The obligation for Full Equity fees, dues and assessments will continue until the downgrade becomes available, accepted and is complete.
- There will be no refund of the equity differential between membership categories through the downgrade process. However, the downgrading Full Member will receive the equity refund associated with their new equity category upon future resale and reissuance, in accordance with the prevailing Bylaws.
- Due to the differential between dues categories, the processing of downgrades will cause a dues deficit; therefore a downgrading member is subject to a dues mitigation period. Any Full Member who completes a downgrade will have the same privileges as a Sports member, be billed the prevailing Sports Dues, Sports FIP and assessments, during the 24-month period immediately following the completion of the membership downgrade.
- *Once a downgrade becomes available and is accepted an Equity certificate will be issued in the category chosen on the downgrade form at the onset of the 24-month Sports mitigation period. This may not be changed at any time.*
- Full Members, including those with requests in the downgrade inventory pool, will be required to submit a NEW downgrade request form by each annual deadline, and requests will be reprioritized by tenure. In accordance with the Club Bylaws, Full Members have no vested right to downgrade and any downgrade plan is subject to modification or cancellation by a future Board directive.
- Completed downgrade request forms must be submitted to the Membership Office in person, by mail or by fax to (561) 626-3941 no later than June 30, 2018 and must be signed by a club representative. *Please ensure that you retain a copy of the signed form for your own records as confirmation of submission.* If your form is submitted by fax, the Membership Office will fax or email back a signed confirmation of receipt.

Please contact the Membership Office at (561) 775-4763 or (561) 627-3372 if you have any questions regarding the submission of a downgrade request.

Sincerely,
And on behalf of the Board of Directors
BALLENISLES COUNTRY CLUB


Michael Muntner, President

Enclosure