Delaire Country Club
Property Owners' Association, Inc.
Proposal to Membership
Town Hall Meeting
April 19, 2026

Some claims present Board choices as if they are legal requirements. Some claims omit key facts about the Debt Service Fund and Board authority. Some claims use fear based projections without any underlying project or budget. Some claims mischaracterize prepayers who paid tens of thousands upfront. This annotated version of the Town Hall slide deck includes factual clarifications to help members understand what is required, what is optional, and what is a Board choice. All corrections are based on the Association's governing documents, the Debt Service Fund rules, and the Board's own prior statements. All annotations in red by Delaire Governance.

Delaire Strategic Plan

Delaire Vision: “Be the most desirable boutique residential country club in Palm Beach County”

Delaire Mission: “Provide Excellence in the Member services we choose to offer.”

- **Innovative amenities and varied activities: golf, racquet sports, fitness, pool and leisure**
- **Facilities and grounds that meet Members’ expectations while instilling a sense of pride**
- **Deliver financial value**
- **Capital planning that efficiently and effectively provides for future membership needs**

Proposal Overview – Three Key Asks

- **We are asking for Membership approval to:**
  - **Replace all current monthly Capital Assessments (mostly $500) with a new one of $550**
  - **Continue the new $550 monthly Capital Assessment, unless modified by Members**
  - **Pay off the “old clubhouse portion” of existing debt and associated obligations**
- **All 3 actions are consistent with our Long-Range Capital Planning over the last 4 years**

Clarification:
The Board already has full authority to use the Debt Service Fund to pay down or pay off debt tied to previously approved capital projects.

Linking the payoff of the old loan to approval of a new permanent assessment is a Board choice, not a requirement.

Proposal Objectives – Why?

- Implement capital planning to efficiently and effectively provide for Membership needs
- Ensure sufficient capital funding to support Delaire's Vision and Mission
- Ensure continued Membership control:
  - All capital assessments to be recorded in Restricted Funds
  - Members continue to approve all Restricted Funds expenditures
  - Members continue to approve all future changes to Capital Assessment amounts
- Achieve fairness by eliminating different Capital Assessments among Members and Non-Residents
- Eliminate large Capital Assessment variations created by linking them to specific project borrowings
- If this Proposal fails, most Members' Capital Assessments in 2030 & 2031 will exceed $950 a month
- Enhance Delaire as a high-quality borrower to improve financing strategy & reduce costs
- Deliver on previously communicated expectations for moderate capital assessment increases

No project has been presented, no budget exists, and no vote has occurred.

The $950 figure is a projection without a project, used to create fear. Assessments cannot increase without a member vote.

Proposal Overview – More Details

- Members control. Members must approve all future expenditures from the Restricted Funds account
- Features of the new $550 monthly Capital Assessment:
  - It replaces all current Member monthly Capital Assessments (most total $500)
  - The moderate $50 increase applies to the vast majority of Members
  - Members must approve any changes to this monthly Capital Assessment
  - The amounts collected will be first used to pay down any then existing borrowings
- Member approval is requested to withdraw approximately $4.4M from the Restricted Funds account
- Amounts withdrawn will be used to pay-off the pre-2019 borrowings and associated obligations
- Board will replace all current monthly Non-Resident Capital Contributions with the new $550 one

Members can only vote on assessments if the Board places the question on the ballot or if 30 members petition — with no required timeline for action.

This is not “automatic” member control.

Increase Details

- Capital Assessments will always be needed to help fund Capital Improvements
- For example, Members were told since 2008 that the $410 monthly Capital Assessment wouldn't go away
- The last monthly Capital Assessment increase was $90 starting in early 2023
- Members were told 3 years ago that we would move toward stabilizing Capital Assessments
- The stabilized Capital Assessment likely will be inflation adjusted every few years
- This proposed 10% inflationary increase is for 2023 through 2025 will begin on June 30, 2026
- CPI inflation over this period averaged approximately 3% per year or a total of 9.7%
- Using construction inflation for the same period may be more relevant. That would be 14.7%
- The increased amount per month being requested is just $50 per month ($600 per year)
- Delaire's proposed yearly Capital Assessment totaling $6,600 is lower than most of our comparative Clubs

Members were told in 2008 that the $410 assessment *would end* when the loan was paid off.

The Board later extended the loan and reallocated funds, creating the ongoing assessment — not the members.

Additional Capital Cash Inflow – First Year

➢ Residents 325 @ $50		$195,000
➢ NRs 80 @ $50	$ 48,000	
➢ Residents (Associates) 5 with discounts	10,900	
➢ NRs (Former NREs) 9 with discounts	14,200	
➢ Prepayers (24) who are not Originals	52,900	126,000
➢ Total additional assessment inflow		321,000
➢ First year annual interest savings		65,000
➢ Total additional cash flow		$386,000

Recall - before a prior Board reallocated assessments from these older borrowings the estimated payoff year was 2026

The interest savings declines to nothing over 5 years as the borrowings are repaid

At least 290 of our 325 Members get almost $2 for each additional $1 they pay

Delaire's Current Debt

- **As of March 31, 2026, total outstanding bank debt was approximately $11.2 million.**
- Delaire must internally subdivide this debt into 2 separate "buckets":
  - **2008 Clubhouse Loan approximately $ 4.1 million**
  - **Phase 1 & Phase 2 Projects approximately $ 7.1 million**
- Prior to the Phases 1 & 2 Projects, the 2008 Clubhouse Loan was original estimated to be paid off by 2026. Prior Boards in years past, extended the end date for various reasons.
- **With no changes to current monthly Capital Assessments the 2008 Clubhouse Loan portion of the debt is estimated to be paid off in November 2031**

The Board could have paid off the 2008 loan years ago using the Debt Service Fund.

The continued existence of the loan — and the assessment differences — is the result of Board decisions, not member behavior.

Reasons to Pay Off the 2008 Clubhouse Loan Now

- Certain Member classes pay lower Capital Assessments than other Members. These lower Capital Assessments will continue until the 2008 Clubhouse Loan is repaid.

- Allowing the 2008 Clubhouse Loan to continue until its estimated November 2031 pay off date will continue these assessment differences for more than 5 years and those differences will increase in the later years of that period.

- Paying off the 2008 Clubhouse Loan is a necessary part of the process to replace all previous Capital Assessments with a single fixed monthly Capital Assessment. It will end all Association contractual obligations to Members now paying lower Capital Assessments including those who prepaid their share of the 2008 Clubhouse Loan.

These members paid tens of thousands of dollars upfront to eliminate the monthly assessment.

They are not “paying less.”

They paid in full, years ago.

2008 Clubhouse Loan Prepayment Program

- The program was made available to all Members from 2012 though 2018
- 53 Members chose to pay off either all or ½ of their allocated portion of the 2008 Clubhouse Loan in lieu of paying future monthly assessments tied to those same borrowings.
- Depending on, in which year the prepayment occurred and whether the full or one-half of their proportionate share was paid, these Members prepaid between $19,000 and $53,000 to be relieved of paying the, then, $410 month Capital Assessment (or half thereof).
- Per their contract with the Association, if any of these Members sold their home, the “assessment benefit” was transferrable to the new owner of the home.
- These Monthly Capital Assessment benefits will continue for every month that the 2008 Clubhouse Loan portion of our debt remains unpaid, again, which is currently estimated to be in November 2031.

Financial Implications of ending the Prepayer program

- When the funds are withdrawn from the Restricted Account to pay off the 2008 Clubhouse Loan, the Prepayer contract states that Prepayers, who made the original Prepayment, must receive their proportional share of the amounts withdrawn.
- Only the remaining 29 Original Prepayers get reimbursed for the unamortized portion of the amount they paid to be relieved of those Capital Assessments. The Prepayer contracts do not allow the Association to pay any amounts to the 24 Members who purchased homes from a Prepayer.
- The estimated amounts returned to those members will be a credit against their future billings of approximately $12,500 for each of the original full Prepayers and approximately $6,250 for the original "half" Prepayers.
- Total credits to the Original Prepayers is approximately $350,000.
- This is dictated by the prepayer contracts the Association drafted.

The Board is not "fixing" an unfair system — it is enforcing the system it created.

Financial Benefits to the Membership

- Should the proposal pass, the estimated total additional cash flow of paying off the 2008 Clubhouse Loan (excluding the $50 increase paid by all Members)

• 24 Home buyers[1]	$410,000
• 14 Other Discounted Assessments[2]	$155,000
• Interest Savings[3]	$220,000
• Total Cash Inflows Through Nov 2031	$785,000

[1] Original Prepayers must receive a contractual credit for their portion of the prepayment. Economically both they and non Prepayer Members are therefore equally adjusted. However, the Capital Assessment cash inflows from the 24 other than original Prepayers increase without a similar contractual credit.

Why do these "other members" have reduced assessments?

[2] Other members with reduced assessments would now pay equal monthly Capital Assessments.

[3]Total estimated net interest margin benefit due to paying off the 2008 Clubhouse Loan 64 months early.

These "benefits" only exist if the Board chooses to keep the 2008 loan alive until 2031.

The Board could pay off the loan now without requiring a new permanent assessment.