

Two questions that were asked Saturday October 15:

Question : If I pay upfront, and leave after X years, do I get a reimbursement for the balance?

Answer: The amount of the term loan we take out will be determined by the amount of up-front money we have on hand. Once we have taken out our term loan, we will not be in a position to add to it. We will therefore have no source of funds with which to reimburse anything to the departing member. Therefore, the departing member must donate the balance to the club.

Question: If I choose to pay annually, and leave after X years, do I still owe the Club the balance.

Answer: No. We call this method "pay-as-you-go". The club has the debt and, in order to finance its debt, it is charging all members (except those exempted in virtue of their up-front payment) an annual charge. It will be a charge on all annual invoices for the next 20 years, including the invoices of new members coming in afterwards. Similarly, departing members have no obligations after they leave, as departing members are replaced by new members and there is thus no shortfall for the club.