

Topic	Member Comment/Question	Comment/Answer
<b>Banquet Area</b>	Who will utilize the banquet rooms besides the REALTORS®? Is that also available for rent?	The facility will be available for lease. Extensive discussions have been held with caterers, wedding, and meeting planners, etc., to insure the facility exceeds expectations and to confirm the demand for such a facility.
<b>Building Design</b>	Sounds exciting. Can we see the building plans along with the site plan? Great Job!	Each floor's preliminary design may be seen by clicking on the links below: > <a href="#">1st Floor</a> (Occupied by WRAR) > <a href="#">2nd Floor</a> (For Lease with Build Out for Tenants Needs) > <a href="#">3rd Floor</a> (Meeting & Event Rental Space) The site and landscaping plans are still preliminary.
<b>Contractors</b>	Do we anticipate having the final bids in by our Sept. annual meeting? How many contractors were allowed to bid? Please tell me we are keeping the work among local folks! Thanks!	There are no final bids. The architect prepared an RFP, but without HVAC & P, M&E. The RFP was made available to 10 local contractors. 6 returned estimates. HVAC & P, M&E contractor estimates were within 10% range.
<b>Cost of Project</b>	What is the projected cost of this project?	Between 2.75 and 3.75 million dollars.
<b>Cost Overruns</b>	I have been through projects like this before and from my experience very few construction projects come in on or under budget, even with the best laid plans. I realize that some assumptions have to be made when planning for any project. The planning to this point has been wonderful and very thorough, however I feel like the economy is experiencing conditions we could have never expected a few years ago...maybe ever, I have heard many	The contractors that submitted the budget estimates were careful to inflate their estimates for two reasons 1) the numbers they provided were not based on complete CDs (did not have plumbing, electrical and mechanical drawings- <b>PM&amp;E</b> ); 2) they put a premium on the fact that the date for starting the building was not set and the variables of labor and material were too difficult to pin down. The initial estimates—before PM&E are: <b>Contingency:</b>

	<p>people say it's the worst they have ever seen. The numbers used for the projections are admittedly conservative...just not as conservative now as compared to when the projections we made. Keep in mind that I am bringing up these questions so I can support the project with confidence.</p>	<p><u>\$500,000</u> + <b>Escalation:</b> <u>\$167,000</u>. Together these equal <b>\$667,000</b> or <b>15.6%</b> of the total project—which is a considerably high percentage.</p>
<p><b>Dues Going Up?</b></p>	<p>Will the new building result in increased dues or fees for members?</p>	<p>There are two projections:          &gt; <b><u>Private Business Firm</u></b>          &gt; <b><u>CPA</u></b>          These are before the cash savings on taxes. The WRAR will have sufficient reserves after the construction.</p>
<p><b>Leasing Second Floor</b></p>	<p>Who will be in charge of leasing the second floor space? Will we be using a broker/manager or handling in house, if so who's responsibility will it be?</p>	<p>The pro forma clearly shows a 3% management fee being paid: <b><u>\$9,063 for year one and \$45,317 for years 2-5</u></b>. -Our CEO has owned and managed a commercial office building in High Point and done residential property management at a franchise firm. He has negotiated two leases with the General Services Administration as well as many other leases within the building. The management included all of the accounting, hiring maintenance peoples, etc. Whether the Board would want it done internally to utilize the cost savings is not known—which is why the pro forma shows the management fees.</p>
<p><b>Less Space</b></p>	<p>Why are we planning WRAR to occupy less square footage than we currently occupy? Shouldn't we be planning for more space for the future?</p>	<p>The big difference is in "useable" square footage. Currently have 4 people in cubicles in a room that is 12 X 14. We have 7 people each in one room each of which is 12 X 14. The current building is a staff building while the proposed</p>

		<p>building is a member building. Based upon the current design, 16 staff can be accommodated. Additionally there is a room across from the classroom (next to the elevator) for a potential marketing person. When you look at the configuration of the space, there is classroom space and a boardroom space that has a moveable wall—thus making the square footage much better for use. For example, the current building can only seat 28 classroom style upstairs. In the combined classroom/Board space, 40 people can be accommodated classroom style. This will lower costs for outside meeting facilities without the necessity of using the third floor. There is also a kitchen area with amenities that is not part of the current building. It is sorely needed for meetings. In our efforts to build “green” features, we will eliminate paper and plastic products and utilize the dishwasher. Also, REALTOR® Store inventory is kept in the attic and upstairs bathrooms. There is storage immediately adjacent to the store on the first floor. The architect has done a remarkable job in designing the space.</p>
<b>Location</b>	Where is the property WRAR owns free and clear?	At the end of Sir Tyler Drive on the right.
<b>Manage Banquet Facility</b>	Who will be in charge of banquet sales and management? Are we hiring a new position? When will sales begin?	Initially, Dayma Edwards will be doing this. Dayma is earning her Certified Meeting Planner designation. A part time person would be hired when needed as her assistant to assist her with

		the management of the committees and councils. The expense for that position would come from the leasing of the third floor.
<b>Membership Drops</b>	What financial quotes or estimates do you have that would tell us we can still afford it if our membership drops below 1,400?	The last time WRAR had less than 1,400 <u>primary REALTOR®</u> members was during 2004. <a href="#">Click Here</a> for years 2001-2009. The current REALTOR® count is 1,838. The CPA provided an analysis to the Board of Directors - <a href="#">Click Here</a> .
<b>Money</b>	If membership drops 16% like it did at YE 2008, how can the Association still afford the new building?	The Association has sufficient undesignated reserves to fund a 16% drop in membership for three years. During the growth years, the Association reserves grew to over \$2 million dollars all while expanding member services. The MLS also has reserves that have NOT been used to calculate whether the building could be built. Boards of Directors have been working toward this goal since 2001.
<b>On-Line Voting</b>	Why can't we vote "online" is one I hear a lot.	The Board chose to conduct this business at the Annual Meeting as provided in Bylaws, Article XII, Section 1. Either online voting or a vote at a meeting is permitted.
<b>Proxy Voting</b>	Since I cannot attend the meeting, why can't I give my proxy to someone?	Legal counsel has been consulted on this issue. The Bylaws provides that the authority for conducting meetings is governed by Robert's Rules of Order, new revised as adopted in the Bylaws, Article XV. Section 45 of Robert's states that a member must be present <b><i>"It is a fundamental principle of parliamentary law that the right to vote is limited to the members</i></b>

		<p><b>of an organization who are actually present at the time the vote is taken in a legal meeting. Exceptions to this rule must be expressly stated in the bylaws. Such possible exceptions include: (a) voting by postal or electronic mail, or facsimile transmission (fax), and (b) proxy voting."</b></p>
<p><b>Rental Rates Too High</b></p>	<p>The pro-formas were prepared using \$18/sf rent rates. Rates below \$18/sf are becoming the norm and from all I have read and heard, commercial real estate is in for a very tough ride for the next several years. If the situation arises that find us with a significant drop in membership and a reduction in rent rates we are quickly in the red with the operation of this building and will have to raise dues to support it.</p>	<p>Reducing WRAR's contribution from \$12 to \$5 p.s.f. and the rentable second floor space from \$18 to it to \$15 p.s.f. there is still a positive cash flow <u>before taxes</u>. If it is not 100% leased, then for a period of time monies would need to come from reserves.</p>
<p><b>Square Footage</b></p>	<p>How much square footage is there?</p>	<p>See Building Design above for proposal. The 1<sup>st</sup> floor is for WRAR with approximately 7,310 which is less than in the current building. The staff offices have been considerably reduced. The 2<sup>nd</sup> floor has 10,400 with 7,584 net leasable. 3<sup>rd</sup> floor has 7,400 plus two green roofs.</p>
<p><b>Voting</b></p>	<p>Do I understand this that the Board IS allowing the membership to vote for a new building or not????</p>	<p>Yes! At the Annual Meeting on September 17th.</p>

<b>Why Now?</b>	Why build now?	<p>The Goal:</p> <ul style="list-style-type: none"><li>&gt; <b>To serve the current needs of the members.</b></li><li>&gt; <b>Prepare for the future needs of the current members.</b></li><li>&gt; <b>Prepare for the needs of the future members.</b></li></ul> <p>This is not a new idea. It began in 2001 when the Board did due diligence about the current site and concluded it could not serve the long-term needs of the members. Since 2003, two task forces have been convened to work toward a new site and a new facility. Commercial experts, residential agents and company owners have investigated, hired experts and asked very tough questions. The land is purchased and is free from any debt. The goal has always been to create a revenue stream to offset members' costs. The current economic conditions have created very low interest rates and constructions costs.</p>
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