

FAQ

1. Is Triumph Golf just a management company or acting as a land management company for Longwood Golf Club? Triumph is a golf course Owner and Operator and not a Real Estate Developer. Triumph owns Longwood as well as 6 other properties. We self-manage our own facilities only and do not participate in 3rd party management relationships
1. Is it true that Triumph approached HCFCD initially, and if so why? Triumph reached out to HCFCD back in April 2016 to request assistance with the accumulation of debris blocking the creek channel as by law, we are not permitted to work directly in the channel. The resulting effect of this damage was negatively impacting the golf course. This initial discussion evolved into a discussion of how we could both partner together to address future flooding issues at Longwood.
2. Which entities control the different aspects of the overall project? Who should be contacted to get answers regarding these aspects? Longwood Golf Club owns and controls the golf course and clubhouse property and HCFCD is in charge of all aspects of the Flood Mitigation Project.
3. HCFCD has often said that projects like this require 5 to 7 years to complete. In that period there is a significant possibility that there will be another storm that floods the golf course. How will Triumph respond when this happens? The timelines between HCFD and Triumph do not have to coincide. Once we have a deal and a survey, we can begin construction well in advance of HCFCD efforts. As our re-route considers moving off flood prone or flood damaged areas, the remaining golf course would have very minimal risk. In the event we do flood in between our start and HCFCD completion, the damage would be minimal, as we are no longer in the erosion or silting areas. Should the worst happen, Triumph has demonstrated our commitment to Longwood as we have stayed the course from 2016 to present while the Operations have lost almost \$3 M. We do not see this commitment changing, especially when we can see light at the end of the tunnel.
4. Triumph is asking for an amendment or modification to the existing deed restriction on the golf course. Why is amending or modifying the deed restriction so essential to completing a deal with the HCFCD? The Deed Restriction currently limits the land appraisal based on the land value as a golf course. HCFCD cannot pay for land at a price higher than the appraised value and cannot reimburse damages at a value higher than the remaining asset value. Amending the Deed Restriction allows the land to be appraised at a higher value based on its "Highest and Best use" as Real Estate. The higher value allows HCFCD to pay Triumph, as the damages become less than the remaining asset value, an amount that would allow us to cover the cost to redesign, reroute & reconstruct the remaining 18 holes. Without this amendment, there would not be enough funds to pay for the damages to restore the golf course.
5. Is it possible to change the deed restrictions on only a part of the whole course? No. Without amending the deed, the overall valuation would not be high enough to justify reimbursement of the damages resulting from the HCFCD Flood Mitigation Project. The big issue is that the value of the remaining land has to exceed to cost to restore 18-holes. Through amending the complete Deed Restriction, we are comfortable that the resulting valuation provides ample coverage of damages and cure.
6. What happens if the deed is not amended? HCFCD may choose to condemn the entire property and proceed with a different plan of their own that might result in the elimination of all 27 holes of golf. Another possibility is that HCFCD would not do any Flood Mitigation Project and Longwood would continue to experience Flood Risk and ever-increasing damages. If HCFCD

decides that the project is no longer feasible, they will move on to other projects, and the money for this project would never be available again for the foreseeable future.

7. What will Triumph do with Longwood GC if we do not agree to revise the deed restrictions? The reality is we are going to have to make a business decision. No owner / operator would continue to take on the current economic realities of an "as is" business. We have not explored the options in depth, but moving forward with Flood Control, regardless of the preservation of the remaining 18-holes is an option. Obviously, it is a complicated decision and one we truly hope we do not have to address as we believe the opportunity in front of us is the best possible outcome for all parties involved.
8. What would prevent Triumph from developing the land as residential, multi-family or commercial in the future? The neighborhood's worst fear is that we change the deed restrictions and Triumph uses the opportunity to sell the land to a developer. What can you tell the neighborhood to give us confidence that this will not occur? Even with the Deed Restriction amended, an estimated 70% of the Golf course will still be in the Floodway or the 100-year Flood Plain. The cost to develop Real Estate would not be attractive to most prudent Developers. Most importantly, Triumph has offered to grant the LVHOA a Right of First Refusal to buy the land at its current golf course value to block any future sale as Real Estate. Triumph has also committed to escrow the "cure" funds with the LVHOA to insure it is used to re-build a high-quality 18-hole golf course.
9. According to your Facebook post, 15 1/2 holes are reusable with minor changes. So only 2 1/2 holes need to be rebuilt. Please explain why you need an increased land valuation to have enough money to accomplish this. Subject to final plans, 2 1/2 holes will have to be rebuilt from scratch. Five holes will have to be significantly modified such as flipping directions and/or a complete redesign. 100% of the irrigation system, drainage lines and cart paths will have to be re-conformed as well as all 20 remaining greens will have to be resurfaced (all grass matches). In addition, our collateral materials will have to be redone to reflect the changes. Finally, while we are closed for reconstruction, we will have to pay our maintenance staff to grow-in the new holes and maintain the existing holes without offsetting revenues. We currently estimate this to be \$6.5 M in costs. The valuation / Cure formula does not work without an amendment to the Deed Restriction.
10. What is the exact project that would be completed by the HCFCD? How would this project benefit the Longwood community and flood mitigation in this area? According to Alan Black, The Director of Operations for HCFCD, this project will reduce Water Surface Elevation Levels by almost 7 feet at Longwood Trace and almost 11 feet at Kluge. See HCFCD for more details concerning the project and impacts. We have passed this question on to HCFCD and we will provide their detailed response
11. Can this project be accomplished elsewhere by the HCFCD? This question has been addressed by HCFCD on their website, <https://www.hcfcd.org/Find-Your-Watershed/Little-Cypress-Creek/Longwood-Information>.
12. When will there be final plans for the detention area? How will it impact my home? What is the distance of a buffer zone from property line to the detention areas? Without a formal agreement in place between HCFCD and Longwood the detailed plans cannot be developed. HCFCD has committed to work with Longwood Golf Club and the LVHOA to design the detention areas with input from the Longwood residents and they have expressed a willingness to discuss expanding amenities desired by Homeowners.
13. Does Triumph have plans for the redesign and restoration of the golf course? If not, when will they be finalized? After an agreement is in place between the parties, our plan will be prepared based on the scope of work defined by HCFCD. We are currently estimating it will cost us approximately \$6.5M to redesign, reroute and reconstruct the remaining 18-holes at a

championship level. These costs will be adjusted as we get more details, and all plans will be shared with the LVHOA.

14. How long will the golf course be closed during the restoration? 6-9 Months depending on the scope of the project and the date we start.
15. What are Triumph's plans for the clubhouse? Do you have plans available for the residents to see? What is the guarantee these will take place? Our first step will be to partner with representatives from the community to discuss how we can be more relevant to the needs of the residents. Plans will be shaped to maximize the prestige of the golf course and benefits to the residents. 100% subject to the final financial outcome with HCFCD, we hope to address furniture, fixtures and décor. Other amenities currently being evaluated include a Fitness Center and upgrades to Food & Beverage. Ultimately, we hope to make Longwood truly "semi-private" with a member base and decreasing public play as we grow the membership.
16. How do we know that the HCFCD's plan actually will provide the stated flood mitigation for Longwood? See HCFCD for this answer
17. Who will pay for the amenities associated with the detention? HCFCD has standards for what amenities a basic detention area will provide. Any additional amenities or maintenance requirements will be a negotiation between LVHOA, HCFCD and Longwood GC and may include sponsors such as area Precincts, MUDs or private funding.
18. Why does Triumph benefit from the project and can restore the golf course, but there is nothing in the deal for the detention area. How is this a good deal for the homeowners? Triumph will work closely with LVHOA and HCFCD to outline desired amenities and negotiate the possibility of additional amenities and maintenance. Secondly, Triumph is losing 1/3 of our property to protect the remaining 2/3 as well as provide flood protection for Longwood. The money Triumph has lost to flooding and repair is gone. All we are trying to accomplish is save what portion of our business we can and provide a flood mitigation opportunity to the neighborhood.
19. If a deal is consummated with the HCFCD, what is the future plan for the golf course? Triumph plans to upgrade the maintenance practices and the quality of the golf experience with the goal of improving our reputation and driving revenues through increased pricing relative to the improved quality and not necessarily quantity. As part of a new business model, we would like to transition to a more semi-private club as opposed to a public golf course. This model would offer more amenities for the community.
20. What avenues would be available to the community to be able to participate in the future area of retention? HCFCD has committed to work with Longwood Golf Club and the LVHOA to design the detention areas with input from the Longwood residents and they have expressed a willingness to discuss expanding amenities desired by Homeowners.
21. How would this future project impact home values in the community? While Triumph is not a real estate expert and this response is just opinion, only 2% of the longwood homeowners reside on the effected golf course. Experts argue any premium value associated with being on a public golf course. These same 2% will be the direct beneficiary of the stormwater detention park such as the example on Grant Rd and studies have shown that premium value from a park extends 6 blocks inward positively impacting more homes. Other studies have shown that property values can increase by up to 30% for neighborhoods containing a center-piece high-end golf course. Additional studies show that property values are greater for areas that do not flood. Flood mitigation upgraded golf course and a stormwater detention park can potentially add value to the total neighborhood.
22. To pursue this project, the neighborhood is going to be spending a lot of money on legal fees and expert consultants. Then we will have huge expenses to upgrade the detention basin area. Meanwhile Triumph gets all the money you need to rebuild your business. How will Triumph

keep the neighborhood whole? Triumph has lost over \$3 M since 2015. We have paid \$1.47 M in flood repairs. We have been carrying the financial burden on this Flood Mitigation project for 4 years: our legal fees alone are well over \$100 K + all the 3rd party costs for plan development. Longwood has not committed 1 penny, nor have we asked. Triumph has stated that it would explore a maintenance agreement for the storm basin park as well as making certain considerations a condition of our closing. However, upgrades to amenities would come from 3rd party sponsors such as Precinct 3 & 4, MUD 360, private donations or even the HOA.