

July 21, 2021

Dear Fellow PAGG Members,

I am writing this to you on behalf of the PAGG Executive Board. We have been notified by an Omni representative that part of our gallery space is their ideal spot for the starter shack for their short golf course. Omni shared a drawing of their vision of how we will share space that is attached to this email. They want to work with us to ensure we have workable space and are able to continue to operate. PAGG's Executive Board met last Thursday to review the drawing, develop a list of questions, determine the impact of this change and consider our options.

Several of our questions have been responded to very quickly, some we will have to work out as we go along. As with any construction project, there may be unknowns encountered that delay the project. We want to be transparent to all members so at this time, we are sharing what we now know and our current plan to move forward.

Before providing details of the change, we want everyone to remember we have a very sweet deal with Omni with respect to our space. The percentage of commission we pay as per our agreement is well under the market rate for space. For this reason, we need to be amenable to change. Frankly, we cannot afford to move. **Estimates for renting other areas in the shops ranged from \$5,000 to \$7,000 per month. We currently pay??? From commissions, and net less than \$1000 per month for our expenses.**

As of today, here are the details we know:

- Rent
 - Our current contractual terms with rent being a percentage of commission will continue
- Space
 - We currently have about 1700 sq ft of space. The proposed plan shows the starter shack taking about 125 sq ft in the back portion of the gallery – essentially from the back storage closet back, leaving us with 1575 sq ft. A wall will be built to separate businesses. We will lose the windows, the back storage closet which is actually a bathroom, the corner and back porch.
- Timing
 - The Omni plan needs to be approved by the ARB (architectural review board) and they do not anticipate starting construction until late November.
 - Omni's construction team isn't comfortable yet giving a timeframe on the dividing wall, but anticipates the wall will start within a week after construction, then construction can range anywhere from 3-7 weeks with the variable being splitting electrical and HVAC
- Neighbors
 - We will have Omni guests and club members pass by the gallery as they are the guests permitted to use the starter shack facilities – so more foot traffic.
 - We will have new neighbors next door (not sure who they are or the timing but a contract has been signed)

Still open questions we are seeking answers to:

- How long may we be closed during construction(unknown but could be 3-7 weeks over the holidays)
- Who pays for work on our side as a result of the construction – painting of wall, moving of lights, etc.
- Plan for parking – how will our workers/customers be accommodated?

Things we will need to do:

- Move out all art work during construction
- Clean out back closet and back room to create storage
- Determine how to reconfigure our space to meet all our needs
- Move/add lights
- Plan to continue sales during downtime
- Determine impact on Art Lovers programs and new members we just recruited
- Probably lots more as we begin to discuss this change

We will share that the Omni representatives have been very agreeable and extremely responsive to questions. We believe they truly value us as tenants and want to ensure this change works for us. Please know that the Board will be communicating updates as we receive them.

Sherry, Karen, Ed, Vickie, Cindy and Gary R

Attachment: Proposed Plan