





MONTGOMERY COUNTY DEPARTMENT OF PARKS
THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

MCPB
Item #5
2/26/09

February 13, 2009

MEMORANDUM

TO: Montgomery County Planning Board

FROM: Mary R. Bradford, Director of Parks 
Gene Giddens, Acting Deputy Director of Parks 

SUBJECT: Montgomery County Revenue Authority Recommendation on Sligo Creek Golf Course

BACKGROUND

The Commission entered into a Lease Agreement ("Lease") with the Montgomery County Revenue Authority ("MCRA") on October 26, 2006, to operate the Commission's four golf courses--Sligo, Needwood, Northwest, and Little Bennett (collectively referred to at the "Park Golf Courses")—unifying them with MCRA's five other courses into one system known as the Public Golf System (Golf System). Section 12.2 of the Lease provides that "Upon determination by the Tenant, based upon an independent financial analysis of the entire Golf System that indicates that any of the Park Golf Courses is adverse to the entire Golf System, Tenant shall have the right to extract any of the Park Golf Courses from the Lease and return it to Landlord; provided however, Tenant shall first present such findings to the Planning Board and the County Council to consider alternatives to closing the Park Golf Course."

The National Golf Foundation (NGF) performed an independent financial analysis on behalf of MCRA to determine whether any of the Park Golf Courses could be clearly identified as being adverse to the entire Golf System. NGF submitted its findings to MCRA in a report dated January 5, 2009. Pursuant to this report, NGF determined that Sligo Golf Course ("Sligo") was identified as being adverse to the entire Golf System. Subsequent to the NGF report, the MCRA Board of Directors passed a resolution dated January 27, 2009 (Resolution number 290109), directing that Sligo be extracted from the Lease. MCRA proposes to exercise its option under the Lease to extract Sligo from the entire Golf System, but continue operation of the course until October 1, 2009. Therefore, the First Amendment to the Golf Course Lease Agreement ("First Amendment") to extract Sligo from the Lease is prepared and signed subject to MCRA'S presentation to the Planning Board and the County Council.

Rent under the Lease is not affected until November 1, 2009, as the rent under the Lease was calculated in order to cover the annual debt service payments for the Little Bennett Golf Course until paid off. On November 1, 2011, the annual rent will be based on a percentage of net revenues above an agreed threshold from the Park Golf Courses remaining under MCRA operations. Other than as provided in Section 3.2.2, MCRA may not exercise its right to close the Little Bennett Golf Course until

the Little Bennett debt has been paid and released in full. Also, Section 2.1 of the Lease prohibits the Commission from operating Sligo as a golf course if MCRA reasonably determines that it is in competition with MCRA's golf system.

Staff requests the Planning Board to review MCRA's findings that Sligo is adverse to MCRA's Golf System. Under the terms of the lease, the Planning Board has an opportunity to consider alternatives to closing the course. Staff is preparing for the anticipated return of Sligo to the Parks' inventory including a timeline and opportunities for the public to provide input for its future use.

STAFF RECOMMENDATIONS IF SLIGO IS RETURNED TO US FOR OPERATION

- 1) Short-Term Interim Care – Request the County Council provide \$56,000 supplemental funding to the Department of Parks' FY10 Proposed Budget for interim care, security, and maintenance of the Sligo Creek Park property as outlined in the Short-Term Cost Estimates (October 1, 2009 – June 30, 2010) (Attachment 1).
- 2) Long-Term – Conduct a Park master plan study. The park planning process for countywide parks typically takes one year from start to finish. However, if work commences in March, staff will deliver a draft master plan to the Planning Board by the beginning of October with consideration for adoption by December. This draft will provide for a clear understanding of what the Commission intends to do with the site (Attachment 2).

MONTGOMERY COUNTY REVENUE AUTHORITY STAFF PRESENTATION

Keith Miller, Executive Director, MCRA, will discuss extracting Sligo from the Lease Agreement, the Sligo Creek Stakeholders Report and recommendations, findings of the National Golf Foundation Consulting study, alternatives to closing Sligo Creek Golf Course, the Montgomery County Revenue Authority Board of Directors Resolution No. 290109, and conclusions (Attachment 3).

Following Mr. Miller's presentation, the Planning Board will accept public testimony.

MRB:GG:dif

260623-001

LEASE AGREEMENT

BETWEEN

**MARYLAND-NATIONAL CAPITAL
PARK AND PLANNING COMMISSION**

AND

MONTGOMERY COUNTY REVENUE AUTHORITY

Dated 26 October, 2006

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EXHIBIT A	Leased Premises and Improvements
EXHIBIT B	Tower Property
EXHIBIT C	Permitted Encumbrances
EXHIBIT D	Equipment and Installment Payment Inventory
EXHIBIT E	Bank of America Approval of Lease, Recognition and Non-disturbance Agreement
EXHIBIT F	List of Service Contracts and Warranties
EXHIBIT G	Description of Weir removal work at Northwest Golf Course

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is made and entered into as of _____, 2006 ("Effective Date"), by and between MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION, a body corporate and politic ("Landlord") located at 9500 Brunett Avenue, Silver Spring, Maryland 20901, and MONTGOMERY COUNTY REVENUE AUTHORITY, a body corporate and politic ("Tenant"), located at 101 Monroe Street, Rockville, Maryland 20850.

RECITALS:

- R-1. Landlord has park jurisdiction within that part of the Maryland-Washington Metropolitan District which includes Montgomery County, Maryland (the "County") as provided in Maryland Code Ann. Art. 28.
- R-2. Landlord is the owner of the fee simple title in and maintains, develops and operates, for the benefit of the public, the public golf courses known as Needwood Golf Course, Northwest Golf Course, Little Bennett Golf Course and Sligo Golf Course (individually referred to by name, and collectively, the "Park Golf Courses" or "Leased Premises"), located throughout the County.
- R-3. Tenant is the owner of the fee simple title, or holds a possessory interest in and maintains, develops and operates, for the benefit of all of the citizens of the County, five golf courses which it operates for the benefit of the public (the "Tenant Golf Courses"), and which are located throughout the County.
- R-4. Pursuant to the policy of the Montgomery County Planning Board to seek partnerships, and to realize efficiencies from the provision of a single system of golf, Landlord desires to lease to Tenant and Tenant desires to lease from Landlord, the Leased Premises so that Tenant will be the designated operator of most publicly operated golf courses in the County, including over those which Landlord has authority. The Leased Premises and the Tenant Golf Courses will be operated by Tenant as a single system of public golf.
- R-5. With the intention of ultimately entering into a long term lease for the maintenance and operation of the Park Golf Courses, Landlord and Tenant previously entered into i) that certain Letter of Intent (the "LOI") dated April 14, 2006, that set forth the substantive business terms to be included in the long term lease, and ii) that certain Operating Agreement (the "Operating Agreement") dated April 14, 2006, for the operation of the Park Golf Courses for an interim period from April 15, 2006 through October 31, 2006.
- R-6. Due to its short term nature, under the Operating Agreement the Landlord agreed to provide maintenance for stormwater management facilities on the Park Golf Courses. It was the parties understanding that certain repairs and retrofits would be made by Landlord to the stormwater facilities. Upon completion of such repairs for a specific stormwater management facility serving only a particular

Park Golf Course, maintenance for any stormwater management facility serving only a Park Golf Course will ultimately transfer to the Tenant.

R-7. This Lease is entered into pursuant to and in accordance with MD Code, Art. 28, §5-110.

NOW, THEREFORE, in consideration of the foregoing, and of other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. **DEFINITIONS.**

For purposes of this Lease, the following terms shall have the meanings indicated:

- 1.1. "Annual Base Rent" shall have the meaning described in Section 4.1 hereof.
- 1.2. "Applicable Law" means any and all federal, state or local laws, orders, ordinances, codes and regulations applicable to the parties and this Lease. Applicable Law includes conditions of permits issued by any Governmental Authority with respect to operations at the Leased Premises, and binding decisions of Maryland State and Federal courts with jurisdiction.
- 1.3. "Assignee" shall have the meaning described in Section 8.1.
- 1.4. "Audubon Program" shall have the meaning described in Section 5.6.2(B).
- 1.5. "Bank of America" means Bank of America, N.A.
- 1.6. "Casualty" shall have the meaning described in Section 11.1.
- 1.7. "Cost of Goods Sold" means all of the costs related to the sale of Inventory.
- 1.8. "Council" means the County Council of Montgomery County, Maryland.
- 1.9. "County" means Montgomery County, Maryland.
- 1.10. "County Self-Insurance Program" shall have the meaning described in Section 10.7.
- 1.11. "Days" means calendar days, unless specific reference is made to business days.
- 1.12. "Director of Parks" means the Director of Parks for Landlord or the Director's designee.

- 1.13 "Effective Date" shall be that date described in the first paragraph of this Lease.
- 1.14 "Equipment" means equipment and/or personality used at the Leased Premises for the ongoing operations thereof, which are not considered Improvements to the Leased Premises, such as furniture and furnishings, golf carts, grounds maintenance equipment, vehicles, and office equipment.
- 1.15 "Force Majeure" means the following events or circumstances, to the extent that they cause the delay of performance of any obligation hereunder incurred by the claiming party and such delay is beyond the reasonable control of the party claiming the Force Majeure:
- Strikes or lockouts (excluding the general contractor's workforce) or impracticability in procuring materials or suitable substitute materials or failure of utilities necessary for performance;
 - Acts of God, tornadoes, hurricanes, floods, drought, sinkholes, fires and other casualties, landslides, earthquakes, and abnormally inclement weather for the area;
 - Acts of war, terrorism, blockades, insurrection, riots, civil disturbances, or national calamities; and
 - Other acts or circumstances to the extent they would otherwise customarily constitute a Force Majeure event.
- 1.16 "Golf Master Plan" shall have the meaning described in Section 6.1.
- 1.17 "Golf System" means the operation by Tenant of public golf courses in the County under Tenant's branding "Montgomery County Golf."
- 1.18 "Governmental Authorities" means public officials, agencies, municipalities, counties and courts having jurisdiction and regulatory control over the Leased Premises.
- 1.19 "Gross Revenue" means all cash receipts, revenue and income actually received by Tenant and derived from golf and related activities, or other uses of the Leased Premises as approved by Landlord in accordance with Section 5.5 on the Leased Premises during a specified period determined in accordance with generally accepted accounting principles, including, without limitation, any sales or rentals of Inventory whether such Inventory is used or consumed at a Park Golf Course or elsewhere and whether or not such revenues are received at a Park Golf Course or elsewhere. Gross Revenue does not include any additional or special charges in connection with certain fund raising events held in connection with recognized non-profit organizations which are not received by the

Tenant as revenues and which, without any withholding of funds by Tenant for itself, are paid to, or to be paid to such recognized non-profit organization in furtherance of its mission.

- 1.20 "Hazardous Material(s)" means any hazardous or toxic substances, waters, materials, pollutants and contaminants which now or hereafter are included in or regulated by any federal, state or local law, regulation, rule or ordinance, including, but not limited to, those substances, wastes, materials, pollutants and contaminants listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302) and amendments thereto, or such substances, wastes, materials, pollutants and contaminants that are or become regulated under any applicable federal, state, or local law, ordinance, or regulation including, but not limited to, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA" or "Superfund"), the Clean Air Act, and the Clean Water Act.
- 1.21 "Holy Cross Hospital Parking License" means that certain license dated June 1, 2004, between Landlord and Holy Cross Hospital of Silver Spring, Inc., as amended, for non-exclusive parking at the Sligo Golf Course which expires on December 31, 2006.
- 1.22 "Impositions" means all real estate taxes, governmental levies, and obligations for any and all other governmental, quasi-governmental, utility and similar charges, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind and nature whatsoever, which shall during the Term hereof, be made, assessed, levied or imposed upon, or become due and payable in connection with, or a lien upon, the Leased Premises, or any part thereof, any Improvements, or upon this Lease. Notwithstanding the foregoing and to the extent applicable, in no event shall the term "Impositions" be deemed or construed to include, and Tenant shall not be obligated to pay, any (i) income, profits, earnings, inheritance, devolution, gift, franchise, corporate, gross or other receipts, excise, capital levy, or estate taxes, or any other taxes with similar effect, which are attributable to or chargeable to Landlord, or (ii) tax on the rental paid to Landlord under any existing or future laws of the United States of America, or of any other country, or of any jurisdiction therein.
- 1.23 "Improvements" means all buildings, structures, fixtures, golf course areas, roadways, utilities and features used in connection with the creation, operation, maintenance and repair of the Leased Premises and as shown on Exhibit A attached hereto. "Improvements" shall include any capital Improvements added to the Park Golf Facilities by Tenant and which would ordinarily be considered to be real property improvements.

- 1.24 "Installment Payment Inventory" is that inventory to include Equipment and Inventory sold to Tenant in accordance with the Operating Agreement and described on Exhibit D and as referenced in Section 4.1.1(A).
- 1.25 "Institutional Lender" means a savings bank, savings and loan association, commercial bank, trust company, insurance company, pension fund or other lender or issuer of investment grade bonds which Landlord or Tenant uses for financing public facilities.
- 1.26 "Inventory" means all stock, merchandise, materials, goods, food and similar items purchased for purchase, sale, use or consumption at any of the Park Golf Courses by patrons of such Park Golf Courses.
- 1.27 "Joint Facilities" means those portions of a Park or a Park Golf Course serving the needs of both a Park and a Park Golf Course.
- 1.28 "Landlord" means the Maryland-National Capital Park and Planning Commission.
- 1.29 "Landlord's Default" means a failure by Landlord to perform or comply with the Landlord's covenants, agreements or obligations in this Lease, as more specifically set forth in Section 14.
- 1.30 "Landlord's Employees" shall have the meaning described in Section 18.23.
- 1.31 "Lease" means this Lease Agreement or the leasehold estate created hereby, as the context requires.
- 1.32 "Lease Commencement Date" means November 1, 2006; provided however that Landlord shall have obtained approval of the Lease from the Council and the Non-disturbance Agreement from Bank of America. If such approvals have not been obtained, the Lease shall terminate and be of no further force or effect. Additionally, the Tenant shall have obtained approvals of M&T Bank relative to the Lease. If the M & T Bank approval has not been obtained the parties may agree to extend the Operating Agreement, in which case, the Lease Commencement Date shall be that date on which such approval has been received, and in such case, the parties shall execute a written acknowledgement of the Lease Commencement Date. In the event that the Lease Commencement Date shall be a date other than November 1, 2006, and provided that the parties agree to an extension, the Operating Agreement shall be extended so that the Lease Commencement Date shall coincide with the expiration of the Operating Agreement and the parties will enter into an agreement confirming the extension. The Lease Commencement Date must occur no later than March 1, 2007.

- 1.33 "Lease Year" means with respect to the first Lease Year, the period from the Lease Commencement Date through the next succeeding October 31. November 1 – October 31 of each succeeding twelve months shall also be a Lease Year.
- 1.34 "Leased Premises" means all of the Park Golf Courses (except, however, any such course released from the effect of this Lease as expressly provided for herein), more particularly shown on the attached Exhibit "A", together with any easements, rights-of-ways, licenses, and appurtenances appertaining to said land, however specifically excluding that portion of Sligo Golf Course (a) designated as the "Demised Premises" in that Lease Agreement dated May 13, 1980, by and between Landlord and A.C. Acquisitions, LLC (successor in interest to WDON, Inc.), as amended, and (b) designated as the "Premises" in that Radio Tower Lease dated March 19, 1993, by and between Landlord and Bonneville Corporation (successor in interest to Capitol Kids' Radio Company), as amended (collectively, the "Tower Property"), which Tower Property is more particularly shown on the attached Exhibit "B". Leased Premises includes that parking area covered by the Holy Cross Hospital Parking License. Landlord and Tenant agree that at the time of Lease execution, Exhibit A shall be an aerial reflecting the Park Golf Courses. After adoption of the Golf Master Plan (defined herein), the parties agree that the exact boundaries of the Leased Premises may be adjusted and Tenant may at its election have surveys of the Leased Premises prepared, the cost of which shall be shared equally by Landlord and Tenant. Tenant shall provide Landlord with a copy of the surveys.
- 1.35 "Leasehold Mortgage" means one or more mortgages securing an Institutional Lender and encumbering Tenant's leasehold interest or estate in the Leased Premises.
- 1.36 "Leasehold Mortgagee" means the Institutional Lender under any Leasehold Mortgage.
- 1.37 "Liability Insurance" shall have the meaning described in Section 10.1.2.
- 1.38 "Little Bennett Debt" means the current financing of the Little Bennett Golf Course owed to Bank of America by Landlord and which is secured by revenues received by Landlord from the Little Bennett Golf Course.
- 1.39 "Net Revenue" means Gross Revenues less the Cost of Goods Sold.
- 1.40 "New Lease" means a lease of the Leased Premises entered into by Landlord with a Leasehold Mortgagee or its designee after a termination of this Lease, in accordance with Section 9.3.
- 1.41 "Notice of Landlord's Default" means a written notice given in accordance with Section 14.2.

- 1.42 "Notice of Tenant's Default" means a written notice given in accordance with Section 13.2.
- 1.43 "Notice of Termination" means a written notice given in accordance with Section 13.3.1.
- 1.44 "Park" means that area of land designated as a park within Landlord and/or County system of parks.
- 1.45 "Park Golf Course" or "Park Golf Courses" means one or more of the four golf courses referred to in the recitals and more specifically to include Little Bennett Golf Course, Needwood Golf Course, Northwest Golf Course and Sligo Golf Course.
- 1.46 "Park Regulations" mean the adopted Rules and Regulations governing public use of Landlord park and recreation facilities in Prince George's and Montgomery Counties.
- 1.47 "Park System" means the County system of parks.
- 1.48 "Percentage Rent" means the amounts payable by Tenant pursuant to Section 4.2 hereof.
- 1.49 "Percentage Rent Threshold" is the sum of Five Million Six Hundred Thousand Dollars (\$5,600,000.00) described in Section 4.2.1 hereof, and which is allocated among the four Park Golf Courses as follows: Northwest - Two Million One Hundred Thousand Dollars (\$2,100,000.00); Needwood - One Million Eight Hundred Thousand Dollars (\$1,800,000.00); Little Bennett - One Million Two Hundred Thousand Dollars (\$1,200,000.00); and Sligo - Five Hundred Thousand Dollars (\$500,000.00).
- 1.50 "Permitted Encumbrances" means the permissible encumbrances on the Leased Premises as of the Lease Commencement Date, as shown on Exhibit "C."
- 1.51 "Property Insurance" shall have the meaning described in Section 10.1.1.
- 1.52 "Reconstruction Work" shall have the meaning described in Section 10.6.
- 1.53 "Rent" means all sums payable by Tenant under this Lease, whether Annual Base Rent, Percentage Rent, or any other charge or expense provided for herein.
- 1.54 "Stormwater Management Facilities" means those facilities located on or adjacent to the Park and used for the purposes of quantity and quality control of storm water from a Park Golf Course.

- 1.55 [INTENTIONALLY OMITTED]
- 1.56 "Tenant" means the Tenant or lessee under this Lease from time to time. The initial Tenant is identified on page 1 hereof.
- 1.57 "Tenant's Default" means any of the events set forth in Section 13 hereof.
- 1.58 "Term" means the Initial Term of this Lease, as set forth in Section 3.1, and, if exercised, the Renewal Term.
- 1.59 "Tower Property" shall have the meaning described in Section 2.9.
- 1.60 "Tower Property Leases" shall have the meaning described in Section 2.9.
- 1.61 "Tower Property Tenants" shall have the meaning described in Section 2.9.
- 1.62 "Utility Easements" means the easements described in Section 7.1.

2. PURPOSE/LEASED PREMISES.

- 2.1. **Purpose.** The purpose of this Lease is to add the Leased Premises to Tenant's system of daily-fee golf in the County, which is accessible and affordable to the public and serves the golfing community of the County while realizing improved course maintenance, operating and cost efficiencies and the benefits of consistent operations and programming in a successful public golf system. Landlord and Tenant recognize that Tenant is the designated operator of the Golf System with exclusive right to use, operate, and possess the Park Golf Courses (except as otherwise expressly provided herein). Landlord will not act in a manner to frustrate or to provide public facilities in competition with the Golf System. If Landlord desires to open another public golf course on property owned, leased or controlled by Landlord, it will not do so unless (1) Tenant is the operator on terms and conditions to be mutually agreed upon by the parties; or (2) Tenant, in its reasonable opinion, agrees that such public golf facility will not compete with the Golf System based upon a feasibility analysis prepared by an appropriate experienced consultant, the cost of which shall be paid by the Landlord. Notwithstanding anything to the contrary herein, the golf course at Fairland Regional Park will be specifically excluded from the requirement set forth in this paragraph.
- 2.2. **Demise.** For and in consideration of the rental herein promised to be paid by Tenant and the covenants, conditions and agreements herein contained on the part of Tenant to be kept and performed, Landlord does hereby let and rent to Tenant and Tenant does hereby take and hire as tenant from Landlord, for the Term, at the rental, and upon the terms and conditions set forth in this Lease, the Leased Premises, together with all rights, advantages, privileges, ways, easements and appurtenances to the same belonging or in any way appertaining. Additionally, Landlord hereby grants Tenant, its agents, employees, contractors, subtenants,

licensees, invitees and customers the right to use applicable Joint Facilities in connection with Tenant's operation of the Leased Premises. Landlord agrees to keep the Joint Facilities in a good condition and state of repair and open and available to Tenant, its agents, employees, contractors, subtenants, licensees, invitees and customers at no additional charge in connection with the operation of the Park Golf Courses as part of the Golf System.

- 2.3. Bill of Sale, Assignment of Warranties and Service Contracts. Simultaneously with the execution of this Lease, Landlord hereby sells, transfers, grants, assigns and conveys, free of all encumbrances, restrictions and liens, all of its right, title and interest in and to the Equipment and the Installment Payment Inventory. Landlord further grants, transfers and assigns to Tenant all warranties of any nature whatsoever for the existing Improvements, Equipment and the Installment Payment Inventory with full power and right to enforce, make claims and bring actions under such warranties. The service contracts for the existing Improvements and Equipment attached hereto as Exhibit F are hereby assigned and transferred to Tenant. Landlord is responsible for all actions, payments and obligations under such service contracts arising prior to April 15, 2006 and Tenant assumes all responsibility for actions, payments and obligations arising from April 15, 2006 through the earlier of the expiration of the term of the service contract or the termination of this Lease.
- 2.4. Warranty of Title. Landlord leases the Leased Premises to Tenant free of all encumbrances, restrictions, or liens of any kind, except for the Permitted Encumbrances. Landlord represents and warrants that Landlord is entering into this Lease in its capacity as the owner of the Leased Premises.
- 2.5. Approvals/Non-Disturbance Agreement.
- This Lease is entered into pursuant to and in accordance with MD Code, Art. 28, §5-110 and other than approval by the Montgomery County Planning Board and the Montgomery County Council, Landlord represents that no other approvals are required for it to enter into this Lease. Landlord has obtained approval and a non-disturbance agreement, the terms of which are acceptable to Tenant, from Bank of America to the terms of this Lease a copy of which is attached hereto as Exhibit E.
- 2.6. Quiet Enjoyment. Landlord covenants that if and so long as Tenant is not in default beyond applicable grace periods under the terms hereof, Tenant shall be entitled to quietly hold, occupy and enjoy the Leased Premises and all rights relating thereto, during the Term, without hindrance, ejection or molestation by Landlord or by any other party claiming by, through or under Landlord, subject nevertheless to the terms and conditions of this Lease.
- 2.7. Accessibility. Tenant shall develop and/or maintain programs that encourage broad access to public golf, including programs such as First Tee and use of the Golf System by public high school teams for practice and tournament play at

reduced fees. Tenant shall cooperate with Landlord, the County Department of Recreation and other County agencies in developing other collaborative opportunities for members of lower income and other disadvantaged communities to have access to public golf opportunities. The parties recognize that all such programs will be subject to funding for implementation.

- 2.8. Licenses or Concessions. Tenant shall have the right to grant licenses and concessions for Inventory and food and beverage and golf-related uses allowed under this Lease within the Leased Premises. Such licensees or concessionaires may distribute their products anywhere within the Leased Premises. Any license or concession shall be at all times subject to this Lease. Tenant may also, subject to Applicable Law and licensing, sell beer and wine upon the Leased Premises as is customary in the operation of food and beverage service in connection with golf course operation. Tenant acknowledges that Little Bennett was financed with tax-exempt bonds and that there are limitations on the grant of licenses and concessions to private parties to operate at Little Bennett that are to be complied with as long as the Little Bennett Debt is outstanding.
- 2.9. Tower Property. Tenant acknowledges and agrees that a portion of the Sligo Golf Course (the "Tower Property") has been leased by Landlord to A.C. Acquisitions, LLC and Bonneville Corporation (collectively, the "Tower Property Tenants") under their respective leases (the "Tower Property Leases") for the installation, operation and maintenance of a radio-transmitting tower. The Tower Property is specifically excluded from this Lease. Landlord shall directly or through the Tower Property Tenants maintain the Tower Property and any and all improvements thereon in good order and condition and shall make or cause to be made all necessary repairs, alterations and/or replacements thereto. Any maintenance, repair, or operation of the Tower Property must be conducted in a manner that does not damage the course or its grounds and does not conflict with or inconvenience golf play on the Sligo Golf Course. In addition, Landlord may, in accordance with specific requirements in the Tower Property Leases, allow the Tower Property Tenants to, trim and maintain the trees in the immediate area surrounding the Tower Property in order to provide for reception from the towers; provided however, any trimming shall be in keeping with the landscape standards consistent with the trees on the Sligo Golf Course and must be conducted in a manner that does not interfere with golf operations. Any vehicles used in the performance of any work on or about the Tower Property must travel only upon paved paths and roads and not upon any grass or green areas and Landlord must advise Tower Property Tenants of this requirement. Tenant shall allow access to Landlord and the Tower Property Tenants as provided herein in order to exercise their rights and meet their obligations with respect to the Tower Property Leases and this Lease. Furthermore, Landlord covenants that it will comply with its obligations and enforce the use, maintenance and repair obligations of the Tower Property Tenants under the Tower Property Leases. Landlord covenants that it will promptly repair, or cause the Tower Property Tenants to promptly repair, to substantially as good a condition as prior to such damage, any damage to the Sligo Golf Course by reason of the presence of the Tower Property or any entry in

connection with the Tower Property Leases. Landlord agrees that it will indemnify and hold the Tenant harmless from and against any loss, damage, cost, injury or liability arising out of the Tower Property Leases or the presence of the Tower Property.

- 2.10. Holy Cross Hospital Parking License. Landlord has entered into a lease for non-exclusive use of certain parking spaces at the Sligo Golf Course. The Holy Cross Hospital Parking License expires on December 31, 2006. Landlord hereby assigns to the Tenant to hold as a sublease, the Holy Cross Hospital Parking License, which is deemed to be an approved sublease whether as assigned or if Tenant enters into a new sublease. Landlord will, within fifteen (15) days of Lease Commencement Date assign and deliver to Tenant any security deposit or prepaid rents posted pursuant to the Holy Cross Hospital Parking License. Landlord will be responsible for performance of any Landlord obligations up to the time of lease assignment; Tenant will be responsible for performance of landlord obligations arising after the assignment of the Holy Cross Hospital Parking License.
- 2.11. Signage. Tenant shall install signage approved by Landlord, at the entrance to each of the Park Golf Courses that identifies such Park Golf Course as being located within the Park System. Landlord shall not have the right to add additional signage to the Leased Premises; however, signage installed by Landlord in areas of the Park outside of the Park Golf Course boundaries shall be installed and maintained in good condition at Landlord's expense. Tenant may install, at its sole cost and expense, way-finding, directional and other signage customary for golf courses on the Leased Premises, and directional signage in locations outside of the Leased Premises. All signage installed by Tenant on the Leased Premises shall be maintained in good condition and repair by Tenant. Landlord and Tenant shall work together toward the installation of directional signage to the Leased Premises in locations outside of the Leased Premises.
- 2.12. Right to Enter. Landlord and its authorized officers, employees, agents, contractors, subcontractors and other representatives shall have the right, at such times as may be reasonable under the circumstances, upon reasonable prior written notice (except emergencies) to enter upon the Leased Premises for the following purposes:
 - 2.12.1. To inspect the Leased Premises at reasonable intervals during regular business hours (or at any time in case of emergency) to determine whether Tenant has complied and is complying with the terms and conditions of this Lease with respect to the Leased Premises.
 - 2.12.2. To perform maintenance and make repairs and replacements in any case where Tenant is obligated to do so and where Tenant has failed after reasonable notice to make such repairs or replacements, in which event Tenant shall reimburse Landlord for the cost thereof promptly upon demand.

2.12.3. To perform maintenance and make repairs and replacements in any case where Landlord is obligated to do so.

During any period of entry pursuant hereto, Landlord shall use commercially reasonable efforts under the circumstances (whether an emergency or otherwise) to minimize disruption to Tenant's business operations. Any such entry shall be conducted in a manner that does not damage the Leased Premises.

2.13. Security and Traffic Control.

(A) Throughout the Term, Landlord's Park Police Division shall provide routine security patrols of the Leased Premises and the rest of the Park at which the Leased Premises are located, at no cost to Tenant.

(B) Tenant shall provide supplemental security and signage (e.g., no parking on the grass) for special events such as tournaments and outings at the Leased Premises, if appropriate. Tenant shall consult with the Chief of Park Police to determine the level of police services needed for such events. If Tenant elects to employ police to provide additional security, Tenant shall afford Landlord's Park Police the first right to provide such security, at the rate then in effect under Landlord's contract with the Fraternal Order of Police Lodge 30. Tenant in its sole discretion may elect to hire unarmed private security companies to provide additional security, but shall in all cases consult with Landlord's Park Police Division for coordination of security services with the Park Police. Landlord shall be responsible for providing security services and directing traffic for Landlord-sponsored events held in areas of the Park other than the Leased Premises, and shall use reasonable efforts to direct traffic for such events in such a manner as to not materially interfere with the operation of the Leased Premises.

3. TERM OF LEASE; CONDITION OF PREMISES.

3.1. Term. The term of this Lease shall commence on the Lease Commencement Date and shall continue through October 31, 2036 unless sooner terminated in accordance with the provisions of this Lease (the "Initial Term"). Tenant shall have the option to renew the term of the Lease for one (1) ten (10)-year renewal period on the same terms and conditions contained herein (the "Renewal Term"), except that only Percentage Rent, and not Annual Base Rent, shall be payable during the Renewal Term. This option to renew may be exercised by Tenant at its discretion and if Tenant issues debt in connection with the Golf System or makes capital repairs or improvements in connection with the Golf System, which debt, or the depreciation of which requires that the Initial Term of this Lease extend beyond October 31, 2036, such renewal option shall be automatically exercised at such time as the debt is issued or the capital repairs or improvements are made. Additionally, Landlord and Tenant agree that if Tenant desires to expand or modify the Golf System, or if Tenant desires to make capital improvements or

repairs to facilities in the Golf System, either for which it plans on having debt issued to pay for such capital improvements, or the full depreciation of which improvements (whether paid by debt or cash) will extend beyond the expiration of this Lease as extended by the Renewal Term, if such capital improvements and the continued operations of the Golf System is in the public interest, Landlord and Tenant will in good faith negotiate a new lease upon substantially similar terms and conditions to enable the Golf System to remain as a unified system of publicly operated golf courses.

3.2. As-Is.

3.2.1 At the time the LOI was signed, Landlord and Tenant recognized that there are certain improvements needed to irrigation systems on the Park Golf Courses and certain of the structures and the parties agreed that the Tenant would take the Park Golf Courses "as is" as to such conditions and provide capital improvements to facilities at the Park Golf Courses over time and as funds allow for improvements in accordance with the Golf Master Plan. Landlord and Tenant have subsequently learned that as of April 15, 2006, there was other existing corrective work, some of which is required pursuant to Applicable Law at the Park Golf Courses. This additional work consists of i) bringing the stormwater facilities into compliance with the stormwater facility inspections reports for the 11 ponds at the Park Golf Courses, ii) removal of the old weir in the stormwater pond at the Northwest Golf Course as described in Exhibit G and iii) all work necessary to bring the Park Golf Courses into compliance and allow for continuing compliance pursuant to various water appropriation permits at the Little Bennett Golf Course, specifically including but not limited to installation of properly operating equipment to monitor the water level, flow, and appropriation of water from Little Bennett Creek and pond (collectively items i, ii and iii are the "Corrective Work"). Landlord covenants and agrees that it will promptly seek funding for and complete all Corrective Work. After completing the Corrective Work related to water appropriations permits, Landlord shall apply to the State of Maryland to add Tenant's name to the water appropriations permits, and increase, if necessary, the approved water appropriation levels (which levels must have been approved by Tenant), at which time Tenant shall assume responsibility for compliance with the water appropriation permits. Thereafter, Tenant may pursue either the transfer of any such permits or the issuance of new permits in Tenant's name.

3.2.2 Landlord and Tenant agree that items ii and iii of the Corrective Work must be completed by March 1, 2007. If any condition that existed as of April 15, 2006 prohibits the Tenant from operating the Little Bennett Golf Course at the standard to which it was designed, or materially increases the costs of operating Little Bennett at the standard to which it was designed, Tenant shall at any time, notwithstanding Section 12.2, have the exclusive right to elect to return Little Bennett Golf Course to Landlord

and subject to Landlord's restrictions as set forth in Section 12.2, unless Landlord, at its own cost and expense, prior to such return shall have remedied the condition that is the basis for such election and paid Tenant the additional costs of procuring and monitoring water for the Little Bennett Golf Course to operate at the standard to which it was designed. In such circumstance, Tenant shall continue to be obligated to pay Annual Base Rent, but the Percentage Rent Threshold following return of Little Bennett shall not be adjusted as provided for return of any Park Golf Course under Section 12.2 of this Lease for a period of twenty years following the return of the Little Bennett Golf Course, at which time the Percentage Rent Threshold shall be adjusted as set forth in Section 12.2. At Tenant's discretion the date for completion items ii and iii of the Corrective Work may be extended beyond March 1, 2007 provided that it can be completed in a manner and on a schedule that does not interfere with or materially and adversely impact golf operations at the Park Golf Courses.

- 3.2.3 Landlord and Tenant agree that item i of the Corrective Work must be completed in accordance with a schedule to be agreed upon by the Landlord and the Tenant, but in any event, such Corrective Work must be completed no later than March 1, 2010 and must be completed in a manner that does not interfere with or materially and adversely impact golf operations at the Park Golf Courses.
- 3.2.4 Landlord represents and warrants that other than the Corrective Work, the Park Golf Courses are in compliance with Applicable Law. Tenant acknowledges that facilities on the Park Golf Courses require certain maintenance and repair and Tenant shall occupy and accept the Leased Premises "AS IS" from Landlord. "AS IS" shall mean the physical condition of the Park Golf Courses as of April 15, 2006, but is not intended as a limitation on Landlord's warranty of its compliance with Applicable Law. The Landlord has no duty or liability whatsoever to remove or ameliorate any conditions, except as expressly provided for in this Lease.
- 3.2.5 [INTENTIONALLY OMITTED].
- 3.2.6 Until the Corrective Work involving stormwater facilities is completed, Landlord shall provide all maintenance of the stormwater facilities and equipment. Thereafter, following completion of such Corrective Work in accordance with Applicable Law, Tenant shall assume responsibility for management, maintenance and operation of such stormwater management facilities and equipment in accordance with Section 5.7.1, and shall at that time Tenant shall pursue either the transfer of any stormwater permits for such facilities or the issuance of new permits in Tenant's name.

3.2.7 Without any waiver of Landlord's immunities to third parties under the laws of the State of Maryland, Landlord shall indemnify and hold Tenant harmless from any and all claims arising from events and conditions existing or occurring at or with respect to one or more of the park Golf Courses, prior to April 15, 2006, including but not limited to, compliance with Applicable Law, environmental liabilities, except to the extent such event or condition was caused or aggravated by Tenant, its agents, employees or contractors. Without any waiver of Tenant's immunities to third parties under the laws of the State of Maryland, Tenant shall indemnify and hold Landlord harmless from any and all claims arising from events and conditions occurring after April 15, 2006, including but not limited to environmental liabilities, except to the extent such event or condition is caused or aggravated by Landlord, its agents, employees or contractors, existed as of April 15, 2006, or is the responsibility of Landlord as provided in this Section 3.2. In the event it cannot be determined through an independent investigation and analysis whether an environmental condition of the Leased Premises is as a result of an occurrence prior to or after April 15, 2006, then (a) if such environmental condition is discovered during the Initial Term, the responsibility for remediating the environmental problem shall be shared equally by Landlord and Tenant, and (b) if such environmental condition is discovered after the Initial Term, it shall be deemed to have occurred after April 15, 2006.

3.2.8 Tenant agrees not to commit waste on the Leased Premises and not to knowingly use the Leased Premises for any unlawful purpose or in violation of any certificate of occupancy, nor suffer any dangerous article to be brought on the Leased Premises unless safeguarded as required by Applicable Law. Tenant agrees to comply reasonably, promptly, and effectively with all Applicable Laws of all Governmental Authorities; provided however, that if the failure to comply with Applicable Law is due to a condition that existed as of April 15, 2006 that required correction to be in compliance with Applicable Law, including the Corrective Work, the Landlord shall be responsible for causing the correction of such condition to enable the Park Golf Course to be in compliance with Applicable Law. Landlord and Tenant each agrees to give notice promptly to the other party of any notice from any Governmental Authorities, person, group or organization in respect of the Leased Premises including, without limitation, any notice pertaining to air and water quality, Hazardous Materials, waste disposal, air emissions, and other environmental matters, and any direction of any public agency that imposes any duty upon Landlord or Tenant with respect to the use or occupancy of the Leased Premises. Tenant may, in good faith, dispute the validity of any complaint or action taken pursuant to or under color of any of the foregoing, defend against the same, and in good faith, diligently conduct any necessary proceedings to prevent and avoid any adverse consequence of the same.

4. RENT.

4.1. Annual Base Rent.

4.1.1. During the first six (6) Lease Years of the Term, Tenant covenants and agrees to pay unto Landlord, in legal tender of the United States of America, annual base rent ("Annual Base Rent") in the amount of Four Hundred Eighty Thousand Dollars (\$480,000.00) per Lease Year. Annual Base Rent for the initial Lease Year will be paid on November 1, 2006; provided, however, Tenant shall receive credit for all payments made under the Operating Agreement. Thereafter, all payments of Annual Base Rent will be made in advance on October 15th of each succeeding Lease Year beginning November 1, 2007 as follows:

- (A) Landlord and Tenant have agreed that Landlord shall sell, and Tenant shall purchase, the Equipment and the Inventory listed together on Exhibit D attached hereto (the "Installment Payment Inventory"), for a total purchase price of One Million Eighty Thousand Dollars (\$1,080,000.00). One Hundred Eighty Thousand Dollars (\$180,000.00) of each Annual Base Rent payment set forth above is in consideration for, and allocated to the purchase price of, the Installment Payment Inventory, which pursuant to Section 2.4 has been conveyed to Tenant free and clear of debt and liens. Annual Base Rent will terminate after the sixth (6th) payment; and
- (B) Until such time as the Little Bennett Debt is paid in full and released, all Annual Base Rent shall be first used by Landlord to pay amounts due and payable in accordance with the debt service payment schedule towards payment of the Little Bennett Debt.

4.1.2. Tenant reserves the right to prepay the Annual Base Rent in an amount equal to the then effective "payoff amount" to pay the Little Bennett Debt in full. Such prepayment of Annual Base Rent shall be calculated at the then net present value (at a discount rate of 3.37%) of the total then remaining unpaid Annual Base Rent payable during the first six (6) years of this Lease. Landlord shall promptly use such prepayment of rent to pay the Little Bennett Debt in full. The Annual Base Rent will then be recalculated based upon the net present value (at a discount rate of 3.37%) of \$2,880,000.00, less (i) the prepayment amount, and (ii) any Annual Base Rent already made to Landlord (including under the Operating Agreement), which difference will then be apportioned and payable in equal annual installments over the remainder of the first six (6) Lease Years upon the same terms as the payment of Annual Base Rent, or at the election of Tenant, Tenant may pay such balance in full, upon which payment no further Annual Base Rent shall be due. Any premium, charge or penalty associated with a prepayment of the Little Bennett Debt (excluding however, any charges or costs of issuance associated with any

debt issued by or on behalf of Tenant) shall be paid by Landlord in the event such prepayment is a result of either (i) the failure of Landlord, Tenant and Bank of America to enter into the Non-Disturbance Agreement as set forth in Section 2.5, or (ii) the failure of Tenant and M & T Bank to reach an agreement with regard to coordinating Tenant's existing bond covenants with the bond covenants for the Little Bennett Debt. Except as otherwise set forth above, any premium, charge, or penalty associated with a prepayment of the Little Bennett Debt will be paid by Tenant.

4.1.3. Landlord shall promptly and timely pay its obligations for the Little Bennett Debt and any other outstanding notes related to the Leased Premises or the Equipment and Installment Payment Inventory. Tenant, by entering into this Lease, is not obligating itself on any such debt. In the event of a default by Landlord on the Little Bennett Debt beyond applicable notice and cure periods, Tenant may, in its sole discretion (a) pay off such debt, (b) purchase the debt, or (c) otherwise remedy any outstanding default. Such payoff or costs of remedy, including any prepayment premium, charge or penalty, will be set off against other payments due from Tenant to Landlord under this Lease.

4.2. Percentage Rent.

4.2.1. Commencing on November 1, 2011, Tenant agrees to pay to Landlord during the Term an amount ("Percentage Rent") equal to the "Current Percentage" by which annual Net Revenues for the Leased Premises exceed Five Million Six Hundred Thousand Dollars (\$5,600,000.00) (the "Percentage Rent Threshold"). The Percentage Rent shall be payable as follows: (i) on November 1, 2012 (for the period November 1, 2011-June 30, 2012) - 5%; (ii) on November 1, 2013 (for fiscal year July 1, 2012-June 30, 2013) - 6%; (iii) on November 1, 2014 (for fiscal year July 1, 2013-June 30, 2014) - 7%; (iv) on November 1, 2015 (for fiscal year July 1, 2014-June 30, 2015) - 8%; (v) on November 1, 2016 (for fiscal year July 1, 2015-June 30, 2016) - 9%; and (vi) on November 1, 2017 and each November 1 thereafter (for each respective fiscal year beginning July 1, 2016 and thereafter) through the end of the Lease Term and the Renewal Term, if applicable - 10%. All payments of Percentage Rent will be made on November 1 of each year for the prior fiscal year and shall be accompanied by documentation supporting the basis for such rent calculation certified by an independent certified public accountant in accordance with generally accepted accounting principles. If a Park Golf Course is extracted from the Leased Premises by Landlord pursuant to Section 12.1 or closed by Tenant pursuant to Section 12.2, then the Percentage Rent Threshold shall be reduced by the amount of Fiscal Year 2005 Net Revenues from the Park Golf Course being extracted as set forth in Section 1.48.

- 4.2.2. Tenant shall, at all times during the Term, prepare and maintain, in accordance with generally accepted accounting principles, adequate records which shall show (i) all use records for the Leased Premises, (ii) records supporting costs of goods sold, and (iii) all Gross Revenue received by Tenant, which records shall include, without limitation: (i) copies of all gross income, sales, retail or excise tax returns filed with any Governmental Authority; (ii) bank deposit records; (iii) such other records, if any, which would normally be examined by an independent certified public accountant pursuant to generally accepted auditing standards in performing an audit of gross receipts or costs of goods sold; and (iv) the records, if any, specified above of subleases, assignees, concessionaires or licensees, furnished to Tenant in connection with such operations. Tenant shall keep safe at the Leased Premises or Tenant's offices for a period ending not less than three (3) years after the close of each Fiscal Year, all of such records for each such Fiscal Year.
- 4.2.3. If Landlord receives any Revenues from or by reason of operations or sale of Inventory at any of the Park Golf Courses during the Term or from the Holy Cross Hospital Parking License, Landlord will promptly notify Tenant of such Revenues and shall promptly pay such Revenues to Tenant.
- 4.2.4. Tenant shall provide reports and financial information to Landlord as stated in Section 7.2 of this Lease.
- 4.3. Net Rent. It is the purpose and intent of Landlord and Tenant that the rent payable hereunder shall be net to Landlord and that except as expressly provided herein, all costs, expenses and charges of every kind and nature directly relating to the Leased Premises which may be attributed to, or become due during the term of this Lease shall be paid by Tenant.
- 4.4. All Sums Rent. All sums payable by Tenant to Landlord under this Lease, whether or not stated to be Annual Base Rent or Percentage Rent shall be paid by check, cash, or wire transfer, at the address for notices to Landlord, or for wire transfer in accordance with instructions from Landlord. Such sums shall be considered "Rent" for all purposes hereunder however described or denominated.
- 4.5. Impositions. Landlord promptly shall send to Tenant copies of any notices received by Landlord in respect of any Impositions. As part of the consideration for this Lease, and subject to all of the provisions hereof, at Tenant's own cost and expense, Tenant shall pay all Impositions (if applicable) directly to the applicable authority as the same become due and payable during the Term, and before the assessment of any fine, penalty, interest or other charge which may be added thereto for the nonpayment thereof; except that any Impositions (and/or installments thereof) properly allocable to periods before the Lease Commencement Date or after the Term shall not be payable by Tenant and shall be paid by Landlord. Additionally, if Landlord fails to provide timely notice of an

imposition to Tenant, Tenant will be responsible only for the applicable imposition and any late payment penalty or interest attributable to such failure to provide notice will be paid by Landlord. Tenant shall have the right to receive directly any and all notices of Impositions. Notwithstanding the foregoing, if by law any Imposition may be paid, at the option of the taxpayer, in installments, then Tenant may pay the same in installments whether or not interest accrues thereon, and Tenant shall only be responsible for such installments (and/or portions thereof) properly allocable to the Term. Any rebate made on account of any Imposition paid by Tenant shall belong to and be paid to Tenant, for Tenant's account.

- 4.6. Right to Contest Impositions. If Tenant disputes the amount or validity of any Impositions payable by Tenant hereunder, then Tenant shall have the right, at its sole cost and expense, to contest and defend against the same, and in good faith to diligently conduct any necessary proceedings to prevent and avoid the same. In such event Tenant may postpone or defer payment of such Impositions and such postponement or deferral shall not be deemed a default hereunder; provided, however, that, during any such contest, Tenant shall (by the payment or bonding off of such disputed Imposition, including potential interest and penalties thereon, if necessary) prevent any foreclosure of or any divesting thereby of Landlord's title, reversion or other interest in or to the Leased Premises, and will further (by the payment or bonding off of such disputed Imposition, including potential interest and penalties thereon, if necessary) prevent the public sale or foreclosure of any lien for any such Impositions. Tenant's right to contest Impositions shall not be exercised in such a manner as to expose Landlord to any civil penalties. Tenant shall prosecute such contest or defense diligently and expeditiously. Tenant shall have the right, if permitted by law, to pay under protest any Impositions. Any rebate made on account of any Imposition paid by Tenant shall belong to and be paid to Tenant, for Tenant's account.
- 4.7. Tax exemption; assessments. The parties acknowledge that currently pursuant to Section 42-26 of the Montgomery County Code, under Chapter 601 of the 1992 Laws of Maryland, Tenant is not required to pay any tax or assessment on (i) any facility or any part of a facility; (ii) activities of Tenant in the operation and maintenance of any facility; (iii) any revenues from the operations or maintenance of any facility or project; or (iv) the bonds of Tenant or the interest on them, and in the event the tax laws change under which Tenant is required to pay such taxes, Landlord shall not be responsible for such taxes.
- 4.8. Prorations. Appropriate adjustments and prorations shall be made if the date of expiration or termination of this Lease is not on the last day of a calendar month; or if any payment of rent or any other amount hereunder by either Landlord or Tenant covers periods for which the party making such payment is not responsible under this Lease.
- 4.9. Utilities.

- 4.9.1. Electricity. During the term of this Lease, Tenant shall pay the utility company for the electricity supplied to the Leased Premises and used exclusively in connection with the Leased Premises. Landlord shall pay the utility company for all other electricity supplied to the remainder of the Park. If there are shared utilities, the parties shall share the cost thereof on an equitable basis.
- 4.9.2. Water and Sewer. Throughout the Term, Tenant shall pay the Washington Suburban Sanitary Commission for all water and sewer service supplied to the Leased Premises and used exclusively in connection with the Leased Premises. Landlord shall be responsible for the cost of all water and sewer service supplied to the remainder of the Park. Where there are shared utilities, the parties shall share the cost thereof on an equitable basis.
- 4.9.3. Other. Throughout the Term, Tenant shall pay all other utility services supplied to the Leased Premises and used exclusively in connection with the Leased Premises.

5. USE AND OPERATIONS.

- 5.1. Compliance with Law. Landlord and Tenant each shall promptly give notice to the other of any notice received from Governmental Authorities in respect of the Leased Premises. During the Term, Tenant shall comply with all Applicable Laws in respect of the Leased Premises. Tenant may dispute in good faith the validity of any complaint or action taken pursuant to or under color of any of the foregoing, defend against the same, and, in good faith, diligently conduct any necessary proceedings to prevent and avoid any adverse consequence of the same. Tenant shall prosecute such contest diligently and expeditiously.
- 5.2. Compliance with Park Regulations. Tenant shall comply, and require its agents, employees, contractors, subtenants, concessionaires, licensees and invitees to comply, with the Park Regulations, as the same may be amended by Landlord from time to time, in their use and occupancy of the Leased Premises, provided however this obligation is only to the extent that such regulation or amendment does not interfere with Tenant's right to operate the Leased Premises in accordance with this Lease. In the event of any conflict between the Park Regulations and the provisions of this Lease, this Lease shall govern and such regulation shall be deemed to have been waived by the Director of Parks. Notwithstanding anything to the contrary in the Park Regulations, Landlord shall not close the Park while the Leased Premises are open for business or restrict use of Park infrastructure outside of the Leased Premises in a manner that unreasonably interferes with use and enjoyment of the Leased Premises or that results in reduction in use of such Leased Premises, except under emergency circumstances.

- 5.3. Landlord's Obligations Regarding Roads and Park Construction. Landlord shall use reasonable efforts to ensure that traffic in the Park for events scheduled in areas of the Park other than the Leased Premises does not unreasonably interfere with operations, activities, traffic or parking at the Leased Premises. Landlord shall ensure that construction in areas of the Park other than the Leased Premises does not unreasonably interfere with operations, activities, traffic or parking at the Leased Premises.
- 5.4. Licenses and Permits. Subject to Section 3.2, Tenant shall be solely responsible for securing, obtaining and maintaining in good standing all necessary permits and licenses from the applicable Governmental Authorities for the continued use, operation, repair, replacement, construction and/ or reconstruction of the Leased Premises.
- 5.5. Use. During the term of this Lease, Tenant shall use the Leased Premises for golf and related operations and activities, or such other uses as approved by the Landlord.
- 5.6. Operations. Tenant shall operate the Leased Premises in a manner consistent with Tenant's operations, as of the Effective Date, of other golf facilities in the Golf System, and as appropriate for the design, existing improvements, and Applicable Law on the Park Golf Courses, including but not limited to the following:
- 5.6.1. Little Bennett Debt Tax-Exempt Status. Landlord represents, and Tenant acknowledges, that activities at the Little Bennett Golf Course are restricted due to tax exempt financing on the facility. Tenant covenants and agrees that it will not enter into a written or oral management, use, operating or service agreement for any portion of the Little Bennett Golf Course that will constitute "private activity" as such activity is defined by the Internal Revenue Service. Nothing herein precludes Tenant from entering into licenses or concessions in connection with its operation of the Leased Premises, so long as it does not affect the tax exempt financing on the Little Bennett Golf Course, and otherwise complies with the provisions of this Lease. Nothing in this Section 5.6 is intended to otherwise limit the ability of Tenant to enter into contracts for services in connection with Tenant's operation and management of the Little Bennett Golf Course. All leases, use agreements, operating agreements, service agreements, or management agreements will be provided to Landlord thirty (30) days before they are scheduled to be executed; provided however, in the event thirty (30) days is not feasible, Tenant may request that Landlord review such agreements in less than thirty (30) days, upon which Landlord agrees not to unreasonably condition, withhold or delay its approval of such agreement, if Landlord's approval is necessary; and further provided that the foregoing shall not apply to any employment agreement which does not constitute a management contract for purposes of Rev. Proc. 97-13 or, if such employment agreement does constitute a management contract for purposes of Rev. Proc. 97-13, such employment

agreement complies with Rev. Proc. 97-13. Tenant will provide further assurances as may reasonably be requested by Landlord to evidence compliance with this Section 5.6.1, and without any waiver of Tenant's immunities under state law, Tenant shall indemnify and hold Landlord, its bondholders and trustees, harmless from any and all direct damages arising from its failure to comply with this covenant in connection with the Little Bennett Debt. Landlord shall not modify or amend the Little Bennett Debt without the consent of Tenant, which consent shall not be unreasonably conditioned, withheld or delayed. Additionally, Landlord shall not create debt on any of the other Park Golf Courses included within the Leased Premises, during the Term of this Lease. The rights and interest of the Tenant created by this Lease shall at all times be subordinate to the interest and liens created in connection to the tax-exempt financing on Little Bennett unless otherwise agreed by Landlord and Bank of America, or operation of law. At such time as the Little Bennett Debt is paid in full, the restrictions set forth in this Section 5.6.1 shall cease and expire and be of no further force or effect. Landlord covenants and agrees that it will at all times promptly and timely pay the Little Bennett Debt.

5.6.2. Environmental Stewardship. Landlord is a bi-county agency empowered by the State of Maryland to acquire, develop, maintain and administer a regional system of parks within Montgomery and Prince George's Counties, and to prepare and administer a general plan for the physical development of the two counties. The Leased Premises is located within the County Park System. The mission of Landlord includes the responsibility to protect and steward natural resources and to provide leisure and recreational experiences. Therefore, Landlord has operated the Leased Premises consistent with its mission and in compliance with sound environmental practices. For any Park Golf Course that requires work to bring it into compliance with sound environmental practices at the commencement of this Lease, Landlord shall promptly perform such work to make it consistent with sound environmental practices. Tenant shall continue to operate the Leased Premises in a manner consistent with the environmental guidelines and programs including as set forth below.

- (A) Tenant expressly agrees to implement and comply with Applicable Law governing pesticide use and to comply with all parts of Landlord's Administrative Procedures for Pesticide Safety and Integrated Pest Management and the Turfgrass Integrated Pest Management Manual. Tenant shall refrain from using any pesticide in a manner that is not allowed by any Applicable Law and shall abide by any and all restrictions imposed on specific use of certain pesticides.
- (B) The Little Bennett Golf Course is a participant in the Audubon Cooperative Sanctuary Program for Golf Courses (the "Audubon

Program"). Therefore, Tenant agrees to work with the Audubon Cooperative Sanctuary System in maintaining Little Bennett's current certification status with the Audubon Program. Should any of the above-referenced Applicable Laws and guidelines governing pesticide use on Little Bennett Golf Course be in conflict with the guidelines established by the Audubon Program, the more restrictive and environmentally sensitive Applicable Law or guideline shall govern.

5.7. Maintenance and Repairs.

5.7.1. Except as otherwise provided in this Lease, Tenant at its expense shall, throughout the Term, be responsible for the capital and ordinary maintenance of the Leased Premises so long as the Leased Premises are under the terms of the Lease or in the Golf System. Tenant at its expense shall maintain, repair and replace the Improvements and facilities within the Leased Premises in a good state of repair as appropriate for the types of improvements and at a standard consistent with its maintenance of other facilities in the Golf System. Tenant shall keep and maintain all common areas within the Leased Premises in a clean and orderly condition, free of dirt, rubbish, snow, ice and obstructions. Subject to the provisions of Section 3.2.5, Tenant shall maintain the Stormwater Management Facilities that serve the Leased Premises. For any Stormwater Management Facilities that serve areas outside of the Leased Premises, Landlord shall reimburse Tenant a prorated share of the costs of maintenance and repair. Tenant's share of the cost shall be that percentage determined by dividing the Park Golf Course area by the total area served by the Stormwater Management Facility. Landlord's reimbursement shall be the balance of the cost, which Landlord shall pay to the Tenant within thirty (30) days of invoice for such costs.

5.7.2. Landlord at its expense shall maintain and repair all portions of the Park except the Leased Premises including, without limitation, maintaining, repairing and making necessary alterations and replacements to roads (unless such roads are otherwise publicly maintained) and parking lots outside the Leased Premises (including keeping such roads and parking lots free of snow and ice).

6. IMPROVEMENTS.

6.1. Master Plan. Tenant has retained an independent consultant to prepare a draft capital improvement plan ("Golf Master Plan"), which shall be completed no later than March 1, 2007, which shall include Tenant's plans for short and long-term incorporation of the Leased Premises into the Golf System in order to accomplish the goal of a successful unified system of public golf in the County operated by Tenant. The Golf Master Plan shall include capital improvements proposed for the Leased Premises, including alterations, modifications, and additions to such

facilities, and a financial plan with proposed sources of funding. The Golf Master Plan is a non-binding document and any action by Tenant is subject to the provisions of Montgomery County Code Chapter 42.

- 6.2. Capital Improvements. Tenant shall not include any new capital improvements to the Leased Premises in its capital improvement plan request before the Council unless such capital improvements are (a) consistent with the use as set forth in this Lease, and (b) are included in the Golf Master Plan and presented to the Montgomery County Planning Board in accordance with its annual reporting requirements. Thereafter, Tenant shall proceed through its normal mandatory referral review process before the Montgomery County Planning Board in its regulatory capacity. Nothing in this Lease shall be deemed to waive any obligation of Tenant to appear before the Montgomery County Planning Board in its regulatory capacity. Any improvements to the Leased Premises shall be subject to Applicable Law, including applicable governmental approvals and permits. At the expiration or earlier termination of this Lease, all capital Improvements on the Leased Premises (whether such capital Improvements were on the Leased Premises prior to the Effective Date, or constructed during the Term of this Lease) shall remain upon and be surrendered with the Leased Premises and become the property of Landlord without cost to Landlord, unless the expiration or termination pertains to a Park Golf Course extracted by Landlord pursuant to Section 12.1, in which case Landlord shall pay for the improvements as stated in Section 12.1. Tenant covenants that, except for any Corrective Work not completed by Landlord, upon such surrender of the Leased Premises, the Park Golf Courses shall be in compliance with Applicable Law for the continuing operations of the Park Golf Courses.
- 6.3. Needwood Irrigation. Landlord, at its sole cost and expense and in cooperation with Tenant, shall complete the design for the irrigation system upgrades to Needwood Golf Course. Tenant shall have the right to reasonably approve such design, and at its sole cost and expense, shall be responsible for implementing such upgrades in accordance with its Golf Master Plan.
- 6.4. Repairs and Alterations. Subject to compliance with Applicable Laws, and subject to other requirements under this Lease, Tenant shall have the absolute and unqualified right, at any time from time to time, as often and frequently as Tenant wishes, during the Term, to make such changes (structural or otherwise), renovations, reconstruction, repairs, alterations to the Leased Premises consistent with the permitted use as Tenant, in Tenant's sole and absolute discretion, shall deem appropriate, without the necessity of securing Landlord's permission or consent. Notwithstanding, Tenant shall not demolish, tear down or remove any capital improvements during the last five years of the Term without the prior consent of Landlord, unless such demolition, tearing down or removal has been otherwise approved as part of Tenant's mandatory referral review or poses a public safety hazard. Costs of such demolition, tearing down or removal shall be borne by Tenant and Tenant shall be entitled to the salvage value, if any, therefrom.

6.5. Mechanics' Liens; Compliance with Laws. Tenant's construction and repair of Improvements on the Leased Premises during the Term of this Lease shall be subject to the following conditions:

6.5.1. Tenant shall comply promptly and fully with all Applicable Laws, ordinances, rules, regulations and requirements of all Governmental Authorities but shall have the right, in its sole discretion, to contest in good faith any such laws, ordinances, rules, regulations and requirements; and

6.5.2. Tenant shall take all necessary steps to ensure that no mechanic's or materialmen's liens are filed against the Leased Premises as a result of any Improvements made by the Tenant. If any mechanic's lien is filed, Tenant shall discharge the lien within ten (10) days thereafter, at Tenant's expense, by paying off or bonding the lien.

6.6. Title to Improvements. All Improvements shall be Tenant's property throughout the Term; provided, however, that all right, title and interest in the Improvements automatically and immediately shall vest in Landlord upon the expiration or earlier termination of this Lease without the execution of any further instrument. Tenant agrees at the request of Landlord to execute any and all quit-claim conveyance as may be necessary to evidence such vesting of title.

7. COOPERATION AND REPORTING.

7.1. Cooperation in Obtaining Approvals. Subject to Applicable Law, upon the reasonable request of either Landlord or Tenant (the "requesting party"), the other party (the "non-requesting party") agrees to join in any easements, rights of way or other agreements for land owned by the Landlord and relating to the provision of utility service to the Leased Premises ("Utility Easements"), and to join in recordable agreements with Governmental Authorities and utility providers. The non-requesting party shall cooperate fully with the requesting party in assisting the requesting party to obtain Utility Easements. To this end, within thirty (30) days after written request from time to time from the requesting party, the non-requesting party shall, without requiring any additional consideration therefor, execute and return to the requesting party, or otherwise join in any such documents as are required for obtaining Utility Easements. The non-requesting party recognizes that the requesting party shall have the right, in its own behalf and not as agent for the non-requesting party, to undertake any and all of the actions in which the non-requesting party has agreed to cooperate. The foregoing notwithstanding, any instruments or agreements required of the non-requesting party shall be in form reasonably acceptable to the non-requesting party and shall not impose any additional expense or liability on the non-requesting party.

7.2. Reporting.

- 7.2.1. Tenant shall provide to the Secretary-Treasurer of Landlord, as to each Park Golf Course and as to the entire Golf System, Tenant's Income Statements and Budgeted Income Statements within thirty (30) days after the meeting at which the quarterly financial reports are presented to Tenant's Board of Directors.
- 7.2.2. Each fiscal year, Tenant shall provide to the Secretary-Treasurer of Landlord, as to each individual Park Golf Course and as to the entire Golf System, a Cash Flow Statement within thirty (30) days after the meeting at which the Annual Audit is presented to and approved by the Tenant's Board of Directors.
- 7.2.3. By July 1 of each year, Tenant shall provide to the Secretary-Treasurer of Landlord, as to each individual Park Golf Course and as to the entire Golf System, Tenant's Adopted Operating Budget and Adopted Capital Budget.
- 7.2.4. Each fiscal year, Tenant shall provide to the Secretary-Treasurer of Landlord, an Annual Audited Financial Report (prepared by a certified public accountant in accordance with generally accepted accounting principles) with respect to Tenant's operations, including all bona fide costs expended by Tenant to perform Landlord's obligations under this Lease in the event Landlord fails to appropriate funds therefore, that in accordance with the terms of this Lease, Tenant will offset against payments of any Percentage Rent obligations, during the preceding fiscal year of Tenant within thirty (30) days after the meeting at which the Annual Audit is presented to and approved by Tenant.
- 7.2.5. By August 1 of each year, Tenant shall provide to the Secretary-Treasurer of Landlord, for each individual Park Golf Course and as to the entire Golf System, a report of all rounds played at each such course during the prior fiscal year. The report will be broken out on a monthly basis and shall include such other information as may reflect individual course performance and utilization of Tenant golf programs.
- 7.2.6. Upon completion of the Golf Master Plan, and thereafter, no less than once each calendar year, Tenant shall appear before Montgomery County Planning Board and make a presentation of Tenant's operation of the Golf System during the preceding calendar year, including (1) significant activities conducted by Tenant in support of its obligations under this Lease, including (i) a schedule of fees charged at each Park Golf Course with a comparison to the market, (ii) number of rounds played at each Park Golf Course, and (iii) community outreach activities and programs to meet its commitments with regard to accessibility, including the participation rates; (2) a summary and representation of its compliance with the terms of this Lease; (3) any updates to the Golf Master Plan; (4) current capital improvement plan; and (5) any other information reasonably requested by Landlord.

8. ASSIGNMENT AND SUBLEASING.

- 8.1. Except as provided in Section 9.1 and otherwise herein, and provided that Landlord continues to own fee simple title to the Leased Premises, Tenant shall have no right to transfer or assign this Lease, in whole or in part, or sublet all or any part of the Leased Premises, by operation of law or otherwise, without the prior written consent of Landlord, which consent may be withheld in the sole and absolute subjective discretion of Landlord. Landlord agrees that any sublease entered into by Tenant upon the Leased Premises for parking is deemed approved. Any assignment, transfer, conveyance or subletting consented to by Landlord at all times shall be subject to this Lease and the prior right, title and interest of Landlord in and to the Leased Premises, and the assignee or transferee (the "Assignee") shall agree to assume and be bound by the terms of this Lease.
- 8.2. If Landlord determines to assign its interest in one or more of the Park Golf Courses, it shall first offer the Park Golf Course to the Tenant and shall engage in exclusive negotiations to convey such interest, as encumbered by this Lease, to Tenant at the then fair market value of such interest.
- 8.3. Effect of Assignment. Effective on the date of an assignment by Tenant, the Assignee shall be substituted as the "Tenant" in this Lease; the term "Tenant," as used in this Lease, shall mean the Assignee and not the assignor. Tenant shall not be relieved of any obligation or responsibility hereunder which accrued before the date of its assignment, but shall be relieved of any obligation or responsibility hereunder which accrued after the date of assignment. Notwithstanding the foregoing provisions of this Section 8, the consent by Landlord to any subletting shall neither be construed as a waiver or release of Tenant from any covenant or obligation of Tenant under this Lease, nor as relieving Tenant from obtaining the consent of Landlord to any further subletting or assigning.

9. ENCUMBRANCES.

- 9.1. Tenant's Power to Encumber. Tenant shall have the right at any time and from time to time to assign, mortgage, pledge and otherwise encumber its interest in the Leased Premises (which shall include, without limitation, the right to receive any and all pledges, fees, revenue, income, rents and other proceeds related thereto) to a Leasehold Mortgagee as security for a Leasehold Mortgage in connection with the Leased Premises or the Golf System or to refinance such a Leasehold Mortgage, provided that any such Leasehold Mortgage complies with the requirements of this Section 9. Any Leasehold Mortgage shall affect and encumber only the right, title and interest of Tenant in and to the leasehold estate under this Lease (which shall include, without limitation, the right to receive any and all pledges, fees, revenues, income, rents and other proceeds related thereto), and shall not be a lien or encumbrance upon the estate or interest of Landlord in the Leased Premises or any part thereof. Tenant shall provide a copy of the Leasehold Mortgage documents to Landlord's Secretary-Treasurer within thirty (30) days of placement thereof.

- 9.2. Protection of Leasehold Mortgagees. For each Leasehold Mortgage, if Landlord is given a copy thereof and a written notice specifying the name and address of the Leasehold Mortgagee(s) thereunder and the recording data pertaining to such Leasehold Mortgage, then the following provisions shall apply with respect to such Leasehold Mortgage for so long as it shall remain unsatisfied of record:
- 9.2.1. There shall be no material modification or voluntary surrender of this Lease (unless due to the expiration of the Term) without the prior written consent of the Leasehold Mortgagee(s).
- 9.2.2. Landlord shall, concurrently with the delivery to Tenant of any notice required or permitted hereunder, deliver to each Leasehold Mortgagee a true copy of any Notice of Tenant's Default, Notice of Termination, or other notices given to Tenant as provided for herein, and no such notice to Tenant shall be effective as to a Leasehold Mortgagee, until a copy of such notice is sent to such Leasehold Mortgagee. Each Leasehold Mortgagee shall thereupon have the period set forth below, after receipt of such notice by it or them, to remedy or cause to be remedied the defaults complained of, and Landlord shall accept such remedy by or at the instigation of any such Leasehold Mortgagee as if the same had been done by Tenant. Landlord and Tenant authorize the Leasehold Mortgagee to take any such action at the Leasehold Mortgagee's option and do hereby authorize entry upon the Leased Premises by the Leasehold Mortgagee for such purposes. If there is more than one Leasehold Mortgagee, the Leasehold Mortgagee under the Mortgage which is prior in lien shall have the prior right to remedy or cure any such default; and the period within which such other Leasehold Mortgagee(s) may remedy such defaults shall be extended for a single additional period of thirty (30) days for such subordinate Leasehold Mortgagees, collectively, within which to effect such remedy or cure. The foregoing notwithstanding, nothing contained in this Section 9.2.2 shall (i) relieve Tenant of its responsibilities or liabilities hereunder, or (ii) obligate Landlord to recognize more than one Leasehold Mortgagee at any time; which such recognized Leasehold Mortgagee shall be entitled to all of the rights of a Leasehold Mortgagee hereunder.
- 9.2.3. Notwithstanding any other provision of this Lease, if, before the expiration of thirty (30) days following receipt of Notice of Termination, any Leasehold Mortgagee shall have (1) notified Landlord in writing of its desire to nullify such Notice of Termination; (2) paid to Landlord all rent, late charges and other payments then due from Tenant hereunder but unpaid; and (3) complied or in good faith and with reasonable diligence and continuity, commence to comply within such thirty (30) days following receipt of the Notice of Termination with all of the other non-monetary requirements of this Lease as to which Tenant then is in default, and (4) shall continue to pursue such compliance to completion with reasonable diligence, then Landlord shall not be entitled to terminate this

Lease, and any Notice of Termination theretofore given shall be void and of no further force and effect, provided, however, that the Leasehold Mortgagee shall not be required during such thirty (30) day period to cure or discharge any lien, charge or encumbrance against the Tenant's interest in the Lease or the Leased Premises junior in priority to the lien of the Leasehold Mortgagee, except as required by the terms of Section 6.5 hereof.

- 9.2.4. In addition to the rights of Leasehold Mortgagees set forth in Section 9.2.3 above, each Leasehold Mortgagee shall have the right to postpone the date for the termination of this Lease as specified by Landlord in any Notice of Termination, for a period of not more than a total of six (6) additional months from the date specified in such Notice if, before the expiration of thirty (30) days following receipt of such Notice of Termination, such Leasehold Mortgagee (1) shall have notified Landlord in writing of its desire to postpone said termination date, (2) shall have paid to Landlord all rent, late charges and other payments then due from Tenant hereunder but unpaid, (3) shall have agreed to comply with and perform all of the terms, conditions and provisions of this Lease on Tenant's part to be complied with and performed, other than past non-monetary obligations that are in default and are not reasonably susceptible of being cured by the Leasehold Mortgagee; and (4) shall, promptly, and if not enjoined or stayed, take steps to acquire or sell Tenant's interest in this Lease by foreclosure or otherwise and shall prosecute the same to completion with reasonable diligence and in the exercise of which Leasehold Mortgagee may exercise any and all remedies available to it under the loan documents evidencing or securing the Leasehold Mortgage. If at the end of said six (6) month period any Leasehold Mortgagee shall be actively engaged in steps to acquire or sell Tenant's interest herein and shall have promptly commenced and complied with the requirements of the preceding sentence and such Leasehold Mortgagee is delayed or impeded in its efforts to acquire or sell Tenant's interest herein due to the pending nature of any proceeding brought by, for or against Tenant, including without limitation a voluntary or involuntary bankruptcy proceeding, then the time for completion by the Leasehold Mortgagee of its proceedings shall continue thereafter for so long as the Leasehold Mortgagee diligently and continuously proceeds to complete steps to acquire or sell Tenant's interest in the Lease by foreclosure of the Leasehold Mortgage or by other appropriate means. Notwithstanding Leasehold Mortgagee's right to acquire or sell Tenant's interest in this Lease by foreclosure or otherwise, Tenant shall request any Leasehold Mortgagee to include in the loan documentation, a requirement that notice of default of a Leasehold Mortgage for the Park Golf Courses be provided to Landlord as well as to Tenant and that the Leasehold Mortgagee, prior to any foreclosure, or sale in lieu of foreclosure, against Tenant's interest shall first offer the right to Landlord to cure the default by offering Landlord the opportunity to pay the outstanding balance of the Leasehold Mortgage. Refusal, or

unreasonable conditioning of such a provision (in Tenant's reasonable discretion), by a Leasehold Mortgagee to include such language shall not be a violation of this Lease. Nothing in this Section 9.2.4, however, shall be construed to extend the Lease beyond the original Term thereof in accordance with the Lease, nor to require the Leasehold Mortgagee to continue such foreclosure proceedings after the default has been cured. If the default shall be cured and the Leasehold Mortgagee shall discontinue such foreclosure proceedings, the Lease shall continue in full force and effect as if Tenant had not defaulted under the Lease.

- 9.2.5. If the Leasehold Mortgagee is complying with Section 9.2.4, upon the acquisition of the Lease by the Leasehold Mortgagee or its designee or any other purchaser at a foreclosure sale or otherwise and the discharge of any lien, charge or encumbrance against the Tenant's interest in the Lease or the Leased Premises which is junior in priority to the lien of the Leasehold Mortgage and which the Tenant is obligated to satisfy and discharge by reason of the terms of the Lease, the Lease shall continue in full force and effect as if Tenant had not defaulted under the Lease.
- 9.2.6. For the purposes of this Section 9.2, the granting of the Leasehold Mortgage by the Tenant shall not be deemed to constitute an assignment or transfer of the Lease, nor shall the Leasehold Mortgagee, as such, be deemed to be an assignee or transferee of the Lease so as to require the Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants or conditions on the part of the Tenant to be performed under the Lease. However, the purchaser at any sale of the Lease in any proceedings for the foreclosure of the Leasehold Mortgagee, or the assignee or assignment or transfer in lieu of the foreclosure of the Leasehold Mortgagee shall be deemed to be an assignee or transferee, and shall be deemed to have agreed to perform all of the terms, covenants and conditions on the part of the Tenant to be performed under the Lease from and after the date of such purchase and assignment, (and such purchaser shall have no liability for the performance of the same arising prior to such date) but only for so long as such purchaser or assignee is the owner of the Lease.
- 9.2.7. The Leasehold Mortgagee pursuant to foreclosure, assignment in lieu of foreclosure or other proceedings may, upon acquiring the Lease, without further consent of Landlord, sell and assign the Lease on such terms and to such persons and organizations as are acceptable to the Leasehold Mortgagee and thereafter the Leasehold Mortgagee shall be relieved of all obligations under the Lease; provided that such assignee has delivered to Landlord its written agreement to be bound by all the provisions of the Lease.
- 9.2.8. Notwithstanding any other provisions of the Lease to the contrary, any sale of the Tenant's interest in the Lease in any proceeding for the

foreclosure of the Leasehold Mortgagee, or the assignment or transfer of the Lease in lieu of the foreclosure of the Leasehold Mortgage shall be deemed to be a permitted sale, transfer or assignment of the Lease.

9.3. Leasehold Mortgagee's Right to New Lease. In the event of the termination of this Lease, or any succeeding Lease made pursuant to this Lease, including a New Lease, prior to its stated expiration date, as a result of Tenant's default or as a result of a rejection of the Lease by Tenant, Landlord shall, in addition to providing the applicable notices of default and termination as required by Section 9.2, provide the Leasehold Mortgagee with written notice (the "New Lease Notice") that the Lease has been terminated, together with a statement of all known unpaid sums which would at that time be due under the Lease as of the date of such notice but for such termination, and of all other defaults, if any, then known to Landlord. Landlord shall, subject to Applicable Law, upon the written request of a Leasehold Mortgagee or its nominee, enter into a new lease of the Leased Premises with such Leasehold Mortgagee or its nominee, for the remainder of the Term, effective as of the date of such termination, at the rent and upon the same terms, provisions, covenants and agreement as herein contained and provided however that the Lease shall be revised as appropriate to reflect the composition and existence of the new tenant (the "New Lease"). The New Lease shall be subject only to the same Permitted Encumbrances to title to which this Lease is subject on the Lease Commencement Date and to any other encumbrances created pursuant to the terms hereof (and Landlord shall have no obligation to cure or remove any encumbrance to title of the Leased Premises created or consented to in writing by Tenant), and to the rights, if any, of any parties then entitled to possession of all or part of the Leased Premises (but excluding Tenant); provided, however, that a grant of the New Lease shall be subject to the following conditions:

9.3.1. Said Leasehold Mortgagee or its nominee shall have made written request upon Landlord for such New Lease, within sixty (60) days after the date of its receipt of the New Lease Notice and such written request shall have been accompanied by tender of payment to Landlord of all sums then due to Landlord as specified in the New Lease Notice.

9.3.2. Said Leasehold Mortgagee or its nominee shall pay to Landlord at the time of the execution and delivery of said New Lease, any and all Rent which would, at the time of execution and delivery thereof, be due pursuant to this Lease but for such termination, and in addition thereto, all reasonable expenses (including reasonable attorney's fees), which Landlord shall have incurred by reason of such termination and the execution and delivery of the New Lease and which have not otherwise been received by Landlord from Tenant or other party in interest under the Lease (but expressly excluding any and all damages including punitive and consequential damages), less the net income (on a cash basis and excluding depreciation and other non-cash adjustments) received by

Landlord in respect of the Leased Premises after the termination of this Lease but prior to the execution and delivery of the New Lease.

- 9.3.3. Said Leasehold Mortgagee or its nominee shall perform all of Tenant's monetary obligations contained in this Lease.

Upon execution and delivery of such New Lease, in accordance with the provisions of this Section 9.3, the tenant under the New Lease shall accept the Lease Premises in its "as is" condition subject to the terms of the New Lease. The Leasehold Mortgagee shall have the right to assign a New Lease to an affiliate of the Leasehold Mortgagee.

- 9.4. Additional Protection for Leasehold Mortgagees. The following additional matters are included herein for the express protection of any Leasehold Mortgagee, as an intended third party beneficiary of this Lease.

- 9.4.1. The proceeds or award from any of Tenant's insurance policies may be held by any Leasehold Mortgagee(s) and distributed or applied pursuant to the provisions of the applicable Leasehold Mortgage; subject, however to the terms of this Lease.

- 9.4.2. From time to time, and within thirty (30) days of request, Landlord and Tenant shall execute, acknowledge and deliver to any or all Leasehold Mortgagees, an agreement among Landlord, Tenant and such Leasehold Mortgagee(s), prepared at the sole expense of Tenant, in form satisfactory to such Leasehold Mortgagee(s) and the Landlord, reaffirming the applicability of the provisions of this Section 9 to a particular Leasehold Mortgagee.

- 9.5. [INTENTIONALLY OMITTED]

10. INSURANCE.

Tenant shall provide and maintain either through the Montgomery County Self Insurance Fund or otherwise, at its election, insurance as follows:

- 10.1.1. Property Damage and Liability Insurance. The Tenant shall have the right to self-insure. The Parties are both members of the Montgomery County Self-Insurance Program. Section 20-37(c) of the Montgomery County Code restricts the legal defense fund to members of the fund and does not allow for outside entities. The certificate of insurance evidences limits of insurability for general liability coverage in the amounts of \$500,000 aggregate and \$200,000 each occurrence and \$20,000 per person, \$40,000 per accident for bodily injury and \$15,000 for property damage for automobile liability and State of Maryland statutory limits for worker's compensation. The limits of liability for both Parties for tort claims filed against either or both of them are as stated in the Local Government Tort

Claims Act (the "LGTC"), Md. Ann. Code, Cts. & Jud. Proc. §§5-301 et seq. (2002 Replacment Volume).

- 10.1.2. Insurance against loss or damage by fire, windstorm, tornado and hail and all other hazards covered by the usual extended coverage and "all special causes of loss" endorsements ("Property Insurance"), including, without limitation, coverage for loss or damage by water, flood and subsidence, and excluding from such coverage normal settling only. Such Property Insurance shall be *for the structures and appurtenances* in the amount set forth in the "replacement cost" endorsement to the policy in question, which endorsement shall be attached to the policy, provided that such amount, in all events, shall be (i) sufficient to prevent Landlord and Tenant from becoming co-insurers under provisions of applicable policies of insurance, and (ii) in the amount not less than one hundred percent (100%) of the net replacement cost of the Improvements (net of footers, foundations and excavation), such net replacement cost to be determined by the insurers from time to time, but not less frequently than required by the standard "replacement cost" endorsement, and no omission on the part of Landlord to request any such determination shall relieve Tenant of its obligation to have such net replacement cost determined as aforesaid. Such Property Insurance shall also include a demolition and clearing clause and extra expense and loss of use coverages with a sublimit of not less than Five Hundred Thousand Dollars (\$500,000.00) per occurrence.
- 10.1.3. Rules. The Tenant agrees that it will not keep in or upon the Leased Premises any article which may be prohibited by the standard form of fire or hazard insurance policy. In the event the Tenant's use of the Leased Premises causes any increase in the insurance premiums for the Leased Premises or any part thereof, Tenant shall pay the additional premiums as they become due, Tenant has the right to review the Landlord's policy premium and rates.
- 10.2. Certificate of Insurance. Landlord shall deliver to the Tenant a certificate of insurance evidencing the coverage hereinabove described within thirty (30) days after the execution of this Lease.
- 10.3. Insurance Does Not Waive Obligations. No acceptance or approval of any insurance agreement or agreements shall (a) relieve or release or be construed to relieve or release the Tenant or other person from any liability, duty, or obligation assumed by, or imposed upon it or (b) impose any obligation upon the additional insured(s)/loss payees.
- 10.4. Property Insurance Proceeds. During the Term, all sums payable for loss and damage to the Improvements arising out of casualties covered by the fire and extended coverage policies shall be used for the reconstruction, repair, or replacement of the damage (hereinafter referred to as "Reconstruction Work"), to a condition substantially comparable to its condition prior to the loss or damage

and shall be payable directly to Tenant or its Leasehold Mortgagee, provided that the proceeds must be used to rebuild the Improvements subject to the Leasehold Mortgagee's customary requirements including without limitation the requirement that Tenant advance any equity required in addition to the insurance proceeds to complete the Reconstruction Work. If the insurance proceeds are insufficient to perform the Reconstruction Work, Tenant shall provide additional funds required to complete such Reconstruction Work.

- 10.5. Self-Insurance. Notwithstanding any other provision of this Lease to the contrary, for so long as Montgomery County Revenue Authority remains the Tenant under this Lease, or for so long as any entity to whom this Lease has been assigned in accordance with the express terms of this Lease is insured under the County Self-Insurance Program (as defined below), Tenant shall have the right to self-insure in accordance with the provisions of the Montgomery County Self-Insurance Program (the "County Self-Insurance Program") that are set forth in Section 20-37 of the Montgomery County Code 2004, as amended.

11. CASUALTY.

- 11.1. In the event that the Improvements, or any portion thereof, are damaged or destroyed by fire or other casualty (a "Casualty"), which is as a result of a negligent or intentional act of Tenant, Tenant shall, subject to applicable bond covenants and requirements for pledge of funds, restore the Improvements to substantially the same condition as existed prior to such damage or destruction; provided that if the Casualty (a) is not as a result of a negligent or intentional act of Tenant, and (b) causes damage to the Improvements that would cost more than seventy-five percent (75%) of the original cost of construction to repair, Tenant shall have the right to terminate this Lease by giving Landlord written notice within thirty (30) days of the Casualty. If Tenant is obligated to restore the Improvements, Tenant shall continue to pay Rent as provided in Section 4 during such period and shall be obligated, at its sole cost and expense, to diligently commence and expeditiously pursue the repair of such damage so as to restore the Improvements to substantially the same condition as existed prior to such damage or destruction.
- 11.2. If Tenant elects to terminate this Lease, in accordance with Section 11.1, and if Landlord so requests, Tenant shall demolish and remove the Improvements from the Leased Premises, and place the Leased Premises from which such Improvements were removed in a safe and sanitary condition, within one hundred twenty (120) days after the effective termination date; provided, however, that Tenant shall not be required to expend for such demolition, removal and restoration any amount in excess of any proceeds of insurance payments received by Tenant with respect to the Casualty. Upon completion of such removal, or if removal is not required, Landlord shall be entitled to all of the proceeds of any insurance policies which have not been applied by Tenant to the cost of any such required demolition, removal and restoration. Tenant's obligations under this Section 11 shall survive termination of this Lease.

- 11.3. If Tenant terminates this Lease under this Section 11, the parties' respective obligations to pay and/or rights to collect the Revenue and Rent due hereunder shall cease as of the date of such damage or destruction.

12. EXTRACTION AND CLOSURE OF PARK GOLF COURSES.

- 12.1. Right of Landlord to Extract a Park Golf Course. Landlord shall have the right, after six (6) months written notice to Tenant, to extract any of the Park Golf Courses from this Lease in the event Landlord (1) determines that it wants to change the use of such property; (2) compensates Tenant for the greater amount of (a) any outstanding debt associated with the improvements at such Park Golf Course, so that Tenant is released from its financial obligations as they relate to such Park Golf Course and revenues therefrom, and Tenant is able to meet its debt coverage pledge for any outstanding debt without such Park Golf Course continuing in the Golf System, or (b) the unamortized value of improvements (and capital repairs) made to such Park Golf Course by Tenant, and (c) reduced by such amount as Landlord may have invested for capital improvements in such Park Golf Course after the Effective Date of this Lease, or prior thereto if required in accordance with this Lease; and (3) has procured the necessary appropriation to compensate Tenant as required under this provision. Notwithstanding anything to the contrary herein, the closure of a Park Golf Course to effect a transfer of such Park Golf Course to Landlord shall not take effect between April 1 and October 31 of any given year without the consent of Tenant, which consent shall not be unreasonably withheld, conditioned or delayed. Landlord may not exercise any right to extract any of the Park Courses until the Little Bennett Debt has been paid and released in full.

- 12.2. Right Of Tenant To Close A Park Golf Course. Upon a determination by Tenant, based upon an independent financial analysis of the entire Golf System that indicates that any of the Park Golf Courses is adverse to the entire Golf System, Tenant shall have the right to extract any of the Park Golf Courses from the Lease and return it to Landlord; provided however, Tenant shall first present such findings to the Planning Board and the County Council to consider alternatives to closing the Park Golf Course. Upon the return of such Park Golf Course to Landlord, Landlord shall not operate such Park Golf Course in competition with Tenant as determined in accordance with Section 2.1. Other than as provided in Section 3.2.2, Tenant may not exercise its right to close the Little Bennett Golf Course under this Section 12.2 until the Little Bennett Debt has been paid and released in full.

13. TENANT'S DEFAULT; LANDLORD'S REMEDIES.

- 13.1. Tenant's Default. Tenant shall be considered in default of this Lease ("Tenant's Default") if:
- 13.1.1. Failure to Observe Agreement. Tenant shall fail to observe, satisfy or perform any term, covenant or agreement contained in this Lease, and

such failure shall for a monetary default continue unremedied for thirty (30) days after written notice thereof from the Landlord to the Tenant. If such default is not capable of being cured within such thirty (30) days, Tenant must nonetheless commence and duly and diligently to proceed with such cure to completion; or

13.2. Notice of Default; Cure Period. Upon the occurrence of a Tenant's Default, Landlord shall, prior to exercising any remedies hereunder, give to Tenant, pursuant to the notice provisions hereof, a "Notice of Tenant's Default," which Notice of Tenant's Default shall at the same time be given to any Leasehold Mortgagees of which Landlord has been notified in writing, and which shall provide in the case of a Tenant's Default described in Section 13.1 that Tenant shall cure such default within a period of thirty (30) days. With respect to any Tenant's Default other than a default in the payment of money, which default is of such nature that it cannot, by due diligence, be cured within the foregoing periods of time, if Tenant shall promptly commence the curing of such default and so long as Tenant is employing reasonable efforts to cure such default, then Tenant shall be entitled to a reasonable period to cure such default. There shall exist an Event of Tenant's Default if a Tenant's Default remains uncured after the giving of a Notice of Tenant's Default and the expiration of the foregoing periods to cure. Any Leasehold Mortgagees shall have the rights and periods of time within which to cure or commence to cure any Tenant's Default as are set forth in Section 9 hereof.

13.3. Remedies. If an Event of Tenant's Default exists and Landlord gives Tenant and any Leasehold Mortgagee a Notice of Tenant's Default in accordance with subsection 13.2, and Tenant and any Leasehold Mortgagees fail to cure the specified default within the time allowed by this Lease, then Landlord shall have the following rights:

13.3.1. Landlord may give to Tenant, pursuant to the notice provisions hereof, a notice ("Notice of Termination") which shall at the same time be given to any Leasehold Mortgagee and which shall provide that unless the default specified in the Notice of Tenant's Default (and again specified in the Notice of Termination) is cured (or a cure is commenced) within thirty (30) days following the giving of the Notice of Termination, then, upon the expiration of such thirty (30) day period, the term of this Lease shall expire and terminate. Upon the occurrence of all of the foregoing events, including the expiration of such thirty (30) day period, then unless such Tenant's Default shall have been cured and subject to the Leasehold Mortgagee's rights under Section 9 hereof, including, without limitation, its right to a New Lease under Section 9.3 hereof, the Term of this Lease shall expire and terminate with the same force and effect as though the date so specified were the date herein originally fixed as the expiration date of the Term. The provisions of this subsection shall operate as a notice to quit, any other notice to quit or of Landlord's intention to re-enter the Leased Premises being hereby expressly waived. If necessary, Landlord

may proceed to recover possession of the Leased Premises under applicable laws. If Landlord elects to terminate this Lease and/or elects to terminate Tenant's right of possession, everything in this Lease to be done and performed by Landlord shall cease without prejudice, and Tenant shall remain liable for (i) all rent and other sums accrued through the later of termination of this Lease or Landlord's recovery of possession and (ii) direct damages incurred by Landlord on account of such default.

13.3.2. No delay or failure by Landlord to exercise or enforce any of Landlord's rights or remedies or Tenant's obligations shall constitute a waiver of any such rights, remedies or obligations. Landlord shall not be deemed to have waived any default by Tenant unless such waiver expressly is set forth in a written instrument signed by Landlord. If Landlord waives in writing any default by Tenant, such waiver shall not be construed as a waiver of any covenant, condition or agreement set forth in this Lease except as to the specific circumstances described in such written waiver.

13.4. Landlord's Waiver of Distraint. Landlord hereby waives any and all rights Landlord now has or hereafter may have by reason of this Lease (or by reason of statute or common law) to distraint for rent upon the Leased Premises, or upon any property upon the Leased Premises, whether such property is the property of Tenant or is the property of any other person or entity.

13.5. Additional Cure Rights of Leasehold Mortgagees. The rights of any Leasehold Mortgagees and other provisions regarding default and termination as set forth in Section 9 shall apply in addition to any rights to cure set forth in this Section.

13.6. No Remedy Exclusive. It is understood and agreed that the remedies set forth in this Section 13 shall be cumulative and in addition to all other remedies which are or may be available to Landlord at law or in equity.

14. LANDLORD'S DEFAULTS.

14.1. Events of Landlord's Default. If default shall be made by Landlord in the performance of, or in compliance with, any of the terms, covenants, or conditions contained in this Agreement, and Landlord shall fail to cure such default within thirty (30) days after receipt of written notice thereof from Tenant (or if such default is of such nature that it cannot, by due diligence, be cured within the such thirty (30) day period, then such longer period of time as is reasonably required for Landlord to process the cure to completion, provided Landlord shall diligently commence the curing of such default within such thirty (30) day period and continuously process the same to completion), then such event shall constitute a "Landlord Default" under this Agreement.

- 14.2. Notice of Landlord's Default; Cure Period. Tenant shall, prior to exercising any remedies hereunder, give to Landlord, pursuant to the notice provisions hereof, a notice of Landlord's Default, and which shall provide that Landlord shall cure such default within thirty (30) days from the date of such notice ("Notice of Landlord's Default"). With respect to any Landlord's Default, if Landlord shall commence the curing of such default within the period specified in the Notice of Landlord's Default, then Landlord shall be entitled to as long a period to cure such default as may be required by Landlord in the exercise of due diligence in endeavoring to cure such default.
- 14.3. Tenant's Remedies. If a Landlord Default shall occur, then (i) Tenant may (but shall not be obligated to) make such payment or do such act as may be reasonably necessary to cure such Landlord Default, and charge the amount of the expense thereof to Landlord, which amount shall be due and payable by Landlord upon demand and the amount of which Tenant may offset against Percentage Rent obligations under this Lease, or (ii) Tenant may, without terminating this Agreement, bring an action in a court of law for injunctive relief and/or monetary damages suffered as a result of such Landlord Default.
- 14.4. No Waiver. No failure by Landlord or Tenant to insist upon the performance of any covenant, agreement, provisions or condition of this Lease or to exercise any right or remedy consequent upon a default by either party hereunder, and no acceptance of full or partial rent during the continuance of any Tenant default shall constitute a waiver of any such default or of such covenant, agreement, provision or condition. No waiver of any default shall affect or alter this Lease, but each and every covenant, agreement, provision and condition of this Lease shall continue in full force and effect with respect to any other then-existing or subsequent default hereunder.

15. INDEMNIFICATION.

- 15.1. By Tenant. Except to the extent caused by the negligence or willful misconduct or other wrongful conduct of Landlord, its agents, employees or contractors, and to the extent of insurance available to Tenant, without any waiver of Tenant's immunities under state law, Tenant shall indemnify and save Landlord harmless against and from, and shall reimburse Landlord for, all liabilities, obligations, damages, fines, penalties, claims, demands, costs, charges, judgments, and expenses, including but not limited to reasonable attorneys' fees, which may be imposed upon or incurred or paid by or asserted against Landlord or Landlord's fee interest in the Leased Premises by reason of or in connection with any of the following:
- (i) any occurrence on any part of the Leased Premises or occasioned by the use of equipment under the exclusive control of Tenant; or
 - (ii) any breach or default in the performance of any of Tenant's obligations under this Lease.

In case any action or proceeding is brought against Landlord by reason of any claims described in this Section 15.1 that are covered under the County Self-Insurance Program, Tenant, if Landlord gives Tenant reasonable notice thereof and requests Tenant to do so, shall, at Tenant's expense, defend such action or proceeding. Tenant's obligations under this Section shall survive the expiration or termination of this Lease.

15.2. By Landlord. Except to the extent caused by the negligence, willful misconduct or other wrongful conduct of Tenant, its agents, employees, contractors, licensees or invitees, and to the extent of its statutory liability, without any waiver of Landlord's immunities under state law, Landlord shall indemnify and save Tenant harmless against and from, and shall reimburse Tenant for, all liabilities, obligations, damages, fines, penalties, claims, demands, costs, charges, judgments, and expenses, including but not limited to reasonable attorneys' fees, which may be imposed upon or incurred or paid by or asserted against Tenant by reason of or in connection with any of the following:

- (i) any occurrence on any part of the Park outside of the Leased Premises or area that is not routinely used exclusively for golf purposes, including but not limited to the Tower Property, and Joint Facilities; or
- (ii) any breach or default in the performance of any of Landlord's obligations under this Lease.

16. FORCE MAJEURE.

Notwithstanding anything to the contrary contained in this Lease, all of the parties' obligations hereunder shall be subject to the provisions of this Section 16. For any Force Majeure resulting in a delay in either party's performance, provided that the claiming party is duly and diligently working to end the Force Majeure and minimize the impact of the Force Majeure, the performance of the party claiming Force Majeure shall be extended by one day for each day of delay in such party's performance attributable to the Force Majeure event. Any party claiming Force Majeure must provide the other party with immediate notice of the Force Majeure once the party knows of (or should have known of) the Force Majeure event. The notice must describe the Force Majeure event, the anticipated duration of the Force Majeure, and actions to be taken by the claiming party to end the Force Majeure and minimize its impact.

17. REPRESENTATIONS, WARRANTIES AND COVENANTS.

17.1. Tenant's Representations, Warranties and Covenants. To induce Landlord to enter into this Lease, Tenant represents, warrants, and covenants and agrees with Landlord that:

17.1.1. Tenant is a body corporate and politic and is an instrumentality of the County and a public corporation and has the full and unrestricted lawful

power and authority to enter into and carry out the terms of this Lease. The execution, delivery and performance of this Lease and the consummation of the transactions contemplated hereby and thereby have been duly authorized and approved, and this Lease and all other agreements contemplated herein, documents contemplated hereby or thereby each will constitute a valid and binding agreement of the Tenant enforceable in accordance with its terms.

17.2. Landlord Representations and Warranties. To induce Tenant to enter into this Lease, Landlord represents and warrants to, and covenants and agrees with Tenant as follows:

17.2.1. Landlord is a body politic of the State of Maryland and has the full and unrestricted lawful power and authority to enter into and carry out the terms of this Lease in its capacity as owner of the Leased Premises. Subject to the approval of this Lease by the Montgomery County Council, the execution, delivery and performance of this Lease and the consummation of the transactions contemplated hereby and thereby have been duly authorized and approved, and this Lease and all other agreements, documents and instruments contemplated hereby or thereby, each will constitute a valid and binding agreement of the Landlord, enforceable in accordance with its terms.

17.2.2. Neither the execution and delivery of this Lease, nor the consummation of the transactions contemplated hereby or thereby will (i) conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under the Maryland Code, or any agreement or instrument to which it is a party; (ii) violate any agreement, restriction, easement, restrictive covenant, or instrument to which it is a party or to which it or any of its assets is subject; or (iii) constitute a violation of any applicable judgment, decree or order or, to Landlord's knowledge, any Applicable Law.

17.2.3. Except for the conditions set forth in Section 3.2.1 that require Corrective Work, the Park Golf Courses are in compliance with Applicable Law.

18. GENERAL CONDITIONS.

18.1. Disputes. Each of Landlord and Tenant hereby consents and submits to the jurisdiction of the Circuit Court of Montgomery County, Maryland for all purposes in connection with the resolution of controversies or disputes hereunder. Each of Landlord and Tenant irrevocably consents to the service of process or notice of motion or other application to any of the aforementioned court, and any papers in connection with any proceedings before such court, by the mailing of copies thereof by certified or registered mail, postage prepaid, to the other party at its address designated in Section 18.6 of this Lease.

- 18.2. Use of Words and Phrases. Use of the singular shall include the plural and use of the plural shall include the singular as appropriate. Where this Lease requires the performance of obligations, such performance, unless otherwise stated, may be performed by the party or its contractor or agent on its behalf.
- 18.3. Approvals. Approvals and consents required from Landlord in this Lease do not substitute for regulatory approvals required under Applicable Law. Whenever consent or approval of Landlord or Tenant is required under this Lease, such consent or approval shall not be unreasonably withheld, conditioned or delayed, unless the provision requiring such consent or approval clearly states otherwise. Any time Tenant's or Landlord's approval or permission is required by this Lease, such approval must be in writing.
- 18.3.1. Approvals by Landlord. Whenever consent or approval of Landlord is required under this Lease it shall only be requested and given in writing and, only the Executive Director of Landlord or the Director of Parks (or a person designated by the Executive Director or the Director of Parks by written and personally signed notice to Tenant) may grant such consent or approval, unless the provision requiring such consent or approval clearly states otherwise.
- 18.3.2. Approvals by Tenant. Whenever consent or approval of Tenant is required under this Lease, only the Executive Director of Tenant (or a person designated by the Executive Director to grant consents and approvals under this Lease by written and personally signed notice to Landlord) may grant such consent or approval, unless the provision requiring such consent or approval clearly states otherwise.
- 18.4. Construction of Document. Both parties to this Lease are represented by counsel and this Lease reflects input from both parties. Therefore, in the event of a dispute over, or any ambiguity of, the terms of this Lease, the parties agree that common law rules of construction in favor of one party or against another party shall not apply.
- 18.5. No Partnership or Joint Venture. It is mutually understood and agreed that nothing contained in this Lease is intended or shall be construed in any manner or under any circumstances whatsoever as creating or establishing the relationship of partners or creating or establishing the relationship of a partnership or joint venture between the Landlord and the Tenant or as constituting Tenant as the agent or representative of the Landlord for any purpose or in any manner under this Lease, it being understood that Tenant is a separate entity.
- 18.6. Notice. Any notice or communication under this Lease by Landlord to Tenant or by Tenant to Landlord must be in writing and shall be sufficiently given or delivered if dispatched by either (a) certified mail, postage prepaid, return receipt requested, (b) nationally recognized overnight delivery service, or (c) hand-

delivery (if receipt is evidenced by a signature of the addressee or authorized agent), and addressed:

in the case of a notice or communication to Tenant, as follows:

Montgomery County Revenue Authority
101 Monroe Street, Suite 410
Rockville, Maryland 20850
Attn: Executive Director

with a copy to:

County Attorney for Montgomery County
101 Monroe Street, Third Floor
Rockville, Maryland 20850
Attn: County Attorney

in the case of a notice or communication to Landlord, as follows:

The Maryland-National Capital Park and Planning Commission
9500 Brunett Avenue
Silver Spring, Maryland 20901
Attn: Director of Parks
with a copy to:

The Maryland-National Capital Park and Planning Commission
6611 Kenilworth Avenue
Riverdale, Maryland 20737
Attn: General Counsel

or addressed to such other address in respect to any of the foregoing parties as that party may, from time to time, designate in writing, dispatched as provided in this Section.

Such notice shall be deemed given upon receipt, or upon attempted delivery during normal business hours. All notices and approvals required in this Lease must be in writing to bind the submitting or receiving party.

- 18.7. Conflicts of Interest. No member, official, representative, or employee of Landlord or Tenant shall take any action regarding this Lease or any agreements relating to either which conflicts with, or is prohibited by, any ethical requirements to which they are subject.
- 18.8. Performance on Saturday, Sunday, or Holiday. Whenever the provisions of this Lease call for the performance of any act on or by a date that is not a business day, including the expiration date of any cure periods provided herein, then such

payment or such performance shall be required on or by the immediately succeeding business day.

- 18.9. State Law. This Lease shall be interpreted in accordance with the laws of the State of Maryland.
- 18.10. No Brokers. Landlord and Tenant each warrants to the other that no broker or agent has been employed with respect to this Lease and each agrees to indemnify and hold the other harmless from any claim by any broker or agent claiming compensation in respect of this Lease based on an alleged agreement or undertaking by Landlord or Tenant, as the case may be.
- 18.11. Estoppel Certificate from Landlord. Upon thirty (30) days' prior written notice by Tenant or any Leasehold Mortgagee, from time to time, Landlord shall execute, acknowledge and deliver to Tenant or to any person designated by Tenant, a statement in writing certifying, to the extent accurate, (1) whether this Lease has been modified (and, if there have been modifications, identifying the same by the date thereof and providing a copy thereof), (2) whether any Notice of Tenant's Default or Notice of Termination has been given to Tenant, (3) whether to the knowledge of Landlord any Event of Tenant's Default exists hereunder, (4) whether Landlord has any specific knowledge of any claims against Tenant hereunder, (5) the Lease Commencement Date, expiration date, the then-current amount of Annual Base Rent and the date to which the Annual Base Rent has been paid by Tenant, (6) that this Lease is in full force and effect and that to the best of Landlord's knowledge there are no conditions existing which, with the passage of time or the giving of notice or both, would constitute a Tenant's Default, and (7) that the contemplated transfer or financing, if any, does not constitute a Tenant's Default under this Lease and that no consent of the party so certifying is required for such transfer or financing.
- 18.12. Memorandum of Lease. Concurrently with the execution of this Lease, Landlord and Tenant shall execute in recordable form for purposes of recordation, a short form of this Lease containing the names of the parties, a description of this Leased Premises, the Term of the Lease, a statement of the permitted uses hereunder of the Leased Premises, and such other provisions as Tenant may reasonably require. The parties shall also execute in recordable form additional memoranda reflecting any other date or matter pertaining to this Lease reasonably requested by Tenant. All costs, if any, of recording such memoranda shall be borne by Tenant. Prior to the last three hundred sixty-five (365) days of the Term (taking into consideration any Renewal Term) (or within thirty (30) days after the earlier termination of the Term, if applicable), Tenant shall execute and deliver to Landlord a release of memorandum of lease, in recordable form, and execute such other documentation as Landlord may reasonably request in connection therewith.
- 18.13. Entire Agreement. This Lease cannot be changed or terminated orally. This Lease and the Exhibits attached hereto contain the entire agreement between the parties and is intended by the parties to be an integration of all agreements

between the parties concerning the terms of this Lease. Any agreement hereafter made shall be ineffective to change, modify or discharge this Lease in whole or in part, unless such agreement is in writing and signed by the parties hereto.

- 18.14. No Merger. The fee title of Landlord and the leasehold estate of Tenant shall at all times be separate and apart, and shall in no event be merged, notwithstanding the fact that this Lease or the leasehold estate created hereby, or any interest in either thereof, may be held directly or indirectly by or for the account of any person who shall own the fee estate in the Leased Premises or any portion thereof; and no such merger of estates shall occur by operation of law, or otherwise, unless and until all persons at the time having any equity or secured financing interest of record in this Lease or the leasehold estate, shall join in the execution of a written instrument effecting such merger of estates and record such instrument among the land records of Montgomery County, Maryland.
- 18.15. Severability. If any provision of this Lease or the application thereof to any person or situation shall, to any extent, be held invalid or unenforceable, the remainder of this Lease, and the application of such provision to persons or situations other than those as to which it shall have been held invalid or unenforceable, shall not be affected thereby, and shall continue to be valid and shall be enforced to the fullest extent permitted by law.
- 18.16. Obligations to Run With Land. The parties hereto covenant and agree that all of the conditions, covenants, agreements, rights, privileges, obligations, duties, specifications and recitals in this Lease contained, shall be construed as covenants running with the land, and as extending to, inuring to the benefit of, and being binding upon Landlord and Tenant and their successors and assigns, to the same extent as if said successors and assigns were herein named as original parties hereto, all to the end that this Lease shall always bind the owner and holder of any interest whatsoever in or to the Leased Premises, and the Improvements thereon.
- 18.17. Gender; Number; Multiple Parties. Words of any gender used in this Lease shall be held to include any other gender; words in the singular number shall be held to include the plural; and words in the plural shall be held to include the singular; all when the sense requires. If Landlord or Tenant is composed of more than one person or entity, then such person(s) or entity(ies) shall be jointly and severally liable for all obligations of Landlord or Tenant hereunder, as the case may be.
- 18.18. Captions for Convenience. The captions and titles, and the Section and Paragraph headings (including the index and table of contents) are inserted only for convenience, and are in no way to be construed as part of this Lease, or as a limitation on the scope of the particular provisions to which they refer.
- 18.19. Counterparts. This Lease may be executed in multiple counterparts, each of which shall constitute an original and all of which together shall constitute one agreement. The cover sheet of each such counterpart shall indicate the total

number of counterparts executed by the parties, and the recipient of such counterpart.

- 18.20. Waiver of Jury Trial. Landlord and Tenant each waives trial by jury in any action or proceeding brought by either of them against the other or on any claim, cross-claim or counterclaim in respect thereof on any matters whatsoever arising out of, or in any way connected with, this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Leased Premises, and/or any claim, injury or damage under or in connection with this Lease.
- 18.21. Liability of Tenant. Tenant shall be liable for any violation of the terms and conditions of this Lease by Tenant, its assignees, licensees, concessionaires. However, notwithstanding anything to the contrary provided in this Lease, no member, official, directors, shareholder, representative or employee of Tenant or any affiliated organization or member thereof shall be personally liable with respect to any of the terms, covenants and conditions of this Lease.
- 18.22. Liability of Landlord. Notwithstanding anything to the contrary provided in this Lease, no member, official, representative or employee of Landlord shall be personally liable with respect to any of the terms, covenants and conditions of this Lease.
- 18.23. Landlord's Employees. The parties hereto acknowledge that Tenant has no obligation to sustain or offer employment to any of Landlord's employees that are employed in connection with the Leased Premises ("Landlord's Employees"), nor does Tenant assume any obligation or liability to employ or continue the employment of any Landlord's Employees after the Effective Date. Landlord understands that Tenant may hire on its own terms and conditions and as its own employees some of the Landlord's Employees from and after the Effective Date; it being acknowledged and agreed by Tenant that any offers of employment to such employees shall be expressly conditioned upon the occurrence of the Effective Date. Notwithstanding whether Tenant does employ any Landlord's Employee, Tenant shall have no liabilities of any kind in connection with any such employees arising from their employment by Landlord. Any Landlord's Employees hired by Tenant shall enter into a new employment relationship with Tenant subject to terms and conditions established by Tenant, and Tenant shall have no responsibility for any payroll taxes, accrued vacation pay, fringe benefits, unemployment, worker's compensation or other prepaid or deferred obligations for any employee of Landlord who enters into the employment of Tenant arising from any period before such employee enters into an employment relationship with Tenant, unless such transfer of benefits is in accordance with federal, state or local laws and regulations.
- 18.24. Non-Discrimination.

Landlord and Tenant agree to comply with the non-discrimination in employment policies in accordance with Applicable Law. Landlord and Tenant assure each

other that in accordance with Applicable Law, it does not, and agrees that it will not, discriminate in any manner on the basis of race, color, religious creed, sex, marital status, national origin, ancestry, disability, sexual orientation or genetic status.

18.25. Limitations.

Limitations on Landlord Responsibilities and Obligations. All financial responsibilities and obligations of Landlord pursuant to this Lease shall be subject to Landlord's adopted and approved budget for the specific responsibility and/or obligation. Commission shall, in accordance with its normal budgetary procedures, make timely application for, and use reasonable efforts to obtain, budget appropriations reasonably calculated to provide all funds necessary for Commission's performance of and compliance with all of the material terms, conditions and covenants contained in this Lease. In the event that Landlord fails to appropriate funds to pay for or perform any of its obligations hereunder, the Tenant may remedy such failure by offsetting the costs of such payment or performance against payments of any Percentage Rent obligations under this Lease.

Limitations on Tenant Responsibilities and Obligations. Notwithstanding any other provision of this Lease, all responsibilities and obligations of Tenant pursuant to this Lease, except for its obligation to pay Annual Base Rent and Percentage Rent in accordance with Section 4 herein, shall be subject to both the availability of funds to cover such obligations and the approval of Tenant's board to make such expenditure for the specific purpose. Tenant shall, in accordance with its normal budgetary procedures, make timely application for, and use reasonable efforts to obtain, budget appropriations reasonably calculated to provide all funds necessary for Tenant's performance of and compliance with all of the material terms, conditions and covenants contained in this Lease.

18.26. Time. Time is of the essence with respect to each provision of this Lease.

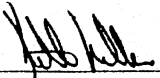
18.27. Effective Date. The Effective Date of this Lease as inserted in the heading in Page 1 hereof shall be the date that this Lease is fully executed and delivered by both Landlord and Tenant.

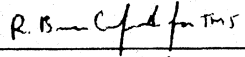
[Signature Page Follows]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be duly executed as of the date first above written.

MONTGOMERY COUNTY
REVENUE AUTHORITY

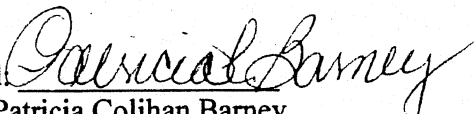
MARYLAND-NATIONAL CAPITAL
PARK AND PLANNING COMMISSION

By: 
Keith Miller
Executive Director

By: R. B.  for TMS
Trudye Morgan Johnson
Executive Director

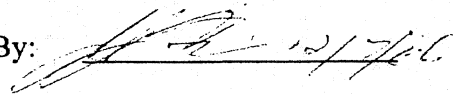
Date: 12-7-06

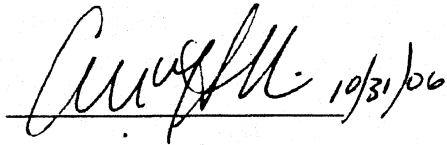
Date: 11/14/06

Attested: 
Patricia Colihan Barney,
Secretary-Treasurer

Approved for legal sufficiency.

Approved for legal sufficiency.

By:  12/7/06

By:  10/31/06

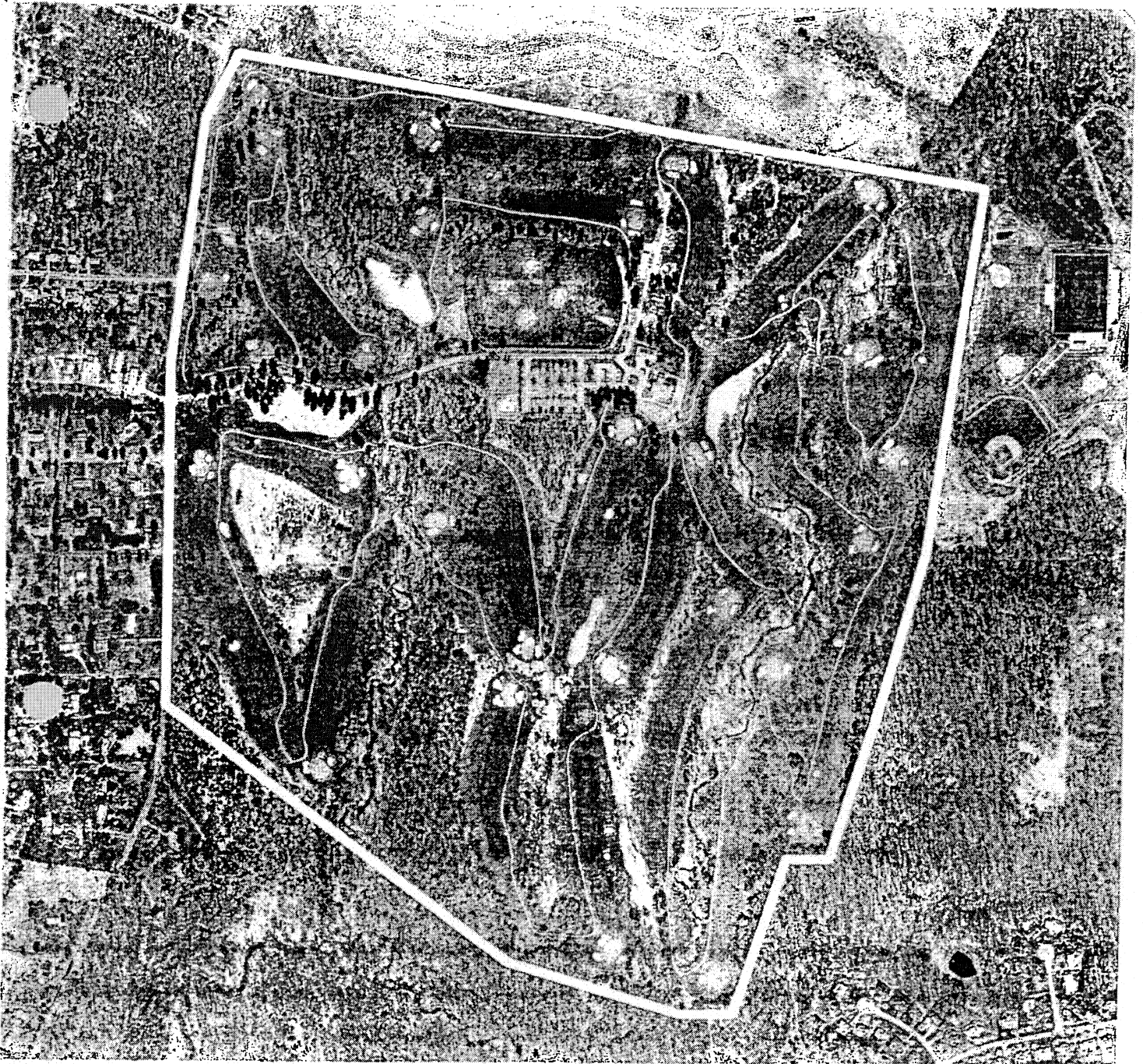
List of Exhibits

- | | |
|-----------|--|
| EXHIBIT A | Leased Property and Improvements (Included) |
| EXHIBIT B | Tower Property (Included) |
| EXHIBIT C | Permitted Encumbrances (to be provided) |
| EXHIBIT D | Equipment and Installment Payment Inventory (included) |
| EXHIBIT E | Bank of America Approval of Lease, Recognition and Non-Disturbance Agreement |
| EXHIBIT F | List of Service Contracts and Warranties (to be provided) |
| EXHIBIT G | Description of Weir removal work at Northwest Golf Course (included) |

EXHIBITS

EXHIBIT A

Area of Use Maps



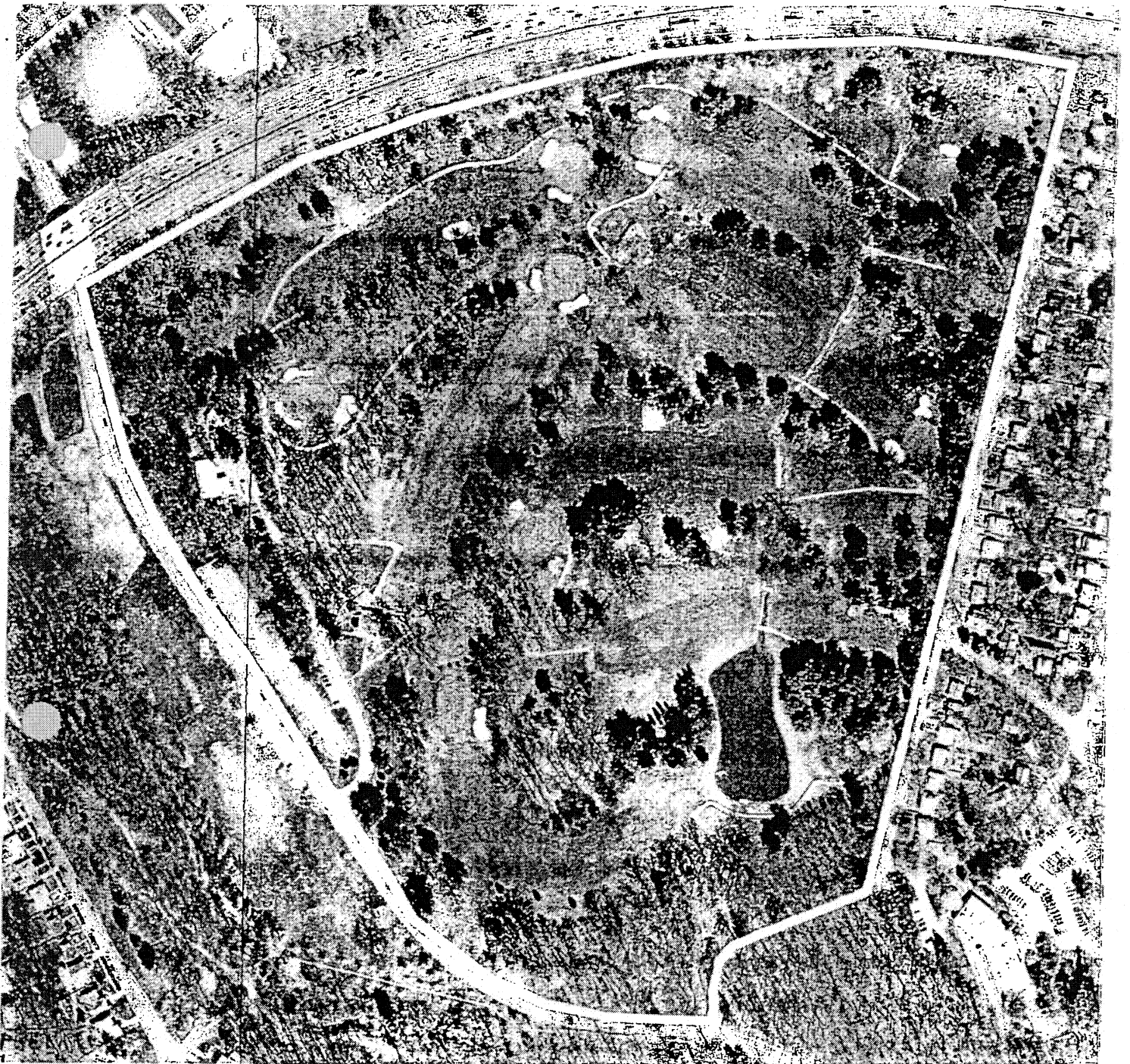
NORTHWEST BRANCH GOLF COURSE

Map Compiled by
MC Parks/PDD with
MC Plan./R&T GIS

LEGEND:

Area of
Operation

A-2



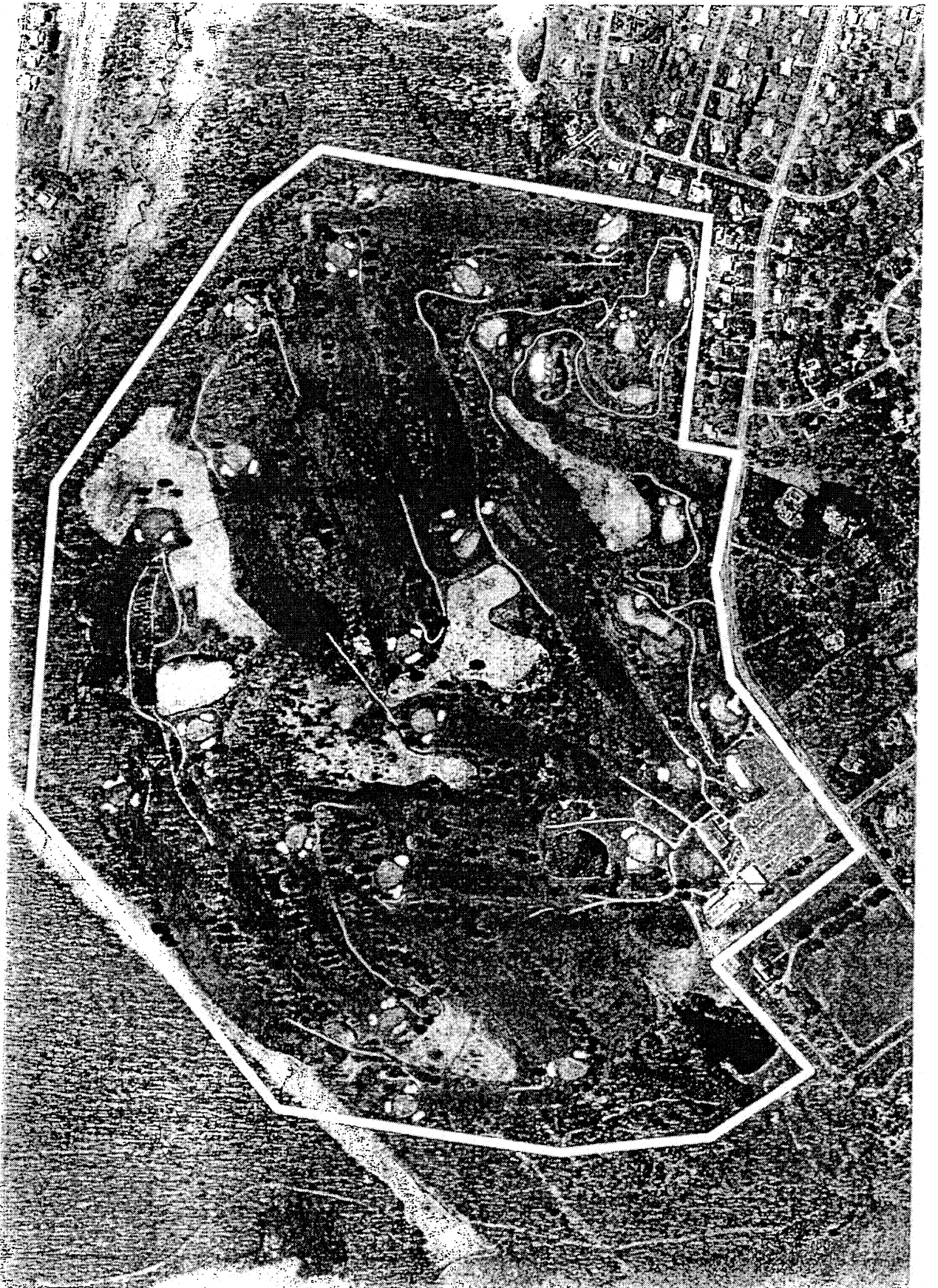
SLIGO CREEK GOLF COURSE

LEGEND:

Map Compiled by
MC Parks/PDD with
MC Plan./R&T GIS

Area of
Operation

A-3



Map Compiled by
MC F s/PPDD with
MC Plan, R&T GIS

NEEDWOOD GOLF COURSE

LEGEND:

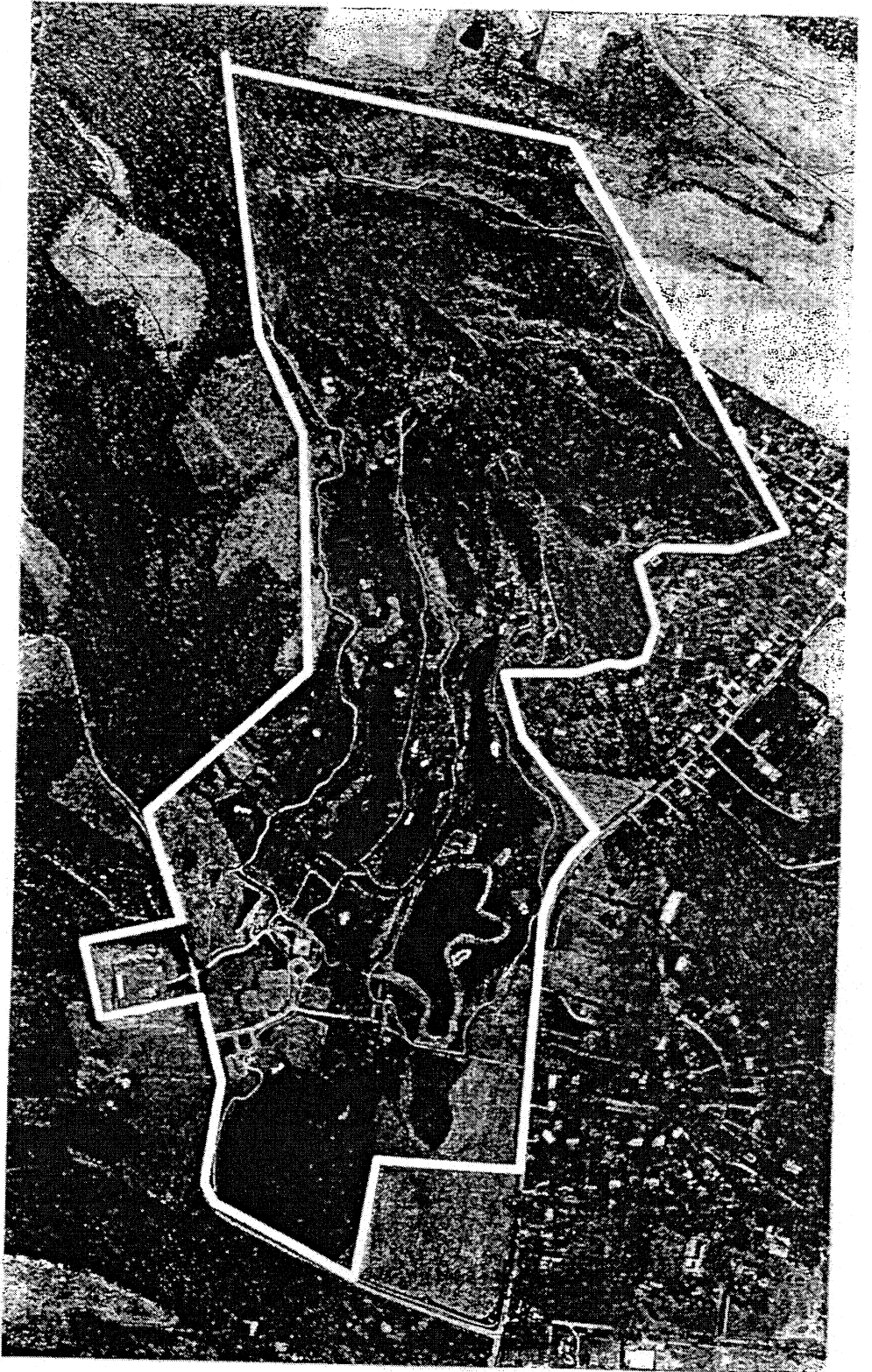
A of
Marathon

EXHIBIT A

A-4

Map Compiled by
MC Parks/PDD with
MC Plan./R&T GIS

LITTLE BENNETT GOLF COURSE



LEGEND:

Area of
Operation

EXHIBIT A

A-5

EXHIBIT B

Tower Property

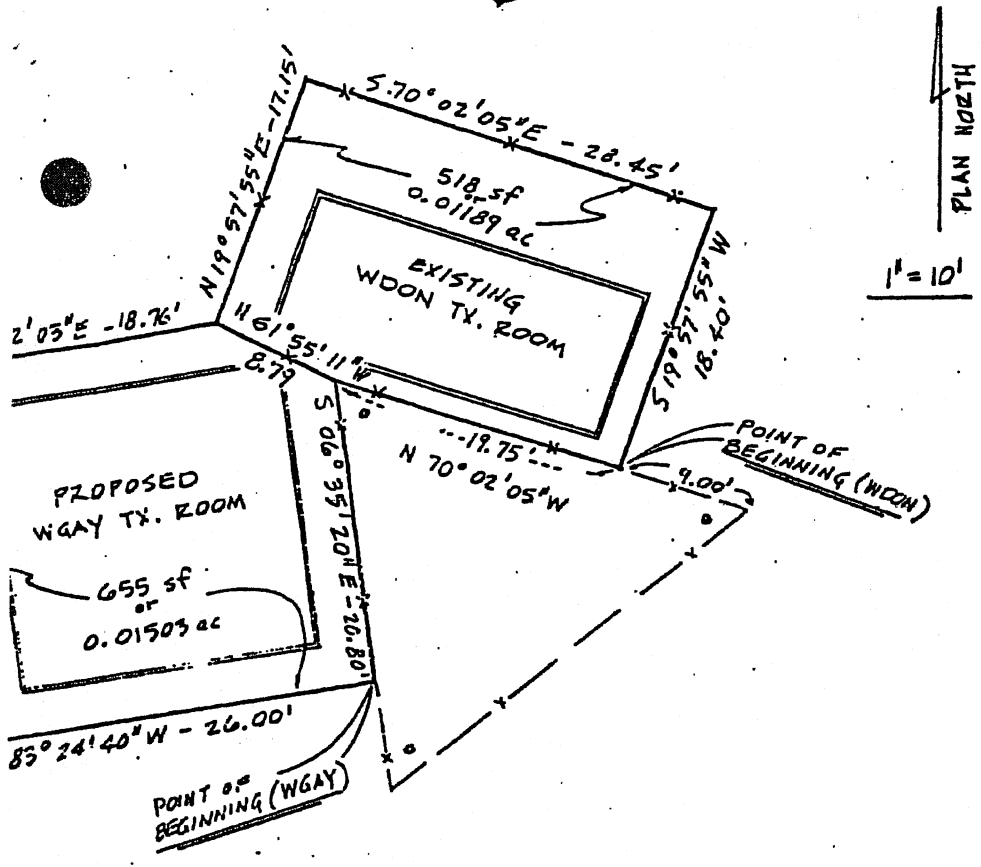
B

EXISTING WDON TX ROOM
Fence Enclosure within Sligo Golf Course

EXHIBIT B

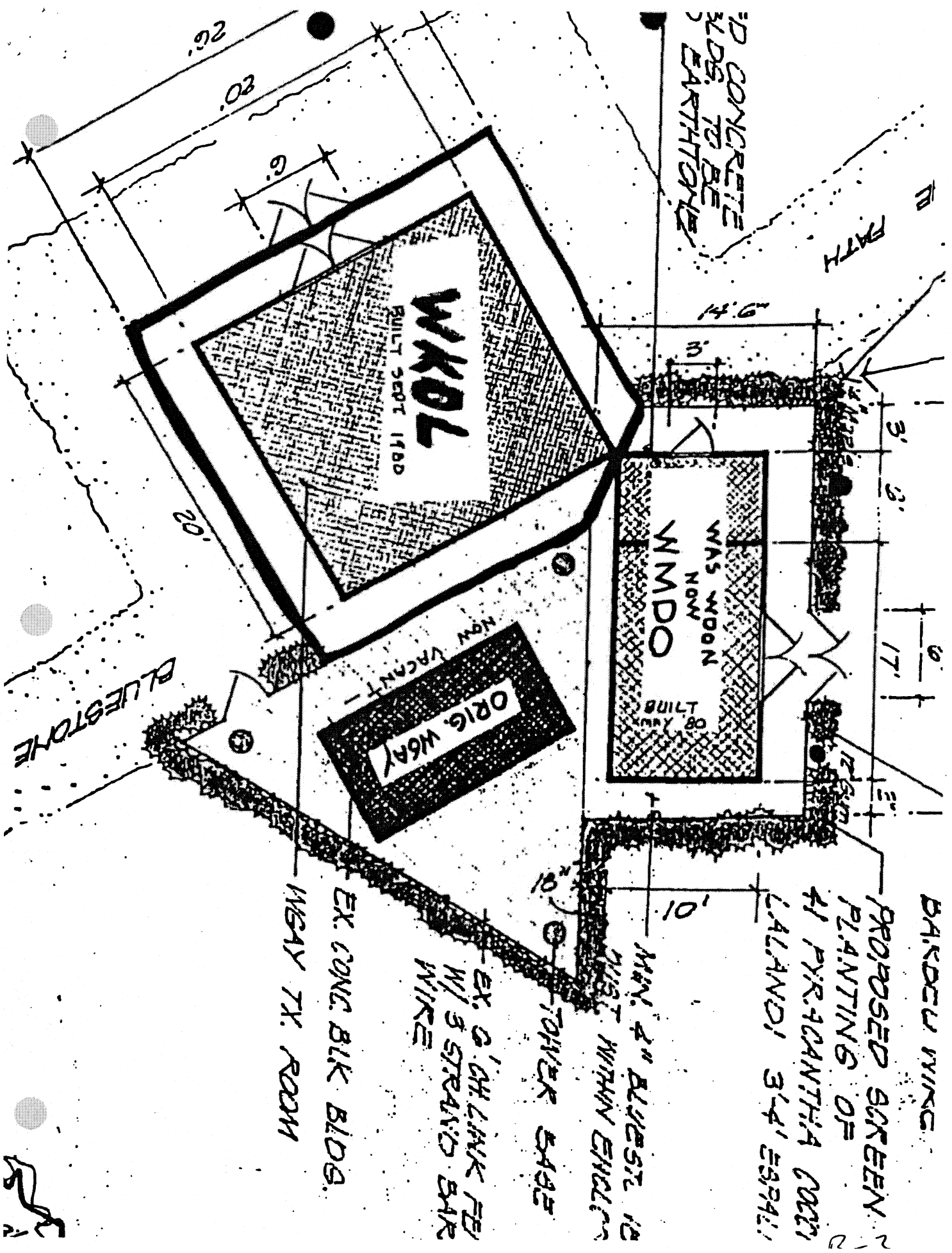
Beginning at a point 9.00 feet in a westerly direction from the easternmost corner of an existing triangular fence enclosure, the following:

1. North $70^{\circ} 02' 05''$ West, 19.75 feet along the abovementioned fence to the corner thereof, thence
2. North $61^{\circ} 55' 11''$ West, 8.79 feet to the corner of an existing fence, thence along said fence, the following three courses:
3. North $19^{\circ} 57' 55''$ East, 17.15 feet, thence
4. South $70^{\circ} 02' 05''$ East, 28.45 feet, thence
5. South $19^{\circ} 57' 55''$ West, 18.40 feet to the point of beginning containing a computed area of 518 square feet or 0.01189 acre.



PLAN NORTH
 1" = 10'

7-23-80



CONCRETE
BLDG. TO BE
BARTHTON

BATH

WKOL
BUILT SEPT 1950

WMDO
WAS NOW

ORIG W6AY
NOW VACANT

BLUESTONE

BARDUCI WING

PROPOSED SCREEN
PLANTING OF
41 PYRACANTHA COEN
LALANDI 3'4' 5394

MIN. 2" BLUESTONE IS
NEED WITHIN ENCL

EX. 2' OH LINK FEEL
W/ 3 STRANDS BAR
WIRE

EX. CONG. BLK BLDG.

W6AY TX. ROOM

5

EXHIBIT C

Permitted Encumbrances

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EXHIBIT D

Equipment and Installment Payment Inventory

Needwood Equipment Inventory

Manufacturer	Tag #	Course #	Description	Model #	Serial #	ACQ Date
AgriMetal	20128		Leaf Blower		360	1993
AgriMetal	20036		Leaf Blower	BW300		2002
Black Crank			Overhead Lube System	Air/Hy. Fluid/Oil		
Blue Point			3/4 Ton Aux Stand	4A779A		
Blue Point			Portable Power Supply	YA1213A		
Budget			Overhead Crane	1 Ton		
Champion	20050		Vertical Tank Air Compressor	VR5-8		
Cincinnati			Dust Control	G912213		
Cushman	20107		Core Harvester		888279	1993
Cushman	20108		Core Harvester		894754	1999
Dayton			3 Foot Stand Up Fan			
Dayton			Hand Truck	2W157		
Dayton			Wet/Dry Vac	4TR20A		
Dewalt	20118		Circular Saw	DW-359		2001
Echo	20210		Backpack Blower	PB46LN		2003
Echo	20130		Chainsaw	CS3400		1998
Echo	20129		Chainsaw	CS6700		1998
Echo	20130		Chainsaw	CS-440		1998
Echo	20116		Hedge Trimmer	HC1500		2004
Echo	20049		Hedge Trimmer			2001
Echo	20117		Power Pruner	PPT-2400		2002
Echo	20111		Water Pump		1000	
Echo	20120		Water Pump	M-Line 23P		
Echo	20122		Weedeater	SRM-260		1997
Echo	20123		Weedeater	SRM-260		1997
Echo	20126		Weedeater	SRM-260		1997
Echo	20125		Weedeater	SRM-260		1997
Echo	20124		Weedeater	SRM-2501		1999
Foley/United			Rotary Blade Grinder		5911300010603	
Ford	20052		Brush Cutter	22T78		
Jacobsen			Silt Seeder		82543	2001
Jacobsen	20104		Silt Seeder		82201	
John Deere	20106		48" Walk Behind Mower	FC420V		
John Deere	20039		Backhoe Attachment			1999
John Deere	20042		Front End Loader			1999
Lely	20101		Broadcast Spreader	WFR		2000

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Needwood Equipment Inventory

Manufacturer	Tag #	Course #	Description	Model #	Serial #	ACQ Date
Ley	20209		Broadcast Spreader	WFR		2002
Lincoln	20131		AC/DC Arc Welder			
Little Wonder	20102		Leaf Blower	9008P1		1994
Little Wonder	20103		Leaf Blower	9600		2003
Makita	20020		Angle Grinder	955OH		2004
Makita	20019		Finishing Sander	BO4552		2004
Mat-Away	20051		Seeder Verticutter	544873A		1997
Milermatic	20015		Welder	90369		2002
Northstart			Pressure Washer	1576761-01994022		
Redmaxx	20127		Edger	205085		2005
Reel Craft			Air Hose Reel			
Reel Craft			Garden Hose Reel	050110-004		
Ryan	20137		Sod Cutter, Jr.	544945A		2005
Ryobi	20017		Cordless Reciprocating Saw	RJC181		2004
Scotts	20041		Spreader	R8A		2000
Scotts	20040		Spreader	R8A		2000
Sears	20135		Tool Box			
Sears	20138		Tool Box			
Speed Air	20107		Portable Compressor	4B219		
Toro	20105		Snow Blower	824XL		1994
Winner			2-Ton Floor Jack			
Woods	20037		Brushbull	BB84	739311	2004
Zep Dyna-Clean	20115		Parts Washer			
			2-Ton Pair Jack Stand			
			5-Ton Pair Jack Stand			
	20110		Battery Charger	141-241-007		
	20112		Bench Grinder	257 19219		
	20132		Break Away Table			
	20133		Break Away Table			
	20119		Centrifugal Pump	Teel		1994
	20016		Cup Grinder	386		1998
Dayton	20014		Industrial Fan	3F298D		
	20113		Drill Press	KM581		1985
	20011		Hydraulic Ram System Kit	3ZC68		
	20012		Portable Band Saw		3122	
	20121		Pressure Washer	1500EPW		2005

Needwood Equipment Inventory

Manufacturer	Tag #	Course #	Description	Model #	Serial #	ACQ Date
Auto-Lift	20136		Retractable Light Spool	782-5057		
Auto-Lift	20114		Tire Changer	20-20A		
Chem Farm			PMW	MP-6000-7	BG35400	1993
Chem Farm			PMW	MP-6000-9	LM1835	1999
Chevy	LG-29327		160 Gallon Spray Tank		1023/1015	2002
			300 Gallon Spray Tank			1999
Cushman			Pick-up Truck	2500HD (Tag #70940)		
Cushman			3 Wheel	8985309020	CUHN2226LL22564	1986
Cushman			4 Wheel	898632b	96011768	1995
Cushman		Junk	4 Wheel	898632a	95001369	1995
Express			Dual Grinder		9496	1995
Ez-Go			Beverage Cart			1999
Ez-Go			Beverage Cart Oasis			1999
Foley			Accupro Bedknife Grinder			1999
Ford			Dump Truck	E-350 (Tag #47143)		1999
Ford			Tractor		1220 UC226044	1993
Ford			Tractor	1220 AC4137		
Ford			Tractor	4630 dv454c	BD11465	1992
Gilson			Cement Mixer	Tag #4E20469	E162424	
Golf Xpress			Handicap Golf Cart			
Golf Xpress			Handicap Golf Cart			
Jacobsen			Greens King 4	62208		1987
Jacobsen			Greens King 4	62228		1987
Jacobsen			Greens King 4	62257		1994
Jacobsen			Greens King 4	62257		1994
Jacobsen			Greens King 4	62266		1998
Jacobsen			Greens King 4	62266		1998
Jacobsen			Greens King 4	62266		1998
Jacobsen			Greens King 4	62771		1999
Jacobsen			Greens King 4	62771		1999
Jacobsen			Greens King 4	62771		1999
Jacobsen			Roll Aerator			
John Deere			Arocure		25921755	
John Deere			Sand Rake	1500	M01500X30171	1999
John Deere			Tractor	1200A	TC1200A110494	2000
John Deere				4400	LV4400H241667	1999
John Deere				2500E	TC2500E6010231	

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Needwood Equipment Inventory

Manufacturer	Tag #	Course #	Description	Model #	Serial #	ACQ Date
John Deere				2500E	TC250E6010236	
John Deere				2500E	TC250E6010227	
Kawasaki			Mule (Green)		2510 KAF6204	1999
Kawasaki			Mule (Red)		500 56040-1243	1992
Lastec			Rotary Rough Mower	721x	1297	1997
Lastec			Rotary Rough Mower	721xr	1160304	2004
Massey			Ferguson	MF-31	9A164658	1973
New Holland			Tractor	TN-65	1298047	2002
New Holland			Tractor	32LA	35526342	2003
PSI			Irrigation Pump Station			1993
Ransome			723D		946700	1997
Ryan			GA-30	GA30	96513479	1996
Smithco			Sand Rake	13-550b	5716	1996
Toro				2300	3427	1998
Toro				2300	3427	1998
Toro			6500-D			1997
Toro			6500-D	03800-TE	70106	1997
Toro			Groundsmaster	3500-D	60325	1997
Toro			Groundsmaster 322-D		30821-250000706	
Toro			Groundsmaster 325-D		10406	1991
Toro			Groundsmaster 325-D		210000153	1993
Toro			Groundsmaster 325-D		40176	2000
Toro			Groundsmaster 455-D		220000106	2001
Toro			Hydro Jet 3000		70145	1998
Toro			Sand Pro		20155	1992
Toro			Workman		250000184	
Toro			Workman 2100		210000126	2000
Toro			Workman 2100		2100001280	2000
Toro			Workman 2100		2100001606	2001
Toro			Workman 2100		2100001603	2001
Toro			Workman 3200		200000431	2000
Toro			Workman 3200 (Spray Rig)		210000461	2001
True Surface			Greens Rollers			
Turco			Meter-Matic Topdresser	F-120	A98659	1999
Turco			Meter-Matic Topdresser	F-120	B08733	1999
Vertidrain			Deep Tine Aerifier		9091	2001
Yamaha			(Mechanics)		J05213042	1993

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Needwood Equipment Inventory

Manufacturer	Tag #	Course #	Description	Model #	Serial #	ACQ Date
Yamaha	JUNK				J6521304	
Yamaha	JUNK				J0521304	
Yamaha	JUNK				J05214769	

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Little Bennett Equipment Inventory

Manufacturer	Tag #	Course #	Description	Model #	Serial #	ACQ Date
AgriMetal		21319	30 Inch Blower	BW300		1993
AgriMetal			Vacuum	Tuff Vac 5000		1998
Air King			Portable Fan			
Anderson			Drop Spreader	3 Foot		
Anthony			Torch Set	Roll		
ATD			12 Ton Hydraulic Press	7220		
ATD			Under Hoist Stand	ATD-7230		
ATD			Under Hoist Stand	ATD-7230		
Balcrank			Overhead Lube Dispenser			
Black & Decker			Angle Grinder			
Bolens		21329	Cultivator			2005
Chevy			4wd Truck	1500		2002
Chevy			One Ton Dump Truck	3500		1992
Chevy			Pick up	S-10		1999
Conrax			2 Ton Hoist Frame			
Cushman			Classic Turf Truckster			2002
Cushman		21316	Core Harvester	89009		1995
Cushman		21322	120 Gallon Sprayer			1993
Dayton			6' Standing Fan	3F298D		
Dayton			Battery Charger	32351M		
Dayton			Bench Grinder	42909B		
Dayton			Pallet Jack	4YE96		
Dayton			Wet Dry Vac	3VE20		
Echo		21305	14" Chain Saw	CS3400		1998
Echo		21306	16" Chain Saw	C53900		1995
Echo		21290	Back Pack Blower	PB4600		1994
Echo		21395	Back Pack Blower	PB403		2005
Echo		21327	Chain Saw	CS-400		2006
Echo		21297	Hedge Clippers	HC1600		2001
Echo		21296	Hedge Clippers	HC1600		2002
Echo			Line Trimmer	SPM2400		
Echo		21308	Line Trimmer	GT2000		1995
Echo		21291	Line Trimmer	SRM2400		1996
Echo		21298	Line Trimmer	SRM-260		2004
Echo		21299	Line Trimmer	SRM-260		2004
Echo		21300	Line Trimmer	SRM-260		2005

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Little Bennett Equipment Inventory

Manufacturer	Tag #	Course #	Description	Model #	Serial #	ACQ Date
Echo		21301	Line Trimmer	SRM-260		2005
Echo		21309	Line Trimmer	SRM2400		
Echo		21312	Power Pruner	PPT2400		2001
Ez-Go			Workhorse	ST-350		1999
Ez-Go			Workhorse	ST-350		2002
Ez-Go			Workhorse	ST-350		2002
Ez-Go			Workhorse	ST-350		2002
Foley			Bedknife Grinder	670		1998
Ford	(Parts)		Tractor	2110		1970
Ford			Tractor	2120		1993
Ford			Tractor	1220		1994
Ford			Tractor	4630		1997
Ford	(Junk)		Out Front Mower	CM224		1993
Giant Vac		21287	Walk Behind Blower	52		1993
GMC			Sierra Truck	1500		1994
Gravely			Hillside Mower	ATM 72		1997
HD			Power Washer	1600		
Heftee			Mower Jack	2000		
Industrial			Wet Dry Vac			
Jacobsen			3 Point Hitch Seeder	548		2001
Jacobsen			Aerifier			
Jacobsen			Fairway Mower	LF 3400		1999
Jacobsen			Fairway Mower	LF 3400		1999
Jacobsen			Greens Mower	GK IV		1993
Jacobsen			Greens Mower	GK IV		1993
Jacobsen			Greens Mower	GK IV Plus		2001
Jacobsen			Roller	GK IV		1993
Jacobsen			Rough Mower	5111		1993
Jacobsen			Tee Mower	GK IV		1993
Jacobsen			Tee Mower	GK IV		1993
Jacobsen			Tee Mower	GK IV Plus		1999
Jacobsen			Tee Mower	GK IV Plus		2002
Jacobsen			Verticutter	GK IV		1988
Jacobsen		21314	Walk Behind Greensmower		22	1993
Jacobsen		21315	Walk Behind Greensmower	GK522		1998

Little Bennett Equipment Inventory

Manufacturer	Tag #	Course #	Description	Model #	Serial #	ACQ Date
Jacobsen		21315	Walk Behind Mower	GK522		1998
Jenny			Steam Jenny	Super 2000		
John Deere			Primary Cut Mower	2653A		1998
John Deere			Tractor	4710		
Kawasaki			Mule Range Vehicle	4wd Deisel		2002
Kubota			Tractor w/ Loader, Back Hoe,	L3450		1993
Landpride			Fairway Sprayer	300 Gallon		1997
Lastec			Rotary Mower	721XR		2002
Lastec			Rough Mower	721X		1999
Lesco		21320	Seeder/Slicer			2001
Lincoln			1.5 Ton Floor Jack	W93808		
Lincoln			Arc Welder	8824		
Little Wonder			Walk Behind Blower	9500HO		1998
Marquett			Mig Welder	M12183		
Master			Heat Gun	HG501A		
MTD		21302	22" Push Mower	11-074D765		2005
NAPA			3.5 Ton Floor Jack	791-6425		
NAPA			6 Ton 2/5 Pair			
National			Reel Mower	8400		
National			Slope Mower	3984		1993
National			Slope Mower	3984		2000
Neary			Reel Grinder	500 ASP		1997
New Holland			Out Front Mower	MC 22		2000
New Holland			Skid Steer	LS2001		2001
New Holland		21307	Snowblower 5" PTO	716C		1997
OTC			Bearing Puller	1179		
Otterbine		21326	Portable Pump	280		1997
Posilock			Gear Puller	206		
Ransome		21331	Walk Behind Seeder/Slicer	XRS200		1993
Rapid Reel			Pressure Washer	1502		
Red Max		21289	Edger	SC220DL		1994
Ryan			Riding Aerifier	3984		1993
Ryan		21330	Sod Cutter	544844B		1996
Schumaker			Battery Tester	RT-100		
Scotts			Spreader (4)	SR2000		
Smithco			Bunker Rake	Super Rake		1993

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Little Bennett Equipment Inventory

Manufacturer	Tag #	Course #	Description	Model #	Serial #	ACQ Date
Smithco			Bunker Rake	Super Star		2000
Snap-on			Angle Grinder	ET1350		
Snap-on			Torque Wrench	QT		
Snap-on			Torque Wrench	QJR3200		
Solar			Booster Pack	ES-6000		
Sun Pro			Timing Light	CP 7504		
Sweep Master			Turf Brush			
Teel		21325	Portable Pump	1P869A		1996
Toro		21288	20" Push Mower	GTS2		1995
Toro			3 Point Hitch Seeder		83	1993
Toro			Fairway Aerifier		7000	1998
Toro			Greens Aerifier		9120	1998
Toro			Groundsmaster		7200	
TSJ			Tire Machine	CH-23		
Turfco			Greens Topdresser	SP-1530		1999
Tycrop			Fairway Top Dresser	MH 400		1999
Westward			6 Ton 2/5 Pair			
Winco		21292	Portable Generator	LC 30000IM		1996
Winco		21293	Portable Generator	LC5000HM		1996
Winner			2 Ton Floor Jack	H68041 S2		
Winner			3 Ton Jack Stands			
Winner			5 Ton Floor Jack	D 1593		
Woods			5' Rotary Mower	R105		
			3 Ton 2/5 Pair			
			7 Ton 2/5 Pair			
			Aerator Attachment	TERRA 200		
		21323	Billy Goat			
	Junk	21321	Lely Spreader			1994
		21318	Lely Spreader			
		21311	Line Trimmer	SRM2400		
			Skid Steer Fords			
Toro			52" Z master		3535307911	2005
Lastec			Articulater	721XR	13790203	2003

Northwest Equipment Inventory

Manufacturer	Tag #	Course #	Description	Model #	Serial #	ACQ Date
John Deere			200 Gallon Sprayer	1800		
		14457	300 Gallon Skid Sprayer		50112	1996
Cushman		14458	4WD Turf Truckster 27HP		96011037	1996
Cushman		14459	4WD Turf Truckster 27HP		96011185	1996
		19069	5 Gang Blitzer Mower			1987
Jacobsen		2404	5 Gang Mower	Blitzer		1988
Toro		8444	5 Gang Rough Unit		33145-20216	1992
John Deere		20058	Aerocore	1500	M01500X015111	1997
Toro		4247	Airflifer		09110-80507	1986
Tri-Deck		12274	Batwing Rotary Mower			1995
Anglemaster		13926	Bedknife Grinder	2000	9666	1995
Jacobsen		19067	Blitzer Mower			1987
John Deere		18681	Bunker Rake	1200A	MO1200A100937	2000
John Deere		19774	Bunker Rake	1200A	TC1200A120666	2001
Jacobsen		10585	Fairway Mower	LF-3810	1865	1993
Jacobsen		18185	Fairway Mower	LF3400	1682	1999
Jacobsen		18186	Fairway Mower	LF3400	1843	1999
John Deere		19200	Fairway Mower	3215-B	TC3215B010156	2000
Toro		13494	Greensmaster	3000	04350-50573	1995
Toro		18169	Greensmaster	3050	90262	1999
Toro		18170	Greensmaster	3050	90272	1999
Toro		18212	Greensmaster	3050	90611	1999
Toro		20057	Greensmaster	3000w/ Turf Groomers	04350-01677	1991
Toro		19065	Greensmaster w/attachments	3000	04350- 1	1994
Toro		19837	Groundsmaster	328D	210000456	2001
		19591	Progressive Rotary Mower		0165-2764	2001
		20054	Progressive Rotary Mower	TD65	9965-2614	1999
Neary		1967	Reel Grinder	500S	1140	1994
Pro-Flex		20059	Rotary Contour Mower	120	127299	2001
		19071	Sand Pro			2001
New Holland		18372	Skid Steer Loader		08880-60735	1986
SDI		1841	Sprayer	VM100	100399	2000
Cushman		19593	Sprayer	DS15 Spraytek	16743	1994
Cushman		19785	Sprayer	Spraytek DS-175 Turf Sprayer	7094	2001
Gossen		9298	Super Rake 'N' Vac		LM11027	2001
Jacobsen		19770	Tee Mower	Greensking IV	RUT 12000	1992
					2337	2001

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Northwest Equipment Inventory

Manufacturer	Tag #	Course #	Description	Model #	Serial #	ACQ Date
Jacobsen		19771	Tee Mower	Greensking IV	2305	2001
Jacobsen		19772	Tee Mower	Greensking IV	2306	2001
Turco			Topdresser	F12D	85423-498733	1994
Ford		2394	Tractor		C484618	1975
John Deere		13371	Tractor	5300	LV5300E432896	1995
Ford		19054	Tractor	1900	910943	1983
Kubota		19070	Tractor		L2850D-55358	1989
John Deere		19076	Tractor	5200	LV5200D220052	1993
John Deere		19932	Tractor	4600	LV4600P465854	2001
John Deere		20053	Tractor	4300 4wd	LV4300C234474	1999
Ditch Witch		15867	Trencher	182KE	IP41055	1997
John Deere		18176	Trim Mower	2653A	M02653D071038	1999
John Deere		18210	Trim Mower	2653A	M02653D070231	1999
Cushman		15471	Truckster		1CUNH2222LL022030	1993
Cushman		12137	Turf Truckster	630	94004305	1994
Cushman		19925	Turf Truckster		LM17138	2002
Cushman		20056	Turf Truckster		1CUNH2186EL000461	1986
		18064	Turf Truckster		99000799	1999
John Deere		19580	Utility Tractor	4600	LV46009465356	2001
John Deere		16088	Utility Vehicle	1800	M01800G045131	1997
		20055	Utility Vehicle Turf Truckster		898632-93002040	1993
		18372	Verti-Drain	Deep Tine Aerator	A1016	2000
Toro		11833		Groundsmaster 325D w/72" deck	30788/50438	1995
Toro		11834		Groundsmaster 325D w/72" deck	30788/50446	1995
John Deere			Tractor	970		

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Sligo Creek Equipment Inventory

Manufacturer	Tag #	Course #	Description	Model #	Serial #	ACQ Date
Jacobsen	21435		Tee Mower			
John Deere			Loader	950		
John Deere			Utility Vehicle	1800		
John Deere	21437		Bunker Rake	1200A		
John Deere	21436		Surrounds Mower	2653		
John Deere	20438		Tractor	5200		
John Deere	21439		Tractor	5210		
Kawasaki	20371		Backpack Blower	KRB-400A		
Kawasaki	20367		Weedeater	KLB26A		
Land Pride	20405		Box Scraper			
Land Pride	20406		York Rake			
Lely	20394		Spreader			1975
Lesco	20372		Backpack Blower	LBB-4400		
Lesco	20373		Backpack Blower	LBB-4400		
Lesco	20370		Hand Blower	LBH-2500		
Lesco	20392		Hand - Held Sprayer 2 Gallon			
Lesco	20378		Push Thatcher			1997
Lesco	20387		Spreader			
Lincoln	20341		Generator/Welder			1975
Lincoln	20359		Welder			
Little Wonder			Push Blower	9101-00-01		2005
Little Wonder	20383		Push Mower	9008PIC		1987
Milwaukee			Sander/Grinder			
NAPA	20388		Battery Charger	85-910		
Neary			Reel Grinder			
New Holland	20399		Back Hoe			2000
New Holland	20398		Ditch Digger			2000
New Holland	20397		Post Hole Digger	HA15AFNH		2000
New Holland			Skid Steer Loader			
Northern	20361		Tire Changer			
Oregon	20354		Chain Saw Sharpener	511A		
Power Pruner	20374		Extended Chainsaw	TT-24A		
Progressive	20439		Rough Mower	TD 65-2		
Pronovost			Trailer	P-150		
Redmax	20377		Sandtrap Edger	SGC225005		
Ryan	21434		Aerifier			

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Sligo Creek Equipment Inventory

Manufacturer	Tag #	Course #	Description	Model #	Serial #	ACQ Date
Ryan	20400		Seeder	OMC		1999
Ryobi	20339		Router	R160		
Scotts	20386		Spreader	R8A		
Simplex			Backlapper			
Stihl	20343		Chain Saw			1993
Stihl	20335		Chain Saw	MS 290		2005
Stihl			Chain Saw	6Z25N		
Tempest	20375		Fan	EB-24P/H		
Tempest	20376		Fan	EB-24P/H		
Toro			Blower			
Toro	20440		Fairway Mower	0355U		
Toro	20342		Greens Mower (Walk)	GM1000		2000
Toro	21431		Groundsmaster			
Toro	20347		Recycler Mower			1997
Toro	20437		Blower			
Toro	20436		Workman Utility Truck	3200-0702		
Turco	20379		Sandtrap Edger			1987
Vanguard	20336		Pressure washer	4ZZ96		
Verti-Drain			Deep Tine Aerator			
Vicon			Spreader			
Victor			Torch			
Westward	20363		Floor Jack	3ZC67		
Winner			5 Ton Jack Stands			
DynaClean			Parts Washer			
	20334		Heater			
Agri-Metal	20396		Blower	BW 360		1999
Allen	20390		Walking Sprayer			
Cue Point	20364		Floor Jack	YA1642		
Collins	20346		Bench Grinder	TG14060		1998
Craftsman	20356		Drill Press			
Craftsman			Impact Wrench			
Cushman			Sprayer			
Cushman	20365		Top Dresser			
Cushman			Utility Truck			
Dayton	20353		Battery Charger	141-297-901		2000
Dayton	20352		Battery Charger	141-310-902		2001

Sligo Creek Equipment Inventory

Manufacturer	Tag #	Course #	Description	Model #	Serial #	ACQ Date
Dayton	20360		Engine Stand	3W931A		
Dayton	20358		Fan	3C674C		1999
Easy-Go	20350	#63	Golf Car	J1094		1994
Echo	20369		Back Pack Blower	PB-300E		
Echo	20344		Chain Saw	CS3900		1992
Echo	20368		Edger	PE-2400		
Echo	20366		Weedeater	SRM210		
Foley	20357		Bedknife Grinder			
Foley	20355		Blade Sharpener			
Giant Vac	20393		Lead Vac	GVC6800		1993
Giant Vac	20382		Push Mower	80BP		1987
Easy-Go		#65	Golf Car	J1094		
Hein-Weiner	20362		Floor Jack			
Honda	20340		Snow Blower	HS724		2000
Jacobsen	20413		Aerifier			
Jacobsen	20395		Blower	B40		1992
Jacobsen	21438		Fairway Mower		3810	
Jacobsen	21432		Greens Mower			
Jacobsen	21433		Greens Mower			
Jacobsen	20348		Greens Mower			1997
Cushman	12222		4 Wheel Turf Truckster		95004788	
Cushman	19769		Spraytek Turf Sprayer		LM2231	2001
Ford/New Holland		16456	Front End Loader		A441327	1997

Missing Equipment

Course	Manufacturer	Tag #	Course #	Description	Model #	Serial #	ACQ Date
SC	Scotts	20384		Spreader	R8		
SC	Scotts	20385		Spreader	R8		
SC				Power Washer			
SC				Trailer			
SC	Craftsman	20380		Puch Mower	917-378250		2005
SC	Westward	20351		Bench Grinder			
NW	Kawasaki		12126	Mule	2510	KAF620A	1994
ND	Black & Decker	20018		Drill Press			
ND	Black & Decker			Electric Grinder			
ND		20013		Table Grinder	3707990		
ND	Husky	20021		Cut off tool	H4733		2003
ND		20013		Table Grinder	3707990		
ND	Chevy	LG-29327		Blazer		1GCT18ROGO143483	1986

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Little Bennett Golf Car Inventory

Make	Cart Number	Serial Number	Model Year
Ez-Go	57	865941	1994
Ez-Go	35	851767	1994
Ez-Go	101	1477487	2001
Ez-Go	102	1477493	2001
Ez-Go	103	1477489	2001
Ez-Go	104	1477482	2001
Ez-Go	105	1477484	2001
Ez-Go	106	1477496	2001
Ez-Go	107	1477491	2001
Ez-Go	108	1477465	2001
Ez-Go	109	1477486	2001
Ez-Go	110	1477492	2001
Ez-Go	111	1477495	2001
Ez-Go	112	1477480	2001
Ez-Go	113	1477488	2001
Ez-Go	114	1477494	2001
Ez-Go	115	1477474	2001
Ez-Go	116	1477473	2001
Ez-Go	117	1477481	2001
Ez-Go	118	1477478	2001
Ez-Go	119	1477477	2001
Ez-Go	120	1477476	2001
Ez-Go	121	1477475	2001
Ez-Go	122	1477490	2001
Ez-Go	123	1477479	2001
Ez-Go	124	1477472	2001
Ez-Go	125	1477483	2001
Ez-Go	126	1504709	2001
Ez-Go	127	1504741	2001
Ez-Go	128	1504719	2001
Ez-Go	129	1504722	2001
Ez-Go	130	1504736	2001
Ez-Go	131	1504153	2001
Ez-Go	132	1504146	2001
Ez-Go	133	1504734	2001
Ez-Go	134	1504743	2001
Ez-Go	135	1504154	2001
Ez-Go	136	1504756	2001
Ez-Go	138	1504150	2001
Ez-Go	139	1504702	2001
Ez-Go	140	1504730	2001
Ez-Go	141	1504152	2001
Ez-Go	142	1504721	2001
Ez-Go	143	1507157	2001
Ez-Go	144	1504737	2001
Ez-Go	145	1504729	2001
Ez-Go	147	1504710	2001
Ez-Go	148	1504735	2001
Ez-Go	149	1504712	2001
Ez-Go	150	1504742	2001
Ez-Go	151	1506542	2001

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Little Bennett Golf Car Inventory

Make	Cart Number	Serial Number	Model Year
Ez-Go	152	1504739	2001
Ez-Go	153	1504144	2001
Ez-Go	154	1504725	2001
Ez-Go	156	1504724	2001
Ez-Go	157	1504145	2001
Ez-Go	158	1504732	2001
Ez-Go	159	1504731	2001
Ez-Go	160	1504723	2001
Ez-Go	161	1504148	2001
Ez-Go	163	1504733	2001
Ez-Go	164	1504740	2001
Ez-Go	165	1504711	2001
Ez-Go	166	1504703	2001
Ez-Go	167	1504718	2001
Ez-Go	168	1504714	2001
Ez-Go	169	1504728	2001
Ez-Go	170	1504713	2001
Ez-Go	171	1504738	2001
Ez-Go	172	1504156	2001
Ez-Go	173	1504717	2001
Ez-Go	174	1504147	2001
Ez-Go	175	1504727	2001
Ez-Go	176	1504149	2001
Ez-Go	177	1504716	2001
Ez-Go	178	1539193	2001
Ez-Go	180	1539190	2001
Ez-Go	182	1539189	2001
Ez-Go	183	1539194	2001
Ez-Go	184	1539191	2001
Ez-Go	186	1551432	2001
Ez-Go	187	1594469	2001
Ez-Go	188	1594477	2001
Ez-Go	189	1594464	2001
Ez-Go	190	1594467	2001
Ez-Go	191	1594474	2001
Ez-Go	192	1594468	2001
Ez-Go	193	1594466	2001
Ez-Go	194	1594476	2001
Ez-Go	195	1594465	2001
Ez-Go	196	1594473	2001
Ez-Go	197	1594475	2001
Ez-Go	198	1594470	2001
Ez-Go	199	1594479	2001
Ez-Go	200	1594478	2001

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Sligo Creek Golf Car Inventory

Make	Cart Number	Serial Number	Model Year
Ez-Go	4	924224	1995
Ez-Go	185	1551431	2002
Ez-Go	3	924223	1995
Ez-Go	7	1069339	1997
Ez-Go	181	1539195	2002
Ez-Go	137	1504155	2001
Ez-Go	5	924226	1995
Ez-Go	11	924232	1995
Ez-Go	6	924227	1995
Ez-Go	179	1539192	2002
Ez-Go	12	924233	1995
Ez-Go	7	924228	1995
Ez-Go	162	1504715	2001
Ez-Go	146	1504705	2001
Ez-Go	10	924231	1995
Ez-Go	8	924229	1995
Ez-Go	13	924234	1995
Ez-Go	9	924230	1995
Ez-Go	2	67	
Ez-Go	14	20419	
Ez-Go	568	563771	
Ez-Go	7?		
Ez-Go	1	20420	

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NEEDWOOD GOLF COURSE
GOLF CART FLEET JULY 2005

CART #	MAKE	YEAR	SERIL	PARK ID #
1	YAMAHA	2005	JUO301408	020093
2	YAMAHA	2005	JUO301488	020064
3	YAMAHA	2005	JUO301472	020092
4	YAMAHA	2005	JUO301496	020220
5	YAMAHA	2005	JUO301424	020073
6	YAMAHA	2005	JUO301407	020078
7	YAMAHA	2005	JUO301409	020005
8	YAMAHA	2005	JUO301493	020099
9	YAMAHA	2005	JUO301476	020084
10	YAMAHA	2005	JUO301490	020065
11	YAMAHA	2005	JUO301489	020096
12	YAMAHA	2005	JUO301473	020203
13	YAMAHA	2005	JUO301413	020086
14	YAMAHA	2005	JUO301427	020098
15	YAMAHA	2005	JUO301410	020008
16	YAMAHA	2005	JUO301420	020203
17	YAMAHA	2005	JUO301491	020072
18	YAMAHA	2005	JUO301466	020218
19	YAMAHA	2005	JUO301467	020083
20	YAMAHA	2005	JUO301419	020002
21	YAMAHA	2005	JUO301475	020066
22	YAMAHA	2005	JUO301499	020215
23	YAMAHA	2005	JUO301494	020214
24	YAMAHA	2005	JUO301474	020212
25	YAMAHA	2005	JUO301486	020082
26	YAMAHA	2005	JUO301471	020219
27	YAMAHA	2005	JUO301411	020079
28	YAMAHA	2005	JUO301412	020090
29	YAMAHA	2005	JUO301417	020091
30	YAMAHA	2005	JUO301415	020201
31	YAMAHA	2005	JUO301422	020216
32	YAMAHA	2005	JUO301468	020077
33	YAMAHA	2005	JUO301481	020076
34	YAMAHA	2005	JUO301483	020071
35	YAMAHA	2005	JUO301487	020097
36	YAMAHA	2005	JUO301469	020213
37	YAMAHA	2005	JUO301429	020006
38	YAMAHA	2005	JUO301478	020001
39	YAMAHA	2005	JUO301418	020211
40	YAMAHA	2005	JUO301416	020217

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41	YAMAHA	2005	JUO301414	020074
42	YAMAHA	2005	JUO301345	020010
43	YAMAHA	2005	JUO301382	020100
44	YAMAHA	2005	JUO301356	020070
45	YAMAHA	2005	JUO301485	020068
46	YAMAHA	2005	JUO301358	020007
47	YAMAHA	2005	JUO301357	020081
48	YAMAHA	2005	JUO301324	020004
49	YAMAHA	2005	JUO301370	020009
50	YAMAHA	2005	JUO301423	020087
51	YAMAHA	2005	JUO301479	020089
52	YAMAHA	2005	JUO301482	020069
53	YAMAHA	2005	JUO302303	020088
54	YAMAHA	2005	JUO302304	020085
55	YAMAHA	2005	JUO302306	020080
56	YAMAHA	2005	JUO302307	020095
57	YAMAHA	2005	JUO302308	020075
58	YAMAHA	2005	JUO302316	020061
59	YAMAHA	2005	JUO302321	020094
60	YAMAHA	2005	JUO302322	020067
26	EZ-GO	1999	E3991175912	020063
28	EZ-GO	1999	1175978-E399	020202
29	EZ-GO	1999	E3991175908	020204
30	EZ-GO	1999	1207578-J299	020205
32	EZ-GO	1999	E3991175907	020207
33	EZ-GO	1999	1201760-H499	020206
2568	EZ-GO		beverage cart	020062
2569	EZ-GO		beverage cart	020208
2075	EZ-GO		A20406	020046
golf express		gxt800	handicap	378
golf express		handicap	handicap	371

Northwest Park Golf Course Non Capital Outlay Equipment
 Golf Cars 2005

Shop #	Equipment	Model #	Serial #	Cost	Purchase Date	Fixed Asset
1	Yamaha G-Max	G22A	JUO 302 288	\$ 2,187.78	6/27/2005	20651
2	Yamaha G-Max	G22A	JUO 302 116	\$ 2,187.78	6/27/2005	20652
3	Yamaha G-Max	G22A	JUO 302 127	\$ 2,187.78	6/27/2005	20653
4	Yamaha G-Max	G22A	JUO 302 115	\$ 2,187.78	6/27/2005	20654
5	Yamaha G-Max	G22A	JUO 302 289	\$ 2,187.78	6/27/2005	20655
6	Yamaha G-Max	G22A	JUO 302 291	\$ 2,187.78	6/27/2005	20656
7	Yamaha G-Max	G22A	JUO 302 283	\$ 2,187.78	6/27/2005	20657
8	Yamaha G-Max	G22A	JUO 302 287	\$ 2,187.78	6/27/2005	20658
9	Yamaha G-Max	G22A	JUO 302 285	\$ 2,187.78	6/27/2005	20659
10	Yamaha G-Max	G22A	JUO 302 293	\$ 2,187.78	6/27/2005	20660
11	Yamaha G-Max	G22A	JUO 302 286	\$ 2,187.78	6/27/2005	20661
12	Yamaha G-Max	G22A	JUO 302 299	\$ 2,187.78	6/27/2005	20662
13	Yamaha G-Max	G22A	JUO 302 284	\$ 2,187.78	6/27/2005	20663
14	Yamaha G-Max	G22A	JUO 302 257	\$ 2,187.78	6/27/2005	20664
15	Yamaha G-Max	G22A	JUO 302 300	\$ 2,187.78	6/27/2005	20665
16	Yamaha G-Max	G22A	JUO 302 298	\$ 2,187.78	6/27/2005	20666
17	Yamaha G-Max	G22A	JUO 302 262	\$ 2,187.78	6/27/2005	20667
18	Yamaha G-Max	G22A	JUO 302 261	\$ 2,187.78	6/27/2005	20668
19	Yamaha G-Max	G22A	JUO 302 282	\$ 2,187.78	6/27/2005	20669
20	Yamaha G-Max	G22A	JUO 302 280	\$ 2,187.78	6/27/2005	20670
21	Yamaha G-Max	G22A	JUO 302 310	\$ 2,187.78	6/27/2005	20671
22	Yamaha G-Max	G22A	JUO 302 305	\$ 2,187.78	6/27/2005	20672
23	Yamaha G-Max	G22A	JUO 302 277	\$ 2,187.78	6/27/2005	20673
24	Yamaha G-Max	G22A	JUO 302 122	\$ 2,187.78	6/27/2005	20674
25	Yamaha G-Max	G22A	JUO 302 281	\$ 2,187.78	6/27/2005	20675
26	Yamaha G-Max	G22A	JUO 302 295	\$ 2,187.78	6/27/2005	20676
27	Yamaha G-Max	G22A	JUO 302 297	\$ 2,187.78	6/27/2005	20677
28	Yamaha G-Max	G22A	JUO 302 256	\$ 2,187.78	6/27/2005	20678
29	Yamaha G-Max	G22A	JUO 302 341	\$ 2,187.78	6/27/2005	20679
30	Yamaha G-Max	G22A	JUO 302 332	\$ 2,187.78	6/27/2005	20680
31	Yamaha G-Max	G22A	JUO 302 240	\$ 2,187.78	6/27/2005	20681
32	Yamaha G-Max	G22A	JUO 302 327	\$ 2,187.78	6/27/2005	20682
33	Yamaha G-Max	G22A	JUO 302 334	\$ 2,187.78	6/27/2005	20683
34	Yamaha G-Max	G22A	JUO 302 330	\$ 2,187.78	6/27/2005	20684
35	Yamaha G-Max	G22A	JUO 302 328	\$ 2,187.78	6/27/2005	20685
36	Yamaha G-Max	G22A	JUO 302 324	\$ 2,187.78	6/27/2005	20686
37	Yamaha G-Max	G22A	JUO 302 326	\$ 2,187.78	6/27/2005	20687
38	Yamaha G-Max	G22A	JUO 302 318	\$ 2,187.78	6/27/2005	20688
39	Yamaha G-Max	G22A	JUO 302 325	\$ 2,187.78	6/27/2005	20689
40	Yamaha G-Max	G22A	JUO 302 302	\$ 2,187.78	6/27/2005	20690
41	Yamaha G-Max	G22A	JUO 302 343	\$ 2,187.78	6/27/2005	20691
42	Yamaha G-Max	G22A	JUO 302 348	\$ 2,187.78	6/27/2005	20692
43	Yamaha G-Max	G22A	JUO 302 346	\$ 2,187.78	6/27/2005	20693
44	Yamaha G-Max	G22A	JUO 302 350	\$ 2,187.78	6/27/2005	20694
45	Yamaha G-Max	G22A	JUO 302 356	\$ 2,187.78	6/27/2005	20695
46	Yamaha G-Max	G22A	JUO 302 333	\$ 2,187.78	6/27/2005	20696
47	Yamaha G-Max	G22A	JUO 302 353	\$ 2,187.78	6/27/2005	20697

48	Yamaha G-Max	G22A	JUO 302 351	\$ 2,187.78	6/27/2005	20698
49	Yamaha G-Max	G22A	JUO 302 349	\$ 2,187.78	6/27/2005	20699
50	Yamaha G-Max	G22A	JUO 302 338	\$ 2,187.78	6/27/2005	20700
51	Yamaha G-Max	G22A	JUO 302 342	\$ 2,187.78	6/27/2005	20701
52	Yamaha G-Max	G22A	JUO 302 323	\$ 2,187.78	6/27/2005	20702
53	Yamaha G-Max	G22A	JUO 302 314	\$ 2,187.78	6/27/2005	20703
54	Yamaha G-Max	G22A	JUO 302 312	\$ 2,187.78	6/27/2005	20704
55	Yamaha G-Max	G22A	JUO 302 311	\$ 2,187.78	6/27/2005	20705
56	E-Z-GO TXT Golf Car	Gas	1607676	\$ 3,350.00	11/1/2002	20706
57	E-Z-GO TXT Golf Car	Gas	1607678	\$ 3,350.00	11/1/2002	20707
58	E-Z-GO TXT Golf Car	Gas	1607680	\$ 3,350.00	11/1/2002	20708
59	E-Z-GO TXT Golf Car	Gas	1607681	\$ 3,350.00	11/1/2002	20709
60	E-Z-GO TXT Golf Car	Gas	1607683	\$ 3,350.00	11/1/2002	20710
61	E-Z-GO TXT Golf Car	Gas	1607684	\$ 3,350.00	11/1/2002	20711
62	E-Z-GO TXT Golf Car	Gas	1607686	\$ 3,350.00	11/1/2002	20712
63	E-Z-GO TXT Golf Car	Gas	1607690	\$ 3,350.00	11/1/2002	20713
64	E-Z-GO TXT Golf Car	Gas	1607688	\$ 3,350.00	11/1/2002	20714
65	E-Z-GO TXT Golf Car	Gas	1607679	\$ 3,350.00	11/1/2002	20715
66	E-Z-GO TXT Golf Car	Gas	1607696	\$ 3,350.00	11/1/2002	20716
67	E-Z-GO TXT Golf Car	Gas	1607689	\$ 3,350.00	11/1/2002	20717
68	E-Z-GO TXT Golf Car	Gas	1607692	\$ 3,350.00	11/1/2002	20718
69	E-Z-GO TXT Golf Car	Gas	1607687	\$ 3,350.00	11/1/2002	20719
70	E-Z-GO TXT Golf Car	Gas	1607693	\$ 3,350.00	11/1/2002	20720
71	E-Z-GO TXT Golf Car	Gas	1607697	\$ 3,350.00	11/1/2002	20721
72	E-Z-GO TXT Golf Car	Gas	1607682	\$ 3,350.00	11/1/2002	20722
73	E-Z-GO TXT Golf Car	Gas	1607694	\$ 3,350.00	11/1/2002	20723
74	E-Z-GO TXT Golf Car	Gas	1607675	\$ 3,350.00	11/1/2002	20724
75	E-Z-GO TXT Golf Car	Gas	1607695	\$ 3,350.00	11/1/2002	20725
76	E-Z-GO TXT Golf Car	Gas	1607698	\$ 3,350.00	11/1/2002	20726
77	E-Z-GO TXT Golf Car	Gas	1607699	\$ 3,350.00	11/1/2002	20727
78	E-Z-GO TXT Golf Car	Gas	1607700	\$ 3,350.00	11/1/2002	20728
79	E-Z-GO TXT Golf Car	Gas	1607701	\$ 3,350.00	11/1/2002	20729
80	E-Z-GO TXT Golf Car	Gas	1607702	\$ 3,350.00	11/1/2002	20730

\$

Is this final document?

EXHIBIT E

Bank of America Approval of Lease, Recognition and Non-Disturbance Agreement

E /

AGREEMENT

THIS AGREEMENT ("Agreement") is made as of the 18 day of ~~September~~^{October}, 2006, by and among Maryland National Capital Park and Planning Commission (the "Commission"), and Montgomery County Revenue Authority (the "Authority"), and Bank of America, N.A. (the "Bank").

Recitals

The Commission, as purchaser, and the Bank, as seller, are parties to that certain Purchase Agreement dated as of December 9, 2003, as amended (the "Purchase Agreement"), and the Commission's obligations thereunder, including but not limited to the payment of the purchase price thereunder, are secured by a Purchase Money Deed of Trust dated as of December 9, 2003 from the Commission to the trustee named therein, for the benefit of the Bank (the "Deed of Trust"; together with the Purchase Agreement and the Bonds which evidence the Commission's payment obligation thereunder, collectively, the "Purchase Documents"). Copies of the Purchase Agreement and the Deed of Trust are attached to this Agreement as Exhibits A and B, respectively.

As of the date hereof, the unpaid principal amount of the purchase price under the Purchase Agreement is \$2,524,229.52. Such unpaid amount is payable in installments as provided in the Purchase Agreement. Prepayment of the purchase price is not permitted before December 9, 2008 without the written consent of the Bank, and is permitted on or after December 9, 2008 only as provided in the Purchase Agreement.

The Commission and the Authority have entered into an Operating Agreement dated April 14, 2006 (the "Operating Agreement") and, as described in a letter of intent dated April 14, 2006, may enter into a lease (a "Lease") with respect to certain facilities of the Commission, including the facility located on the property covered by the Deed of Trust (referred to herein as the "Little Bennett Property"). The Authority's willingness to include the Little Bennett Property under any such Lease is subject to the Commission obtaining from the Bank an agreement by the Bank (a) not to disturb the possession and use of the Little Bennett Property by the Authority under the Lease for so long as there is no uncured default in the payment of amounts due under the Purchase Agreement and there is no uncured default in the performance of the covenants of the Commission under the Purchase Documents, and (b) to provide the Authority with notice of default and an opportunity to cure such default before the Bank commences any foreclosure proceedings under the Deed of Trust. The Bank is willing to give such an agreement, subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be bound hereby, agree as follows:

1. *Definitions; Certain Rules of Construction.* As used herein, except where the context clearly requires otherwise: capitalized terms defined herein shall have the respective meanings given as definitions herein; capitalized terms not otherwise defined herein shall have the respective meanings given to such terms in the Deed of Trust; the headings and captions contained herein are for convenience only and are not a part of this Agreement; the words "herein," "hereof" and "hereunder" and words of similar import shall refer to this Agreement as a whole and not only to any particular provision of this Agreement; and the words "include," "included," "including," "includes" and words of similar import shall be deemed to be followed by the words "without limitation." As used herein, "business day" means any day other than (i) a Saturday or a Sunday, or (ii) any other day on which commercial banks in the State of Maryland are required or authorized to remain closed.

2. *Acknowledgment of Notice of Deed of Trust; Recordation.* The Authority acknowledges that it has received notice of the conveyance of the Little Bennett Property made by the Commission under the Deed of Trust and that any interest which has been or may be acquired by the Authority, whether pursuant to the Lease or otherwise, is and shall be subject and subordinate to the Deed of Trust. Either the Authority or the Commission may file or record, or submit for filing or recording, the Lease or a memorandum thereof. If the Lease or any Memorandum thereof is recorded before recording of the Deed of Trust, for so long as any of the Commission's obligations under the Purchase Agreement remain unpaid, the Authority shall thereupon and hereby does warrant and covenant to the Bank that it will defend the title and interest of the trustees under the Deed of Trust against any and all claims made by any person claiming by, through or under the Authority. Whether or not the Lease or any Memorandum thereof is recorded, for so long as the Deed of Trust remains unrecorded: (a) the Authority shall not assign, grant, convey, mortgage, sublet or otherwise transfer all or any part of its interest in the Little Bennett Property or any portion thereof, and (b) in the event any mechanics' lien, judgment or other lien or encumbrance attaches to all or any part of the Authority's interest in the Little Bennett Property or any part thereof, the Authority will promptly (and, in any event within thirty days after such attachment), discharge the same, whether by payment or by the filing of a bond sufficient for such purpose. At any time after the date hereof until the obligations of the Commission under the Purchase Agreement are fully paid, the Authority shall have the right to cause the Deed of Trust to be filed for recording among the Land Records of Montgomery County, Maryland at the sole expense of the Authority (including the payment of any applicable recordation taxes, filing fees and other amounts due upon the filing of the Deed of Trust). Promptly and in any event within ten business days after its receipt of written notice from the Authority that the Authority intends to file the Deed of Trust at the Authority's expense, the Bank will make an original of the Deed of Trust available to the Authority for such purpose, and promptly thereafter, the Authority will cause the same to be duly filed with the Clerk of the Circuit Court for Montgomery County and shall remit to the clerk all filing fees, recordation taxes and other charges which are payable upon the filing of the Deed of Trust.

3. *Notice of Default; Opportunity to Cure; Prepayment Before December 9, 2008.* The Bank agrees that:

(a) Notwithstanding that the Purchase Agreement provides no grace or cure period in the event of a nonpayment of a Purchase Installment when and as due, should any Event of Default occur by reason of nonpayment of any Purchase Installment when due under the Purchase Agreement, the Bank will give the Authority notice of such nonpayment at least ten business days before commencing foreclosure proceedings under the Deed of Trust and will accept payment of the delinquent amount within such ten business day period as cure of such Event of Default, whether such payment is tendered by the Authority or the Commission, and upon the cure thereof, the previous failure to make such payment shall cease to constitute an Event of Default giving rise to a right of the Bank to take enforcement action which would disturb the Authority from its possession of the Little Bennett Property.

(b) Should any Event of Default occur by reason of nonpayment of any amount due under the Purchase Document, other than a Purchase Installment, the Bank will provide the Commission and the Authority with notice of such nonpayment at least fifteen business days before instituting foreclosure proceedings under the Deed of Trust and will accept payment of such amount within such fifteen business day period as cure of such Event of Default, whether such payment is tendered by the Commission or the Authority, and upon the cure thereof, the previous failure to make such payment shall cease to constitute an Event of Default giving rise to a right of the Bank to take enforcement action which would disturb the Authority from its possession of the Little Bennett Property.

(c) Should any Event of Default described in item (c) or (d) of Section 13.01 of the Purchase Agreement occur, the Bank will, at least fifteen business days before instituting foreclosure

proceedings under the Deed of Trust pursuant to such Event of Default, provide the Authority with notice thereof and the Bank will accept payment of the full amount owing under the Purchase Documents (including the entire unpaid amount of the Purchase Price) if tendered by the Authority, and in which case Bank will not disturb the Authority from its possession of the Little Bennett Property.

(d) Should any default occur under the Purchase Agreement or the Deed of Trust, other than an Event of Default described in item (a), item (c) or item (d) of Section 13.01 of the Purchase Agreement, the Bank will, before instituting foreclosure proceedings under the Deed of Trust pursuant to such Event of Default, give the Authority the same or substantially the same notice and opportunity to cure the same as it is required to give the Commission with respect to such Event of Default but in any event at least 30 days prior written notice (which, subject to the giving of notice of default to the Authority, shall run contemporaneously with the cure period given to the Commission); and if such default is not reasonably capable of being cured within such period, the Bank will extend such cure period for such additional period as may be reasonably required for the Authority to cause the cure of such default, but any such extension shall be subject to the following conditions: (i) the Authority shall have caused the Deed of Trust to be duly recorded (which shall be at the expense of the Commission as between the Commission and the Authority, but unless such amounts are paid by the Commission, the extension of the cure period as provided in this paragraph shall be subject to the Authority's payment of the same, so that the recordation of the Deed of Trust shall be without cost to the Bank), (ii) the Authority shall have paid to the Bank (or caused the Commission to pay to the Bank) all amounts then due under the Purchase Documents, (iii) the Authority shall have provided the Bank (or caused the Commission to provide the Bank) with assurances reasonably satisfactory to the Bank that the next scheduled Purchase Installment shall be paid when due, and all other amounts, if any, which are scheduled to become due under the Purchase Documents during the period for which the cure period is to be extended shall be paid promptly when due, (iv) the Authority shall have commenced such action as may be required to cause the cure of such default, and shall continuously thereafter diligently pursue the completion of such action and the cure of such default, and upon the cure thereof, the default so cured shall cease to constitute an Event of Default giving rise to a right of the Bank to take enforcement action which would disturb the Authority from its possession of the Little Bennett Property..

(e) In addition to the rights of the Commission to prepay the Purchase Price in accordance with the provisions of Section 11.02 of the Purchase Agreement, the Commission shall have the right to prepay the Purchase Price in full on any date occurring before December 9, 2008, upon not less than 30 days' prior written notice to the Bank, and upon payment of a prepayment fee in the amount equal to the greater of (i) \$8,000 and (ii) the amount of determined in accordance with paragraph (e) of Section 11.02 of the Purchase Agreement. Paragraph (d) of Section 11.02 of the Purchase Agreement shall be applicable to any prepayment made pursuant to this paragraph.

4. *Limited Modification; No Novation or Impairment of Lien.* Except as otherwise specifically provided in the foregoing provisions of this Agreement, the Deed of Trust and the other Purchase Documents remain unmodified. Nothing contained herein shall be construed as a novation of the obligations secured by the Deed of Trust, nor shall anything set forth herein be construed to impair the conveyance of the Little Bennett Property made by the Commission pursuant to the Deed of Trust.

5. *Notices.* Any notice to a party required or permitted hereunder shall be effective if given to such party at such party's address (or at such other address as may be specified as such party's notice address in a notice given by such party to the other party's hereto) in the manner provided in the Purchase Agreement. Each party's address for purposes of notices hereunder, as in effect on the date hereof, is specified below such party's signature to this Agreement.

6. *Representations of Parties as to Authorization, etc.* Each party hereto represents and warrants to the other parties that:

(a) such party has the power to enter into this Agreement and perform and comply with such party's agreements hereunder, and such party has duly authorized the entry into this Agreement and the performance and compliance by such party of its agreements hereunder;

(b) each officer or other representative of such party which has executed this Agreement on behalf of such party is an officer or representative of such party having sufficient authority to execute and deliver this Agreement on behalf of such party;

(c) this Agreement is the valid and binding obligations of such party, enforceable against such party in accordance with the terms hereof, subject to such limitations on enforcement as may be applicable pursuant to laws pertaining to creditor's rights, including the United States Bankruptcy Code, and also subject to principles of equity;

7. *Further Assurances.* Each party shall, upon the reasonable request of any other party from time to time, execute and deliver any further document reasonably required in order to carry out the purposes of this Agreement, provided that the party requesting the execution and delivery of such document shall pay the reasonable expenses incurred in connection therewith by the party of whom such document is requested.

8. *Execution in Counterparts; Delivery of Counterparts.* This Agreement may be executed in any number of counterparts. Any counterpart hereof delivered by telecopier shall be effective as an original. Any party delivering its counterpart hereof by telecopier shall forthwith deliver the original of such counterpart by another method permitted under the Credit Agreement for the giving of notices thereunder, provided that no failure to do so shall impair the effectiveness of the delivery made by telecopier. Any party which refuses or otherwise fails to provide its original executed and acknowledged counterpart of this Agreement shall be responsible for any and all losses or damages, including reasonable attorneys' fees and expenses, incurred by the other parties hereto as a result of any inability to cause the filing or recordation of this Agreement among the applicable Land Records because of the insufficiency of a telecopied counterpart for purposes of such filing or recording, if circumstances exist which, in accordance with the terms hereof, permit or require such filing or recordation.

9. *Waiver of Jury Trial.* The parties hereto agree that any suit, action, or proceeding, whether claim or counterclaim, brought or instituted by any party to this Agreement, or any of their successors or assigns, on or with respect to this Agreement or the dealings of the parties with respect hereto, shall be tried only by a court and not by a jury. **THE PARTIES EXPRESSLY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH ACTION OR PROCEEDINGS.** The parties acknowledge and agree that this provision is a specific and material aspect of the agreement among the parties and that the parties would not enter into this Agreement if this provision were not contained herein.

[Signature page(s) follow.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their duly authorized representatives, as of the day and year first above written.

COMMISSION:

MARYLAND NATIONAL CAPITAL PARK AND PLANNING COMMISSION

By: *Samuel J. Parker, Jr.*
Name: Samuel J. Parker, Jr.
Title: Chairman

AS TEST CORRECTED 12/18/66

Address for Notices:

9500 Brunett Avenue
Silver Spring, Maryland 20901
Attention: Director of Parks

AUTHORITY:

MONTGOMERY COUNTY REVENUE AUTHORITY

By: _____
Name: _____
Title: _____

Address for Notices:

101 Monroe Street, Suite 410
Rockville, Maryland 20850
Attention: _____

BANK:

BANK OF AMERICA, N.A.

By: _____
Eric H. Williams, Vice President

Address for Notices:

1101 Wootton Parkway
MD9-978-04-01
Rockville, Maryland 20852
Attention: Eric H. Williams

ACKNOWLEDGMENTS

STATE OF MARYLAND, CITY/COUNTY OF Baltimore, TO WIT:

I HEREBY CERTIFY, that on this 18 day of October, 2006, before the subscriber, a Notary Public in and for the State of Maryland, personally appeared Samuel J. Parker who acknowledged that (s)he is the Chairman of Maryland National Park and Planning Commission, and that (s)he, as such Chairman, being authorized to do so, executed the foregoing Agreement on behalf of Maryland National Capital Park and Planning Commission by himself/herself as Chairman.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal.

CYNTHIA L. SENNETT
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires May 4, 2009

(SEAL)

My commission expires: 5/4/09

Cynthia L. Sennett
Notary Public

STATE OF MARYLAND, CITY/COUNTY OF _____, TO WIT:

I HEREBY CERTIFY, that on this ____ day of _____, 2006, before the subscriber, a Notary Public in and for the State of Maryland, personally appeared _____, who acknowledged that (s)he is the _____ of Montgomery County Revenue Authority, and that (s)he, as such _____, being authorized to do so, executed the foregoing Agreement on behalf of Montgomery County Revenue Authority by himself/herself as _____.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal.

(SEAL)

My commission expires: _____

Notary Public

STATE OF MARYLAND, CITY/COUNTY OF _____, TO WIT:

I HEREBY CERTIFY, that on this ____ day of _____, 2006, before the subscriber, a Notary Public in and for the State of Maryland, personally appeared Eric H. Williams, who acknowledged that he is a Vice President of Bank of America, N.A., a national banking association, and that he, as such Vice President, being authorized to do so, executed the foregoing Agreement on behalf of the national banking association by himself as Vice President.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal.

(SEAL)

My commission expires: _____

Notary Public

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their duly authorized representatives, as of the day and year first above written.

COMMISSION:

MARYLAND NATIONAL CAPITAL PARK AND PLANNING COMMISSION

By: _____
Name: _____
Title: _____

Address for Notices:

9500 Brunett Avenue
Silver Spring, Maryland 20901
Attention: Director of Parks

AUTHORITY:

MONTGOMERY COUNTY REVENUE AUTHORITY

By: Keith Miller
Name: Keith Miller
Title: Executive Director

Address for Notices:

101 Monroe Street, Suite 410
Rockville, Maryland 20850
Attention: Keith Miller

BANK:

BANK OF AMERICA, N.A.

By: _____
Eric H. Williams, Vice President

Address for Notices:

1101 Wootton Parkway
MD9-978-04-01
Rockville, Maryland 20852
Attention: Eric H. Williams

ACKNOWLEDGMENTS

STATE OF MARYLAND, CITY/COUNTY OF _____, TO WIT:

I HEREBY CERTIFY, that on this ____ day of _____, 2006, before the subscriber, a Notary Public in and for the State of Maryland, personally appeared _____, who acknowledged that (s)he is the _____ of Maryland National Park and Planning Commission, and that (s)he, as such _____, being authorized to do so, executed the foregoing Agreement on behalf of Maryland National Capital Park and Planning Commission by himself/herself as _____.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal.

(SEAL)

My commission expires: _____

Notary Public

STATE OF MARYLAND, CITY/COUNTY OF Montgomery, TO WIT:

I HEREBY CERTIFY, that on this 11th day of October, 2006, before the subscriber, a Notary Public in and for the State of Maryland, personally appeared Keith Miller, who acknowledged that (s)he is the Executive Director of Montgomery County Revenue Authority, and that (s)he, as such Executive Director, being authorized to do so, executed the foregoing Agreement on behalf of Montgomery County Revenue Authority by himself/herself as Executive Director.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal.

(SEAL)

My commission expires: May 1, 2010

Stacy Jamison

Notary Public

STATE OF MARYLAND, CITY/COUNTY OF _____, TO WIT:

I HEREBY CERTIFY, that on this ____ day of _____, 2006, before the subscriber, a Notary Public in and for the State of Maryland, personally appeared Eric H. Williams, who acknowledged that he is a Vice President of Bank of America, N.A., a national banking association, and that he, as such Vice President, being authorized to do so, executed the foregoing Agreement on behalf of the national banking association by himself as Vice President.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal.

(SEAL)

My commission expires: _____

Notary Public

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their duly authorized representatives, as of the day and year first above written.

COMMISSION:

MARYLAND NATIONAL CAPITAL PARK AND PLANNING COMMISSION

By: _____
Name: _____
Title: _____

Address for Notices:

9500 Brunett Avenue
Silver Spring, Maryland 20901
Attention: Director of Parks

AUTHORITY:

MONTGOMERY COUNTY REVENUE AUTHORITY

By: _____
Name: _____
Title: _____

Address for Notices:

101 Monroe Street, Suite 410
Rockville, Maryland 20850
Attention: _____

BANK:

BANK OF AMERICA, N.A.

By: Eric H. Williams
Eric H. Williams, Vice President

Address for Notices:

1101 Wootton Parkway
MD9-978-04-01
Rockville, Maryland 20852
Attention: Eric H. Williams

ACKNOWLEDGMENTS

STATE OF MARYLAND, CITY/COUNTY OF _____, TO WIT:

I HEREBY CERTIFY, that on this ____ day of _____, 2006, before the subscriber, a Notary Public in and for the State of Maryland, personally appeared _____, who acknowledged that (s)he is the _____ of Maryland National Park and Planning Commission, and that (s)he, as such _____, being authorized to do so, executed the foregoing Agreement on behalf of Maryland National Capital Park and Planning Commission by himself/herself as _____.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal.

(SEAL)

My commission expires: _____

Notary Public

STATE OF MARYLAND, CITY/COUNTY OF _____, TO WIT:

I HEREBY CERTIFY, that on this ____ day of _____, 2006, before the subscriber, a Notary Public in and for the State of Maryland, personally appeared _____, who acknowledged that (s)he is the _____ of Montgomery County Revenue Authority, and that (s)he, as such _____, being authorized to do so, executed the foregoing Agreement on behalf of Montgomery County Revenue Authority by himself/herself as _____.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal.

(SEAL)

My commission expires: _____

Notary Public

STATE OF MARYLAND, CITY/COUNTY OF Montgomery, TO WIT:

I HEREBY CERTIFY, that on this 11th day of October, 2006, before the subscriber, a Notary Public in and for the State of Maryland, personally appeared Eric H. Williams, who acknowledged that he is a Vice President of Bank of America, N.A., a national banking association, and that he, as such Vice President, being authorized to do so, executed the foregoing Agreement on behalf of the national banking association by himself as Vice President.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal.

(SEAL)

My commission expires: 8-27-07

Paul W. Jones

Notary Public

CERTIFICATION

I, the undersigned, an attorney admitted to practice before the Court of Appeals of Maryland hereby certify that the foregoing Agreement was prepared by me or under my supervision.

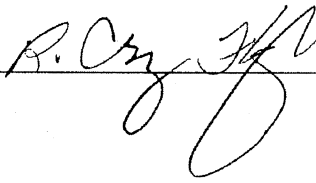
A handwritten signature in black ink, appearing to read "R. C. [unclear]", is written over a horizontal line. The signature is cursive and somewhat stylized.

EXHIBIT G

Bidding Documents and technical description for the removal of
the old weir system and Northwest Golf Course.

G-1

UNIVERSITY OF MICHIGAN

LIBRARY

TO THE UNIVERSITY OF MICHIGAN

LIBRARY

UNIVERSITY OF MICHIGAN

LIBRARY

TECHNICAL PROVISIONS

1.0 General

The Contractor shall perform the work in conformance with the following plan sets:

- the **stream diversion structure** design and specifications as shown on the plan entitled "Northwest Park Site Development Plan" prepared by Mildenberg Boender & Associates, Inc. and dated August 1996, and as specified herein;
- the **pump station** designs and specifications as shown on the plan entitled "Northwest Park Golf Course Pumping Plant Plans & Details" prepared by HydroDesigns, Inc. and dated April 27, 1996 (as revised September 11, 1996), and as specified herein; and
- the **pump house and intake pipe** project design and specifications as shown on the plan entitled "Northwest Branch Park Grading and Sediment Control Plan" prepared by Mildenberg Boender & Associates, Inc. and dated April 1996, and as specified herein. **NOTE: This project does not include dredging of the existing irrigation pond also shown on the above-referenced plans.**

SECTION 130 - REMOVAL OF EXISTING FACILITIES

130.1 Description:

This work shall consist of the removal, wholly or in part, and satisfactory disposal of pavement, fences, curbing, walks, pipe, guardrails, structures and any other obstructions which are not designated to remain as indicated in the Contract drawings or as directed by the Engineer. The work shall also include salvaging of any designated materials and proper backfilling of the resulting trenches, holes and pits. Specific pay items that are not specifically listed for removal as described herein will be performed under the Excavation, Fill and Grading item.

130.4 Execution:

- A. The Contractor shall remove and dispose of all structures and obstructions or portion thereof as necessary for the satisfactory completion of the project. Any designated salvageable material shall be removed, without unnecessary damage, and shall be stored by the Contractor within the project limits as directed.
- B. Structures located in roadways or parking lots (culverts, pavement, etc.) shall be removed only when satisfactory arrangements have been made to accommodate traffic. Pipe that has been designated for removal and storage must be cleaned and carefully stored so as not to damage the sections of pipe.
- C. Pavement, walks and curbs to be removed either wholly or in part shall be cut neatly or removed at an existing joint. Asphalt pavement to be patched shall be saw cut at limits designated in the field.
- D. Existing drainage structures (manholes, inlets, catch basins) designated to be abandoned must be removed to a minimum of one foot below finished subgrade on ground surface in a manner that will not damage pipes which are to remain. When directed, existing inlet and outlet pipes shall be sealed with stoppers or with masonry of a thickness acceptable to the Engineer. Castings to be removed will become the property of the Contractor, unless indicated otherwise on the plans.

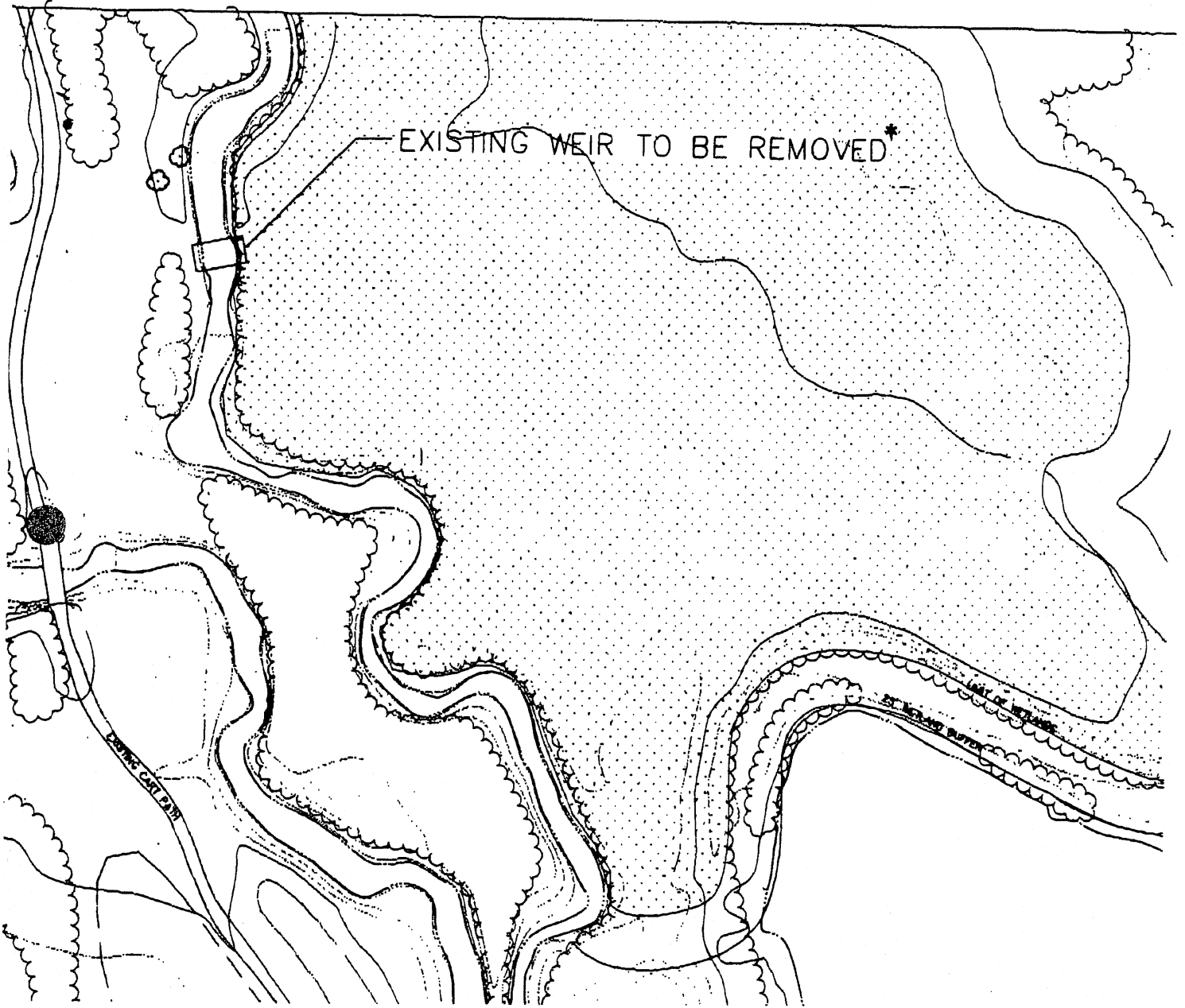
130.5 Measurement and Payment:

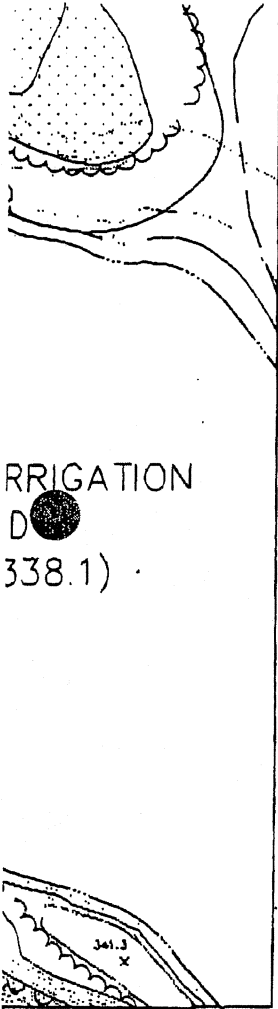
The accepted quantities of existing facilities removed and disposed of, as directed, will be paid for at the contract lump sum price bid or at the price bid per unit specified in the proposal, which shall be full compensation for removal and disposal. The price bid shall include all labor, materials, equipment required to perform the work.

E 1,302,500

E 1,302,750

EXISTING WEIR TO BE REMOVED*





IRRIGATION
 D
 338.1)

commencing any excavation.

3. Topography shown hereon was provided by Chesapeake Environmental Management, 260 Gateway Drive, Suite 21 C, Bel Air, Maryland 21014.
4. This plan is prepared for the purpose of construction a diversion structure to divert flow from the existing stream to a pump station and then to the irrigation pond.
5. The following construction specifications were prepared by Hydro Designs, Inc., 9 Perry Road, Suite 101, Ijamsville, Maryland 21754 (301) 831-8404. These specifications refer to the Transfer Station referenced as "by others" on these drawings.
 - a. All PVC pipe shall conform to Class 200, SDR 21. All penetrations through the structure shall be cast-in-place with a sleeve of sufficient size to accommodate the pipes shown. Refer to "Link Seal", manufactured by Thunderline (800) 288-0404.
 - b. All pipes shall penetrate the vault by 2-3 inches and terminate with a solvent weld flange adapter, Van Stone style gasket type flange, DuPont Plastic Products part no. 854120, (800) 854-2323. All plastic solvent weld shall utilize heavy bodied plastic solvents.
 - c. Mount a steel butterfly valve on the flange, with an extension arm and hand valve which will allow the valve to be operated from the surface of the vault.
6. The total disturbed area is 1445 sq. ft.. Therefore no sediment control is required.
7. The total drainage area of the stream is 3,021 AC±.

*** NOTE**

EXISTING WEIR TO BE REMOVED AND BACKFILLED WITH MSHA CLASS I RIP-RAP ON FILTER CLOTH.

**FIRST AMENDMENT
TO
GOLF COURSE LEASE AGREEMENT**

THIS FIRST AMENDMENT TO THE GOLF COURSE LEASE AGREEMENT of October 26, 2006 (the "Lease"), is entered into between the MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION ("Landlord"), located at 9500 Brunett Avenue, Silver Spring, Maryland 20901, and MONTGOMERY COUNTY REVENUE AUTHORITY ("Tenant"), located at 101 Monroe Street, Rockville, Maryland 20850, (this "First Amendment").

RECITALS:

- R-1. Landlord has park jurisdiction within that part of the Maryland-Washington Metropolitan District which includes Montgomery County, Maryland (the "County") as provided in Maryland Code Ann. Art. 28.
- R-2. Landlord is the owner of the fee simple title in and maintains, develops and operates, for the benefit of the public, the public golf courses known as Needwood Golf Course, Northwest Golf Course, Little Bennett Golf Course and Sligo Golf Course (individually referred to by name, and collectively, the "Park Golf Courses" or "Leased Premises"), located throughout the County.
- R-3. Tenant is the owner of the fee simple title, or holds a possessory interest in and maintains, develops and operates, for the benefit of all of the citizens of the County, five golf courses (the "Tenant Golf Courses"), which are located throughout the County.
- R-4. Pursuant to the policy of the Montgomery County Planning Board ("Planning Board") to seek partnerships, and to realize efficiencies from the provision of a single system of golf, Landlord entered into the Lease with Tenant providing for the Leased Premises and the Tenant Golf Courses to be operated by Tenant as a single system of public golf.
- R-5. Paragraph 12.2 of the Lease reserved to the Tenant the right to extract any of the Park Golf Courses covered under the Lease from the Lease and return it to the Landlord upon a determination by Tenant, based upon an independent financial analysis of the entire Golf System, indicating that a particular Park Golf Course is adverse to the entire Golf System; and upon further presenting these findings to the Landlord and the Montgomery County Council ("County Council") to consider alternatives to closing the particular Park Golf Course.
- R-6. On or about January 5, 2009, NGF Consulting, Inc. ("NGF") presented to the MCRA Board of Directors an independent financial analysis by NGF of the entire Golf System indicating that the Sligo Golf Course is adverse to the entire Golf System (a copy of the NGF independent financial analysis is attached as Exhibit 1 to this First Amendment).

- R-7. By Resolution No. 290109 dated January 27, 2009 (copy attached Exhibit 2), the Board of Directors of MCRA adopted a resolution, based on the independent financial analysis of NGF, determining that the Sligo Golf Course is adverse to the entire Golf System and directing the Executive Director of MCRA to extract the Sligo Golf Course from the Lease as provided for in §12.2 of the Lease.
- R-8. This First Amendment is entered into pursuant to and in accordance with MD Code, Art. 28, §5-110.
- R-9. Notwithstanding its extraction from the Lease the Landlord and Tenant agreed, that Tenant will continue to operate the Sligo Golf Course in accord with the terms of the Lease as amended by this First Amendment until October 1, 2009.

NOW, THEREFORE, in consideration of the foregoing, and of other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. **DEFINITIONS.**

For purposes of this First Amendment to the Lease, any capitalized terms used herein and not otherwise defined shall have the meaning given to them in the Lease.

2. **INCORPORATION OF RECITALS.**

1. The recitals set forth above are incorporated herein as if fully set forth.

3. **PRESENTATION OF FINDINGS.**

Pursuant to §12.2 of the Lease, Tenant presented the findings of NGF to the Planning Board and the County Council to consider alternatives to closing the Sligo Golf Course.

4. **EXTRACTION OF SLIGO CREEK GOLF COURSE.**

Pursuant to §12.2 of the Lease, Tenant hereby tenders and Landlord hereby accepts the Sligo Golf Course which is extracted from the Golf System and from the terms and provisions of the Lease (except those terms of the Lease imposing limitations on the subsequent use of the Sligo Golf Course) effective upon the Ratification Date (as defined in Section 7 below). The Landlord and Tenant further agree that as of the Ratification Date. Tenant will nonetheless operate the Sligo Golf Course under the same terms and conditions as the Lease, except as provided in this Amendment until, October 1, 2009 (the "Operating Term") after which Landlord shall have all responsibility for the Sligo Golf Course.

5. **NON LIABILITY OF TENANT FOR CAPITAL IMPROVEMENTS**

The Landlord and Tenant both acknowledge and agree that certain capital improvements are required with respect to the Sligo Golf Course and that additional capital improvements may become necessary during the Operating Term. It is also acknowledged that Landlord has no obligation for capital improvements under the terms of the Lease. The Parties agree however, between the Landlord and Tenant that the Tenant shall have

no liability for any existing or subsequently accruing capital improvements as of the Ratification Date.

6. TENANT NON LIABILITY FOR NON-REOCCURRING MAINTENANCE

The Landlord and Tenant further both agree that Tenant shall be responsible only for the routine reoccurring maintenance of the Sligo Golf Course as provided in the Lease and that Tenant shall not be responsible for the cost of any non-reoccurring maintenance costs or improvements as of the Ratification Date, including such items (without limitation), as the cutting of trees, the repair of any ponds, including their dams, or any similar repairs not constituting routine reoccurring maintenance.

7. RATIFICATION OF LEASE

All terms, covenants and conditions of the Lease not expressly modified and amended hereby, shall remain in full force and effect and are hereby ratified and affirmed in all respects, except that in the event the following does not occur, this First Amendment shall be null and void and the terms of the Original Lease shall continue in full force and effect:

- 1) Tenant shall present its findings to the Planning Board to consider alternatives to closing the Sligo Golf Course;
- 2) Tenant shall present its findings to the County Council to consider alternatives to closing the Sligo Golf Course;

The last of the above stated conditions to occur shall be deemed the Ratification Date ("Ratification Date"). Commission and MCRA will immediately initiate and diligently pursue the scheduling of presenting Tenant's findings to the Planning Board and Council to consider alternatives to closing the Sligo Golf Course and both parties shall cooperate with each other in this effort.

IN WITNESS WHEREOF, Landlord and Tenant have caused this First Amendment to the Lease to be duly executed.

MONTGOMERY COUNTY
REVENUE AUTHORITY
COMMISSION

MARYLAND-NATIONAL CAPITAL
PARK AND PLANNING

By: _____
Keith Miller
Executive Director

By: _____
Oscar Rodriguez
Executive Director

Date: _____

Date: _____

Attested: _____
Patricia Colihan Barney,
Secretary-Treasurer

Approved for legal sufficiency.

Approved for legal sufficiency.

By: _____

By: _____

List of Exhibits

- EXHIBIT 1 NGF Consulting, Inc. Independent Financial Analysis
- EXHIBIT 2 Resolution No. 290109

January 5, 2009

Mr. Keith Miller
Executive Director
Montgomery County Revenue Authority
101 Monroe St., Suite 410
Rockville, MD 20850

Re: NGF Consulting Project #128022

Dear Keith:

Attached to this letter is a summary of NGF Consulting's financial analysis of the Montgomery County Revenue Authority (MCRA) 9-course golf system. As agreed, the NGF Consulting team has reviewed the basic financial condition of each individual facility, as well as the system as a whole, to aid in determining the overall impact of each facility on overall operations. This is especially important in regards to the four facilities that are presently leased by MCRA from Maryland-National Capital Park and Planning Commission (M-NCPPC). Specifically, we have been engaged to help the MCRA determine if any one of the four leased golf facilities can be clearly identified as being 'adverse' to the system as a whole, based on historic and projected financial performance and needed improvements.

The NGF consulting team has completed a review of financial and activity records for each of the nine golf courses with special focus on rounds activity, revenue performance and expenses incurred at each location. Our review has identified which facilities are meeting basic expectations given its overall quality and in light of recent enhancements. We have identified what impact capital improvements have had on selected facilities, and what impact future capital enhancements are likely to have on selected facilities.

Keith, we appreciate your utilizing the expertise of the National Golf Foundation and our consulting practice to assist the MCRA with this project. We look forward to your comments and engaging in a comprehensive discussion about our findings. The summary report and financial tables are in the attached report.

Sincerely,



Richard B. Singer
Director of Consulting Services

rsinger@ngf.org
RBS/jsc

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INTRODUCTION AND EXECUTIVE SUMMARY

Purpose

NGF Consulting, a subsidiary of the National Golf Foundation, was retained by the Montgomery County Revenue Authority (MCRA) of Montgomery County, Maryland to assist in completing a financial analysis of the 9-facility golf system. We understand that the MCRA golf system consists of five facilities that are fully owned by MCRA, plus another four facilities that are owned by M-NCPPC and leased to MCRA for operation. Terms of the lease agreement for the four County facilities specify that MCRA can 'extract and return' of any one (or more) of the four if it is determined that any facility of the four is 'adverse' to the entire golf system.

In analyzing the financial situation of the MCRA golf system, the NGF Consulting team has paid special attention to the four County golf courses under this lease agreement. For the purposes of our evaluation, the NGF team has established that a facility would be considered 'adverse' to the system as a whole if the facility: (1) shows continued annual economic loss from basic operations; (2) could only reduce (or eliminate) economic annual loss with additional capital investment, and that amortization of that new capital investment will itself result in economic loss; (3) is presently operating at or above break-even, but site specific issues (location, infrastructure, market, etc.) are likely to require large-scale capital investment, and that capital investment will itself result in economic loss; and (4) the continued economic loss resulting from items 1-3 result in a drain on economic resources from the other facilities in the system. The findings in this financial analysis will be used to help determine the appropriate course of action for the MCRA.

National Golf Foundation Background

National Golf Foundation Consulting, Inc is a wholly owned subsidiary of the National Golf Foundation, Inc. (NGF). The NGF is a not-for-profit 501(c)(6) organization, incorporated in 1936 and located in Jupiter, Florida with a staff of approximately 25 professionals and an operating budget of approximately \$4.5 million. The mission of the NGF is *To Help Golf Businesses Succeed* by providing research, consulting, marketing, customer targeting and other consulting services. The NGF is trusted by the game's leading stakeholders as the experts on all issues related to the business of golf, from both an industry and facility standpoint.

The NGF's work today is supported by a base of approximately 4,000 members representing every facet of the industry: private and public golf facilities; golf course architects; developers and builders; golf equipment and accessory manufacturers/ distributors/retailers, companies offering specialized services to the golf industry; national, regional, state, and local golf associations; instructors; schools and individuals. The NGF's board of directors includes senior executives from the leading companies in each major segment in the golf industry including officers from TaylorMade-adidas, Callaway Golf Company, FootJoy, TORO, Textron Financial, Eaton Golf Pride, GOLF MAGAZINE and Golf Channel.

There is no greater authority than NGF on the business of golf. The NGF's database of U.S. golf facilities is the industry's gold standard and is licensed by the USGA, PGA of America, Club Managers Association of America and the Golf Course Superintendents Association of America as well as private enterprise such as Weather.com and NAVTEQ. The NGF's annual surveys are designed to ascertain golfing habits and trends of golfers, golf facilities and golf manufacturers nationwide. From this research, the NGF publishes upwards of 60 research documents that provide dependable information on the number, nature, and habits of golfers in

each state, as well as golf facility operational issues, golf travel issues, alternative golf facility operations, and an annual directory of golf.

Our most important research is published and distributed to NGF members and non-members and is widely quoted in local, national and international press and are used by numerous other golf-oriented consulting and information firms. NGF publications include: *Golf Industry Report* – published quarterly; *A Strategic Perspective on the Future of Golf* – 1999, 2007; *Golf Facilities in the U.S.* – 2007; *Operating & Financial Performance Profiles of 18-hole Golf Facilities in the U.S.* – 2006; *Golf Participation in the U.S.* – 2005; *Development and Operation Manual: How to Plan Build and Operate a Successful Golf Range* – 2003; *Marketing Your Golf Course* – 2003; *Women Welcome Here! A Guide to Growing Women's Golf* – 2003; *The Spending Report: Sizing the Golf Consumer Marketplace* – 2003; *U.S. Golf Travel Market* – 2003; and *Careers in Golf: An Insider's Guide to Careers in the Golf Industry* – 2001.

Project Background

The Montgomery County Revenue Authority was created in 1957 as an instrumentality of Montgomery County, Maryland and is a public corporation governed by a six-member board (five members appointed by the County Executive and County Council and a sixth member who is ex-officio / non-voting member). The Authority was established to “*construct, improve, equip, furnish, maintain, acquire, operate, and finance projects devoted wholly or partially for public use, good, or general welfare.*”

The two primary activities of the MCRA are to operate self-supporting facilities and to finance public facilities. On the operations side, the MCRA manages a golf course system that is comprised of nine golf courses, and the Montgomery County Airpark. The operated facilities generate various forms of revenue, which are used to fund the operations and to provide for improvements. A portion of the operating revenues is used to retire any debt associated with operated facilities.

Vision Statement

The vision statement for the MCRA is as follows:

Montgomery County Revenue Authority is committed to growing a sustainable network that is nationally, regionally and locally recognized for its offerings and performance; is dedicated to achieving higher environmental standards; and continues to offer new and innovative programs and services for the benefit of the community and our team.

MCRA Golf

The Montgomery County Revenue Authority's golf course system is operated under the flag of Montgomery County Golf (MCG). The golf course system is comprised of nine golf facilities, five of which are owned by MCRA and four that are owned by the Maryland-National Capital Park and Planning Commission (M-NCPPC) and operated under lease by MCRA. These four leased facilities were added to the MCRA system in April of 2006. The Revenue Authority has completed a master plan concept for these courses and has successfully integrated the four new courses into the golf course system. The total nine-facility system hosted just under 390,000 rounds of golf in FY2008 and generated over \$16.5 million in total revenue.

The golf courses included in the MCRA system are listed below:

MCRA Golf Courses (FY2008)						
	Number of Holes	Total Rounds	Total Facility Revenue (Millions)	Total Operating Expense (Millions)***	Avg. Total Rev. (FY08)**	Avg. Green Fee Rev. (FY08)**
Falls Road GC	18	49,559	\$3.00m	\$1.64m	\$60.64	\$31.62
Hampshire Greens GC	18	32,048	\$1.79m	\$1.25m	\$55.82	\$30.57
Laytonsville GC	18	44,959	\$1.74m	\$1.02m	\$38.75	\$24.24
Poolesville GC	18	34,739	\$1.37m	\$0.99m	\$39.46	\$21.93
Rattlewood GC	18	32,934	\$1.42m	\$0.87m	\$43.15	\$22.63
Little Bennett GC	18	30,328	\$1.60m	\$1.36m	\$52.71	\$28.45
Northwest GC	27*	63,988	\$2.48m	\$1.56m	\$38.82	\$24.46
Needwood GC	27*	71,238	\$2.46m	\$1.28m	\$34.58	\$23.37
Sligo Creek GC	9	29,906	\$0.64m	\$0.57m	\$21.29	\$15.61

*Includes an additional 9-hole executive course. **Average revenue per round of golf. ***Operating expense excludes management fee

Throughout the 1990s and into the early 2000s, the Revenue Authority has continued to reinvest the necessary capital to keep the golf course system up to date and sustainable. This has resulted in upgrades to buildings, golf courses, equipment and customer service. Projects have included bunker renovation at Laytonsville and Poolesville Golf Courses; drainage issues were addressed at several properties; a partial tee renovation at Poolesville; and two complete facility renovations. During the period of 2001-2004 the Revenue Authority completed renovations to Laytonsville and Falls Road, which included new clubhouses, a golf cart storage facility at Laytonsville, and complete golf course renovations to both properties.

Montgomery County Golf courses received several awards in 2007 including the following from the readers of *Pros and Hackers*:

- Most Playable – Falls Road, Hampshire Greens, and Needwood
- Best Pro Shop – Little Bennett
- Best Finishing Hole – Little Bennett
- Best Value – Falls Road
- Best Practice Facility – Little Bennett

Summary of Findings

The NGF review of the MCRA golf system shows generally positive economic performance with revenue growth recorded at all but two facilities (Poolesville and Rattlewood) in FY2008, despite a general downturn in the overall U.S. golf economy. The nine facilities appear to be well-located throughout Montgomery County with very little overlap of immediate markets. Total revenues at three of the facilities (Falls Road, Northwest and Needwood) were in excess of \$2.4 million in FY2008 (top 25% of all public golf courses nationwide), and Falls Road revenue exceeded \$3.0 million in FY2008 (top 10% nationwide).

Total expenses required to operate the MCRA facilities are in line with national and regional averages. The U.S. average for total operating expenses is approximately \$1.07 million for 18-hole facilities, while only 25% of public golf courses have operating expenses in excess of \$1.48

million. Thus, Falls Road is the only MCRA facility with expenses beyond the norm, but this is clearly off-set by higher revenue.

It appears to the NGF team that the recent renovations at Laytonsville and Falls Road have had a positive effect on revenues, although Poolesville still has the lowest total revenue of any 18-hole facility in the system. It may be some time before the full impact of these changes is felt, but revenue growth and performance does seem to be moving at a better pace than facility expenses.

Overall, all but two of the nine MCRA golf facilities are operating with a positive level of earnings before interest, depreciation and amortization (EBIDA), with only Sligo Creek and Little Bennett operating in the red on this measure. When interest and amortization are included in the measure, Poolesville, Rattlewood and Hampshire Greens also show red figures due to large debt reduction schedules for recent capital enhancements.

Two of the MCRA facilities leased from M-NCPPC (Northwest and Needwood) are among the strongest economic performers in the system, but capital investments scheduled for these facilities (over \$4.0 million by FY2011) may affect the bottom line at these facilities. Still, the continued high rounds totals and golfer-rich locations make the longer term earnings potential of these two facilities among the best in the system and clearly worth the new investment in upgrades.

Statement of 'Adverse' Facilities

On the negative side, the NGF Consulting team is of the opinion that both Sligo Creek and Little Bennett are the strongest candidates for achieving the 'adverse' classification among the four leased facilities. The summary is as follows:

- **Sligo Creek** appears to be the most 'adverse' facility in the overall system due to its poor economic performance and its general type of facility (9-hole with limited ancillaries). Based on our review of the economic performance data and a general working knowledge of the Sligo Creek facility, **it is the NGF team's opinion that this facility may not be economically viable under its current configuration and given the likely high cost of a remake, it is hard for the NGF team to see how this facility can expect anything other than continued subsidy from the rest of the system.** Among the reasons for this belief include:
 - The revenue needed for a break-even level of EBIDA is likely not achievable at this facility given its present configuration.
 - 9-hole layout and rounds capacity limitations.
 - Limited ancillary facilities does not allow for non-golf revenue growth.
 - Upgrades at the facility are likely needed just to keep present rounds activity and rounds growth is unlikely.
 - Market leaves no room for raising fees as a means to increase revenue

As such, it is likely that a whole new concept may be required for this facility. Alternate configurations such as driving range only, learning center, par-3 course, or some combination thereof, will have to be considered as a separate line of feasibility analysis for the future of this property. The NGF can state with confidence that the Sligo Creek Golf Course, as presently configured, can be classified as 'adverse' to the MCRA system as a whole. This is due to its own economic performance and how this performance may affect the other facilities in the system.

- Although Little Bennett is presently struggling to meet its expense obligations, there does seem to be better potential with this facility as Little Bennett has seen revenue growth in the last two years. In addition, Little Bennett is well thought of by the golfing public (three awards noted above plus 'most improved customer loyalty award from NGF survey), and it has the ancillary facilities needed to improve its non-golf (F & B + merchandise) revenues. These factors lead NGF to believe that although Little Bennett has a negative EBIDA in FY2008, the facility has a better chance to operate in the black than does Sligo Creek.

ECONOMIC REVIEW OF GOLF FACILITIES

In completing this analysis of the MCRA golf system, the NGF Consulting team has completed a careful review of the financial performance of the facilities. Included in this review is an analysis of the last three full fiscal years (FY2006-2008), and is derived from data submitted to NGF Consulting by MCRA staff. The review of historical performance data has been divided into two sections - the five MCRA-owned facilities and the four leased golf facilities.

MCRA Facilities

MCRA owns and operates five golf courses in Montgomery County, Maryland in the Washington, DC metropolitan area through a division called Montgomery County Golf (MCG). MCG is a division of the MCRA, and also includes four other facilities leased by MCRA from Montgomery County. The five MCRA-owned facilities include:

- **Falls Road Golf Course** - completed in 1961 on 158 acres of farmland east of the Village of Potomac. It appears from the data that this may have been the most active (rounds played) facility in the MCRA system at one time, but rounds have been steady at around 50,000± for the last three years. It is clear that Falls Road is one of Montgomery County's most popular golf courses and includes the most active driving range in the MCRA system. Falls Road has the highest green fee revenue-per-round of golf in the system in FY2008 and had the highest net earnings on operations. The facility is planned to undergo roughly \$1.4 million in upgrades over the next five years.
- **Hampshire Greens Golf Course** - one of the newest facilities in the MCRA system, having opened to the public in June of 1999 along with a housing development of the same name. Hampshire Greens is located in Silver Spring, convenient to the Washington beltway. This is an ideal location for a higher end, daily fee course and is accessible to golfers throughout the Washington and Baltimore areas. Hampshire Greens features the most modern design in the system with bentgrass from tee to green and a fair and challenging golf layout with four sets of tees. The facility also boasts a high green fee revenue-per-round, but has played only 30,000 to 32,000 rounds annually in the last three years. Hampshire Greens is budgeted for \$1.0 million in improvements over the next five years, including \$745,000 in FY2009.
- **Laytonsville Golf Course** - This facility has a new, full-service clubhouse and newly renovated golf course. Laytonsville includes one of the premier learning centers for youth and offers clinics and specialized summer golf camps and programs. This facility has also seen rounds played at approximately 50,000 in each of the last three years. Having undergone recent renovations, Laytonsville is not expected to require much more than \$130,000 in capital upgrades over the next five years.

- Poolesville Golf Course** – includes over 380 acres in the Potomac Valley of Southwest Montgomery County, less than an hour from the Capitol and 35 minutes from Northern VA and Rockville. The golf course features two scenic lakes and a high-quality practice facility with a 2-acre short game area and both grass and artificial tees on the driving range. Despite the high quality facilities, Poolesville is hosting only about 34,000 rounds annually and also has the lowest average green fee revenue-per-round of the five MCRA-owned facilities. The MCRA has planned roughly \$1.8 million in upgrades for this facility in the next five years.
- Rattlewood Golf Course** – This facility represents an acquisition by the MCRA in 1995 from a private developer, located eight miles north of Damascus on Penn Shop Road off Maryland Route 27. The club includes an 18,000 square-foot clubhouse and a par-72 golf course of average length with some challenges. Among golfers, Rattlewood has a reputation for being open during wet conditions because it drains very effectively, leading to enhanced revenue. It appears that league play is a very important part of the overall Rattlewood operation. Still, the facility is hosting under 35,000 rounds annually and also has a low average green fee revenue-per-round. Rattlewood is planned to receive about \$865,000 in capital upgrades in the next five years, \$600,000 of which will be completed before FY2011.

Revenue Analysis

The following table summarizes the revenues earned by the five MCRA-owned courses listed above for each of the last three fiscal years. We note a clear pattern with increases in green fee, range and lesson revenue, and a corresponding decrease in shop sales and cart revenue.

MCRA Five Owned Golf Courses Total Golf Revenue			
	FY2006	FY2007	FY2008
Total Rounds	186,829	195,229	194,239
Revenue			
Greens Fees	\$4,733,313	\$4,864,908	\$5,144,204
Tournament GF	\$0	\$19	\$199,665
Golf Car Fees	\$1,559,828	\$1,642,860	\$1,348,768
Driving Range	\$532,348	\$592,092	\$615,162
Club Repair	\$14,457	\$0	\$0
Golf Lessons	\$216,733	\$258,860	\$269,052
Handicap Fees	\$24,315	\$0	\$0
Pro Shop Sales	\$845,109	\$880,971	\$688,608
Food & Beverage Sales	\$822,260	\$950,706	\$883,580
Tournament F & B	\$5,062	\$0	\$76,742
Rental Income	\$30,415	\$0	\$0
Misc. Income	\$9,749	\$110,728	\$102,434
Reservation Fees	\$12,928	\$0	\$0
Total Facility Revenue	\$8,806,517	\$9,301,144	\$9,328,217
Source: MCRA			

Expense Analysis

The following table summarizes the expense incurred by the MCRA in maintaining the five owned courses listed above for each of the last three fiscal years. We note a decline in total expense in FY2008 with a concerted effort to control expenses after a roughly nine percent (9%) increase from FY06 to FY07. Overall the expenses at the MCRA-owned facilities are in line with national and regional averages compiled by the NGF, and generally consistent with the other four leased facilities.

MCRA Five Owned Golf Courses Personnel and Maintenance Expenses			
	FY2006	FY2007	FY2008
Payroll Expense	\$3,077,344	\$3,302,896	\$3,351,988
Operating Expense	\$2,266,818	\$2,519,312	\$2,431,639
Total Base Expense	\$5,344,161	\$5,822,208	\$5,783,627
Source: MCRA			

Net Income

The net from operations on the five MCRA-owned golf facilities has exceeded approximately \$1.8 million in each of the last three full fiscal years, even exceeding \$1.9 million in FY2007. However, when other 'below the line' items like interest (net), capital expenses and depreciation are considered, the results tell a different story. The net interest expense, mostly from previous renovations and capital expenditures, has been close to \$1.0 million in each of the last three years, leaving a net income after debt of under \$1.0 million in every year but FY2007. Depreciation on these facilities is roughly \$1.0 million per year leading to an overall loss for the facility in each year but FY2007.

MCRA Five Owned Golf Courses Net Income			
	FY2006	FY2007	FY2008
Earnings Before Int., Deprec. + Amort. (EBIDA)	\$1,798,184	\$1,975,485	\$1,851,628
Less:			
Other (Net Interest)	(\$1,029,819)	(\$916,685)	(\$969,570)
Capital Expenditures	\$0	\$0	(\$127,576)
Net Income after Interest + Capital Needs, Before Deprec.	\$768,365	\$1,058,800	\$754,481
Less:			
Depreciation	(\$981,695)	(\$1,024,648)	(\$1,120,784)
Net Income after Capital Needs and Depreciation	(\$213,330)	\$34,152	(\$366,302)
Source: MCRA			

Leased County Facilities

As noted, the MCRA operates four other golf facilities owned by the M-NCPPC via lease agreement. These four facilities include:

- **Little Bennett Golf Course** – located at the north end of Little Bennett Regional Park with scenic views of Sugarloaf Mountain. The Little Bennett golf course is rather hilly and includes a grass driving range and three practice greens, plus a full pro shop. The facility also boasts a relatively high green fee revenue-per-round, but has played only 29,000 to 30,000 rounds annually in the last three years. With total facility revenues of only \$1.6 million, Little Bennett has shown a negative EBIDA the last two years, although there is only a modest \$12,000 net interest expense. Little Bennett is scheduled for approximately \$773,000 in improvements over the next five years, including \$534,000 for FY2009-10.
- **Needwood Golf Course** – located at the north end of Rock Creek Regional Park. The facility offers a driving range, pro shop, practice putting green, and snack bar. The facility also includes an executive nine-hole course that is good for golfers of all levels, especially beginners. With over 71,000 rounds reported in FY2008, Needwood is now the most active facility in the MCRA system. The facility is planned to undergo roughly \$2.4 million in upgrades over the next five years, including a large \$1.5 million project planned for FY2011.
- **Northwest Golf Course** – Located in north of the Washington, D.C. Beltway in Northwest Branch Park, and in proximity to the Needwood Golf Course in golfer-rich section of Montgomery County. This 27-hole has a beautiful layout and is popular with golfers of all abilities. The course has four sets of tees, large greens and is the longest golf course in Montgomery County. Northwest's driving range is large and heated and thus earns the second highest range revenue in the system (behind only Falls Rd.). The 63,000 rounds in FY2008 is second highest in the system, meaning that the two highest rounds totals (Needwood and Northwest) are among the leased facilities in the system. The facility is planned to undergo roughly \$2.5 million in upgrades over the next five years, including a large \$2.1 million project planned for FY2010.
- **Sligo Creek Golf Course** – this facility is a challenging 9-hole course located near downtown Washington, DC, just off the Capital Beltway. Although the course features hilly terrain, many golfers still choose to walk this course resulting in low cart fees. As a 9-hole course, this facility has struggled with revenues. The facility had one of its best years in FY2008, producing only 29,000 rounds and just over \$636,000 in total facility revenue. This facility has major needs for upgrading and possibly even a complete reconstruction to a slightly different type of facility. As such, no capital expenses are budgeted for Sligo Creek at this time. With a loss of \$143,000 in FY2008, Sligo Creek is clearly the least profitable facility in the MCRA system.

Expense Analysis

The following table summarizes the expense incurred by the MCRA in maintaining the four leased golf courses in the system. We note an 11 percent increase in expenses at the facilities between FY07 and FY08, slightly less than the corresponding increase in revenues over that period. Overall the expenses at the leased facilities are in line with national and regional averages compiled by the NGF, and generally consistent with the other five facilities owned by MCRA.

MCRA Four Leased Golf Courses Personnel and Maintenance Expenses			
	FY2006*	FY2007	FY2008
Payroll Expense	\$450,548	\$2,193,020	\$2,511,649
Operating Expense	\$318,411	\$2,111,982	\$2,266,924
Total Base Expense	\$768,959	\$4,305,002	\$4,778,573
Source: MCRA. *FY2006 reflects partial year.			

Revenue Analysis

The following table summarizes the revenues earned by the four leased courses listed above for each of the last three fiscal years. We note that rounds played and all revenue categories except cart fees increased by about 12 to 15 percent from FY2007 to FY2008, mostly a reflection of enhancements made by MCRA to these facilities. Food and beverage revenue has been a very strong area of growth since the addition of these leased facilities. Total F & B revenue is up by 30 percent in FY2008 over FY2007.

MCRA Four Leased Golf Courses Total Golf Revenue			
	FY2006*	FY2007	FY2008
Total Rounds	46,415	172,538	195,460
Revenue			
Greens Fees	\$1,360,015	\$3,904,928	\$4,560,130
Tournament GF	\$0	\$3,290	\$68,999
Golf Car Fees	\$301,778	\$910,712	\$876,185
Driving Range	\$127,630	\$411,072	\$435,755
Club Repair	\$35	\$0	\$0
Golf Lessons	\$44,424	\$115,334	\$111,475
Handicap Fees	\$2,005	\$0	\$0
Pro Shop Sales	\$121,639	\$398,419	\$423,458
Food & Beverage Sales	\$156,880	\$483,836	\$608,626
Tournament F & B	\$0	\$0	\$19,673
Rental Income	\$3,034	\$0	\$0
Misc. Income	\$0	\$64,737	\$78,636
Reservation Fees	\$0	\$0	\$0
Total Facility Revenue	\$2,117,440	\$6,292,329	\$7,182,938
Source: MCRA. *FY2006 reflects partial year.			

Leased Facilities Net Income

In reviewing the net income of the leased facilities and comparing these figures to those of the five owned facilities presented previous, it is clear that the comparison is not 'apples to apples' as the owned facilities have a substantial debt service requirement, not present with the leased facilities. To summarize the economic status of the leased facilities we find it important to complete the net income review on an individual facility basis. A summary of net income by Facility:

Needwood Golf Course

The MCRA operation has increased the EBIDA at Needwood Golf Course to over \$858,000 in FY2008, demonstrating the strong profit potential of this well-located facility. This level of EBIDA is the second highest in the total system (only Falls Road is higher) and the highest of the four leased facilities. As noted Needwood is generating the highest rounds total in the system and setting the stage for the \$2.2 million in upgrades planned for this facility in the next three years.

Needwood Golf Course Net Income			
	FY2006	FY2007	FY2008
Earnings Before Int., Deprec. + Amort. (EBIDA)	\$409,310	\$646,810	\$858,163
Less:			
Other (Net Interest)	\$0	\$0	(\$7,687)
Capital Expenditures	\$0	\$0	(\$30,000)
Net Income after Interest + Capital Needs, Before Deprec.	\$409,310	\$646,810	\$820,476
Less:			
Depreciation	\$0	(\$51,049)	(\$74,295)
Net Income after Capital Needs and Depreciation	\$409,310	\$595,761	\$746,181
Source: MCRA			

Northwest Golf Course

The net from operations at Northwest is the third highest in the system showing that two of the top three earners for MCRA are among the leased facilities. Although the performance of Northwest is relatively strong, it seems to have even greater potential given the 27-hole layout and the location. Given this, the MCRA has allotted over \$2.2 million in upgrades for the next two years.

Northwest Golf Course Net Income			
	FY2006	FY2007	FY2008
Earnings Before Interest + Deprec. (EBIDA)	\$472,355	\$688,808	\$608,378
Less:			
Other (Net Interest)	\$0	\$0	(\$8,259)
Capital Expenditures	\$0	\$0	(\$5,000)
Net Income after Interest + Capital Needs, Before Deprec.	\$472,355	\$688,808	\$595,119
Less:			
Depreciation	\$0	(\$53,056)	(\$83,264)
Net Income after Capital Needs and Depreciation	\$409,310	\$635,752	\$511,855
Source: MCRA			

Little Bennett Golf Course

Little Bennett has shown negative EBIDA for each of the last two years, due largely to low activity. The facility has a relatively high average revenue per green fee round but low rounds keep revenue down. It would appear that Little Bennett would have to increase rounds to well over 40,000 to post a positive EBIDA, and even that level will likely not cover the capital requirements of this facility that are needed to maintain current activity, let alone any growth. It

seems probable that this facility will continue to struggle economically as needed upgrades will not likely result in revenue growth.

Little Bennett Golf Course Net Income			
	FY2006	FY2007	FY2008
Earnings Before Interest + Deprec. (EBIDA)	\$244,001	(\$263,211)	(\$120,064)
Less:			
Other (Net Interest)	\$0	\$0	(\$12,362)
Capital Expenditures	\$0	\$0	(\$99,000)
Net Income after Interest + Capital Needs, Before Deprec.	\$244,001	(\$263,211)	(\$231,426)
Less:			
Depreciation	\$0	(\$45,860)	(\$95,036)
Net Income after Capital Needs and Depreciation	\$244,001	(\$309,071)	(\$326,462)
Source: MCRA.			

Sligo Creek Golf Course

Sligo Creek is the worst overall facility in terms of EBIDA as both rounds and average rate are low, and there are clear overall limitations with this facility as it is presently configured. It is likely that the level of rounds that would be required to sustain this facility, and its needed upgrades, is far in excess of what is reasonable for the market and/or beyond the carrying capacity of the facility. Given this, it is likely that an entirely new facility concept may be required for this facility to become economically viable. However, given the likely high cost of such a remake, it is hard for the NGF team to see how this facility can expect anything other than continued subsidy from the rest of the system.

Sligo Creek Golf Course Net Income			
	FY2006	FY2007	FY2008
Earnings Before Interest + Deprec. (EBIDA)	\$38,427	(\$83,993)	(\$143,746)
Less:			
Other (Net Interest)	\$0	\$0	(\$2,794)
Capital Expenditures	\$0	\$0	\$0
Net Income after Interest + Capital Needs, Before Deprec.	\$38,427	(\$83,993)	(\$146,540)
Less:			
Depreciation	\$0	(\$16,704)	(\$21,818)
Net Income after Capital Needs and Depreciation	\$38,427	(\$100,697)	(\$168,358)
Source: MCRA			

Summary of Leased Facilities

It is clear that Northwest and Needwood are among the strongest economic performers in the overall system, but the \$4.0+ million in capital investments scheduled for these facilities in the next three years may affect the bottom line at these facilities in the short term. However, over the longer term (beyond five years) the continued high rounds totals and golfer-rich locations should produce revenue totals to justify the investments.

On the negative side, Sligo Creek and Little Bennett are clearly struggling to make ends meet, although Little Bennett has shown more improvement than Sligo Creek. We note that no capital expenses have been budgeted for Sligo Creek for the FY08 through FY13 period, making the poor economic performance appear slightly better than it may actually be. The NGF Consulting projections for the next five years (presented next) will reflect expected capital enhancements at all facilities except Sligo Creek.

PRELIMINARY FINANCIAL PROJECTIONS – FY2009 – FY2013

In an effort to help identify which (if any) of the leased golf facilities within the MCRA may be 'adverse' to the system as a whole, the NGF Consulting team has prepared a schedule of economic projections for each facility over the next five years of operation (through FY2013). These projections are based on the overriding assumption that all nine facilities will continue to be managed under the same basic operational structure that exists today, and that all capital improvements planned for the facilities as of December 2008 will be completed. Other assumptions utilized in completion of these projections include:

Basic Assumptions

- Projected rounds performance at each facility is estimated at approximately the same level as FY08 for all five years.
- Average revenues are also held at approximate FY08 levels for the first year, with slight variations at each facility to reflect clear trends observed by NGF Consulting.
- All revenue categories are projected to grow at approximately 3.5% annually through FY2013, based on actual performance from last two years.
- Direct labor expenses are projected to increase at a rate of 5% per year through FY2013. Non-labor expenses increase at a rate of 2% per year through FY2013, based on actual performance from the last two years.
- The management fee is fixed at \$160,000 per year for each facility through FY2013.

Complete Nine-Facility Operation

The first estimate of performance is based on the assumption that the MCRA continues on an 'as-is' basis with all nine facilities operating under the basic assumptions identified above. The summary results are displayed in the following table:

**MCRA Complete Nine-Facility Operation
Projected Economic Performance (FY09-FY13)**

	FY09	FY10	FY11	FY12	FY13
Total Rounds	383,500	383,500	383,500	383,500	383,500
Revenues					
Greens Fees	\$9,630,345	\$9,967,407	\$10,316,266	\$10,677,336	\$11,051,042
Tournament GF	266,345	275,667	285,315	295,301	305,637
Golf Car Fees	2,248,200	2,326,887	2,408,328	2,492,620	2,579,861
Driving Range	1,034,725	1,070,940	1,108,423	1,147,218	1,187,371
Golf Lessons	375,760	388,912	402,524	416,612	431,193
Pro Shop Sales	1,111,500	1,150,403	1,190,667	1,232,340	1,275,472
Food & Beverage Sales	1,493,050	1,545,307	1,599,392	1,655,371	1,713,309
Tournament F & B	94,035	97,326	100,733	104,258	107,907
Misc. Income	179,030	185,296	191,781	198,494	205,441
Total Revenues	\$16,432,990	\$17,008,145	\$17,603,430	\$18,219,550	\$18,857,234
Total Cost of Sales	\$1,457,592	\$1,508,608	\$1,561,409	\$1,616,058	\$1,672,620
Gross Profit	\$14,975,398	\$15,499,537	\$16,042,021	\$16,603,491	\$17,184,614
Operating Expense					
Total Payroll Expense	\$6,156,819	\$6,464,660	\$6,787,893	\$7,127,288	\$7,483,652
Total Operating Expense	\$4,796,815	\$4,897,247	\$4,999,913	\$5,104,867	\$5,212,169
Total Expenses	\$10,953,635	\$11,361,907	\$11,787,806	\$12,232,155	\$12,695,821
Operating Profit (loss)	\$4,021,763	\$4,137,629	\$4,254,215	\$4,371,337	\$4,488,793
Management fees	\$1,440,000	\$1,440,000	\$1,440,000	\$1,440,000	\$1,440,000
EBIDA	\$2,581,763	\$2,697,629	\$2,814,215	\$2,931,337	\$3,048,793
Other Income and Expenses					
Interest Income	\$91,000	\$92,820	\$94,676	\$96,570	\$98,501
Interest Expense	(1,090,365)	(1,112,172)	(1,134,415)	(1,157,104)	(1,180,246)
Depreciation	(1,395,196)	(1,423,100)	(1,451,562)	(1,480,593)	(1,510,205)
Net Other Income (Expense)	(\$2,394,561)	(\$2,442,452)	(\$2,491,301)	(\$2,541,127)	(\$2,591,949)
Net Income (Loss)	\$187,203	\$255,178	\$322,914	\$390,210	\$456,843
Capital Needs	\$2,240,245	\$3,662,013	\$2,651,256	\$1,206,000	\$595,000
Net (after Capital Needs)	(\$2,053,042)	(\$3,406,835)	(\$2,328,342)	(\$815,790)	(\$138,157)

Operations Without Needwood Golf Course

In an effort to identify 'adverse' facilities among the leased courses in the system, NGF has prepared the same projection as shown above with each of the individual four leased facilities removed from the operation. The table below shows the MCRA golf operation as an eight-facility system, without Needwood Golf Course:

MCRA Projected Economic Performance (FY09-FY13) Eight-Facility System (w/o Needwood GC)					
	FY09	FY10	FY11	FY12	FY13
Total Rounds	313,500	313,500	313,500	313,500	313,500
Revenues					
Greens Fees	\$7,950,345	\$8,228,607	\$8,516,608	\$8,814,690	\$9,123,204
Tournament GF	260,745	269,871	279,317	289,093	299,211
Golf Car Fees	1,968,200	2,037,087	2,108,385	2,182,179	2,258,555
Driving Range	940,225	973,133	1,007,193	1,042,444	1,078,930
Golf Lessons	326,760	338,197	350,033	362,285	374,965
Pro-Shop Sales	981,300	1,015,646	1,051,193	1,087,985	1,126,064
Food & Beverage Sales	1,290,050	1,335,202	1,381,934	1,430,301	1,480,362
Tournament F & B	94,035	97,326	100,733	104,258	107,907
Misc. Income	148,930	154,143	159,538	165,121	170,901
Total Revenues	\$13,960,590	\$14,449,211	\$14,954,933	\$15,478,356	\$16,020,098
Total Cost of Sales	\$1,292,798	\$1,338,046	\$1,384,878	\$1,433,348	\$1,483,515
Gross Profit	\$12,667,792	\$13,111,165	\$13,570,055	\$14,045,007	\$14,536,583
Operating Expense					
Total Payroll Expense	\$5,387,124.90	\$5,656,481.14	\$5,939,305.20	\$6,236,270.46	\$6,548,083.98
Total Operating Expense	\$4,234,762	\$4,323,425	\$4,414,061	\$4,506,717	\$4,601,445
Total Expenses	\$9,621,887	\$9,979,906	\$10,353,366	\$10,742,988	\$11,149,529
Operating Profit (loss)	\$3,045,905	\$3,131,258	\$3,216,690	\$3,302,020	\$3,387,053
Management fees	\$1,280,000	\$1,280,000	\$1,280,000	\$1,280,000	\$1,280,000
EBIDA	\$1,765,905	\$1,851,258	\$1,936,690	\$2,022,020	\$2,107,053
Other Income and Expenses					
Interest Income	\$91,000	\$92,820	\$94,676	\$96,570	\$98,501
Interest Expense	(1,082,677)	(1,104,331)	(1,126,417)	(1,148,946)	(1,171,924)
Depreciation	(1,320,902)	(1,347,320)	(1,374,266)	(1,401,751)	(1,429,786)
Net Other Income (Expense)	(\$2,312,579)	(\$2,358,830)	(\$2,406,007)	(\$2,454,127)	(\$2,503,210)
Net Income (Loss)	(\$546,673)	(\$507,572)	(\$469,317)	(\$432,107)	(\$396,156)
Capital Needs	\$1,897,745	\$3,370,338	\$1,078,000	\$1,006,000	\$595,000
Net (after Capital Needs)	(\$2,444,418)	(\$3,877,910)	(\$1,547,317)	(\$1,438,107)	(\$991,156)

Operations without Northwest Golf Course

The table below shows the MCRA golf operation as an eight-facility system, without Northwest Golf Course:

MCRA Projected Economic Performance (FY09-FY13) Eight-Facility System (w/o Northwest GC)					
	FY09	FY10	FY11	FY12	FY13
Total Rounds	321,500	321,500	321,500	321,500	321,500
Revenues					
Greens Fees	\$8,080,345	\$8,363,157	\$8,655,868	\$8,958,823	\$9,272,382
Tournament GF	252,705	261,550	270,704	280,179	289,985
Golf Car Fees	1,984,700	2,054,165	2,126,060	2,200,472	2,277,489
Driving Range	786,725	814,260	842,759	872,256	902,785
Golf Lessons	335,460	347,201	359,353	371,930	384,948
Pro Shop Sales	990,600	1,025,271	1,061,155	1,098,296	1,136,736
Food & Beverage Sales	1,322,550	1,368,839	1,416,749	1,466,335	1,517,657
Tournament F & B	88,455	91,551	94,755	98,072	101,504
Misc. Income	157,950	163,478	169,200	175,122	181,251
Total Revenues	\$13,999,490	\$14,489,472	\$14,996,604	\$15,521,485	\$16,064,737
Total Cost of Sales	\$1,299,647	\$1,345,135	\$1,392,214	\$1,440,942	\$1,491,375
Gross Profit	\$12,699,843	\$13,144,338	\$13,604,389	\$14,080,543	\$14,573,362
Operating Expense					
Total Payroll Expense	\$5,345,540	\$5,612,817	\$5,893,458	\$6,188,131	\$6,497,537
Total Operating Expense	\$3,992,382	\$4,076,073	\$4,161,630	\$4,249,099	\$4,338,530
Total Expenses	\$9,337,922	\$9,688,890	\$10,055,087	\$10,437,230	\$10,836,067
Operating Profit (loss)	\$3,361,921	\$3,455,448	\$3,549,302	\$3,643,313	\$3,737,295
Management fees	\$1,280,000	\$1,280,000	\$1,280,000	\$1,280,000	\$1,280,000
EBIDA	\$2,081,921	\$2,175,448	\$2,269,302	\$2,363,313	\$2,457,295
Other Income and Expenses					
Interest Income	\$91,000	\$92,820	\$94,676	\$96,570	\$98,501
Interest Expense	(1,082,106)	(1,103,748)	(1,125,823)	(1,148,340)	(1,171,306)
Depreciation	(1,311,933)	(1,338,171)	(1,364,935)	(1,392,233)	(1,420,078)
Net Other Income (Expense)	(\$2,303,039)	(\$2,349,099)	(\$2,396,081)	(\$2,444,003)	(\$2,492,883)
Net Income (Loss)	(\$221,117)	(\$173,652)	(\$126,779)	(\$80,690)	(\$35,589)
Capital Needs	\$2,119,500	\$1,519,675	\$2,611,256	\$1,106,000	\$595,000
Net (after Capital Needs)	(\$2,340,617)	(\$1,693,327)	(\$2,738,035)	(\$1,186,690)	(\$630,589)

Operations without Sligo Creek Golf Course

The table below shows the MCRA golf operation as an eight-facility system, without Sligo Creek Golf Course:

MCRA Projected Economic Performance (FY09-FY13) Eight-Facility System (w/o Sligo Creek GC)					
	FY09	FY10	FY11	FY12	FY13
Total Rounds	355,500	355,500	355,500	355,500	355,500
Revenues					
Greens Fees	\$9,193,545	\$9,515,319	\$9,848,355	\$10,193,048	\$10,549,804
Tournament GF	266,345	275,667	285,315	295,301	305,637
Golf Car Fees	2,195,000	2,271,825	2,351,339	2,433,636	2,518,813
Driving Range	1,034,725	1,070,940	1,108,423	1,147,218	1,187,371
Golf Lessons	375,760	388,912	402,524	416,612	431,193
Pro Shop Sales	1,076,500	1,114,178	1,153,174	1,193,535	1,235,309
Food & Beverage Sales	1,437,050	1,487,347	1,539,404	1,593,283	1,649,048
Tournament F & B	94,035	97,326	100,733	104,258	107,907
Misc. Income	165,030	170,806	176,784	182,972	189,376
Total Revenues	\$15,837,990	\$16,392,320	\$16,966,051	\$17,559,863	\$18,174,458
Total Cost of Sales	\$1,411,952	\$1,461,370	\$1,512,518	\$1,565,456	\$1,620,247
Gross Profit	\$14,426,038	\$14,930,949	\$15,453,533	\$15,994,406	\$16,554,210
Operating Expense					
Total Payroll Expense	\$5,842,408	\$6,134,528	\$6,441,254	\$6,763,317	\$7,101,483
Total Operating Expense	\$4,519,835	\$4,614,504	\$4,711,279	\$4,810,214	\$4,911,363
Total Expenses	\$10,362,243	\$10,749,032	\$11,152,533	\$11,573,531	\$12,012,846
Operating Profit (loss)	\$4,063,795	\$4,181,918	\$4,300,999	\$4,420,875	\$4,541,365
Management fees	\$1,280,000	\$1,280,000	\$1,280,000	\$1,280,000	\$1,280,000
EBIDA	\$2,783,795	\$2,901,918	\$3,020,999	\$3,140,875	\$3,261,365
Other Income and Expenses					
Interest Income	\$91,000	\$92,820	\$94,676	\$96,570	\$98,501
Interest Expense	(1,087,571)	(1,109,322)	(1,131,508)	(1,154,139)	(1,177,221)
Depreciation	(1,373,378)	(1,400,846)	(1,428,862)	(1,457,440)	(1,486,589)
Net Other Income (Expense)	(\$2,369,949)	(\$2,417,348)	(\$2,465,695)	(\$2,515,008)	(\$2,565,309)
Net Income (Loss)	\$413,846	\$484,570	\$555,305	\$625,867	\$696,056
Capital Needs	\$2,240,245	\$3,662,013	\$2,651,256	\$1,206,000	\$595,000
Net (after Capital Needs)	(\$1,826,399)	(\$3,177,443)	(\$2,095,951)	(\$580,133)	\$101,056

Operations without Little Bennett Golf Course

The table below shows the MCRA golf operation as an eight-facility system, without Little Bennett Golf Course:

MCRA Projected Economic Performance (FY09-FY13) Eight-Facility System (w/o Little Bennett GC)					
	FY09	FY10	FY11	FY12	FY13
Total Rounds	354,500	354,500	354,500	354,500	354,500
Revenues					
Greens Fees	\$8,789,345	\$9,096,972	\$9,415,366	\$9,744,904	\$10,085,976
Tournament GF	219,945	227,643	235,611	243,857	252,392
Golf Car Fees	1,987,200	2,056,752	2,128,738	2,203,244	2,280,358
Driving Range	962,225	995,903	1,030,759	1,066,836	1,104,175
Golf Lessons	358,360	370,903	383,884	397,320	411,226
Pro Shop Sales	986,800	1,021,338	1,057,085	1,094,083	1,132,376
Food & Beverage Sales	1,327,750	1,374,221	1,422,319	1,472,100	1,523,624
Tournament F & B	80,985	83,819	86,753	89,790	92,932
Misc. Income	168,010	173,890	179,977	186,276	192,795
Total Revenues	\$14,880,620	\$15,401,442	\$15,940,492	\$16,498,409	\$17,075,854
Total Cost of Sales	\$1,272,688	\$1,317,232	\$1,363,335	\$1,411,052	\$1,460,439
Gross Profit	\$13,607,932	\$14,084,210	\$14,577,157	\$15,087,357	\$15,615,415
Operating Expense					
Total Payroll Expense	\$5,414,973	\$5,685,721	\$5,970,007	\$6,268,507	\$6,581,933
Total Operating Expense	\$4,126,215	\$4,212,743	\$4,301,201	\$4,391,639	\$4,484,106
Total Expenses	\$9,541,188	\$9,898,464	\$10,271,208	\$10,660,146	\$11,066,039
Operating Profit (loss)	\$4,066,744	\$4,185,746	\$4,305,949	\$4,427,211	\$4,549,376
Management fees	\$1,280,000	\$1,280,000	\$1,280,000	\$1,280,000	\$1,280,000
EBIDA	\$2,786,744	\$2,905,746	\$3,025,949	\$3,147,211	\$3,269,376
Other Income and Expenses					
Interest Income	\$91,000	\$92,820	\$94,676	\$96,570	\$98,501
Interest Expense	(1,078,002)	(1,099,562)	(1,121,553)	(1,143,984)	(1,166,864)
Depreciation	(1,300,160)	(1,326,164)	(1,352,687)	(1,379,741)	(1,407,335)
Net Other Income (Expense)	(\$2,287,162)	(\$2,332,906)	(\$2,379,564)	(\$2,427,155)	(\$2,475,698)
Net Income (Loss)	\$499,582	\$572,840	\$646,385	\$720,056	\$793,678
Capital Needs	\$1,916,245	\$3,452,013	\$2,571,256	\$1,161,000	\$580,000
Net (after Capital Needs)	(\$1,416,663)	(\$2,879,173)	(\$1,924,871)	(\$440,944)	\$213,678

ANALYSIS OF FACILITIES 'ADVERSE' TO THE SYSTEM

The income estimates presented by NGF Consulting have been prepared based on existing and projected market conditions, the quality of the subject facility and the intended segment of the golf market toward which each facility is oriented. Particular focus was paid to the reality of actual performance by each of the four leased facilities and the potential to grow rounds and/or revenues in its particular market location. A brief summary of the conclusions drawn by this analysis include:

- Northwest GC and Needwood GC have roughly the same impact. These two facilities are performing very well economically and if either is removed from the system as whole, the economic condition of the MCRA golf system would deteriorate considerably. These two facilities are among the most profitable in the entire nine-course system.
- Eliminating Little Bennett results in highest net income performance after capital needs. However, this includes \$773,000 in upgrades to Little Bennett, and these upgrades have the chance of improving overall performance. Still, as presently configured, Little Bennett does provide the most direct economic loss of any facility in the system.
- If the MCRA were to eliminate Sligo Creek, the result would be the highest net income before capital needs. We note that no specific capital expense has been budgeted to this facility as of December 2008. However, it is clear that this facility needs substantial capital investment. Thus, Sligo Creek economic performance is having the greatest negative impact on the system as a whole of any leased facility before capital investment, plus Sligo is in clear need of a large capital investment.

Net Income (Before Capital Needs)

Below is a summary of the EBIDA performance of the full MCRA golf system by facility. The struggles at Little Bennett and Sligo Creek are clearly shown in this exhibit, along with planned capital needs at each facility. We note no capital expenses planned for Sligo Creek as a new master plan for that property will be required.

**MCRA Golf System Projected Economic Performance (FY09-FY13)
Summary of Net Income and Capital Needs**

	FY09	FY10	FY11	FY12	FY13
Earnings Before Interest, Depreciation and Amortization (EBIDA)					
Falls Road	\$847,471	\$876,519	\$905,981	\$935,838	\$966,063
Laytonsville	\$394,591	\$410,007	\$425,584	\$441,304	\$457,149
Poolesville	\$23,986	\$27,527	\$30,858	\$33,954	\$36,784
Rattlewood	\$260,703	\$271,509	\$282,352	\$293,213	\$304,071
Hampshire Greens	\$146,325	\$155,920	\$165,519	\$175,102	\$184,643
Sligo Creek	(\$202,032)	(\$204,288)	(\$206,784)	(\$209,539)	(\$212,572)
Northwest	\$499,842	\$522,182	\$544,913	\$568,023	\$591,498
Needwood	\$815,858	\$846,371	\$877,525	\$909,317	\$941,740
Little Bennett	(\$204,981)	(\$208,116)	(\$211,734)	(\$215,875)	(\$220,583)
Total EBIDA	\$2,581,763	\$2,697,629	\$2,814,215	\$2,931,337	\$3,048,793
Capital Needs					
Falls Road	\$258,000	\$175,000	\$560,000	\$300,000	\$45,000
Laytonsville	\$0	\$5,000	\$21,000	\$30,000	\$45,000
Poolesville	\$55,000	\$539,000	\$305,000	\$249,000	\$445,000
Rattlewood	\$395,000	\$200,000	\$67,000	\$113,000	\$15,000
Hampshire Greens	\$745,000	\$99,000	\$5,000	\$169,000	\$30,000
Sligo Creek	\$0	\$0	\$0	\$0	\$0
Northwest	\$120,745	\$2,142,338	\$40,000	\$100,000	\$0
Needwood	\$342,500	\$291,675	\$1,573,256	\$200,000	\$0
Little Bennett	\$324,000	\$210,000	\$80,000	\$45,000	\$15,000
Total Capital Needs	\$2,240,245	\$3,662,013	\$2,651,256	\$1,206,000	\$595,000

Most 'Adverse' Facility – Sligo Creek

Based on the above analysis of expected future performance, coupled with the previous analysis of actual performance, it is clear to the NGF Consulting team that Sligo Creek is the most 'adverse' facility in the overall system due to its poor economic performance and its general type of facility (9-hole with limited ancillaries). NGF research has shown that 9-hole facilities of this type are three times more likely to close due to economic troubles than full 18-hole facilities due to revenue limitations inherent with 9-hole facilities coupled with expense structures that are more similar to 18-hole facilities (high fixed costs). We also note that eliminating or modifying the \$160,000 management fee at this facility will not be enough to eliminate the economic loss and still leaves the problem of appropriate management for the facility.

Based on our review of the economic performance data and a general working knowledge of the Sligo Creek facility, it is the NGF team's opinion that this facility may not be economically viable under its current configuration due to limitations in capacity, ancillary facilities and lack of ability to raise fees. As such, it is likely that a whole new concept may be required for this facility. Alternate configurations such as driving range only, learning center, par-3 course, or some combination thereof, will have to be considered as a separate feasibility analysis for the future of this property. **The NGF can state with confidence that the Sligo Creek Golf Course, as presently configured, can be classified as 'adverse' to the MCRA system as a**

whole. This is due to its economic performance and how this performance may affect the other facilities in the system.

Although Little Bennett is presently struggling to meet its expense obligations, there does seem to be better potential with this facility as Little Bennett has seen revenue growth in the last two years. In addition, Little Bennett is well thought of by the golfing public (three awards noted above plus 'most improved customer loyalty award from NGF survey), and it has the ancillary facilities needed to improve its non-golf (F & B + merchandise) revenues. These factors lead NGF to believe that although Little Bennett has a negative EBIDA in FY2008, the facility has a better chance to operate in the black than does Sligo Creek.

Limiting Conditions

The income and expense projections presented by NGF Consulting have been prepared based on all previously noted assumptions. NGF Consulting is confident that the stated financial projections can be achieved at the subject facilities based on present facility and market conditions. From a practical standpoint, those managing these facilities will need to respond to variable market conditions as well as unforeseen maintenance needs. Due to the fact that these conditions are more likely to change as the next five years unfold, NGF Consulting has limited its projections to a five-year period. Nevertheless, we are confident that the MCRA facilities will be able to continue to achieve similar results beyond the next five years of operation.

Our estimates of performance for the nine-facility MCRA golf system could change should the following conditions occur:

Stronger Performance	Weaker Performance
Future course closings	New course openings
Faster population growth than projected	Incorrect price levels
Positive regional/ national publicity	Poor customer service
Lack of loyalty to existing courses	Low quality facility
Unforeseen surge in golf interest	Poor yearly weather conditions
Excellent yearly weather conditions	Regional economic recession

It is important to measure the future performance of golf facilities in such a way as to help the Authority make financial decisions based on realistic expectations. It is obviously possible that either more or fewer rounds will be realized at any of the MCRA courses. We note that our projections for future performance of the nine-course system do anticipate increases in activity that may not occur, potentially leading to MCRA subsidies.

**Montgomery County Revenue Authority
Board of Directors Resolution
January 27, 2009**

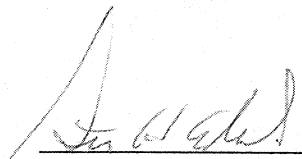
Resolution No. 290109

RESOLVED that the Montgomery County Revenue Authority (MCRA) Board of Directors, having received and reviewed the independent financial analysis provided by NGF Consulting of the entire Golf System indicating that the Sligo Creek Golf Course is adverse to the entire Golf System, does hereby so determine that the Sligo Creek Golf Course is adverse to the entire Golf System, and hereby directs that the Executive Director extract the Sligo Creek Golf Course from the lease between MCRA and the Maryland-National Capital Park and Planning Commission dated 26 October 2006 (hereinafter referred to as the "Lease").

IT IS THEREFORE the resolution of the MCRA Board of Directors that the Executive Director is hereby authorized and directed to proceed with the immediate extraction of the Sligo Creek Golf Course from the Lease as provided in Section 12.2 of the Lease;

IT IS FURTHER resolved that the MCRA Board of Directors authorizes the Executive Director to enter into an amendment to the Lease or separate Agreement (as the Executive Director may deem appropriate) by no later than April 15, 2009 providing for, notwithstanding its extraction from the Lease, the continued operation of the Sligo Creek Golf Course by MCRA substantially in accordance with the provisions of the Lease and/or on such other or different terms as the Executive Director may deem appropriate for a period of time no longer than October 1, 2009.

Approved by the MCRA Board of Directors the 27th day of January, 2009.



Stephen H. Edwards
Chairman

SHORT-TERM COST ESTIMATES FOR SLIGO
(October 1, 2009 – June 30, 2010)

1. Security – Alarm monitoring, increase daytime checks, use of more ATV and mounted patrols to deter off-road violations.	2,000
2. Utilities	7,000
3. Mothballing Club House and Pesticide Building. Keep house and maintenance building for storage. Leave fuel pumps active. Initial clean up of site.	18,000
4. Weekly mowing, landscape beds, inspections, leaf removal, and trash removal.	5,500
5. Turf areas of the golf course should be mowed monthly or often enough so that they are not overtaken by invasives and trees.	15,000
6. Removal of branches and wood debris prior to mowing.	2,500
7. Fence repairs and trash pickup along the bordering fence lines and community roads. Needs to be mowed frequently, plus keeping the fence areas clear of weed growth using pesticides and weed whackers.	2,500
8. Maintenance of paths, bridges, and boardwalks.	1,000
9. Maintenance of radio tower and support structures. Mostly maintaining access, security, mowing, and litter control.	500
10. Stormwater management structures (ponds, dam, riser, trash rack, outfall) need to be taken care of and kept secure.	1,000
11. Care of parking lot and possible signage.	1,000

Total Estimated Cost - \$56,000

Work Years - .60

SLIGO PARK - PARK MASTER PLAN PROCESS AND ACCELERATED TIMELINE

Objective: Staff Draft Master Plan in 8 months. Planning Board Adopted Master Plan in 2 Months

Assumptions: Preliminary planning work to begin March 2, 2009. Public Outreach efforts to begin after final Council Action

PHASE AND DURATION	REVIEW PROCESS	PRODUCT ELEMENTS (Major Products in Bold)
<p>Phase 1: 1 month</p> <p><u>Project Initiation</u> -add to Department of Parks Budget and Work Program</p>		<ul style="list-style-type: none"> - List of Products - Project Schedule - Determine Plan Needs and final product - Establish timing of Plan. - Begin environmental analysis. - Begin Outreach Planning
<p>Phase 2: 3 months</p> <p><u>Purpose and Outreach Strategy Report and work program.</u></p> <p>Action Requested: Planning Board Approval of Report</p>	<p>A Hold staff kick-off meeting to review draft work program and to generate list of master plan issues and to brainstorm plan principles to guide the process. Arrange on-site visit of park with PDCO team. Create web site to keep public informed of process.</p> <p>B. Community "kick off" meeting to help identify issues to include in Purpose and Outreach Report.</p> <p>C. PDCO Team refines Plan issues and Work Program</p> <p>D. Obtain input from Senior Park Staff</p> <p>D. Draft document placed on web.</p>	<ul style="list-style-type: none"> - Purpose and Outreach Report - Project Timeline - Establish Planning, Development, Construction and Operation Committee (PDCO) - Review past studies/plans - Develop outreach contact list - Prepare PROS Analysis/Needs - Initiate environmental analysis based on GIS information - Suggest preliminary goals and objectives to guide planning process - Identify opportunities and constraints - Community outreach program - Determine Service Area - Collect Population Data - Collect Transportation/traffic info - Develop web site. - Draft material on key issues to be addressed in Plan/share with public - Prepare Planning Board document

PHASE AND DURATION

REVIEW PROCESS

PRODUCT ELEMENTS

Phase 3: 4 Months

Staff Draft Park Master Plan

Action Requested: Approval of Staff Draft Plan for purposes of Public Hearing

- A. Staff sponsors community meeting(s) to review plan issues and responses and alternative big planning ideas.
- B. Staff prepares concepts for review by PDCO; concepts modified as needed.
- C. Brief Department of Parks Director and management staff
- D. Place Plan concepts on web
- E. Community meeting held .to review concepts

Staff Draft Master Plan

Staff Draft should include:

- Introduction
- Background Information
- Environmental Analysis/Constraints
- PROS Analysis/Development Opportunities
- Transportation/Traffic Analysis
- Plan Concepts
- Plan Recommendations
- Implementation Strategies
- Proposed Master Plan Map

Phase 4: 2.5 months

Public Hearing Park Master Plan:

Action requested: Planning Board Holds Public Hearing followed by worksessions.

- A. PDCO members attend Public Hearing and summarize public comments (public testimony will require a written staff response).
- B. Worksessions discuss testimony and recommended Plan revisions.

Public Hearing Draft Master Plan

- Prepare Public Hearing Draft -available to public at least 2-3 weeks ahead of Public Hearing.
- Prepare Interim Operations/Management Plan
- Staff summarizes testimony and prepares packet for Planning Board worksession.

Phase 5: 1.5 months

ACTION: Planning Board approves Plan.

- A. Staff amends Plan text to reflect the Planning Board actions.
- B. Staff works with County Council staff to schedule briefing of PHED Committee.


Planning Board Approved Master Plan

Once the PHED Committee reviews the plan, it is published in final form and placed on the web.

Total Months- 12

MEMORANDUM

TO: Members of the Planning Board
Maryland-National Capital Park and Planning Commission

FROM: Keith Miller, Executive Director
Montgomery County Revenue Authority 

DATE: February 4, 2009

SUBJECT: Extraction of Sligo Creek Golf Course from Lease Agreement

As per section 12.2 of the Lease Agreement between the Maryland-National Capital Park and Planning Commission (M-NCPPC) and the Montgomery County Revenue Authority (MCRA) dated October 2006, the MCRA has determined, based on independent financial analysis, that Sligo Creek Golf Course (SCGC) is adverse to the entire golf course system (see attached MCRA Board Resolution No. 290109). Therefore, the MCRA desires to exercise its right to extract Sligo Creek Golf Course from the Lease Agreement and return it to M-NCPPC.

As required in section 12.2 of the Lease Agreement, the MCRA is also including all of the alternatives it has reviewed to returning the M-NCPPC golf course. In response to M-NCPPC's request for additional time to review their future potential uses of the property, the MCRA has agreed to operate Sligo Creek Golf Course until October 1, 2009 as outlined in the staff recommended amendment.

Background:

Sligo Creek Golf Course (SCGC) is situated in Sligo Creek Park bounded by the inner loop of the Beltway, Dallas Avenue, and Sligo Creek Parkway. The 65 acres of the 9-hole course constitutes about ten percent of the open space set along Sligo Creek.

On October 26, 2006, the Montgomery County Revenue Authority (MCRA) entered into a 30- year lease of SCGC and three other larger courses from M-NCPPC. This Lease Agreement unified the five courses operated by the MCRA and the four operated by M-NCPPC Parks into one unified golf system in the County. As indicated in paragraph 6.1 of the Lease Agreement, the MCRA was to prepare a draft Golf Master Plan no later than March 2007. Therefore, in the fall of 2006, the MCRA began developing proposed improvements for SCGC, Northwest, Needwood, and Little Bennett, the four M-NCPPC golf courses. Considering the scope of changes that were developed for SCGC, the MCRA reached out to several community groups to present their concept prior to the March meeting with M-NCPPC. The MCRA was able to meet with North Hills of Sligo Creek Civic Association in late February and presented the SCGC concept plan. The plan proposed reconfiguring the SCGC and adding a lighted driving range and one or two miniature golf courses.

Over the next nine months, MCRA met with golfers, community leaders, and County Officials to present the MCRA concept for the course and to receive their reaction. The

community expressed concerns regarding lighting, traffic, and environmental impact. In the late summer of 2007, the MCRA hired consultants to review the plans and determine what, if any, would be the impact in these areas. The consultants concluded that there would not be any significant impacts that could not be mitigated. On January 9, 2008, the MCRA hosted a public meeting at which the concept plan was aired and consultants presented their preliminary opinions on the potential impacts. The meeting was attended by approximately 200 local residents who spiritedly expressed their continued concerns and disagreement with the proposed concept.

As a consequence of the wide-spread public opposition to the plans for the SCGC, and an unfavorable recommendation from the County Executive, MCRA withdrew it from its submitted Capital Improvement Plan for FY09-14 for the SCGC, Northwest, and Needwood courses. Instead, MCRA requested that the project remain part of the Capital Improvement Plan with funding of up to \$100,000 for SCGC planning. The MCRA also decided to develop an advisory group representative of those affected by the potential changes.

The Sligo Creek Stakeholders Advisory Group (SCSAG) began meeting in April of 2008 and presented their recommendations and advice to the MCRA Board on September 23.

Sligo Creek Stakeholders Advisory Group Report (Attached)

The Sligo Creek Stakeholders Advisory Group presented their final report with individual attachments to the MCRA Board on September 23. The MCRA Board reviewed the report prior to the presentation. The MCRA Board was concerned that the group did not offer any significant revenue generating ideas to offset the current financial losses from the property. Additionally, the MCRA Board stated that the recommendations were good based on a *profitable* facility, but they did not address the issues and financial challenges of the struggling SCGC. The MCRA Board also informed the group that one of the options in the lease agreement that would be considered is the return of the SCGC to M-NCPPC, and the group acknowledged its awareness.

Independent Financial Analysis (Attached)

The MCRA, after receiving the SCSAG Report and reviewing its options, hired National Golf Foundation Consulting (NGF) to perform an independent financial analysis of the entire golf system to determine if any of the M-NCPPC golf courses is adverse to the entire golf system. The attached report details the findings and determines, "...it is clear to the NGF Consulting team that Sligo Creek is the most 'adverse' facility in the overall system..."(NGF Consulting Report, Page 21)

Alternatives to Closing the Park Golf Course

In the fall of 2008, the MCRA again reviewed all alternatives to closing SCGC. The following section will outline the alternatives the MCRA reviewed and its response to each alternative.

1. **Modify the Course** - The MCRA's original plan outlined modifying the course to introduce new revenue outlets. The NGF study concluded, "it is the NGF team's opinion that this facility may not be economically viable under its current configuration and given the likely high cost of a remake, it is hard for the NGF team to see how this facility can expect anything other than continued subsidy from the rest of the system" (NGF Consulting Report, page 6). In the fall of 2008, the MCRA

reviewed its original concept, as well as other variations, and was not able to find a solution that was financially feasible. The following is a summary of the original concept and the alternatives that were explored:

- a. **Original Concept** – The original concept presented by the MCRA included a complete rebuild of the golf course with the addition of a 72 station lighted driving range, modification of the clubhouse, and one or two miniature golf courses. This project has an estimated cost of ≈\$6m dollars. The MCRA does not view this as a viable option because of the following factors:
 - i. **Community Opposition** – The community is opposed to this concept because of the impact it will have on the traffic, environment, and local neighborhood.
 - ii. **Financing** – The MCRA does not believe it would be prudent to pursue financing this project at this time. To secure the financing at this time would require the MCRA to pledge some, if not all of the positive financial performance of Needwood and Northwest, which would adversely affect the funding for the capital needs of those facilities.
 - iii. **Economy** - Given the recent change in economic conditions, the MCRA believes the funds for this project would be better spent at Northwest Golf Course. Northwest is less than 8 miles away from SCGC and has 27 holes with a nine-hole course that is significantly similar to SCGC. Additionally, it has a Championship 18-hole course and a full driving range with heated and covered stalls. This property is successful, is in need of capital investment, and could be transformed into the learning center that was intended to be at Sligo Creek.

- b. **Modification alternative 1** – Based on the original concept, the MCRA reviewed several alternatives such as no driving range, a 36-station driving range with miniature golf, miniature golf and no driving range, etc. Out of these alternatives, the best financial performing alternative was a 72-station driving range, no miniature golf, improvements to only the holes needed, and no improvements to the clubhouse. The project has an estimated cost of ≈\$3.6m. The MCRA does not view this as a viable option because of the following factors:
 - i. **Financial performance** – According to projections, this option will return a mere \$10,000 positive cash flow, which would not cover the debt service requirements of a bond issuance.
 - ii. **Infrastructure Needs** – The modified alternative does not address all of the infrastructure needs of the facility, such as the clubhouse and other items, and therefore would still need further capital investment.
 - iii. **Economy** - Given the recent change in economic conditions, the MCRA believes the funds for this project would be better spent at Northwest Golf Course as stated above.

c. **New Concept Modification** – Based on the concerns of the community and the challenging economic conditions, the MCRA again reviewed the property to see if there was another less costly alternative that might result in positive performance. The new concept is based on installing a 30-station practice range (double-decker), miniature golf, and improvements to only the holes affected by the change. Additionally, the MCRA looked at multiple variations of the above, but this combination provided the best financial result. The project has an estimated cost of ≈\$2.9m. The MCRA does not view this as a viable option because of the following factors:

- i. **Financial performance** – According to projections, this option will return a \$170,000 negative cash flow.
- ii. **Infrastructure Needs** – The new concept alternative does not address all of the infrastructure needs of the facility, such as the clubhouse and other items, and therefore would still need further capital investment.
- iii. **Economy** – Considering the recent change in economic conditions, the MCRA believes the funds for this project would be better spent at Northwest Golf Course as stated above.

d. **Sligo Creek Stakeholders Advisory Group (SCSAG) Recommendations** – The SCSAG met for six months during the summer of 2008 and included representatives of the local community, golfers, environmental groups, Montgomery County Public Schools, The 1st Tee of Montgomery County, and the Recreational Advisory Group. The group presented their ideas in September of 2008 (attached). The MCRA does not view the group's findings as a viable option because of the following factors:

- i. **Financial performance** – The recommendations made by the group do not address the financial needs of the facility. Additionally, although the suggestions are meant to result in long term savings, the investment will require greater short term expense and it is not determined how long it would take and if it would result in any significant savings. Additionally, any ultimate savings are not estimated to produce a net positive income for the facility.
- ii. **Infrastructure Needs** – The recommendations made by the group do not address the infrastructure needs of the facility.

2. **Subsidize Sligo Creek** - Considering that all of the above alternatives have a continued adverse effect on the golf course system, another option would be for MCRA to receive a subsidy for the operational losses and the capital needs of the facility. The MCRA does not view this as a viable option because of the following factors:

- a. At the time of the signing of the Lease Agreement between MCRA and M-NCPPC the intent was that the taxpayers should not subsidize the operations of the public golf facilities in the County.

- b. According to research data, there are only 2,647 unique golfers at SCGC as compared to an average of 5,380 unique golfers at the other eight facilities. A unique golfer is equivalent to a unique individual.
- c. NGF Data has shown that the number of golf course closings has outnumbered the number of golf course openings for the past three years, and the closings are disproportionately stand-alone 9-hole facilities.
- d. Proximity to Northwest Golf Course – As outlined above Northwest is 7.9 miles from SCGC and in addition to a full 18-hole course, Northwest has a 9-hole course that is very similar to SCGC. According to survey information, over 45% of the golfers at SCGC indicated that they play Northwest as well.

3. **Third Party Operator** – The MCRA reviewed the concept of a 3rd party management group. The MCRA does not view this as a viable option because of the following factors:

- a. The net operating loss of the facility would have to be absorbed by the management company, which would result in no interest.
- b. The MCRA has significantly outperformed local, regional, and national rounds growth since assuming operations of the facility and there are no other operational efficiencies that would result in positive operation of the facility.
- c. As outlined in the NGF Consulting study, “NGF research has shown that 9-hole facilities of this type are three times more likely to close due to economic troubles than full 18-hole facilities due to revenue limitation inherent with 9-hole facilities, coupled with expense structures that are similar to 18-hole facilities (high fixed costs)”(NGF Consulting Report, page 21).

Conclusion

The MCRA has spent the past two years and numerous resources to save SCGC and make it a viable facility in the golf course system. However, given the challenges of the economy and the continued adverse impact that SCGC is having on the golf course system, we must finalize a decision. The MCRA is sympathetic to the history of the facility and the concerns surrounding returning this course, but we were charged with maintaining a self-sustaining golf course system. We see no alternative to extracting SCGC from the Lease Agreement and returning it to M-NCPPC. In order to assist M-NCPPC in transition, the MCRA has agreed to keep SCGC open until October 1, 2009. Accordingly, we request that the M-NCPPC Planning Board approve the staff proposed Amendment to the Lease Agreement.

January 5, 2009

Mr. Keith Miller
Executive Director
Montgomery County Revenue Authority
101 Monroe St., Suite 410
Rockville, MD 20850

Re: NGF Consulting Project #128022

Dear Keith:

Attached to this letter is a summary of NGF Consulting's financial analysis of the Montgomery County Revenue Authority (MCRA) 9-course golf system. As agreed, the NGF Consulting team has reviewed the basic financial condition of each individual facility, as well as the system as a whole, to aid in determining the overall impact of each facility on overall operations. This is especially important in regards to the four facilities that are presently leased by MCRA from Maryland-National Capital Park and Planning Commission (M-NCPPC). Specifically, we have been engaged to help the MCRA determine if any one of the four leased golf facilities can be clearly identified as being 'adverse' to the system as a whole, based on historic and projected financial performance and needed improvements.

The NGF consulting team has completed a review of financial and activity records for each of the nine golf courses with special focus on rounds activity, revenue performance and expenses incurred at each location. Our review has identified which facilities are meeting basic expectations given its overall quality and in light of recent enhancements. We have identified what impact capital improvements have had on selected facilities, and what impact future capital enhancements are likely to have on selected facilities.

Keith, we appreciate your utilizing the expertise of the National Golf Foundation and our consulting practice to assist the MCRA with this project. We look forward to your comments and engaging in a comprehensive discussion about our findings. The summary report and financial tables are in the attached report.

Sincerely,



Richard B. Singer
Director of Consulting Services

rsinger@ngf.org
RBS/jsc

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INTRODUCTION AND EXECUTIVE SUMMARY

Purpose

NGF Consulting, a subsidiary of the National Golf Foundation, was retained by the Montgomery County Revenue Authority (MCRA) of Montgomery County, Maryland to assist in completing a financial analysis of the 9-facility golf system. We understand that the MCRA golf system consists of five facilities that are fully owned by MCRA, plus another four facilities that are owned by M-NCPPC and leased to MCRA for operation. Terms of the lease agreement for the four County facilities specify that MCRA can 'extract and return' of any one (or more) of the four if it is determined that any facility of the four is 'adverse' to the entire golf system.

In analyzing the financial situation of the MCRA golf system, the NGF Consulting team has paid special attention to the four County golf courses under this lease agreement. For the purposes of our evaluation, the NGF team has established that a facility would be considered 'adverse' to the system as a whole if the facility: (1) shows continued annual economic loss from basic operations; (2) could only reduce (or eliminate) economic annual loss with additional capital investment, and that amortization of that new capital investment will itself result in economic loss; (3) is presently operating at or above break-even, but site specific issues (location, infrastructure, market, etc.) are likely to require large-scale capital investment, and that capital investment will itself result in economic loss; and (4) the continued economic loss resulting from items 1-3 result in a drain on economic resources from the other facilities in the system. The findings in this financial analysis will be used to help determine the appropriate course of action for the MCRA.

National Golf Foundation Background

National Golf Foundation Consulting, Inc is a wholly owned subsidiary of the National Golf Foundation, Inc. (NGF). The NGF is a not-for-profit 501(c)(6) organization, incorporated in 1936 and located in Jupiter, Florida with a staff of approximately 25 professionals and an operating budget of approximately \$4.5 million. The mission of the NGF is *To Help Golf Businesses Succeed* by providing research, consulting, marketing, customer targeting and other consulting services. The NGF is trusted by the game's leading stakeholders as the experts on all issues related to the business of golf, from both an industry and facility standpoint.

The NGF's work today is supported by a base of approximately 4,000 members representing every facet of the industry: private and public golf facilities; golf course architects; developers and builders; golf equipment and accessory manufacturers/ distributors/retailers, companies offering specialized services to the golf industry; national, regional, state, and local golf associations; instructors; schools and individuals. The NGF's board of directors includes senior executives from the leading companies in each major segment in the golf industry including officers from TaylorMade-adidas, Callaway Golf Company, FootJoy, TORO, Textron Financial, Eaton Golf Pride, GOLF MAGAZINE and Golf Channel.

There is no greater authority than NGF on the business of golf. The NGF's database of U.S. golf facilities is the industry's gold standard and is licensed by the USGA, PGA of America, Club Managers Association of America and the Golf Course Superintendents Association of America as well as private enterprise such as Weather.com and NAVTEQ. The NGF's annual surveys are designed to ascertain golfing habits and trends of golfers, golf facilities and golf manufacturers nationwide. From this research, the NGF publishes upwards of 60 research documents that provide dependable information on the number, nature, and habits of golfers in

each state, as well as golf facility operational issues, golf travel issues, alternative golf facility operations, and an annual directory of golf.

Our most important research is published and distributed to NGF members and non-members and is widely quoted in local, national and international press and are used by numerous other golf-oriented consulting and information firms. NGF publications include: *Golf Industry Report* – published quarterly; *A Strategic Perspective on the Future of Golf* – 1999, 2007; *Golf Facilities in the U.S.* – 2007; *Operating & Financial Performance Profiles of 18-hole Golf Facilities in the U.S.* – 2006; *Golf Participation in the U.S.* – 2005; *Development and Operation Manual: How to Plan Build and Operate a Successful Golf Range* – 2003; *Marketing Your Golf Course* – 2003; *Women Welcome Here! A Guide to Growing Women's Golf* – 2003; *The Spending Report: Sizing the Golf Consumer Marketplace* – 2003; *U.S. Golf Travel Market* – 2003; and *Careers in Golf: An Insider's Guide to Careers in the Golf Industry* – 2001.

Project Background

The Montgomery County Revenue Authority was created in 1957 as an instrumentality of Montgomery County, Maryland and is a public corporation governed by a six-member board (five members appointed by the County Executive and County Council and a sixth member who is ex-officio / non-voting member). The Authority was established to “*construct, improve, equip, furnish, maintain, acquire, operate, and finance projects devoted wholly or partially for public use, good, or general welfare.*”

The two primary activities of the MCRA are to operate self-supporting facilities and to finance public facilities. On the operations side, the MCRA manages a golf course system that is comprised of nine golf courses, and the Montgomery County Airpark. The operated facilities generate various forms of revenue, which are used to fund the operations and to provide for improvements. A portion of the operating revenues is used to retire any debt associated with operated facilities.

Vision Statement

The vision statement for the MCRA is as follows:

Montgomery County Revenue Authority is committed to growing a sustainable network that is nationally, regionally and locally recognized for its offerings and performance; is dedicated to achieving higher environmental standards; and continues to offer new and innovative programs and services for the benefit of the community and our team.

MCRA Golf

The Montgomery County Revenue Authority's golf course system is operated under the flag of Montgomery County Golf (MCG). The golf course system is comprised of nine golf facilities, five of which are owned by MCRA and four that are owned by the Maryland-National Capital Park and Planning Commission (M-NCPPC) and operated under lease by MCRA. These four leased facilities were added to the MCRA system in April of 2006. The Revenue Authority has completed a master plan concept for these courses and has successfully integrated the four new courses into the golf course system. The total nine-facility system hosted just under 390,000 rounds of golf in FY2008 and generated over \$16.5 million in total revenue.

The golf courses included in the MCRA system are listed below:

MCRA Golf Courses (FY2008)						
	Number of Holes	Total Rounds	Total Facility Revenue (Millions)	Total Operating Expense (Millions)***	Avg. Total Rev. (FY08)**	Avg. Green Fee Rev. (FY08)**
Falls Road GC	18	49,559	\$3.00m	\$1.64m	\$60.64	\$31.62
Hampshire Greens GC	18	32,048	\$1.79m	\$1.25m	\$55.82	\$30.57
Laytonsville GC	18	44,959	\$1.74m	\$1.02m	\$38.75	\$24.24
Poolesville GC	18	34,739	\$1.37m	\$0.99m	\$39.46	\$21.93
Rattlewood GC	18	32,934	\$1.42m	\$0.87m	\$43.15	\$22.63
Little Bennett GC	18	30,328	\$1.60m	\$1.36m	\$52.71	\$28.45
Northwest GC	27*	63,988	\$2.48m	\$1.56m	\$38.82	\$24.46
Needwood GC	27*	71,238	\$2.46m	\$1.28m	\$34.58	\$23.37
Sligo Creek GC	9	29,906	\$0.64m	\$0.57m	\$21.29	\$15.61

*Includes an additional 9-hole executive course. **Average revenue per round of golf. ***Operating expense excludes management fee

Throughout the 1990s and into the early 2000s, the Revenue Authority has continued to reinvest the necessary capital to keep the golf course system up to date and sustainable. This has resulted in upgrades to buildings, golf courses, equipment and customer service. Projects have included bunker renovation at Laytonsville and Poolesville Golf Courses; drainage issues were addressed at several properties; a partial tee renovation at Poolesville; and two complete facility renovations. During the period of 2001-2004 the Revenue Authority completed renovations to Laytonsville and Falls Road, which included new clubhouses, a golf cart storage facility at Laytonsville, and complete golf course renovations to both properties.

Montgomery County Golf courses received several awards in 2007 including the following from the readers of *Pros and Hackers*:

- Most Playable – Falls Road, Hampshire Greens, and Needwood
- Best Pro Shop – Little Bennett
- Best Finishing Hole – Little Bennett
- Best Value – Falls Road
- Best Practice Facility – Little Bennett

Summary of Findings

The NGF review of the MCRA golf system shows generally positive economic performance with revenue growth recorded at all but two facilities (Poolesville and Rattlewood) in FY2008, despite a general downturn in the overall U.S. golf economy. The nine facilities appear to be well-located throughout Montgomery County with very little overlap of immediate markets. Total revenues at three of the facilities (Falls Road, Northwest and Needwood) were in excess of \$2.4 million in FY2008 (top 25% of all public golf courses nationwide), and Falls Road revenue exceeded \$3.0 million in FY2008 (top 10% nationwide).

Total expenses required to operate the MCRA facilities are in line with national and regional averages. The U.S. average for total operating expenses is approximately \$1.07 million for 18-hole facilities, while only 25% of public golf courses have operating expenses in excess of \$1.48

million. Thus, Falls Road is the only MCRA facility with expenses beyond the norm, but this is clearly off-set by higher revenue.

It appears to the NGF team that the recent renovations at Laytonsville and Falls Road have had a positive effect on revenues, although Poolesville still has the lowest total revenue of any 18-hole facility in the system. It may be some time before the full impact of these changes is felt, but revenue growth and performance does seem to be moving at a better pace than facility expenses.

Overall, all but two of the nine MCRA golf facilities are operating with a positive level of earnings before interest, depreciation and amortization (EBIDA), with only Sligo Creek and Little Bennett operating in the red on this measure. When interest and amortization are included in the measure, Poolesville, Rattlewood and Hampshire Greens also show red figures due to large debt reduction schedules for recent capital enhancements.

Two of the MCRA facilities leased from M-NCPPC (Northwest and Needwood) are among the strongest economic performers in the system, but capital investments scheduled for these facilities (over \$4.0 million by FY2011) may affect the bottom line at these facilities. Still, the continued high rounds totals and golfer-rich locations make the longer term earnings potential of these two facilities among the best in the system and clearly worth the new investment in upgrades.

Statement of 'Adverse' Facilities

On the negative side, the NGF Consulting team is of the opinion that both Sligo Creek and Little Bennett are the strongest candidates for achieving the 'adverse' classification among the four leased facilities. The summary is as follows:

- **Sligo Creek** appears to be the most 'adverse' facility in the overall system due to its poor economic performance and its general type of facility (9-hole with limited ancillaries). Based on our review of the economic performance data and a general working knowledge of the Sligo Creek facility, **it is the NGF team's opinion that this facility may not be economically viable under its current configuration and given the likely high cost of a remake, it is hard for the NGF team to see how this facility can expect anything other than continued subsidy from the rest of the system.** Among the reasons for this belief include:
 - The revenue needed for a break-even level of EBIDA is likely not achievable at this facility given its present configuration.
 - 9-hole layout and rounds capacity limitations.
 - Limited ancillary facilities does not allow for non-golf revenue growth.
 - Upgrades at the facility are likely needed just to keep present rounds activity and rounds growth is unlikely.
 - Market leaves no room for raising fees as a means to increase revenue

As such, it is likely that a whole new concept may be required for this facility. Alternate configurations such as driving range only, learning center, par-3 course, or some combination thereof, will have to be considered as a separate line of feasibility analysis for the future of this property. The NGF can state with confidence that the Sligo Creek Golf Course, as presently configured, can be classified as 'adverse' to the MCRA system as a whole. This is due to its own economic performance and how this performance may affect the other facilities in the system.

- Although Little Bennett is presently struggling to meet its expense obligations, there does seem to be better potential with this facility as Little Bennett has seen revenue growth in the last two years. In addition, Little Bennett is well thought of by the golfing public (three awards noted above plus 'most improved customer loyalty award from NGF survey), and it has the ancillary facilities needed to improve its non-golf (F & B + merchandise) revenues. These factors lead NGF to believe that although Little Bennett has a negative EBIDA in FY2008, the facility has a better chance to operate in the black than does Sligo Creek.

ECONOMIC REVIEW OF GOLF FACILITIES

In completing this analysis of the MCRA golf system, the NGF Consulting team has completed a careful review of the financial performance of the facilities. Included in this review is an analysis of the last three full fiscal years (FY2006-2008), and is derived from data submitted to NGF Consulting by MCRA staff. The review of historical performance data has been divided into two sections - the five MCRA-owned facilities and the four leased golf facilities.

MCRA Facilities

MCRA owns and operates five golf courses in Montgomery County, Maryland in the Washington, DC metropolitan area through a division called Montgomery County Golf (MCG). MCG is a division of the MCRA, and also includes four other facilities leased by MCRA from Montgomery County. The five MCRA-owned facilities include:

- **Falls Road Golf Course** - completed in 1961 on 158 acres of farmland east of the Village of Potomac. It appears from the data that this may have been the most active (rounds played) facility in the MCRA system at one time, but rounds have been steady at around 50,000+ for the last three years. It is clear that Falls Road is one of Montgomery County's most popular golf courses and includes the most active driving range in the MCRA system. Falls Road has the highest green fee revenue-per-round of golf in the system in FY2008 and had the highest net earnings on operations. The facility is planned to undergo roughly \$1.4 million in upgrades over the next five years.
- **Hampshire Greens Golf Course** - one of the newest facilities in the MCRA system, having opened to the public in June of 1999 along with a housing development of the same name. Hampshire Greens is located in Silver Spring, convenient to the Washington beltway. This is an ideal location for a higher end daily fee course and is accessible to golfers throughout the Washington and Baltimore areas. Hampshire Greens features the most modern design in the system with bentgrass from tee to green and a fair and challenging golf layout with four sets of tees. The facility also boasts a high green fee revenue-per-round, but has played only 30,000 to 32,000 rounds annually in the last three years. Hampshire Greens is budgeted for \$1.0 million in improvements over the next five years, including \$745,000 in FY2009.
- **Laytonsville Golf Course** - This facility has a new, full-service clubhouse and newly renovated golf course. Laytonsville includes one of the premier learning centers for youth and offers clinics and specialized summer golf camps and programs. This facility has also seen rounds played at approximately 50,000 in each of the last three years. Having undergone recent renovations, Laytonsville is not expected to require much more than \$130,000 in capital upgrades over the next five years.

- Poolesville Golf Course** – includes over 380 acres in the Potomac Valley of Southwest Montgomery County, less than an hour from the Capitol and 35 minutes from Northern VA and Rockville. The golf course features two scenic lakes and a high-quality practice facility with a 2-acre short game area and both grass and artificial tees on the driving range. Despite the high quality facilities, Poolesville is hosting only about 34,000 rounds annually and also has the lowest average green fee revenue-per-round of the five MCRA-owned facilities. The MCRA has planned roughly \$1.8 million in upgrades for this facility in the next five years.
- Rattlewood Golf Course** – This facility represents an acquisition by the MCRA in 1995 from a private developer, located eight miles north of Damascus on Penn Shop Road off Maryland Route 27. The club includes an 18,000 square-foot clubhouse and a par-72 golf course of average length with some challenges. Among golfers, Rattlewood has a reputation for being open during wet conditions because it drains very effectively, leading to enhanced revenue. It appears that league play is a very important part of the overall Rattlewood operation. Still, the facility is hosting under 35,000 rounds annually and also has a low average green fee revenue-per-round. Rattlewood is planned to receive about \$865,000 in capital upgrades in the next five years, \$600,000 of which will be completed before FY2011.

Revenue Analysis

The following table summarizes the revenues earned by the five MCRA-owned courses listed above for each of the last three fiscal years. We note a clear pattern with increases in green fee, range and lesson revenue, and a corresponding decrease in shop sales and cart revenue.

MCRA Five Owned Golf Courses Total Golf Revenue			
	FY2006	FY2007	FY2008
Total Rounds	186,829	195,229	194,239
Revenue			
Greens Fees	\$4,733,313	\$4,864,908	\$5,144,204
Tournament GF	\$0	\$19	\$199,665
Golf Car Fees	\$1,559,828	\$1,642,860	\$1,348,768
Driving Range	\$532,348	\$592,092	\$615,162
Club Repair	\$14,457	\$0	\$0
Golf Lessons	\$216,733	\$258,860	\$269,052
Handicap Fees	\$24,315	\$0	\$0
Pro Shop Sales	\$845,109	\$880,971	\$688,608
Food & Beverage Sales	\$822,260	\$950,706	\$883,580
Tournament F & B	\$5,062	\$0	\$76,742
Rental Income	\$30,415	\$0	\$0
Misc. Income	\$9,749	\$110,728	\$102,434
Reservation Fees	\$12,928	\$0	\$0
Total Facility Revenue	\$8,806,517	\$9,301,144	\$9,328,217
Source: MCRA			

Expense Analysis

The following table summarizes the expense incurred by the MCRA in maintaining the five owned courses listed above for each of the last three fiscal years. We note a decline in total expense in FY2008 with a concerted effort to control expenses after a roughly nine percent (9%) increase from FY06 to FY07. Overall the expenses at the MCRA-owned facilities are in line with national and regional averages compiled by the NGF, and generally consistent with the other four leased facilities.

MCRA Five Owned Golf Courses Personnel and Maintenance Expenses			
	FY2006	FY2007	FY2008
Payroll Expense	\$3,077,344	\$3,302,896	\$3,351,988
Operating Expense	\$2,266,818	\$2,519,312	\$2,431,639
Total Base Expense	\$5,344,161	\$5,822,208	\$5,783,627
Source: MCRA			

Net Income

The net from operations on the five MCRA-owned golf facilities has exceeded approximately \$1.8 million in each of the last three full fiscal years, even exceeding \$1.9 million in FY2007. However, when other 'below the line' items like interest (net), capital expenses and depreciation are considered, the results tell a different story. The net interest expense, mostly from previous renovations and capital expenditures, has been close to \$1.0 million in each of the last three years, leaving a net income after debt of under \$1.0 million in every year but FY2007. Depreciation on these facilities is roughly \$1.0 million per year leading to an overall loss for the facility in each year but FY2007.

MCRA Five Owned Golf Courses Net Income			
	FY2006	FY2007	FY2008
Earnings Before Int., Deprec. + Amort. (EBIDA)	\$1,798,184	\$1,975,485	\$1,851,628
Less:			
Other (Net Interest)	(\$1,029,819)	(\$916,685)	(\$969,570)
Capital Expenditures	\$0	\$0	(\$127,576)
Net Income after Interest + Capital Needs, Before Deprec.	\$768,365	\$1,058,800	\$754,481
Less:			
Depreciation	(\$981,695)	(\$1,024,648)	(\$1,120,784)
Net Income after Capital Needs and Depreciation	(\$213,330)	\$34,152	(\$366,302)
Source: MCRA			

Leased County Facilities

As noted, the MCRA operates four other golf facilities owned by the M-NCPPC via lease agreement. These four facilities include:

- **Little Bennett Golf Course** – located at the north end of Little Bennett Regional Park with scenic views of Sugarloaf Mountain. The Little Bennett golf course is rather hilly and includes a grass driving range and three practice greens, plus a full pro shop. The facility also boasts a relatively high green fee revenue-per-round, but has played only 29,000 to 30,000 rounds annually in the last three years. With total facility revenues of only \$1.6 million, Little Bennett has shown a negative EBIDA the last two years, although there is only a modest \$12,000 net interest expense. Little Bennett is scheduled for approximately \$773,000 in improvements over the next five years, including \$534,000 for FY2009-10.
- **Needwood Golf Course** – located at the north end of Rock Creek Regional Park. The facility offers a driving range, pro shop, practice putting green, and snack bar. The facility also includes an executive nine-hole course that is good for golfers of all levels, especially beginners. With over 71,000 rounds reported in FY2008, Needwood is now the most active facility in the MCRA system. The facility is planned to undergo roughly \$2.4 million in upgrades over the next five years, including a large \$1.5 million project planned for FY2011.
- **Northwest Golf Course** – Located in north of the Washington, D.C. Beltway in Northwest Branch Park, and in proximity to the Needwood Golf Course in golfer-rich section of Montgomery County. This 27-hole has a beautiful layout and is popular with golfers of all abilities. The course has four sets of tees, large greens and is the longest golf course in Montgomery County. Northwest's driving range is large and heated and thus earns the second highest range revenue in the system (behind only Falls Rd.). The 63,000 rounds in FY2008 is second highest in the system, meaning that the two highest rounds totals (Needwood and Northwest) are among the leased facilities in the system. The facility is planned to undergo roughly \$2.5 million in upgrades over the next five years, including a large \$2.1 million project planned for FY2010.
- **Sligo Creek Golf Course** – this facility is a challenging 9-hole course located near downtown Washington, DC, just off the Capital Beltway. Although the course features hilly terrain, many golfers still choose to walk this course resulting in low cart fees. As a 9-hole course, this facility has struggled with revenues. The facility had one of its best years in FY2008, producing only 29,000 rounds and just over \$636,000 in total facility revenue. This facility has major needs for upgrading and possibly even a complete reconstruction to a slightly different type of facility. As such, no capital expenses are budgeted for Sligo Creek at this time. With a loss of \$143,000 in FY2008, Sligo Creek is clearly the least profitable facility in the MCRA system.

Expense Analysis

The following table summarizes the expense incurred by the MCRA in maintaining the four leased golf courses in the system. We note an 11 percent increase in expenses at the facilities between FY07 and FY08, slightly less than the corresponding increase in revenues over that period. Overall the expenses at the leased facilities are in line with national and regional averages compiled by the NGF, and generally consistent with the other five facilities owned by MCRA.

MCRA Four Leased Golf Courses Personnel and Maintenance Expenses			
	FY2006*	FY2007	FY2008
Payroll Expense	\$450,548	\$2,193,020	\$2,511,649
Operating Expense	\$318,411	\$2,111,982	\$2,266,924
Total Base Expense	\$768,959	\$4,305,002	\$4,778,573
Source: MCRA. *FY2006 reflects partial year.			

Revenue Analysis

The following table summarizes the revenues earned by the four leased courses listed above for each of the last three fiscal years. We note that rounds played and all revenue categories except cart fees increased by about 12 to 15 percent from FY2007 to FY2008, mostly a reflection of enhancements made by MCRA to these facilities. Food and beverage revenue has been a very strong area of growth since the addition of these leased facilities. Total F & B revenue is up by 30 percent in FY2008 over FY2007.

MCRA Four Leased Golf Courses Total Golf Revenue			
	FY2006*	FY2007	FY2008
Total Rounds	46,415	172,538	195,460
Revenue			
Greens Fees	\$1,360,015	\$3,904,928	\$4,560,130
Tournament GF	\$0	\$3,290	\$68,999
Golf Car Fees	\$301,778	\$910,712	\$876,185
Driving Range	\$127,630	\$411,072	\$435,755
Club Repair	\$35	\$0	\$0
Golf Lessons	\$44,424	\$115,334	\$111,475
Handicap Fees	\$2,005	\$0	\$0
Pro Shop Sales	\$121,639	\$398,419	\$423,458
Food & Beverage Sales	\$156,880	\$483,836	\$608,626
Tournament F & B	\$0	\$0	\$19,673
Rental Income	\$3,034	\$0	\$0
Misc. Income	\$0	\$64,737	\$78,636
Reservation Fees	\$0	\$0	\$0
Total Facility Revenue	\$2,117,440	\$6,292,329	\$7,182,938
Source: MCRA. *FY2006 reflects partial year.			

Leased Facilities Net Income

In reviewing the net income of the leased facilities and comparing these figures to those of the five owned facilities presented previous, it is clear that the comparison is not 'apples to apples' as the owned facilities have a substantial debt service requirement, not present with the leased facilities. To summarize the economic status of the leased facilities we find it important to complete the net income review on an individual facility basis. A summary of net income by Facility:

Needwood Golf Course

The MCRA operation has increased the EBIDA at Needwood Golf Course to over \$858,000 in FY2008, demonstrating the strong profit potential of this well-located facility. This level of EBIDA is the second highest in the total system (only Falls Road is higher) and the highest of the four leased facilities. As noted Needwood is generating the highest rounds total in the system and setting the stage for the \$2.2 million in upgrades planned for this facility in the next three years.

Needwood Golf Course Net Income			
	FY2006	FY2007	FY2008
Earnings Before Int., Deprec. + Amort. (EBIDA)	\$409,310	\$646,810	\$858,163
Less:			
Other (Net Interest)	\$0	\$0	(\$7,687)
Capital Expenditures	\$0	\$0	(\$30,000)
Net Income after Interest + Capital Needs, Before Deprec.	\$409,310	\$646,810	\$820,476
Less:			
Depreciation	\$0	(\$51,049)	(\$74,295)
Net Income after Capital Needs and Depreciation	\$409,310	\$595,761	\$746,181
Source: MCRA			

Northwest Golf Course

The net from operations at Northwest is the third highest in the system showing that two of the top three earners for MCRA are among the leased facilities. Although the performance of Northwest is relatively strong, it seems to have even greater potential given the 27-hole layout and the location. Given this, the MCRA has allotted over \$2.2 million in upgrades for the next two years.

Northwest Golf Course Net Income			
	FY2006	FY2007	FY2008
Earnings Before Interest + Deprec. (EBIDA)	\$472,355	\$688,808	\$608,378
Less:			
Other (Net Interest)	\$0	\$0	(\$8,259)
Capital Expenditures	\$0	\$0	(\$5,000)
Net Income after Interest + Capital Needs, Before Deprec.	\$472,355	\$688,808	\$595,119
Less:			
Depreciation	\$0	(\$53,056)	(\$83,264)
Net Income after Capital Needs and Depreciation	\$409,310	\$635,752	\$511,855
Source: MCRA			

Little Bennett Golf Course

Little Bennett has shown negative EBIDA for each of the last two years, due largely to low activity. The facility has a relatively high average revenue per green fee round but low rounds keep revenue down. It would appear that Little Bennett would have to increase rounds to well over 40,000 to post a positive EBIDA, and even that level will likely not cover the capital requirements of this facility that are needed to maintain current activity, let alone any growth. It

seems probable that this facility will continue to struggle economically as needed upgrades will not likely result in revenue growth.

Little Bennett Golf Course Net Income			
	FY2006	FY2007	FY2008
Earnings Before Interest + Deprec. (EBIDA)	\$244,001	(\$263,211)	(\$120,064)
Less:			
Other (Net Interest)	\$0	\$0	(\$12,362)
Capital Expenditures	\$0	\$0	(\$99,000)
Net Income after Interest + Capital Needs, Before Deprec.	\$244,001	(\$263,211)	(\$231,426)
Less:			
Depreciation	\$0	(\$45,860)	(\$95,036)
Net Income after Capital Needs and Depreciation	\$244,001	(\$309,071)	(\$326,462)
Source: MCRA.			

Sligo Creek Golf Course

Sligo Creek is the worst overall facility in terms of EBIDA as both rounds and average rate are low, and there are clear overall limitations with this facility as it is presently configured. It is likely that the level of rounds that would be required to sustain this facility, and its needed upgrades, is far in excess of what is reasonable for the market and/or beyond the carrying capacity of the facility. Given this, it is likely that an entirely new facility concept may be required for this facility to become economically viable. However, given the likely high cost of such a remake, it is hard for the NGF team to see how this facility can expect anything other than continued subsidy from the rest of the system.

Sligo Creek Golf Course Net Income			
	FY2006	FY2007	FY2008
Earnings Before Interest + Deprec. (EBIDA)	\$38,427	(\$83,993)	(\$143,746)
Less:			
Other (Net Interest)	\$0	\$0	(\$2,794)
Capital Expenditures	\$0	\$0	\$0
Net Income after Interest + Capital Needs, Before Deprec.	\$38,427	(\$83,993)	(\$146,540)
Less:			
Depreciation	\$0	(\$16,704)	(\$21,818)
Net Income after Capital Needs and Depreciation	\$38,427	(\$100,697)	(\$168,358)
Source: MCRA			

Summary of Leased Facilities

It is clear that Northwest and Needwood are among the strongest economic performers in the overall system, but the \$4.0+ million in capital investments scheduled for these facilities in the next three years may affect the bottom line at these facilities in the short term. However, over the longer term (beyond five years) the continued high rounds totals and golfer-rich locations should produce revenue totals to justify the investments.

On the negative side, Sligo Creek and Little Bennett are clearly struggling to make ends meet, although Little Bennett has shown more improvement than Sligo Creek. We note that no capital expenses have been budgeted for Sligo Creek for the FY08 through FY13 period, making the poor economic performance appear slightly better than it may actually be. The NGF Consulting projections for the next five years (presented next) will reflect expected capital enhancements at all facilities except Sligo Creek.

PRELIMINARY FINANCIAL PROJECTIONS – FY2009 – FY2013

In an effort to help identify which (if any) of the leased golf facilities within the MCRA may be 'adverse' to the system as a whole, the NGF Consulting team has prepared a schedule of economic projections for each facility over the next five years of operation (through FY2013). These projections are based on the overriding assumption that all nine facilities will continue to be managed under the same basic operational structure that exists today, and that all capital improvements planned for the facilities as of December 2008 will be completed. Other assumptions utilized in completion of these projections include:

Basic Assumptions

- Projected rounds performance at each facility is estimated at approximately the same level as FY08 for all five years.
- Average revenues are also held at approximate FY08 levels for the first year, with slight variations at each facility to reflect clear trends observed by NGF Consulting.
- All revenue categories are projected to grow at approximately 3.5% annually through FY2013, based on actual performance from last two years.
- Direct labor expenses are projected to increase at a rate of 5% per year through FY2013. Non-labor expenses increase at a rate of 2% per year through FY2013, based on actual performance from the last two years.
- The management fee is fixed at \$160,000 per year for each facility through FY2013.

Complete Nine-Facility Operation

The first estimate of performance is based on the assumption that the MCRA continues on an 'as-is' basis with all nine facilities operating under the basic assumptions identified above. The summary results are displayed in the following table:

**MCRA Complete Nine-Facility Operation
Projected Economic Performance (FY09-FY13)**

	FY09	FY10	FY11	FY12	FY13
Total Rounds	383,500	383,500	383,500	383,500	383,500
Revenues					
Greens Fees	\$9,630,345	\$9,967,407	\$10,316,266	\$10,677,336	\$11,051,042
Tournament GF	266,345	275,667	285,315	295,301	305,637
Golf Car Fees	2,248,200	2,326,887	2,408,328	2,492,620	2,579,861
Driving Range	1,034,725	1,070,940	1,108,423	1,147,218	1,187,371
Golf Lessons	375,760	388,912	402,524	416,612	431,193
Pro Shop Sales	1,111,500	1,150,403	1,190,667	1,232,340	1,275,472
Food & Beverage Sales	1,493,050	1,545,307	1,599,392	1,655,371	1,713,309
Tournament F & B	94,035	97,326	100,733	104,258	107,907
Misc. Income	179,030	185,296	191,781	198,494	205,441
Total Revenues	\$16,432,990	\$17,008,145	\$17,603,430	\$18,219,550	\$18,857,234
Total Cost of Sales	\$1,457,592	\$1,508,608	\$1,561,409	\$1,616,058	\$1,672,620
Gross Profit	\$14,975,398	\$15,499,537	\$16,042,021	\$16,603,491	\$17,184,614
Operating Expense					
	FY09	FY10	FY11	FY12	FY13
Total Payroll Expense	\$6,156,819	\$6,464,660	\$6,787,893	\$7,127,288	\$7,483,652
Total Operating Expense	\$4,796,815	\$4,897,247	\$4,999,913	\$5,104,867	\$5,212,169
Total Expenses	\$10,953,635	\$11,361,907	\$11,787,806	\$12,232,155	\$12,695,821
Operating Profit (loss)	\$4,021,763	\$4,137,629	\$4,254,215	\$4,371,337	\$4,488,793
Management fees	\$1,440,000	\$1,440,000	\$1,440,000	\$1,440,000	\$1,440,000
EBIDA	\$2,581,763	\$2,697,629	\$2,814,215	\$2,931,337	\$3,048,793
Other Income and Expenses					
Interest Income	\$91,000	\$92,820	\$94,676	\$96,570	\$98,501
Interest Expense	(1,090,365)	(1,112,172)	(1,134,415)	(1,157,104)	(1,180,246)
Depreciation	(1,395,196)	(1,423,100)	(1,451,562)	(1,480,593)	(1,510,205)
Net Other Income (Expense)	(\$2,394,561)	(\$2,442,452)	(\$2,491,301)	(\$2,541,127)	(\$2,591,949)
Net Income (Loss)	\$187,203	\$255,178	\$322,914	\$390,210	\$456,843
Capital Needs	\$2,240,245	\$3,662,013	\$2,651,256	\$1,206,000	\$595,000
Net (after Capital Needs)	(\$2,053,042)	(\$3,406,835)	(\$2,328,342)	(\$815,790)	(\$138,157)

Operations Without Needwood Golf Course

In an effort to identify 'adverse' facilities among the leased courses in the system, NGF has prepared the same projection as shown above with each of the individual four leased facilities removed from the operation. The table below shows the MCRA golf operation as an eight-facility system, without Needwood Golf Course:

MCRA Projected Economic Performance (FY09-FY13) Eight-Facility System (w/o Needwood GC)					
	FY09	FY10	FY11	FY12	FY13
Total Rounds	313,500	313,500	313,500	313,500	313,500
Revenues					
Greens Fees	\$7,950,345	\$8,228,607	\$8,516,608	\$8,814,690	\$9,123,204
Tournament GF	260,745	269,871	279,317	289,093	299,211
Golf Car Fees	1,968,200	2,037,087	2,108,385	2,182,179	2,258,555
Driving Range	940,225	973,133	1,007,193	1,042,444	1,078,930
Golf Lessons	326,760	338,197	350,033	362,285	374,965
Pro Shop Sales	981,300	1,015,646	1,051,193	1,087,985	1,126,064
Food & Beverage Sales	1,290,050	1,335,202	1,381,934	1,430,301	1,480,362
Tournament F & B	94,035	97,326	100,733	104,258	107,907
Misc. Income	148,930	154,143	159,538	165,121	170,901
Total Revenues	\$13,960,590	\$14,449,211	\$14,954,933	\$15,478,356	\$16,020,098
Total Cost of Sales	\$1,292,798	\$1,338,046	\$1,384,878	\$1,433,348	\$1,483,515
Gross Profit	\$12,667,792	\$13,111,165	\$13,570,055	\$14,045,007	\$14,536,583
Operating Expense					
Total Payroll Expense	\$5,387,124.90	\$5,656,481.14	\$5,939,305.20	\$6,236,270.46	\$6,548,083.98
Total Operating Expense	\$4,234,762	\$4,323,425	\$4,414,061	\$4,506,717	\$4,601,445
Total Expenses	\$9,621,887	\$9,979,906	\$10,353,366	\$10,742,988	\$11,149,529
Operating Profit (loss)	\$3,045,905	\$3,131,258	\$3,216,690	\$3,302,020	\$3,387,053
Management fees	\$1,280,000	\$1,280,000	\$1,280,000	\$1,280,000	\$1,280,000
EBIDA	\$1,765,905	\$1,851,258	\$1,936,690	\$2,022,020	\$2,107,053
Other Income and Expenses					
Interest Income	\$91,000	\$92,820	\$94,676	\$96,570	\$98,501
Interest Expense	(1,082,677)	(1,104,331)	(1,126,417)	(1,148,946)	(1,171,924)
Depreciation	(1,320,902)	(1,347,320)	(1,374,266)	(1,401,751)	(1,429,786)
Net Other Income (Expense)	(\$2,312,579)	(\$2,358,830)	(\$2,406,007)	(\$2,454,127)	(\$2,503,210)
Net Income (Loss)	(\$546,673)	(\$507,572)	(\$469,317)	(\$432,107)	(\$396,156)
Capital Needs	\$1,897,745	\$3,370,338	\$1,078,000	\$1,006,000	\$595,000
Net (after Capital Needs)	(\$2,444,418)	(\$3,877,910)	(\$1,547,317)	(\$1,438,107)	(\$991,156)

Operations without Northwest Golf Course

The table below shows the MCRA golf operation as an eight-facility system, without Northwest Golf Course:

MCRA Projected Economic Performance (FY09-FY13) Eight-Facility System (w/o Northwest GC)					
	FY09	FY10	FY11	FY12	FY13
Total Rounds	321,500	321,500	321,500	321,500	321,500
Revenues					
Greens Fees	\$8,080,345	\$8,363,157	\$8,655,868	\$8,958,823	\$9,272,382
Tournament GF	252,705	261,550	270,704	280,179	289,985
Golf Car Fees	1,984,700	2,054,165	2,126,060	2,200,472	2,277,489
Driving Range	786,725	814,260	842,759	872,256	902,785
Golf Lessons	335,460	347,201	359,353	371,930	384,948
Pro Shop Sales	990,600	1,025,271	1,061,155	1,098,296	1,136,736
Food & Beverage Sales	1,322,550	1,368,839	1,416,749	1,466,335	1,517,657
Tournament F & B	88,455	91,551	94,755	98,072	101,504
Misc. Income	157,950	163,478	169,200	175,122	181,251
Total Revenues	\$13,999,490	\$14,489,472	\$14,996,604	\$15,521,485	\$16,064,737
Total Cost of Sales	\$1,299,647	\$1,345,135	\$1,392,214	\$1,440,942	\$1,491,375
Gross Profit	\$12,699,843	\$13,144,338	\$13,604,389	\$14,080,543	\$14,573,362
Operating Expense					
Total Payroll Expense	\$5,345,540	\$5,612,817	\$5,893,458	\$6,188,131	\$6,497,537
Total Operating Expense	\$3,992,382	\$4,076,073	\$4,161,630	\$4,249,099	\$4,338,530
Total Expenses	\$9,337,922	\$9,688,890	\$10,055,087	\$10,437,230	\$10,836,067
Operating Profit (loss)	\$3,361,921	\$3,455,448	\$3,549,302	\$3,643,313	\$3,737,295
Management fees	\$1,280,000	\$1,280,000	\$1,280,000	\$1,280,000	\$1,280,000
EBIDA	\$2,081,921	\$2,175,448	\$2,269,302	\$2,363,313	\$2,457,295
Other Income and Expenses					
Interest Income	\$91,000	\$92,820	\$94,676	\$96,570	\$98,501
Interest Expense	(1,082,106)	(1,103,748)	(1,125,823)	(1,148,340)	(1,171,306)
Depreciation	(1,311,933)	(1,338,171)	(1,364,935)	(1,392,233)	(1,420,078)
Net Other Income (Expense)	(\$2,303,039)	(\$2,349,099)	(\$2,396,081)	(\$2,444,003)	(\$2,492,883)
Net Income (Loss)	(\$221,117)	(\$173,652)	(\$126,779)	(\$80,690)	(\$35,589)
Capital Needs	\$2,119,500	\$1,519,675	\$2,611,256	\$1,106,000	\$595,000
Net (after Capital Needs)	(\$2,340,617)	(\$1,693,327)	(\$2,738,035)	(\$1,186,690)	(\$630,589)

Operations without Sligo Creek Golf Course

The table below shows the MCRA golf operation as an eight-facility system, without Sligo Creek Golf Course:

MCRA Projected Economic Performance (FY09-FY13) Eight-Facility System (w/o Sligo Creek GC)					
	FY09	FY10	FY11	FY12	FY13
Total Rounds	355,500	355,500	355,500	355,500	355,500
Revenues					
Greens Fees	\$9,193,545	\$9,515,319	\$9,848,355	\$10,193,048	\$10,549,804
Tournament GF	266,345	275,667	285,315	295,301	305,637
Golf Car Fees	2,195,000	2,271,825	2,351,339	2,433,636	2,518,813
Driving Range	1,034,725	1,070,940	1,108,423	1,147,218	1,187,371
Golf Lessons	375,760	388,912	402,524	416,612	431,193
Pro Shop Sales	1,076,500	1,114,178	1,153,174	1,193,535	1,235,309
Food & Beverage Sales	1,437,050	1,487,347	1,539,404	1,593,283	1,649,048
Tournament F & B	94,035	97,326	100,733	104,258	107,907
Misc. Income	165,030	170,806	176,784	182,972	189,376
Total Revenues	\$15,837,990	\$16,392,320	\$16,966,051	\$17,559,863	\$18,174,458
Total Cost of Sales	\$1,411,952	\$1,461,370	\$1,512,518	\$1,565,456	\$1,620,247
Gross Profit	\$14,426,038	\$14,930,949	\$15,453,533	\$15,994,406	\$16,554,210
Operating Expense					
	FY09	FY10	FY11	FY12	FY13
Total Payroll Expense	\$5,842,408	\$6,134,528	\$6,441,254	\$6,763,317	\$7,101,483
Total Operating Expense	\$4,519,835	\$4,614,504	\$4,711,279	\$4,810,214	\$4,911,363
Total Expenses	\$10,362,243	\$10,749,032	\$11,152,533	\$11,573,531	\$12,012,846
Operating Profit (loss)	\$4,063,795	\$4,181,918	\$4,300,999	\$4,420,875	\$4,541,365
Management fees	\$1,280,000	\$1,280,000	\$1,280,000	\$1,280,000	\$1,280,000
EBIDA	\$2,783,795	\$2,901,918	\$3,020,999	\$3,140,875	\$3,261,365
Other Income and Expenses					
Interest Income	\$91,000	\$92,820	\$94,676	\$96,570	\$98,501
Interest Expense	(1,087,571)	(1,109,322)	(1,131,508)	(1,154,139)	(1,177,221)
Depreciation	(1,373,378)	(1,400,846)	(1,428,862)	(1,457,440)	(1,486,589)
Net Other Income (Expense)	(\$2,369,949)	(\$2,417,348)	(\$2,465,695)	(\$2,515,008)	(\$2,565,309)
Net Income (Loss)	\$413,846	\$484,570	\$555,305	\$625,867	\$696,056
Capital Needs	\$2,240,245	\$3,662,013	\$2,651,256	\$1,206,000	\$595,000
Net (after Capital Needs)	(\$1,826,399)	(\$3,177,443)	(\$2,095,951)	(\$580,133)	\$101,056

Operations without Little Bennett Golf Course

The table below shows the MCRA golf operation as an eight-facility system, without Little Bennett Golf Course:

MCRA Projected Economic Performance (FY09-FY13) Eight-Facility System (w/o Little Bennett GC)					
	FY09	FY10	FY11	FY12	FY13
Total Rounds	354,500	354,500	354,500	354,500	354,500
Revenues					
Greens Fees	\$8,789,345	\$9,096,972	\$9,415,366	\$9,744,904	\$10,085,976
Tournament GF	219,945	227,643	235,611	243,857	252,392
Golf Car Fees	1,987,200	2,056,752	2,128,738	2,203,244	2,280,358
Driving Range	962,225	995,903	1,030,759	1,066,836	1,104,175
Golf Lessons	358,360	370,903	383,884	397,320	411,226
Pro Shop Sales	986,800	1,021,338	1,057,085	1,094,083	1,132,376
Food & Beverage Sales	1,327,750	1,374,221	1,422,319	1,472,100	1,523,624
Tournament F & B	80,985	83,819	86,753	89,790	92,932
Misc. Income	168,010	173,890	179,977	186,276	192,795
Total Revenues	\$14,880,620	\$15,401,442	\$15,940,492	\$16,498,409	\$17,075,854
Total Cost of Sales	\$1,272,688	\$1,317,232	\$1,363,335	\$1,411,052	\$1,460,439
Gross Profit	\$13,607,932	\$14,084,210	\$14,577,157	\$15,087,357	\$15,615,415
Operating Expense					
Total Payroll Expense	\$5,414,973	\$5,685,721	\$5,970,007	\$6,268,507	\$6,581,933
Total Operating Expense	\$4,126,215	\$4,212,743	\$4,301,201	\$4,391,639	\$4,484,106
Total Expenses	\$9,541,188	\$9,898,464	\$10,271,208	\$10,660,146	\$11,066,039
Operating Profit (loss)	\$4,066,744	\$4,185,746	\$4,305,949	\$4,427,211	\$4,549,376
Management fees	\$1,280,000	\$1,280,000	\$1,280,000	\$1,280,000	\$1,280,000
EBIDA	\$2,786,744	\$2,905,746	\$3,025,949	\$3,147,211	\$3,269,376
Other Income and Expenses					
Interest Income	\$91,000	\$92,820	\$94,676	\$96,570	\$98,501
Interest Expense	(1,078,002)	(1,099,562)	(1,121,553)	(1,143,984)	(1,166,864)
Depreciation	(1,300,160)	(1,326,164)	(1,352,687)	(1,379,741)	(1,407,335)
Net Other Income (Expense)	(\$2,287,162)	(\$2,332,906)	(\$2,379,564)	(\$2,427,155)	(\$2,475,698)
Net Income (Loss)	\$499,582	\$572,840	\$646,385	\$720,056	\$793,678
Capital Needs	\$1,916,245	\$3,452,013	\$2,571,256	\$1,161,000	\$580,000
Net (after Capital Needs)	(\$1,416,663)	(\$2,879,173)	(\$1,924,871)	(\$440,944)	\$213,678

ANALYSIS OF FACILITIES 'ADVERSE' TO THE SYSTEM

The income estimates presented by NGF Consulting have been prepared based on existing and projected market conditions, the quality of the subject facility and the intended segment of the golf market toward which each facility is oriented. Particular focus was paid to the reality of actual performance by each of the four leased facilities and the potential to grow rounds and/or revenues in its particular market location. A brief summary of the conclusions drawn by this analysis include:

- Northwest GC and Needwood GC have roughly the same impact. These two facilities are performing very well economically and if either is removed from the system as whole, the economic condition of the MCRA golf system would deteriorate considerably. These two facilities are among the most profitable in the entire nine-course system.
- Eliminating Little Bennett results in highest net income performance after capital needs. However, this includes \$773,000 in upgrades to Little Bennett, and these upgrades have the chance of improving overall performance. Still, as presently configured, Little Bennett does provide the most direct economic loss of any facility in the system.
- If the MCRA were to eliminate Sligo Creek, the result would be the highest net income before capital needs. We note that no specific capital expense has been budgeted to this facility as of December 2008. However, it is clear that this facility needs substantial capital investment. Thus, Sligo Creek economic performance is having the greatest negative impact on the system as a whole of any leased facility before capital investment, plus Sligo is in clear need of a large capital investment.

Net Income (Before Capital Needs)

Below is a summary of the EBIDA performance of the full MCRA golf system by facility. The struggles at Little Bennett and Sligo Creek are clearly shown in this exhibit, along with planned capital needs at each facility. We note no capital expenses planned for Sligo Creek as a new master plan for that property will be required.

**MCRA Golf System Projected Economic Performance (FY09-FY13)
Summary of Net Income and Capital Needs**

	FY09	FY10	FY11	FY12	FY13
Earnings Before Interest, Depreciation and Amortization (EBIDA)					
Falls Road	\$847,471	\$876,519	\$905,981	\$935,838	\$966,063
Laytonsville	\$394,591	\$410,007	\$425,584	\$441,304	\$457,149
Poolesville	\$23,986	\$27,527	\$30,858	\$33,954	\$36,784
Rattlewood	\$260,703	\$271,509	\$282,352	\$293,213	\$304,071
Hampshire Greens	\$146,325	\$155,920	\$165,519	\$175,102	\$184,643
Sligo Creek	(\$202,032)	(\$204,288)	(\$206,784)	(\$209,539)	(\$212,572)
Northwest	\$499,842	\$522,182	\$544,913	\$568,023	\$591,498
Needwood	\$815,858	\$846,371	\$877,525	\$909,317	\$941,740
Little Bennett	(\$204,981)	(\$208,116)	(\$211,734)	(\$215,875)	(\$220,583)
Total EBIDA	\$2,581,763	\$2,697,629	\$2,814,215	\$2,931,337	\$3,048,793
Capital Needs					
Falls Road	\$258,000	\$175,000	\$560,000	\$300,000	\$45,000
Laytonsville	\$0	\$5,000	\$21,000	\$30,000	\$45,000
Poolesville	\$55,000	\$539,000	\$305,000	\$249,000	\$445,000
Rattlewood	\$395,000	\$200,000	\$67,000	\$113,000	\$15,000
Hampshire Greens	\$745,000	\$99,000	\$5,000	\$169,000	\$30,000
Sligo Creek	\$0	\$0	\$0	\$0	\$0
Northwest	\$120,745	\$2,142,338	\$40,000	\$100,000	\$0
Needwood	\$342,500	\$291,675	\$1,573,256	\$200,000	\$0
Little Bennett	\$324,000	\$210,000	\$80,000	\$45,000	\$15,000
Total Capital Needs	\$2,240,245	\$3,662,013	\$2,651,256	\$1,206,000	\$595,000

Most 'Adverse' Facility – Sligo Creek

Based on the above analysis of expected future performance, coupled with the previous analysis of actual performance, it is clear to the NGF Consulting team that Sligo Creek is the most 'adverse' facility in the overall system due to its poor economic performance and its general type of facility (9-hole with limited ancillaries). NGF research has shown that 9-hole facilities of this type are three times more likely to close due to economic troubles than full 18-hole facilities due to revenue limitations inherent with 9-hole facilities coupled with expense structures that are more similar to 18-hole facilities (high fixed costs). We also note that eliminating or modifying the \$160,000 management fee at this facility will not be enough to eliminate the economic loss and still leaves the problem of appropriate management for the facility.

Based on our review of the economic performance data and a general working knowledge of the Sligo Creek facility, **it is the NGF team's opinion that this facility may not be economically viable under its current configuration due to limitations in capacity, ancillary facilities and lack of ability to raise fees.** As such, it is likely that a whole new concept may be required for this facility. Alternate configurations such as driving range only, learning center, par-3 course, or some combination thereof, will have to be considered as a separate feasibility analysis for the future of this property. **The NGF can state with confidence that the Sligo Creek Golf Course, as presently configured, can be classified as 'adverse' to the MCRA system as a**

whole. This is due to its economic performance and how this performance may affect the other facilities in the system.

Although Little Bennett is presently struggling to meet its expense obligations, there does seem to be better potential with this facility as Little Bennett has seen revenue growth in the last two years. In addition, Little Bennett is well thought of by the golfing public (three awards noted above plus 'most improved customer loyalty award from NGF survey), and it has the ancillary facilities needed to improve its non-golf (F & B + merchandise) revenues. These factors lead NGF to believe that although Little Bennett has a negative EBIDA in FY2008, the facility has a better chance to operate in the black than does Sligo Creek.

Limiting Conditions

The income and expense projections presented by NGF Consulting have been prepared based on all previously noted assumptions. NGF Consulting is confident that the stated financial projections can be achieved at the subject facilities based on present facility and market conditions. From a practical standpoint, those managing these facilities will need to respond to variable market conditions as well as unforeseen maintenance needs. Due to the fact that these conditions are more likely to change as the next five years unfold, NGF Consulting has limited its projections to a five-year period. Nevertheless, we are confident that the MCRA facilities will be able to continue to achieve similar results beyond the next five years of operation.

Our estimates of performance for the nine-facility MCRA golf system could change should the following conditions occur:

Stronger Performance	Weaker Performance
Future course closings	New course openings
Faster population growth than projected	Incorrect price levels
Positive regional/ national publicity	Poor customer service
Lack of loyalty to existing courses	Low quality facility
Unforeseen surge in golf interest	Poor yearly weather conditions
Excellent yearly weather conditions	Regional economic recession

It is important to measure the future performance of golf facilities in such a way as to help the Authority make financial decisions based on realistic expectations. It is obviously possible that either more or fewer rounds will be realized at any of the MCRA courses. We note that our projections for future performance of the nine-course system do anticipate increases in activity that may not occur, potentially leading to MCRA subsidies.

Report from the
Sligo Creek Stakeholder Advisory Group
to the Board of Directors of the
Montgomery County Revenue Authority

September 11, 2008

I. Background

The Sligo Creek Golf Course (SCGC) is situated in about the middle of Sligo Creek Park. The 65 acres of the 9-hole course constitutes about ten percent of the open space set along Sligo Creek. The park and course serve the most diverse and densely populated area of the County. The course dates back to before World War II and is the oldest public course in the County.

On October 26th, 2006, the Montgomery County Revenue Authority (MCRA) entered into a 30-year lease of the Sligo course and three other larger courses from Maryland-National Capital Park and Planning Commission (M-NCPPC). MCRA had already operated five other public courses for some time, and this increased their golf properties to nine. In early March, the MCRA met with North Hills of Sligo Civic Association (the neighborhood closest to the course) and presented their proposed major changes to the course. As required in the 2006 lease agreement, the MCRA presented (March 17, 2007) a preliminary Master Plan to the M-NCPPC Montgomery County Planning Board, covering proposed renovations of the four newly leased courses. The plan proposed reconfiguring the Sligo Creek course and adding a large, lighted driving range and one to two miniature golf courses.

Over the next nine months, MCRA met with golfers, community leaders, and County officials to present the MCRA concept for the course and to receive reaction. On January 9, 2008, the MCRA hosted a public meeting at which the concept was aired and consultants presented their preliminary opinions on the potential impact on traffic, light pollution, and the local environment. As noted in a letter (February 4, 2008) from the MCRA Board to Michael Knapp, President of the County Council, this "meeting was attended by about 200 residents who spiritedly expressed their continued concerns and disagreement with the proposed concept."

As a consequence of the wide-spread public concerns about the plans for the Sligo course, and an unfavorable recommendation from the County Executive, MCRA withdrew its submitted Capital Improvement Plan for FY09-14 for the Sligo Creek, Northwest, and Needwood courses. Instead it requested that the project remain part of the Capital Improvement Plan with funding of up to \$100,000 for Sligo Creek planning. The MCRA also decided to "develop an advisory group representative of those affected by the potential changes."

II. Proceedings of the Sligo Creek Stakeholder Advisory Group

During April 2008, Keith Miller, Executive Director of MCRA, invited selected individuals to participate as stakeholders in the advisory group. On April 22nd, the stakeholders met with Mr. Miller at the Executive Office Building to go over goals, schedule, and related matters in launching the committee. The initial group was to consist of two local residents (Heather

Phipps and Michael Welsh), one representative from the Countywide Recreation Advisory Board (Donna Bartko), one from the Silver Spring Recreation Advisory Board (Robin Bradshaw), one from the Silver Spring Citizens Advisory Board, two "Sligo Creek golfers" (Joe Liberta and Byrne Peake), one representative of *Friends of Sligo Creek* (Bruce Sidwell; alternate, Laura Mol), one from Montgomery County Public Schools, one from M-NCPPC staff (Linda Komes; alternate, Doug Redmond), and one from the First Tee of Montgomery County (Laura Sildon). Bruce Sidwell was chosen by the group to be the chair, Laura Sildon was chosen as vice-chair, and Tara Jacob of MCRA agreed to act as recording secretary. The Stakeholders agreed to meet every other Tuesday evening and accepted the MCRA charge:

to become familiar with the current conditions at Sligo Creek Golf Course and to make recommendations to the MCRA that the Group feels will be acceptable to the community at large while making the facility environmentally and economically sustainable and a positive contribution to the golf course system.

The next meeting was held on May 6th at the Park & Planning building at 9500 Brunnett Avenue (Parkside Headquarters). The bulk of the meeting focused on a presentation by Keith Miller on background information about MCRA and the courses it manages, the MCRA lease, information about the financial performance of Sligo and other leased courses, and the facility needs of the Sligo course. Mr. Miller emphasized the need to enhance revenue to meet long-term infrastructure goals for the course. The group also considered adding additional stakeholders from neighborhood associations that had expressed an interest in the proceedings but were not represented, plus a related question presented by Heather Phipps no longer being the sole and official representative from the North Hills of Sligo Creek Civic Association. To resolve these issues, a motion was passed (5 for; 2 opposed; 1 abstaining) making Phipps an at-large representative, and expanding the Stakeholders to include two more civic associations. The motion also removed the vacant Silver Spring Citizens Association from the group in order to make room for a possible additional civic association.

At the May 20th meeting, Adam Pagnucco joined the Stakeholders Advisory Group as a neighborhood representative (Forest Estates Community Association). Duke Beattie joined, representing the Montgomery County Public Schools. Most of the meeting was spent assembling ideas on possible improvements to the course, many of which came from those previously assembled by North Hills of Sligo Creek Civic Association.

At the June 3rd meeting, Karen Howland joined the Stakeholders as a neighborhood representative (Woodside Forest Association). Several more ideas were suggested, including some from the First Tee of Montgomery County.

The next two meetings (June 17th and July 1st) centered on consideration of a driving range for the Sligo Creek course site. The discussion covered where the driving range might go, implications for the golf course, the potential as a profit center, as well as impacts on the park and neighborhood. At the meeting on July 1st, a motion was carried (5 for; 1 opposed; 2 abstaining) to recommend to the MCRA Board that no driving range be added to the Sligo Creek course. As her term was up on the Silver Spring Recreation Advisory Board, the representative from that organization left the group; no replacement was found.

On July 15th, the meeting began with more discussion of the pros and cons of a driving range. A motion was made but defeated (3 for; 4 opposed; 2 abstaining) to recommend no changes be made to the golf course. Most of the meeting focused on reviewing the rest of the ideas for the

course. The majority of ideas were left on the list of recommendations since no member of the Stakeholders objected to them.

At the July 29th meeting, the Stakeholders discussed whether a miniature golf course should be recommended. A motion to not recommend was passed (6 for; 2 opposed). In addition, a motion to rescind the previous vote to not recommend a driving range was defeated (2 for; 6 opposed to rescinding). Carole Barth joined the group as a neighborhood representative from Northwood-Four Corners Civic Association.

On August 12th, a quorum was not achieved for the scheduled meeting and thus no official business was conducted.

The last face-to-face meeting was held on August 26th. The Stakeholders discussed and approved a proposal (6 for; 0 opposed; 2 abstaining) to recommend that MCRA strengthen the environmental planning and management of the course and promote Sligo's "green" identity (detailed in section III.C., below)

The Stakeholders also considered the possibility of a "chip and putt" fee area. The group noted that, to make room for this, the current course would likely need to be somewhat shortened and/or re-configured. It was also unclear to the group if this option would generate significant revenue over expenses.

The Stakeholders also discussed adding one or more indoor virtual golf stations to the site. Most information for the discussion had been obtained from the experience of the Paint Branch Golf Complex, where there is a single virtual station; it cost approximately \$40,000 and was purchased with grant funds. It is used primarily for training and fitting of clubs. It is not considered a "profit center." However, since at Paint Branch it competes with a 40-stall lighted driving range, and its use as a "virtual" range is not promoted, some members of the group thought it might generate revenue at Sligo in the absence of a driving range. It was also noted that a significant amount of space would need to be created to house any devices obtained. It is thought by some members that, if a grant could be found to pay for this amenity, it would be a useful addition to the Sligo course. Both the concept of "chip and putt" and "virtual golf," with notes about their limitations, were added to the list of Section IV, *Ideas Recommended for Further Consideration*, below.

The draft report to the MCRA Board was reviewed section by section and Stakeholders voted unanimously to authorize the chair to incorporate decisions and discussion of the present meeting into the first draft and to circulate the revision for final approval by e-mail.

III. Chief Findings of the Stakeholders Advisory Group

A. Driving Range

Much more time and energy was spent looking at this possible recommendation than any other. Since a driving range was the idea thought to have the most potential to generate revenue, the group examined closely the financial information provided by MCRA, and the analysis done by Kennady Consulting for MCRA in January 2007. There was disagreement among the Stakeholders about how firmly to accept the projections made available. This disagreement also carried over into how best to interpret the lease language that allows MCRA to return a course

to Park and Planning if it is "adverse to the entire Golf System."

The Stakeholders recognize that several factors bring a more acute attention to changes to Sligo compared to most other MCRA courses. The course is very local in nature: users live nearby; and any changes to the course, either positive or negative, will impact local residents and users of the park much more than residents living at more distant points in the County. Further, the course site is small and there is essentially no buffer between it and adjacent houses and the park. The course has been essentially unchanged in character since the adjacent Beltway was built in the early 60s. Lastly, being so old, the trees around and throughout the course are larger than found in younger courses.

Off-setting the benefits of a driving range, many Stakeholders felt, were a range of problems. Major objections included: 1) Many current users might dislike the unavoidable shortening and re-arrangement of the course to accommodate a driving range. 2) The extension of business hours until late in the evening would bring light and noise pollution, as well as add to already very congested traffic associated with nearby Georgia Avenue and Colesville Road. 3) A driving range would degrade the local environment in a variety of ways.

The quantitative uncertainties about both the benefits and problems of a driving range helped prolong the group's discussion on this issue. Ultimately, the majority of the group seemed satisfied that there was enough qualitative information to go forward with a vote. The motion to not recommend this option was voted on two occasions a month apart. Each time that decision was strongly supported

B. Miniature Golf

The group spent much less time debating this idea than the driving range. This was due to the sense that both the benefits and risks to Sligo were less than those from a driving range. Plus, since this idea was taken up after the driving range, the group benefited from the debate that had occurred about it since most of the issues were similar. The decision to not recommend a miniature golf course at Sligo was also strongly supported.

C. Sligo as a "Green" Course

At the last meeting, on August 26th, the attending members unanimously approved a proposal to the MCRA Board to develop and promote Sligo as an environmentally-supportive course:

- Recognizing that the Sligo Creek Golf Course is an important part of the open space, woods, and fields of the Sligo Creek watershed, and has a tributary that flows into the creek, plus many large, mature trees;
- that the Revenue Authority management has already taken steps to reduce the use of fertilizers and other chemicals that may run into Sligo Creek, and that the Maryland-National Capitol Park and Planning Commission has invested significantly in improvements to the storm water pond and in stream restoration on the golf course; and
- that the "greening" of the Sligo golf course site can build interest and support for the course among golfers and non-golfers, young and old, and can contribute to educating the wider community about the contribution of the game to the local environment;

the Stakeholder Advisory Group recommends to the Board of Directors of the Montgomery County Revenue Authority:

1. That the Sligo Golf Course be developed and promoted as an eco-friendly course, showcasing ecologically sound practices;
2. That an environmental management plan be developed, applying both national "best practices" for older golf courses and locally developed standards from the ecology of Sligo Creek watershed;
3. That the Revenue Authority constitute an ongoing advisory group for the purpose of contributing local expertise to the environmental and outreach efforts needed to support a "green" Sligo Golf Course.

In addition, the Stakeholders' sense was that promoting this goal for all the public courses should be undertaken by the MCRA.

IV. Ideas Recommended for Further Consideration by MCRA

Itemized below are ideas reviewed by the Stakeholders, who agreed to include all ideas to which no member objected. The group recognized that often the recommended idea was fairly obvious, or some were already being instituted by the course manager (these are marked with an asterisk*) or, in some cases, investigation of detail was beyond the scope of the group's work (e.g., changes to the clubhouse).

A. Increase Revenue

1. Increase fee to play (e.g., \$1-2) *
2. Market merchandise on website
3. Offer lessons *
4. Partner with Montgomery County Recreation Department to have classes at Sligo Creek
5. Explore special discounts or packages, e.g., annual "memberships", weekday senior rates, community golf days with lower rates for neighborhood residents, volume discounts, memberships of youth with reduced round fees, leagues, "golf by the slice", i.e., for less than 9 holes, promote non-peak hours. *
6. Market to local businesses for group outings
7. Expand advertising: e.g., yellow pages, expanded web page, signs on Beltway and key intersections
8. Promote unique features of Sligo Creek Golf Course in advertising, e.g., oldest municipal course in Montgomery County, quick nine-holes available inside the Beltway, unique conservation-minded course
9. Renovations of clubhouse could include rental space for parties and other events, "virtual golf", snack bar with more appeal to non-golf customers (e.g., cyclists).
10. Investigate "virtual golf" products for their educational, recreational, and revenue-generating potential; bearing in mind facility issues such as fit with renovated clubhouse or other buildings, as well as the availability for funding from grants or other outside sources.
11. Poll golfers on possible tweaks to current holes to make them more attractive to children, women, and seniors

12. Investigate the potential costs and revenue as well as design issues, including changes to the present course and environmental problems, associated with adding a "chip and putt" area to the course site

B. Decrease Costs

13. Decrease fairways to save on mowing, fertilizer, pesticides, and irrigation
14. Install solar/PV collectors and feed excess power back into power grid
15. Use drought-resistant turf grasses in fairways; increase plantings of hardy native drought-resistant trees and other plants
16. Adopt best-management practices to reduce pesticides, fertilizers, mowing
17. Improve water collection capacity of site and buildings to keep water on site to reduce irrigation costs (e.g., rain barrels, cisterns, retention ponds, rain gardens); replace impermeable with permeable surfaces to mitigate water runoff and keep water on site
18. As clubhouse or other buildings are renovated, use energy and water conserving technologies such as active and passive solar features, efficient heating, cooling, and lighting

C. Develop Positive Relationship with Broader Community

19. Expand as possible support of First Tee of Montgomery County and local schools in their efforts to use the course for instruction *; find office space for The First Tee and indoor room that would accommodate teaching when weather is bad
20. Add signs, photos, and other interpretive outreach explaining local human and natural history, and emphasizing protection of the local environment
21. Encourage local community groups to work on beautifying or naturalizing the grounds, e.g., putting up and maintaining birdhouses
22. Find community and business partners to help make Sligo a demonstration place for green golf course management practices, clubhouse design, etc. [c.f., Discovery Channel's new Planet Green Channel (*Washington Post* Business section, 2/25/08)]
23. Explore possibilities for holding community events on SCGC site
24. Consider redesigning space near the clubhouse/outdoor snack bar to enable 'Arts in the Park' activities, such as outdoor art or musical performances; allow cross-country skiing on site.

This report was approved by the Sligo Creek Stakeholder Advisory Group for submission to the Montgomery County Revenue Authority at the MCRA meeting scheduled for September 23, 2008. Final approval was electronic—9 supporting, 2 opposing, and 1 abstaining—in a process agreed at the final face-to-face meeting of the Stakeholders.

/ s /

Bruce Sidwell, Chair
Sligo Creek Stakeholder Advisory Group

Environmental Implications of Adding a Driving Range to the Sligo Creek Golf Course

An Individual Report to the Board of Directors of the Montgomery County Revenue Authority

Dear Directors: Below for your consideration is a summary of environmental problems that the Board of the Friends of Sligo Creek sees as associated with a driving range at the Sligo Creek Golf Course. This summary was originally submitted to the Sligo Creek Golf Course Stakeholders Group on June 17 as support for that group's deliberations. Thank you for your attention.

Bruce Sidwell, President, Board of Directors, Friends of Sligo Creek; September 2008

By and large, the current golf course is not a significant drawback to the local environment. It does not cause obviously excessive light, air, noise, or water pollution. It has a small stream—whose stormwater features have recently been improved at great expense—many large trees, and some areas of understory shrubs. Since the property thus has many of the basic elements for wildlife habitat (shelter, sources of food, water, and some places for birds and other wildlife to raise young) it integrates fairly well with the surrounding natural parkland; there is, however, a lack of connectivity of the natural patches.

The golf course's chief natural drawbacks at this time are probably the deleterious effects of fertilizers and of the pesticides used for control of insects, weeds, and fungi. It would also benefit the local environment if less of the course were closely mowed, since short non-native turf offers almost no benefit to wildlife and is much less effective than woodland at absorbing and cleansing rainwater.

Adding a driving range to the 70-acre site would detract from the natural benefits of the area:

- 1) because it would be a large area of nothing but closely-mowed grass, it would further reduce the area available to wildlife;
- 2) having no trees or shrubs would severely limit the site's ability to retain stormwater, cool the area, reduce CO₂, and buffer traffic noises;
- 3) having nets and fences would impede and drive away wildlife;
- 4) over time, the soil of the driving range would become further impacted by use of ball-gathering equipment and possibly by the millions of hits by the balls-- this will further degrade the ability of the turf to retain rainwater;
- 5) noise from the range would drive away birds and other wildlife and, for some, can disrupt communications crucial for mating and reproduction;
- 6) if used, lights would harass and confuse birds, bats, and other wildlife; in addition to being unattractive, the light towers may be lethal impediments to migrating birds;
- 7) making room for the driving range would mean that numerous mature trees would be cut down and the roots of other trees would be damaged by construction traffic;
- 8) increased traffic to the course would mean more air pollution, harassment of wildlife and, ultimately, more pavement for parking and for turning lanes
- 9) increased use of the site would invariably mean more trash generated, contaminating both the golf course and adjacent parkland;
- 10) the energy costs of a driving range, especially if lighted, would increase.

The Community's Perspective of Radical Changes to Sligo Creek Golf Course **A group report to the Board of Directors of the Montgomery County Revenue Authority**

To the Board of Directors of the MCRA: The following is an addendum to the official report from the Sligo Creek Golf Course (SCGC) Stakeholder Advisory Group to the MCRA. Prepared and submitted by the following SCGC Stakeholder Advisory Group representatives: Heather Phipps (At-large/i-petition representative), Adam Pagnucco (President, Forest Estates Community Association), Carole Barth (President, Northwood Four Corners Civic Association), Karen Howland (Woodside Forest Civic Association), and Michael Welsh (President, North Hills of Sligo Creek Civic Association). This document summarizes the main reasons the community continues to oppose spending unnecessary capital in an economic downturn to make radical changes (e.g., driving range) to SCGC. These include the historical nature of the course, acting with fiscal responsibility, and the negative impact on the environment, local neighborhoods, and current SCGC users.

A Long History as a Learning Center:

The Sligo Creek Golf Course (SCGC) is a historically significant property and has served as a learning center for decades. SCGC was formerly the Argyle Country club, with records showing that it has been a golf course since at least 1927. In 1946, the Montgomery County Parks and Planning acquired the course and made it the first public golf course in the county with the initial aim of serving veterans of World War II. It has remained a learning course. Sligo's 9-hole configuration is appropriate for beginners and walkable for seniors. Generations of Montgomery County residents have learned to play golf at the SCGC. First Tee Montgomery, Inc., and MCPS golf teams benefit from significant donations of time and resources at SCGC and other MCRA properties. With its history and connection to the Park and County and with its success as a learning facility, drastically altering the facility is a mistake.

Financial Questions:

The residential communities remain unconvinced that the financial information and forecasts provided to the public have been clear and complete. At the beginning of the July 1 meeting, Mr. Miller explained that he thought the Stakeholder Group was becoming too bogged down with the details of SCGC's financial information and the information contained in the marketing report conducted by Kennady Consulting. Some members of the Stakeholder Group agreed that it would be incredibly difficult to determine a break-even scenario for SCGC without an extensive investigation of the course's financial picture. Mr. Miller made it clear that he only expected the Stakeholder Group to determine if they would recommend a driving range and where it should be located on the course. He explained that the scale, site and features of the driving range would be decided by MCRA. Hence, the Stakeholder Group was presented with an either/or scenario: driving range or no driving range. As a result of this discussion, a motion was passed by a majority vote to not recommend a driving range.

Some additional concerns regarding the information available include the following:

1. The Kennady report presented only one option -- a lighted driving range, with a specific slant to the largest size (70 tee stalls) to maximize revenues. Other

- revenue generating solutions were generally dismissed as inadequate and cost-saving solutions were not a part of the Kennady report.
2. MCRA financial analysis used a baseline from 2006 but records show that the course had been profitable as recently as 2002.
 3. A substantial management fee is now charged to SCGC, which is not prorated or proportional to the size and volume at Sligo. This fee exacerbates the appearance that the course's financial performance is poor.
 4. The audited FY 2007 financial statements show that the County golf course system as a whole was profitable (over \$600K in profit). It is certain that SCGC does not make the entire golf system unprofitable, thus MCRA should not be able to turn back SCGC to MNCPPC under the terms of the lease.
 5. In June 2008 MCRA increased the greens fees at SCGC. Mr. Miller acknowledged that this change was not included when preparing the financial projections he presented to the Stakeholder Group.
 6. A renovation plan, prepared by a contractor with which MCRA has experience, estimated roughly \$2.5M in improvements to the course. Alternative plans were not explored. For example, improving the course in phases – correcting simple problems first and re-evaluating the projected value of subsequent items was discussed by the Stakeholders Advisory Group, but this suggestion was dismissed as inadequate by Mr. Miller.
 7. A suggestion was offered by an observer at the end of one meeting that the MCRA implement less expensive improvements at other leased courses. Additional revenues generated by these improvements could then be used to gradually improve conditions at SCGC without requiring the major capital investments posed by installing a driving range. This suggestion would reduce the immediate requirement for additional revenue at Sligo because any financial burden would continue to be spread across all MCRA managed properties. The Stakeholder Advisory Group did not revisit this sensible suggestion.
 8. Kennady put in a disclaimer at the end of their report about projections not being accurate in times of recession or economic downturn. MCRA acknowledged that the local economy is in a period of recession or economic downturn.

Impacts to Sligo Park and the Neighborhoods:

Significant concerns still remain about the impact of the proposed radical changes under MCRA's Master Plan for SCGC. Traffic, lighting, environmental and public safety issues resulting from any nighttime activities remain unaddressed.

At its January 2008 Town Hall meeting, MCRA's consultants presented their findings with respect to lighting, traffic and environmental impacts. The traffic and environmental reports focused on minimum, legally-required mitigation actions that would be required to obtain permits for proposed modifications. Instead of an actual study to determine the amount of light pollution that would be created in the currently dark parkland area, a lighting vendor's sales representative made a presentation. Issues concerning public safety and the costs to Montgomery County taxpayers associated with changes in traffic, environmental degradation of Sligo Creek, and loss of trees that would ultimately occur due to the proposed modifications were not addressed by the Stakeholder Group.

Conclusion

There continues to be strong opposition to radical changes to SCGC in order to accommodate a driving range and mini-golf courses. This conclusion was supported by three separate votes documented throughout the Stakeholder Group process. Stakeholder Group representatives for four local civic associations, FOOSC, and the i-petition/paper petition signers favor more robust marketing efforts emphasizing the unique aspects of SCGC in combination with a more staggered maintenance schedule. By doing so, MCRA will be preserving this historic course and protecting the watershed, park wildlife, and the quality of life of the broad communities who use SCGC and Sligo Creek Park.

Resources

For a more in-depth understanding of community members concerns and comments, we encourage every member of the Board of Directors of the MCRA to visit the following website:
http://www.ipetitions.com/petition/Green_SligoGolf/signatures.html

In addition, please review the attached Google map which presents the six community/civic association that have officially documented their opposition of installing a driving range and mini-golf courses at SCGC.

11 September 2008

TO: Board of Directors, Montgomery County Revenue Authority

FR: Laura Mol
Alternate representative from *Friends of Sligo Creek*
to the *Sligo Creek Stakeholder Advisory Group*

The possible return of the Sligo Creek Golf Course to M-NCPPC was a question of intermittent concern to the Stakeholders. Because I was present to give testimony to the Planning Board when Mr Miller gave the MCRA's Annual Report, I heard firsthand the Planning Board's very interesting and useful discussion of the terms of the lease relevant to the possible return.

While this discussion is part of the public record, it is only available from M-NCPPC in audio form. Attached you will find a transcription, which makes the discussion more conveniently available. The final page contains the material most pertinent to the issue.

**A Transcription of Portions of the April 3, 2008, Meeting
of the Montgomery County Planning Board
in reference to the Sligo Creek Golf Course**

From "Part 5" of <http://www.montgomeryplanningboard.org/agenda/2008/agenda20080403e.html>

Planning Board members present:

- *Mr Royce Hanson, Planning Board Chairman and Vice-Chairman of the Maryland-National Capital Park and Planning Commission*
- *Mr John M Robinson, Planning Board Vice-Chairman and Commissioner*
- *Dr Allison Bryant, Planning Board member and Commissioner*

GIDDENS (00:03) Good afternoon. For the record, my name is Gene Giddens, Acting Deputy Director for the Montgomery County Parks Department. This agenda item pertains to the Golf Course Lease Agreement between the Commission and the Montgomery County Revenue Authority, entered into October 31st, 2006. The lease agreement requires the Revenue Authority to make an annual presentation to the Planning Board regarding the operation of the Commission's four golf courses. At this time, I'm going to turn this program over to Keith Miller, the Revenue Authority's Executive Director.

*A presentation with visuals is made, highlighting points of a written report, which is available at http://www.montgomeryplanningboard.org/agenda/2008/documents/20080403_MCREvenueAuthority_print.pdf
On page 7 of the written report:*

Golf Master Plan Update

In March of 2007, the Revenue Authority presented the Planning Board its initial concept for a golf master plan. The plan included phase 1 changes to Needwood, Sligo Creek, and Northwest Golf courses. During the past year, we have remained focused on the project at Sligo Creek. We have spent time reaching out to the community and trying to address their concerns. On January 9, 2008, the Revenue Authority conducted a public meeting to discuss the findings of consultant reports regarding the potential impacts of our concept. Over 200 residents were present and expressed their concerns regarding the potential changes to the property. Since that meeting the Revenue Authority has withdrawn, from its FY09-14 CIP, its request to expend their funds for the Sligo Creek Project with the exception of expending up to \$100,000 for additional studies and/or plans if it deems them necessary. Additionally, we are in the process of forming a Stakeholders Advisory Group made up of representatives of the affected parties. We are hopeful that this group will provide the advice and recommendations necessary to make Sligo Creek environmentally and economically sustainable with a positive impact on the golf system.

From the verbal presentation (numeric notations indicate time markers from the audio URL, above):

MR KEITH MILLER (12:51): We have been trying to work with the community throughout this past year, as originally presented last year in our overall Master Plan's Concept. The community has resisted our initial Concept, and we are at this point establishing an advisory group; the advisory group will consist of different members of the community and different people associated with Sligo Creek. The goal is for the group to present recommendations to the Revenue Authority Board in September 2008.

A preliminary meeting for this group has been established as April 22. We hope that during this summer we can get the community's involvement again: they have reach out to us and they have expressed their concerns, and we wanted to go back and clear the slate and basically work with them from the ground up and see if we can come up with a mutually agreeable solution to this property. Additionally, Needwood, Northwest and Little Bennett--and we did agree with the County Executive's recommendation for the FY09 Capital Improvement Plan--as to not to fund these projects based on the outcome of Sligo. Again, as we continue to evaluate the golf course system as a whole, we need to first understand what is going to happen at Sligo Creek and what the outcome of that property is before we can established what is going to happen with the other three properties, according to what was outlined last year as our Master Plan goals for these properties. It just may be a matter of timing of funding and so forth, and so we need to understand how we will be able to accomplish that as we move forward.

CHAIRMAN ROYCE HANSON (14:40): Why is it, just remind me, why is it that you have to have Sligo settled before you can proceed with the others?

MILLER (14:49): Basically, as you are aware, the Revenue Authority is a completely self-supporting entity, and therefore we need to be able to understand what the impacts are from Sligo Creek, for example, if Sligo Creek was to remain as is and we need to continue to support those annual losses, it may affect the timing of how we can move forward with the other projects. So, according to how that [?], we need to again look at everything from a system-wide basis in order to make sure that we have the timing for our funding and so forth in order to move forward with the other projects. So we just felt that we needed to have a better understand of how that project is going to go and in what direction that project will go before we proceed with the other projects.

HANSON: (15:30): You had a 14% increase in rounds at Sligo Creek; how did that affect the revenue cost?

MILLER: The revenues went up substantially over the year as well, but the cost to operate at that level were extremely above budget so, even though we were ahead on our revenues budgets and projections, we were behind on our bottom line projections and our net income projections were actually lower than what we had budgeted, so basically what we were finding when we went through the year, Mr Chairman, was that even though we were able to increase the revenue significantly, the cost of being able to sustain those increases outweighed the benefits.

HANSON: Are you making money on Little Bennett?

MILLER: No, sir.

HANSON: Not making money on Little Bennett either?

MILLER: No.

HANSON: Are you losing more at Little Bennett than you are losing at Sligo?

MILLER: According to the budgets, we are projected to lose more at Little Bennett that we are at Sligo. As you are aware, the Little Bennett Golf Course is outlined specifically in our lease agreement that we cannot do anything with Little Bennett for 5 years. So we have to do our best to maintain that property. Hopefully, as we see the growth in that local marketplace, within 5 years we'll see a change in that property as well.

HANSON (16:50): Yes, because Little Bennett and Sligo had your greatest growth, so you must be doing something right.

MILLER: Yes.

HANSON: At both of these courses too.

HANSON: At that rate of growth... *[simultaneous voices in this section]*

MILLER: Yes, we were very happy to see the response at both of those.

HANSON: ...they exceed Needwood and Northwest, where you have an actual decline...

MILLER: Yes

HANSON: [unclear]

MILLER: That is correct and Northwest, for example, Needwood's rounds total at even over 10%, according to the national and local data, I mean, any of these growth rates that we're showing at these properties is substantial according to what the industry is showing nationwide, even regionally and locally, to be able to see these type of growth rate. Needwood, even at 10.5%, is significant growth and Northwest remaining flat; we did make a change this year in the management team at Northwest, we [... *some changes described*]

HANSON (18:04) What sort of growth potential do you see for Sligo and for Little Bennett?

MILLER: I don't think we're going to be able to maintain this type of growth rate in the upcoming season: I definitely see the system stabilizing more this year than what these numbers show. We were able to realize a significant amount of growth last year with the introduction of new programs and so forth. I think we have another year of growth out of both of these properties, but I think it's probably more in line with the growth rates that you're seeing in relation to the total golf system or maybe an additional 3 or 4 or 5% at those properties.

MR JOHN ROBINSON (18:50): It's clear that you're making progress, and we have another role here: we're invested pretty heavily in your operations. You may want to give it to us in a confidential basis but anything that I'm invested in, I'd like to see the financials—profit and loss and balance.

MILLER: Yes. According to the lease, we do submit those reports on a quarterly basis.

ROBINSON: Thank you for reminding me of that. We will ask staff about it.

[Section on capitol improvement expenditures in the golf system. Mr Miller's report concludes.]

Prepared testimony (21:20):

- Laura Mol for the Board of Directors of *Friends of Sligo Creek*
- Don Collins, Montgomery County resident

Question and answer period

ROBINSON (27:50): For the community, it's not to see where the merits will go, but if it turns out that, even with your helpful suggestions and a fair trial period, if the golf course can't be made to generate a positive cash flow, it'll probably go away, because the Council is not prepared to subsidize these facilities--it made that very clear.

COLLINS (28:19): I think that the community's understanding--and certainly my understanding (I really can't speak for everyone in all the diverse communities around Sligo)-- I think our understanding is that the system is supposed not to lose money, that Sligo by itself can lose money. And we've seen an increase in the rounds played there; if the cost per round has gone down, but the revenues have gone up, we are still making more money and there are long-term suggestions for reducing costs that also have been suggested.

ROBINSON (28:56): I think you better reach an understanding with the Revenue Authority what the policy is, because my understanding is that the expectations, when the lease was signed, is that in the long run all the facilities, each facility, had to stand on its own feet--and that was a policy decision of the Board and the County when the lease agreement was executed.

COLLINS: I can't speak for anyone else; my interpretation...

ROBINSON: That's just a caution... *[simultaneous voices in this section]*

COLLINS: Thank you.

ROBINSON: *[unclear]* You might get 70 acres of woods, but that's not such a bad thing.

ROBINSON: ...but you should be aware that that's out there.

DR ALLISON BRYANT to [Mr Robinson]: But just be cautious, because you might be just speaking from recall *[general laughter]*.

ROBINSON: I think I'm painfully aware of what led up to the negotiations with the Revenue Authority. I'd rather forget about it.

BRYANT *[addressing staff]*: I thought, Ms Rueben *[spelling?]*, that this is one of the reasons that the Revenue Authority has it, that the question is individually looking at the sustainability of one, independently, but you're looking at the ability as an enterprise to carry the enterprise itself as a whole, and it was understanding that some would be subsidizing others from that standpoint in terms of play because of the different character, demographics, and the location. Again, I'm talking off the top of my head too, so I just didn't want to have this gentleman *[i.e., Mr Collins]* walk away from here thinking one thing and then, when he finds out that that was not what is really being observed, thinking that he might have been misled.

ROBINSON (30:50): I know the Revenue Authority can speak for itself, but I know that we were very concerned that we get Sligo back because it couldn't be turned around and generate sufficient cash flow.

[unclear exchanges]

MS RUEBEN (31:00): I'm simply going to read from the lease; it's a lot easier. It is a public document. Section 12.2 says that *[reads aloud]*:

Upon a determination by Tenant, based upon an independent financial analysis of the entire Golf System that indicates that any of the park Golf Courses is adverse to the entire Golf System, Tenant shall have the right to extract any of the Park Golf Courses from the Lease and return it to Landlord; provided, however, Tenant shall first present such findings to the Planning Board and the County Council to consider alternatives to closing the Golf Course.

ROBINSON (31:40): I stand corrected.

HANSON: So it depends ultimately on what's "adverse."

RUEBEN: That's correct. So it could be determined that if the course itself is losing money and then it's adverse to the system—in fact, that could justify it. But a financial analysis would need to be done, and a presentation would need to be made to both the Planning Board and the County Council.

HANSON (32:12): And which could include the concept of whether it's a loss leader in terms of getting people interested in golf who then move on into the rest of the system, so there are alternative approaches to that. Mr Miller, any comment on any of this?

MILLER: No, Mr Chairman, not really. The point of the system is that the Revenue Authority is a self-supporting entity and the gist of it all is that we have to manage to balance our system as a total.

HANSON (32:44): I'm pleased that you're setting up the advisory committee and working with the community on this because it's always, we find in almost all our individual park situations, that that's usually a good idea. We don't always reach 100% agreement with what's done, but usually we're able to find a solution that resolves the big issues that people will have and come to a satisfactory outcome. In general, people like the parks: the recent survey done by the County indicates a higher satisfaction with the parks than any other public facility in the county and a very high rate of use so, as far as that's concerned, we're very pleased about that.

I don't think we need to act on this, do we, Mr Giddens?

GIDDENS (33:50): No, sir, that's right. I just want to add for the record, though, that the department is very happy working with the Revenue Authority. We found Mr Miller and his staff very, very responsive. And we are also very sensitive to the needs of the citizens of Sligo.

[concluding exchanges]

Transcription by J.D. Royal & Laura Mol

From: Beattie, William [William_Beattie@mcpsmd.org]
Sent: Friday, September 05, 2008 11:19 AM
To: Bruce A Sidwell
Cc: Keith Miller
Subject: RE: Last call for approval of SCSAG rept & minutes

Bruce - I do not approve of the report, and I do not agree with the recommendations. Please understand that I represent the interests of Montgomery County Public Schools (MCPS) and its students. The recommended changes will have little or no positive effect on MCPS students, in particular, the students that attend schools in the proximity of Sligo Golf Course. Constructing a driving range would have had a great positive effect. A driving range would have provided students a viable practice facility relatively near their homes and schools. The lack of a driving range facility requires that these students drive appreciable distances and share practice time and space with other schools at other courses in other communities, thus reducing the practice time for teams throughout the county. The students that would have benefitted by the inclusion of a driving range are at a distinct competitive disadvantage compared to their peers in other communities. In this respect, I believe that the committee, collectively, adopted a narrow interpretation of "community" and I do not agree that the best interests of the "community" have been accurately reflected or represented.....At least that is my opinion, and I am obviously in the minority.....Have a good day.....Duke

From: Bruce A Sidwell [mailto:basidwell@msn.com]
Sent: Friday, September 05, 2008 8:45 AM
To: acp1629; Carole Barth; heathbleau; howlandk; Joe & Diane Liberta; laura; Mike Welsh; Christine.Brett; bowpeake@aol.com; doug.redmond@montgomeryparks.org; Beattie, William; msdonna@comcast.net
Cc: kmiller; Laura Mol
Subject: Last call for approval of SCSAG rept & minutes

Good morning Sligo Creek Stakeholders members,

I've heard from many of you on approving the report as well as the draft minutes for the Aug 26 meeting. But, there are still a number of you who I've not heard from. Today (Sep 5) is the target date for your votes on the report, and your desire to add a separate individual piece to be sent to the MCRA Board with it. While it would be nice to close the books today, there is no practical reason why the date to hear from you can't be extended until Monday (assuming we aren't recovering from Hannah). So the drop dead date is Monday 9pm (Sep 8) on getting your vote in on the report. At that time please also indicate whether you will submit to me and Keith an individual message for the Board. Any individual piece needs to be sent to Keith by Sep 12th so it can be copied and sent on to the MCRA Board.

The date for approval of the Aug 26 minutes is also Sep 8.

Per Donna's request Laura Mol made pdf versions of both documents. They are attached. Except for tiny changes they are exactly the same as what you received from me on Aug 29th. The minutes were corrected to show that Christine works for Parks, not the school system. The report includes a clarifying sentence in the **Sligo as a "Green Course"** paragraph saying "At the last meeting, on August 26, the attending members unanimously approved a proposal to the MCRA Board to develop and promote Sligo as an environmentally-supportive course. In addition, the Stakeholders' sense was that promoting this goal for all the public courses should be undertaken by MCRA."

Thanks,
Bruce

Addendum to the
Sligo Creek Renovation Stakeholder
Advisory Group Report
September 23, 2008

Addendum 5
Donna Bartko, Member & Chair, County-wide
Recreation & Parks Advisory Board

Prepared by:
Donna W. Bartko,
Member & Chair of the County Wide
Recreation & Parks Advisory Board

Members of the Montgomery County Revenue Authority:

Thank you for the opportunity to submit my comments and concerns regarding the future of Sligo Creek Golf Course.

PREFACE

I'd like to share with you my and our board's familiarity with the MCRA and the golf course system. Several years ago, during the transfer of the golf courses from MNCPPC to MCRA, I was vice chair of the County-wide Advisory Board for Parks and Recreation. Our advisory board was active in following the transfer of the four Parks' golf courses to RA from inception. Very early on in the process, Bill Mooney, former director of Enterprise attended one of our board meetings and outlined the reasons, the process and an overview of the lease terms with us. We were kept up to date on this item by Mr. Terry Brooks after Mr. Mooney left MNCPP employ.

Our Countywide board was very concerned and vocal about future use and potential non-parks development of any or all of the four Parks' golf course properties and what the ultimate disposition of those courses could be if a golf course was deemed detrimental to the golf course system. Original draft language in the lease allowed for golf course land to have the potential to be transferred to private parties, who were prohibited from running any type of golf course activity but would have no other limitations except for zoning and permitting. We were extremely concerned that transfer of public land to private ownership could result in dense housing projects or other non-open space use with a significant lessening of green space.

The Countywide Board has members from each of the five local boards (Silver Spring, Eastern, Western, Mid-County and Up-County) and these boards were also kept involved and apprised of the ongoing situation and golf course negotiations. We voiced our concerns loudly and often -- not only to the Planning Board, but to Council members as well. Certainly, our board was not the only concerned party, but we were clearly an influence in assuring that the lease language required the return of any golf course from RA directly back to Parks in lieu of open market possibilities. Before and after the lease was executed, Keith Miller attended several of our meetings to answer questions, review the ideas for the golf course master plan and to solicit our perspectives. Our board was frank and strongly expressed qualms relative to the golf courses master plan, fee structures, programs and essential requisites to meeting the needs of county residents -- young, elderly and challenged. We have also indicated our strong desire to resolve the Sligo course problems with minimal discomfort to the adjacent neighborhoods.

Mr. Miller also met with the Silver Spring Parks & Recreation Advisory Board on several occasions taking them on more than one tour of Sligo Golf Course and the adjacent neighborhoods to assure the SS was informed and in a position to give feedback. Steven Earll of the SS advisory board and a member of the county wide advisory board has been a liaison to Mr. Miller over the last year sharing with him questions and concerns while also keeping the county wide board informed and up to date on the SS board's discussions and activities regarding Sligo Golf course.

We also established an ad hoc group of golfers from each of the regional boards and me to meet periodically with Mr. Miller to make sure that he received feedback and kept our groups in an information loop on many golf issues, but specifically the Sligo golf course because of the citizen concerns.

Last Fall during one of our ad hoc meetings Mr. Miller briefed us on a recent meeting he had with the neighborhood groups and the requests that he had received: follow up on Audubon affiliation, obtain lighting information and traffic studies. He advised us that he was doing so and that he anticipated a public meeting to present that information in December 2007; he asked me to moderate the meeting, keeping the tone of the meeting objective and to try to keep the tone of the meeting less emotional and more businesslike.

The video tape of the entire meeting will demonstrate that I met those goals 100%. The video tape of that meeting will also demonstrate that at that time I suggested that a task force be put together to try to work together with the MCRA to mediate a win-win solution for both the communities, for the county, for the MCRA and most importantly for the golfers. During that meeting, I also spoke briefly with Councilmember Marc Elrich about a task force to work with the community and he indicated his concurrence to me that it would be a good idea to try to get the two entities to work together.

Later this spring I was contacted by Mr. Miller to join the Stakeholder group to represent the county-wide perspective. It was my understanding at that time the group was more of a stakeholders group rather than a task force, but that the county executive's office, more than several of the county council members and the MCRA board wanted this group to come together to try to work out acceptable solutions to the problems.

I was please to find that the group's objective: To become familiar with the current conditions at Sligo Creek Golf Course and to make recommendations to the Montgomery County Revenue Authority Board (MRRA) that the Group fees will be acceptable to the community at large while making the facility environmentally and economically sustainable and a positive contribution to the golf course system. The goal of the Stakeholder Advisory Group is to conduct meetings and business as necessary to provide its written recommendation and advice to the MCRA Board in September 2008.

COMMENTS & CONCERNS

Having missed only one meeting during the entire tenure of the group, I fully participated in the process and came away quite disappointed and saddened by the lack of work product and the failure of the group to meet even a modicum of the group's goal.

This group, as demonstrated by the report, was never able to or willing to work to identify or work towards identifying any sources of income producing amenities that could generate revenue to offset the obvious need for repairs to deferred maintenance let alone any additional improvements.

The neighborhood groups merely reiterated their perspectives on not just being against any kind of driving range, but to actually becoming hostile when non-neighborhood group members wanted to discuss different, smaller levels of driving ranges or alternative sites for a driving range with the understanding that income generation was and is key to keeping this golf course viable.

The group did not spend any significant time or energy on environmental issues, the group did not address traffic issues nor did the group discuss at any length the Audubon Society concerns the neighborhoods had raised as their most meaningful concerns over and over to their Council members and to the County Executive. The group did spend significant time discussing video arcade virtual driving range golf as an alternative to a true driving range, much to my and other's chagrin.

As you read the report and as you read the addendum, it will become very clear that there is no consensus from this group other than that espoused by the neighborhoods in proximity to Sligo that they want no changes, but that they want the deferred maintenance repairs made at the expense of others.

I have reviewed and briefed the County-wide Board and the Area Board Representatives about this group's dynamics and the final product and lack of significant positive recommendations to the MCRA board. Our County-wide Board has empowered me to let you know that we support keeping Sligo Creek Golf Course functioning as part of the MCRA golf course system.

Towards that end, we have formed an ad-hoc advisory group to aid Mr. Miller and yourselves in obtaining a more global perspective from the Montgomery County community to augment the limited perspective from the small neighboring communities who may have more exclusive concerns rather than more inclusive concerns of the majority of the citizens of Montgomery County.

I will be more than happy to meet with you to discuss this addendum or to answer any questions you may have. Again, thank you for the opportunity to serve the MCRA, the citizens of Montgomery County and the current and future golfers of Montgomery County.

Respectfully submitted.

Donna W. Bartko

**Montgomery County Revenue Authority
Board of Directors Resolution
January 27, 2009**

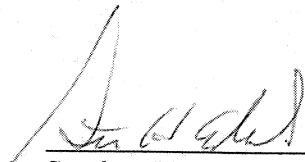
Resolution No. 290109

RESOLVED that the Montgomery County Revenue Authority (MCRA) Board of Directors, having received and reviewed the independent financial analysis provided by NGF Consulting of the entire Golf System indicating that the Sligo Creek Golf Course is adverse to the entire Golf System, does hereby so determine that the Sligo Creek Golf Course is adverse to the entire Golf System, and hereby directs that the Executive Director extract the Sligo Creek Golf Course from the lease between MCRA and the Maryland-National Capital Park and Planning Commission dated 26 October 2006 (hereinafter referred to as the "Lease").

IT IS THEREFORE the resolution of the MCRA Board of Directors that the Executive Director is hereby authorized and directed to proceed with the immediate extraction of the Sligo Creek Golf Course from the Lease as provided in Section 12.2 of the Lease;

IT IS FURTHER resolved that the MCRA Board of Directors authorizes the Executive Director to enter into an amendment to the Lease or separate Agreement (as the Executive Director may deem appropriate) by no later than April 15, 2009 providing for, notwithstanding its extraction from the Lease, the continued operation of the Sligo Creek Golf Course by MCRA substantially in accordance with the provisions of the Lease and/or on such other or different terms as the Executive Director may deem appropriate for a period of time no longer than October 1, 2009.

Approved by the MCRA Board of Directors the 27th day of January, 2009.



Stephen H. Edwards
Chairman