

# Benderson Lease & Loan

## Questions & Answers

**Question: Will anything in this agreement allow additional water to flow into The Meadows from Benderson properties?**

**Answer: *Absolutely not.*** The lease contains strong, explicit, and enforceable protections prohibiting any additional water intrusion. This was a key requirement insisted upon by MCA's attorneys.

**Question: How will the proposed lease affect The Meadows' green space?**

**Answer:** In the near term, it will *improve* the appearance of our green space by reopening the golf courses and removing debris in and around the golf areas. Over the long term, the lease and potential conservation easements provide added protection for these open spaces.

**Question: Why is Benderson Development Corporation interested in operating The Meadows' golf courses?**

**Answer:** There are two primary reasons:

1. The courses are adjacent to Benderson-owned properties, allowing hotel guests easy access to golf by simply crossing over via golf cart.
2. Benderson is interested in acquiring conservation easements, which can help them meet county approval requirements for other nearby developments.

**Question: Won't this hurt The Meadows in the long run?**

**Answer: *No.*** Our founding documents establish The Meadows' mission as protecting green space and supporting a lifestyle centered on outdoor amenities. Conservation easements strengthen - not weaken - that protection. The primary restriction created by easements is on the *sale* of green space, which aligns with our mission and fiduciary responsibilities.

**Question: Why is Benderson agreeing to refinance our debt?**

**Answer:** Because our negotiating team made debt refinancing a central element of the agreement due to its immediate and significant financial benefit to The Meadows.

**Question: Doesn't this increase our debt?**

**Answer: *No.*** Our total debt remains the same but at a *much lower cost*. The interest rate would drop from approximately **7.25% to 4.5%**. If Benderson ultimately purchases conservation easements, the debt would be reduced by **\$3 million**, and the interest rate would be lowered further to approximately **3%**.

**Question: Have the property, easements, and potential mitigation credits been appraised?**

**Answer: *Yes.***

- An **MAI-certified appraiser** evaluated the property and the impact of conservation easements.
- A **specialized engineering firm** assessed the potential value of mitigation credits.

Both reports have been provided to the Board. It is important to note that conservation easements and mitigation credits are *not automatic*—they require a lengthy, complex, and costly county approval process.

**Question: Aren't we right back where we started if Benderson leaves after the initial three-year term?**

**Answer: *Absolutely not.*** By that time:

- The Meadows will have saved **several million dollars** in expenses currently being absorbed due to the abrupt club closure.
- The golf courses will be in significantly better condition following deferred maintenance and capital improvements.
- MCA will have received rental income.
- MCA will receive **six months' notice** if Benderson chooses not to renew - far more protection than the few weeks' notice received when the former club closed.

**Question: Is it likely Benderson will leave after the initial term?**

**Answer: *No.***

**Question:** Will any water from Benderson-owned properties be allowed to flow into The Meadows?

**Answer: *Again, no.*** The lease includes clear, explicit, and enforceable protections that prohibit any additional water from entering The Meadows. This was a non-negotiable requirement established and carefully enforced by MCA's attorneys.