



Sundria R. Ridgley
Senior Vice President & General Counsel
(202) 538-3252 (mobile)
(407) 588-4818 (fax)
sridgley@concertgolfclubs.com

*Member of FL, NY, DC, and OH Bars

May 10, 2023

VIA EMAIL [sha@arthurlaw.net]

Sara H. Arthur, Esq.
Arthur Law Group, LLC
West Court
2488 Holly Avenue, Suite 303
Annapolis, Maryland 21401

Dear Ms. Arthur:

I am legal counsel to Concert Woodmore, LLC and Concert Woodmore Bevco, LLC (collectively, "Concert Parties"), parties to that certain Settlement Agreement dated April 19, 2017 by and between Pleasant Prospect Homeowners Association, Inc. ("PPHOA") and the Concert Parties, as amended by that certain Addendum to Settlement Agreement dated May 27, 2022. Please be advised that this correspondence is written solely for purposes of, and in accordance with, Maryland Rule of Evidence 5-408 and Federal Rule of Evidence 408 and is without prejudice to the Concert Parties' position in any subsequent mediation, arbitration, or litigation.

As I previously informed you, the Concert Parties disagree with the PPHOA's contention that the level loading fee at the Country Club at Woodmore ("Club") violates the terms of the Settlement Agreement. As you correctly state, the Settlement Agreement reduces the monthly dues payable by PPHOA Woodmore Social Members to \$135, eliminates their initiation fee and food and beverage minimum, and provides a 50% discount on the initiation fee charged to new PPHOA Golf Members. The Settlement Agreement, however, expressly provides that, "[e]xcept as otherwise provided herein, all other terms and conditions of membership shall remain in effect." Such terms and conditions include, *inter alia*, the right of the Club to require payment from all members of other fees and charges as it may establish from time to time, together with applicable sales or other taxes.

Nothing in the Settlement Agreement in any way states or reasonably implies that PPHOA members are exempt from payment of service charges or administrative fees such as level loading, which are imposed by the Club for various services. Indeed, separate and apart from the agreed upon discount on monthly dues, the elimination of food and beverage minimums, and the elimination and/or reduction of initiation fees, PPHOA members otherwise have been subject to the same service charges, administrative fees, and taxes applicable to non-PPHOA members. Indeed, Club records reflect that last year PPHOA Social Members paid approximately \$30,000 in

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service charges on their purchases, not including other fees paid to the Club in connection with various Club social events and private member events.

Your assertion that the Club's level loading fee violates the Settlement Agreement because it applies whether the Clubhouse is used or not does not appear to be supported by the plain wording of the Settlement Agreement. The Settlement Agreement makes no distinction between a "use fee" and a "non-use fee" as your letter suggests. In fact, the Settlement Agreement makes no reference whatsoever to fees other than dues and initiation fees, since the imposition of service charges and administrative fees always have remained within the Club's prerogative.

Notwithstanding our disagreement regarding the PPHOA's legal position, as I previously informed you, I am more than willing to meet with you to discuss the matter to see if there is an amicable compromise that can be achieved. Please let me know your availability for such a meeting, and whether you would prefer to meet via video conference or in-person. If the latter, I would be more than happy to travel to Maryland to meet you. I think it would be more productive and beneficial for our respective clients if you and I were to engage in good faith settlement discussions before proceeding to subsequent dispute resolution procedures.

I look forward to hearing from you.

Kind regards.

Sincerely,



Sundria R. Ridgley