

AVENEL

Community Association, Inc.

September 15th, 2023

Kishia L. Powell
General Manager/CEO
Washington Suburban Sanitary Commission
14501 Sweitzer Lane
Laurel, Maryland 20707

Re: WSSC Property located within the Avenel Community (“Property”)

Dear Ms. Powell:

This letter is written on behalf of the Avenel Community Association, Inc. (“Avenel”) regarding the above-mentioned Property owned by Washington Suburban Sanitary Commission (“WSSC”).

This Property has been the subject of much discussion and correspondence over the past two (2) months and was just recently addressed in correspondence to you from Tom Natelli of Natelli Communities dated September 14, 2023. Additionally, pursuant to recent communications between WSSC and Natelli Communities, our general manager, Lucy Wilson, was invited to attend a meeting on September 11, 2023 with Al Roshdieh, the General Services Director of WSSC, and other members of the WSSC staff to discuss the current status and plans for the Property. It is our understanding that Tom Natelli requested a meeting with you as General Manager of WSSC and you suggested that the meeting proceed with Mr. Roshdieh first. As a result, the meeting was arranged with Mr. Roshdieh and it was Natelli Communities and Avenel’s intent that this meeting be a first step in working cooperatively with WSSC to establish a plan for the continued operation of the Equestrian Facilities on the Property. The Equestrian Facilities have been operated on the Property for many years and such use is an integral part of Avenel and is interwoven with the fabric of the community. Notwithstanding this long history, it became clear from the meeting that WSSC is disinterested in working with Avenel and Natelli Communities and it appears that WSSC intends to cease any operation of the Equestrian Facilities on the Property.

The Property was originally identified by WSSC for a future Wastewater Treatment Plant for the Avenel and neighboring areas of the County (“AWTP”) but this treatment plant was never constructed. As contemplated in various recorded agreements, since WSSC took ownership of the Property and throughout the development and growth of the Avenel community, the Property has been continuously used for an equestrian facility pursuant to a long term lease arrangement with Nancy Evans, who operates the Avenel Equestrian Center. Such use together with the trails and other amenities throughout the Avenel area are an essential part of Avenel’s identity. In addition, the Equestrian Facilities are a significant and historic feature of the greater Potomac area and are enjoyed by many residents in Montgomery County generally.

Although Avenel received no prior notice, we understand that WSSC gave written notice to Ms. Evans of lease termination in the near term. Ceasing the operation of the Equestrian Facilities would be an enormous loss to Avenel and our community members are already extremely concerned about this course of action. While WSSC raised some concerns about the structural integrity and safety of the existing barn and stable located on the Property, it does not appear to be the primary reason for termination as it is our understanding from the recent meeting with your

staff that WSSC is unwilling to discuss cooperation with Avenel and Natelli Communities to address the conditions of the barn and stable. In fact, it is our understanding that WSSC has not obtained an engineering evaluation of the structures nor has it considered the scope of work and related costs of any necessary improvements to preserve these facilities especially given their historical significance to the community. Additionally, these facilities are in active use at this time with many boarders using the stable.

We understand that there are no current plans to construct the AWTP. Existing recorded agreements require that WSSC allow the operation of the Equestrian Facilities on the Property. In fact, consideration must be given to the continued operation of such facilities even if the AWTP was to be planned and constructed in the future. Additionally, pursuant to a letter agreement dated March 30, 1988, WSSC agreed to consult with and consider Avenel's input with respect to any modifications to the physical structures of the Equestrian Facilities before implementing the same. This would certainly include any demolition or abandonment of such facilities. *See* attached copy of the agreement. Avenel was never even notified of the planned lease termination of the facilities and only now learned at the recent meeting that WSSC intends to either demolish the facilities or abandon their use. No good faith effort to consult with Avenel was pursued nor has Avenel's interest in the continued operation been considered. We were extremely disappointed in WSSC's adamant refusal to consider a cooperative path forward and its intent to make changes to the use of the Property to the detriment of the Avenel community and the interests of its members.

We strongly urge WSSC to reconsider its position. In fact, we believe that the current termination should be delayed so that we can meet in person to discuss reasonable options for the Property and the Equestrian Facilities. We remain willing to work with WSSC toward a collaborative resolution, consistent with the good neighbor relationship we have had for many years. Please let us know available times for a meeting.

Sincerely,

AVENEL COMMUNITY ASSOCIATION, INC.

By: *Clifford J. Ehrlich L.W.*
Clifford J. Ehrlich, President

Enclosure

cc: (via email only)

Board of Directors

Lucy Wilson

Shelah F. Lynn, Esq.

Tom Natelli

Al Roshdieh

ROCK RUN PARTNERSHIP

March 30, 1988

Washington Suburban Sanitary Commission
4017 Hamilton Street
Hyattsville, Maryland 20781

Re: Equestrian Center at the Avenel
Development, Potomac, Maryland

Dear Commissioners:

This letter will confirm the agreement reached between the Washington Suburban Sanitary Commission (WSSC), Rock Run Limited Partnership (RRLP), Tournament Players Club at Avenel, Inc. (TPC), and the Avenel Community Association, Inc. (ACA) at our meeting of February 1, 1988.

At this meeting, representatives of WSSC agreed that WSSC would consult with and consider in good faith the views of ACA and TPC before making any changes to the physical appearance of the structures comprising the equestrian center on the land in the Avenel Development in Potomac, Maryland, to be conveyed by RRLP to WSSC pursuant to the Master Agreement and amendments thereto entered into by and among WSSC, RRLP, Montgomery County, Maryland and TPC's predecessor-in-interest. Notwithstanding the aforementioned, the final decision as to changes to the physical appearance of the structures comprising the equestrian center shall rest solely with WSSC.

Please sign each of the three enclosed duplicate originals evidencing the WSSC's consent to the foregoing arrangement, and retain one of the originals for your records.

Sincerely,

ROCK RUN LIMITED PARTNERSHIP,
a Maryland Limited Partnership
BY: POTOMAC INVESTMENT ASSOCIATES
LIMITED PARTNERSHIP, a Maryland
Limited Partnership, General
Partner

By:

A. M. Natelli
A. M. Natelli,
General Partner

AVENEL COMMUNITY ASSOCIATION,
INC., A Maryland Corporation

By: A. M. Natelli
A. M. Natelli, President

TOURNAMENT PLAYERS CLUB
AT AVENEL, INC.

By: James R. Seeley
James R. Seeley,
Vice President

READ AND AGREED TO:

WASHINGTON SUBURBAN SANITARY
COMMISSION

By: Richard G. Hocevar
Richard G. Hocevar
Title: General Manager
Date: 12/19/88

Natelli Communities

September 14, 2023

Sent by FedEx and email

Ms. Kishia L. Powell, General Manager
Washington Suburban Sanitary Commission
Office of the General Manager
14501 Sweitzer Lane
Laurel, Maryland 20707

Re: Avenel AWT Plant site and related agreements – Follow Up

Dear Ms. Powell:

Pursuant to your request, we met with Al Roshdieh on Monday, September 11 to discuss the WSSC owned property in Avenel. Tina Benjamin and Claudia Koenig were also in attendance on behalf of WSSC. Attending with me were Bob Brownell and Lucy Wilson. Lucy is the Avenel Community Association manager.

By way of background, WSSC has terminated the operator's lease for the Equestrian Facilities located on WSSC's property in Avenel. We and the Avenel Community Association were not made aware of this by WSSC. After learning of this second-hand, I reached out to meet with you to establish WSSC's intentions going forward. You asked me to first meet with WSSC's General Services Director, Mr. Roshdieh, which I have now done.

Bob, Lucy and I had hoped the meeting with Mr. Roshdieh would set the framework for a collaborative process to determine a path forward for the future use of Equestrian Facilities located on WSSC's property, including perhaps necessary restoration of the buildings. However, we were advised several times by your staff in the meeting that WSSC is not in the horse business and is no longer interested in permitting Equestrian Facilities to be operated on the property. That was made crystal clear to us.

We called to your staff's attention that WSSC has entered into binding agreements calling for the property to be used for Equestrian Facilities and Riding Trails as long as the uses do not conflict with the construction and operation of an advanced wastewater treatment plant (AWT). Your staff clearly disagrees and stated so. As we understand your staff's interpretation of the agreements entered into by WSSC, WSSC's obligation extends only to permitting access to riding trails on the property. We are at a loss as to understand why that is. In addition, we were quite disappointed by the unwillingness and complete lack of interest exhibited by your staff in working cooperatively with us and the community to ensure the continued operation of Equestrian Facilities in that location. It is, after all, one of the oldest operating barns in Montgomery County and is part of the identity of that area of Potomac. The closing of this facility could have a serious negative impact on the surrounding Potomac Community. As it

stands, WSSC's recent actions are already destroying the horse boarding business that had been in existence in that location for almost 50 years.

WSSC entered into an Agreement for Sale on March 18th, 1985 with our predecessor company, Rock Run Limited Partnership. Paragraph 15.4 of the Agreement, as amended, states as follows:

"15.4 Operation of Equestrian Facilities. If the TPC Property is conveyed pursuant to paragraph III.A.3.b.(1) of the Master Agreement [which is exactly what occurred], WSSC agrees to permit the operation of riding trails and Equestrian Facilities on its property to the extent that such use does not conflict with the construction and operation of the AWT Plant."

Equestrian Facilities is defined in paragraph 1.2 of the Agreement of Sale to mean "**the horseback riding facility that presently includes a barn and various riding areas and that may include additional structures in the future.**"

Paragraph 20.0 of the Agreement makes it clear that these commitments survive the conveyance of the property to WSSC.

The contractual obligation to permit the operation of Riding Trails and Equestrian Facilities is unambiguous and limited only to the extent it conflicts with construction and operation of the AWT Plant. We are aware of no such conflict at the present time. Mr. Roshdieh asserted in the meeting that an AWT Plant could possibly commence in one year or five years, or maybe longer but he didn't know. I think it would be useful for all of us to understand where the AWT Plant stands in WSSC's long-term planning process. It does not appear in the current six-year WSSC CIP plan, and we are unaware of any current long-term WSSC plan that targets construction within the next 20 years. **If information is available that contradicts this, please provide it to us or let us know how to obtain it.**

I would also point out that pursuant to the agreements entered into between the parties, "Montgomery County and WSSC shall make every reasonable effort to satisfy the concerns of Rock Run and PGA Tour regarding the design of the AWT by involving them in the planning and design process of the AWT." We are unaware of any ongoing AWT planning or design efforts currently underway and ask that you notify us if this is not the case.

Further, pursuant to the Avenel Farm Development Plan Master Agreement dated July 3, 1984, I call your attention to Paragraph 3, Section H.1 of the agreement where-in the Policy section sets forth the intent of the parties to maintain the availability of equestrian activities in the Avenel Farm area. Section H.5 is equally unambiguous:

"5. WSSC Property

WSSC shall permit the operation of riding trails and equestrian facilities on its property to the extent such use does not conflict with the construction or operation of the AWT."

We were quite surprised to be told by your staff that equestrian facilities will no longer be permitted to be operated on this property after 35 years. We believe this is a direct and willful violation of WSSC's obligations under the referenced agreements.

The intent of the parties to the referenced agreements is clear: Continue to facilitate the operation of equestrian activities, including the Equestrian Facility and riding trails. In fact, the land plan for Avenel was established with the expectation that the Equestrian Facilities could co-exist at some point with an AWT Plant to be constructed on a 50 acre portion of WSSC's 170 acre property. The Equestrian Facility is located in the buffer area surrounding the site of the proposed AWT Plan. Significant efforts went into developing a construct that would maintain the integrity and character of the region in spite of WSSC's acquisition of and plans for the property.

It appears there has been little to no effort nor investment made by WSSC since 1992 to maintain and preserve the barn and other structures on the property. The community now finds itself faced with deteriorating buildings that according to your staff are now unsafe for continued use without significant repairs, and an owner (WSSC) disinterested in meeting its obligations or working cooperatively with us and the community on solutions that could remedy these issues.

We reached out to you in good faith in an attempt to enter into constructive discussions as to how to continue the equestrian activities on the site. So far, we have been rebuffed by your staff, who I submit are acting in contravention to both the intent and obligations of the agreements entered into by WSSC.

According to Nancy Evans, the operator of the equestrian facility, as of today, 17 boarders of horses at Avenel remain stabled there. Others have already left. We are formally requesting that you contact Nancy immediately, before her business is fully destroyed, and extend her lease for a sufficient period of time to allow constructive dialogue as to how to continue the operations at the site into the future, as was contemplated in the agreements executed by WSSC. We believe if we work together with WSSC and the community, we can develop a long-term plan for the continuation of equestrian activities at the site.

I renew my request to meet with you directly, either in person or by video conference call to discuss these matters at your earliest convenience. We remain hopeful WSSC will agree to work constructively with us and the Avenel community to develop an approach that would permit the Equestrian Facilities to continue to be operated uninterrupted. I look forward to hearing from you.

Sincerely,

Natelli Communities Limited Partnership

By: *T.A. Natelli*

Thomas Natelli, CEO of General Partner

cc (by email only): Al Roshdieh
Tina Benjamin
Claudia Koenig
Bob Brownell
Lucy Wilson