

AC Golf Course



Studio City Golf Course, Inc.

4141 WHITSETT AVENUE
STUDIO CITY, CALIFORNIA 91604
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July 9, 1999

Tony Lucente, President
Studio City Residents Association
P.O. Box 1374
Studio City, CA 91604

Dear Mr. Lucente:

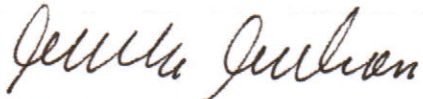
HERE WE GO AGAIN!!!

Despite our efforts to keep the pristine Golf and Tennis facility as is, the owners of the land that the facility is on, Weddington Properties LLC, have engaged in a purchase agreement with Homeplace Retirement Communities.

This time it is to allow the developers, Homeplace, to come onto the property for soil tests, surveys, etc. for the development of a 300-unit Senior Citizen complex.

For your information I have enclosed a copy of the history of Studio City Golf and Tennis.

Thank you for your interest,



Arthur E. Anderson
President
Studio City Golf and Tennis

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encls.

THE HISTORY OF STUDIO CITY GOLF AND TENNIS

In April of 1955, Joe Kirkwood and his three partners signed a 25-year lease with the Weddington Investment Company with a 25-year option covering approximately 16+ acres of land owned by Weddington Investment Co. at 4141 Whitsett Avenue, Studio City. Their purpose was to build a nine-hole golf course, with a clubhouse and a golf driving range, maintenance building, etc. They subsequently obtained a lease of approximately 3+ acres of property of nominal value owned by the Flood Control District, with an agreement to maintain it properly.

In December 1957, Joe Kirkwood and his partners, being dissatisfied with the meager income from the golf operation, sold their lease and all improvements to Arthur Anderson at a sizeable loss.

A few years later, Anderson made George McCallister his partner with a 40% interest. McCallister, a former golf pro, was to attempt to increase play--and therefore revenue from the property. Despite his efforts, the golf course and driving range continued to return only a minimal amount on the investment.

In the early '70s, the property taxes jumped from \$13,000 to \$54,000 in one year.

Knowing we could not stay in business without relief, we arranged a meeting among myself, my attorney Steve Claman, the L.A. County Tax Assessor, Phil Watson, and the Councilman for the district, Joel Wachs. Everyone agreed that the City, the neighbors, the patrons, and environmentalists wanted very much to keep the property as a recreational facility forever.

I informed the group that Mr. Fred Weddington had given a 50-year lease, with no rent review, at \$1,000 per month because he wanted to give something back to the community. His family at one time owned 10,000 acres in the Valley. After seeing how beautiful we were making the property, he said to me that he hoped it would be a recreation center in perpetuity.

Joel Wachs and Phil Watson said that the only way that could be accomplished would be to down-zone the property from R-1 and R-3 to "A-open space"--which could be done with the approval of the Weddington Investment Co. I then went to Milo Weddington, who was Executor of the Weddington Estate, and told him the story. He was then Manager of Security Bank in North Hollywood and seemed to be public spirited.

Much to my delight, he told me he knew of the family's wishes to keep the property as Open Space, and would be most happy to sign the down-zone papers. Milo Weddington did not ask for an increase in rent--or a bonus--or any change in our lease. He said that this would complete his Uncle's desire to give back to the community which

had done so much for his family. Milo's action confirmed Fred Weddington's wishes. He knew full well that the action would keep the property open-space forever.

With the new zoning, the Tax Assessor brought the taxes back to their previous level.

In the '70s golf was slow but tennis became a hot item. I was able to build five tennis courts that were filled immediately. In a short time we added more courts for a total of 20, and all were quickly filled. So, tennis saved the golfing end! I built the tennis courts at double the cost of ordinary courts. They are built on 1-foot thick concrete; 12-foot high fencing; extra-thick poles spaced close together. Every court is 120' by 60'; all are facing north-south; dark green vinyl fencing--extra thick--with canvas curtains; and extra wide walkways--all in concrete. To this day, the quality shows.

It took many years to pay off the \$600,000.00 I borrowed to build the courts.

With the tennis income the 10 partners from the Anderson and McCallister families were able to receive a dividend for the first time in 20 years.

In 1991 the owners of the land, our landlord, came to us with a proposition to jointly sell the property to developers who had a vision to create a very intense real estate project, with housing and commercial improvements. I explained that this kind of development was not possible because of the down-zoning to open-space and

greenbelt. This did not set well with them, and in 1995 they sued me in an effort to break my lease and take over the property.

As I had done four years earlier, I asked them to sit down with me and work out a plan for all our benefits. When I met with the principal owner, I asked what he would consider a fair amount to pay on a new long-term lease. He said 10% of the gross would be what he would want. I replied, "O.K.--you've got it! And furthermore, I will start now instead of the year 2005--giving you a huge windfall."

This, of course, would cost me in my later years, but it would insure a future for the 8 younger owners.

After telling me WHAT he wanted, he then refused the deal and went to court. The judge threw out the suit saying, "One cannot use a technicality in a lease as a sword to forfeit a man's business."

As of now, the owners of the land continue to try making deals with developers despite the reality that nothing should change this "Jewel of Studio City," as it is called.

This is the finest executive golf course, driving range, and tennis courts to be found anywhere--and it is open to the public. As our customers attest, we run a tight ship. Our mats, balls, outdoor cooling system are all the best. There is security in the parking lots, and marshals on both the golf course and on the driving range. *Los*

Angeles Magazine chose Studio City golf and Tennis in their yearly Best Editions as the finest conditioned golf course in L.A. -- for two years in a row!

There are no tennis facilities finer anywhere. Over 12,000 people maintain deposits for reservations and play. Many schools, including Harvard-Westlake and Buckley, use these facilities for classes, competitions, and home courts.

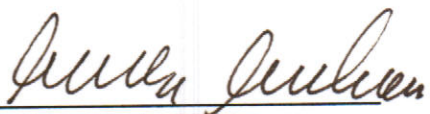
All of this has only been accomplished by careful, hard-working management--as well as reinvesting heavily in the facilities. We have a great deal of pride in keeping it "THE BEST".

The heirs of Weddington Investment Co. will continue to try to sell it to investors and take the money elsewhere. "We will let it go to weeds" is their threat.

This property was left TO THE PEOPLE by Fred Weddington, and was later confirmed by Milo Weddington.

For the City to allow any change in the present use would be unthinkable.

STUDIO CITY GOLF & TENNIS

By: 
Arthur E. Anderson
President