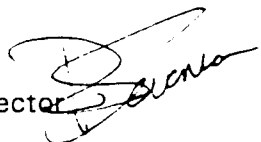




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MEMORANDUM

DATE: August 9, 2000
TO: Planning Commission
FROM: Ron Swanson, Community Development Director 
SUBJECT: Status of the Homestead Resort Properties lease

On March 25, 1998 the borough entered into a lease with option to purchase with Homestead Resort Properties, LLC I. In January 1999 the lease was assigned to Pioneer Mountain Properties, LLC (PMP). Judd Walker is the managing member and majority owner.

The lease allows PMP to purchase a 320-acre parcel, south of Maud Road in the Butte area, on or before March 24, 2002 upon meeting several conditions. The conditions include having a contract for the design of the golf course, projected investment and development schedules, and proof of the ability to finance the project. A covenant that the property will be developed as a golf course with compatible residential development is to be recorded at the time of conveyance.

PMP is making monthly lease payments of \$1,040. Payments are timely and current, as of this date.

PMP has performed soils tests and engineering, according to Mr. Walker, on over 570 acres of private property west of the "golf course property". PMP has not entered the golf course property to perform any site evaluation. A bond, paid to the borough, is required before any testing or environmental studies are performed on site.

Mr. Walker has indicated he still hopes to build the golf course but has not secured financing and investors to do so. He has targeted next summer to make his go/no go decision.