

BOARD OF COUNTY COMMISSIONERS' STATEMENT

PRESS RELEASE

Contact Person: Monty Pagenhardt, County Administrator

Date: March 26, 2012

This statement is released to the media on this date and in advance of the scheduled press conference on March 27, 2012 to allow for time for questions during the press conference. This shall not be released for publication until after the press conference is conducted. The Board of County Commissioners' Statement and Press Release is as follows:

On January 5, 2012, the Board of Directors of the Adventure Sports Center International, Inc. ("ASCI"), a Maryland not-for-profit corporation organized and operating as a tax exempt 501(c)(3) corporation, offered full title to the facilities to the Board of County Commissioners of Garrett County, Maryland (the "County"). Since that date the County has considered the ASCI offer, reviewed all information available to the County concerning ASCI's facilities, it's assets, it's liabilities, it's current and long-term value to the County and the community, and has consulted with ASCI's financial partners. As a part of that process, ASCI's principal financial partners, First United Bank & Trust and Susquehanna Bank, proposed and offered significant debt reduction opportunities to the County in the event that the County accepted the ASCI offer. The financial partners, who have contributed significantly to the process and the County's consideration of this matter, have agreed to accept the assignment of debt in the sum of \$600,000 in full satisfaction of ASCI's debt obligations to those financial institutions. Based upon the ASCI offer and with the assistance of the financial institutions, the County has agreed to terms with the ASCI Board of Directors which will permit the County to operate ASCI.

The financial obligations of ASCI to the County will be satisfied from hotel/motel accommodations tax revenue which is restricted and designated by State statute for economic development and the promotion of tourism. No County real property tax revenue will be directed to satisfy this obligation. There have questions by the Board appropriating additional funds to the Garrett County Public School System relative the 5 Year Plan proposed by the Board of Education. Hotel/motel accommodations tax revenue cannot be directed to the Garrett County Public School System therefore, a funding comparison between education and /economic development/tourism is not relative to this discussion.

The County believes that, based upon available information, the revenues generated by the operation of ASCI, after satisfaction of the debt obligations to the ASCI financial partners, will allow ASCI to continue to be a substantial contributor to the maintenance and development of the Garrett County economy. The revenues generated by the ASCI activities, rafting, hiking, and other outdoor activities, are sufficient to maintain and sustain its operations without the use of County funds. The value of the ASCI facilities and assets is estimated to be approximately \$24 million.