



August 26, 2009

Dear 2009 Lawn Bowling Member:

Re: Board Decision to Discontinue Lawn Bowling

It is my duty to inform you that the Board of Directors decided yesterday evening not to offer lawn bowling memberships at the OTLBC in 2010.

Please know that this decision has been taken only after lengthy and serious consideration on the part of Board members. We realize that lawn bowling has been part of the Club for a *very* long time, but the Board's primary responsibility is to consider the best interests of the Club *as a whole*. In so doing, we concluded that the Club can no longer afford to lose money on this activity. We considered the Club's financial sustainability and its need to carry out necessary capital improvements on an ongoing basis as well as the need to keep the Club competitive in the Ottawa marketplace. Unfortunately, all of these goals are compromised by the losses incurred annually by lawn bowling.

As you know, our lawn bowling membership has dropped dramatically over the years to the point where this year there are just 34 members. Ten years ago we had almost 100 lawn bowlers which was already cause for some concern and which initiated the first of a series of discussions spanning several Boards about the sustainability of lawn bowling. However, the recent lows for lawn bowling membership revenue with no reliable indication of a turnaround have created an undue, and with respect, unrealistic strain on the Club.

This diminishment of interest in lawn bowling is not exclusive to our Club and for reasons which appear to defy logic, given our society's aging population, people no longer gravitate towards lawn bowling as they once did. Other activities such as golf seem to be eclipsing it.

Following the Club's overall financial loss in 2006 and as part of a critical review of the Club's strategic alternatives, the Boards of 2007\2008 began brainstorming and implementing various creative solutions in an attempt to sustain the Club financially (including lawn bowling). These solutions included a) freezing lawn bowling membership rates while tennis and pool rates continued climbing in order to cover the

Club's financial obligations, and b) limiting the activity to a single green in an attempt to control costs. Unfortunately, none of these efforts were successful.

The Board also began exploring other land use options for the bowling greens. At the January 2008 annual general meeting of shareholders, the Board was empowered to enter into negotiations to sell the greens and, only by necessity, the pool, to either the City of Ottawa or real estate developers, all of which expressed an interest in our land.

The Board, for each of the past three years has reviewed the Club's ability to offer lawn bowling for the subsequent season. Lawn bowling has not been meeting its direct, let alone indirect costs for several years and this causes a drain on the Club's limited financial resources. For example, two years ago we needed to borrow \$42,000.00 from a member in order to guarantee the Club could open comfortably the following May, and the principal of this loan remains outstanding. This is *far* from an ideal financial situation in our view.

Following the results of the past several seasons, we had to conclude that maintaining lawn bowling in 2010 was no longer in the best interests of the Club. We concluded in fact that it would be irresponsible to do so not only for the reasons stated above, but also in light of the fact that we are now doing an increasing amount of capital fundraising (by necessity), and explaining to a potential donor why we are carrying a losing sport year after year that occupies 25% of our land is not feasible. In addition, lawn bowling uses a highly disproportionate share of the energy and time of volunteers and staff alike given that bowlers constitute roughly 3% of our total membership base and generate revenues of an even smaller percentage.

Clearly, there is a strong *emotional* argument to maintain lawn bowling at the Club given its long history here as put forward eloquently by John Jarrett at last night's meeting, but the Board's view (unanimous but for the vote of Mr. Jarrett) was that a 5th consecutive year of negative revenues from lawn bowling was no longer acceptable.

In terms of next season, we are aware that there are several very good centrally located lawn bowling clubs in Ottawa that would welcome an influx of members. We have been assured that our existing members would certainly be able to join any other club of their choice and so continue to bowl. The Board is prepared to offer guidance in helping lawn bowling members transition to other clubs.

In conclusion, this has been a very tough decision for the Board and I think each and every Board member was challenged by his or her sense of obligation to do what was best for the Club. Under the circumstances, I believe that it was the right decision.

I would like to meet with you one evening next week to discuss our decision, answer your questions and begin the dialogue for an appropriate transition post-season. Please confirm which date is acceptable to you.

Yours sincerely,

A handwritten signature in black ink that reads "Ron Stein". The signature is written in a cursive style with a large, prominent "R" and "S".

Ron Stein
Board President