



**An 18-Hole Golf Course
Chester County, Pennsylvania**

**CONFIDENTIAL
SALES MEMORANDUM**

September, 2007

CONFIDENTIAL

INNISCRONE GOLF CLUB

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Neither Owner, Inniscrone, nor any of its employees, consultants or advisors may be contacted directly without the prior written consent of Consultant. All communications, inquiries and requests for information should be directed to the following individuals at Consultant:

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EXECUTIVE SUMMARY

Inniscrone Golf Club is an 18-hole, daily fee golf course in Avondale, located on 287 +/- acres in the London Grove Township of southern Chester County, Pennsylvania. The golf course, which is part of a master planned residential community, opened for play as a private golf club in 1999, but is currently open to the public.



Inniscrone has dramatic elevation changes, wind-swept high grasses, abundant wetlands, and old-world bunkering. It has a grass practice range and short game area, and 11,000 square feet of bent grass putting green.

In addition, the course is nicely appointed with tee sign amenities, ball washers, sand & seed bottles, asphalt cart paths, and yardage plates in the fairways.

Inniscrone has a considerable number of strengths, including:

- **Premier Location**

Inniscrone is located in Avondale, in Chester County, Pennsylvania. Chester County is wealthiest county in Pennsylvania.

Inniscrone is located less than a mile from Route 1, which is a major north/south roadway leading from Baltimore to Philadelphia.

- **Outstanding Design**

Inniscrone was designed by award winning architect, Gil Hanse. Mr. Hanse, a member of the American Society of Golf Course Architects (ASGCA) formed Hanse Golf Course Design Inc. in 1993. The firm is dedicated to being small with personal interest in the design and construction of each project. This commitment to a limited number of design projects



with a maximum amount of personal attention has been important to its success.

Mr. Hanse was a Design Partner in Tom Doak's Renaissance Golf Design, based out of Traverse City, Michigan. Mr. Hanse won the prestigious William Frederick Dreer Award while attending graduate school at Cornell University. This award allowed Mr. Hanse to spend a year in Great Britain studying the earliest examples of golf-course architecture.

While in Britain, Hanse interned with the firm of Hawtree and Son, the oldest continuously practicing golf-course architectural firm in the world. Through these experiences Hanse formed his philosophies on golf-course architecture, basing them strongly on the traditions and history of golf-course design.

Inniscrone is an exciting, enjoyable course that can be challenging for players of all skill levels. This golf course forces players to weigh their shot selection options between risk & reward. The generous fairways, natural hazards and wetlands compliment the rolling hills and tree lined fairways.

- **Conditioning**

Inniscrone offers one of the best values in the market. It offers a quality design and well manicured play areas.



- **Golf Course Accolades**

Since opening in 1999, the course has received several accolades.

1. Inniscrone received a 4 Star Rating from Golf Link website: www.golflink.com
2. Host of US Open Champion Jim Furyk's Exelon Invitational (2001 & 2002.)
3. Top 100 Modern Courses in America 1999 (Golfweek)

- **Strong Market for Golf**

Inniscrone is located in the triangle between Baltimore, Philadelphia and Wilmington. Inniscrone is in close proximity to a significant population base and has superior access via Interstate 95.

Inniscrone offers a strong value for golf consumers. It offers superb conditioning and a quality design. With reasonable rates, Inniscrone has been able to rely on a 60% repeat customer percentage.



The surrounding area can generally be characterized as low density residential and agricultural with ongoing growth in the residential sector in the form of the surrounding developments. This neighborhood trend is also evident in London Grove Township as a whole, with many small farms having recently been purchased for development with housing. The subject use as a good quality public golf course conforms to the surrounding neighborhood. Highway access is relatively good while the rapid growth trends of the local and regional markets bode well for future demand.

- **Capital Improvements**

In an effort to continually provide quality accommodations and conditions, Inniscrone has made several capital improvements in the past two years. Here are some of the highlighted improvements:

Inniscrone Golf Club Recent Capital Improvements 2006-2007		
Description	Date	Cost
Clubhouse Restrooms	Feb-06	\$ 3,345
Pathway Lights	May-06	\$ 11,565
Interior Clubhouse Improvements	Oct-06	\$ 27,828
Landscaping/Trees	Dec-06	\$ 11,363
Cart Path Repairs	Apr-07	\$ 8,000
5th Hole Improvements	May-07	\$ 10,802
Pump & Motor Replacement	Jun-07	\$ 2,905
Exterior Clubhouse Improvements	Jun-07	\$ 25,231
TOTAL:		\$ 101,039

TRANSACTION SUMMARY

This Confidential Offering Memorandum is being presented to a select number of investors. Parties interested in acquiring Inniscrone are expected to comply with the terms of the offering as outlined herein.

Purpose: Owner is entertaining qualified buyers who wish to purchase Inniscrone in its entirety.

Asking Price: Owner has not established an asking price for Inniscrone. Owner will rely on a competitive bidding process to determine the most desirable buyer for Inniscrone.

Seller Financing: Not available.

Golf Course Property: The golf course is described in this document and various assets at Inniscrone are shown in accompanying photographs. A complete asset list for the sale of Inniscrone is enclosed in the Project Description section of this memorandum.

Property Tours: Representatives of Consultant and Owner by appointment will conduct guided tours of the property. Please contact David Wells (410) 252-3337 to arrange for your personal tour.

Submission Of Offers: Offers will be accepted through October 1, 2007, unless otherwise noted.

**Terms of
Golf Offer:**

Offerors will be required to submit written/email offers for Inniscrone containing the following information:

1. Price. The Offeror will clearly identify the total compensation to Owner for the acquisition of the assets of the Inniscrone, as described in this memorandum.
2. Financing. If prospective Offerors plan on using financing to acquire Inniscrone, Owner requires that Offerors provide evidence that financing will be in place by the proposed Settlement Date.
3. Financial Capacity of Offeror. All Offers must include information on the financial capabilities of the Offeror and evidence of the financial ability to execute the proposed sale (financial statements, credit references, etc.).
4. Settlement Date – Each Offer should include a projected timeline for closing on the purchase of Inniscrone.

Due Diligence:

Owner makes no representations or warranties with regard to the Sale of Inniscrone. However, the selected Offeror will be allowed full access to all relevant and pertinent documents as part of the Offeror's due diligence process.

PROPERTY DESCRIPTION

Address: Inniscrone Golf Club
1 Clubhouse Drive
Avondale, PA 19311

Telephone: 610-268-8200

Location: Avondale, Chester
County,
Pennsylvania



Website: www.inniscronegolfcourse.com

Golf Course: The course gently contours with the native area. There are 4 sets of tees per hole. The course is Bent throughout (greens/tees/fairways) with the exception of the roughs, which are rye. The greens average 6,000 to 8,000 square feet and are relatively flat, allowing for multiple pin positions. The fairways are nicely contoured around the numerous mounds and bunkers, presenting an attractive look. The course is generally a parkland-type course (tree lined).

**Practice
Range:**

Located at the back of the clubhouse is the practice range. The main tee is grass (bent) and underneath the decking of the clubhouse are 7 stalls of mats for hitting balls in inclement weather.



Clubhouse:

A 5,400 square foot, 2 story building (with basement) that houses the golf pro shop, men's and ladies' restrooms and



lockers. It has a grillroom that seats 75 and a horseshoe shaped bar that seats 12. There is also a wrap around deck that overlooks the golf course and can be used for additional seating for dining. It has a small but efficient kitchen.



Carts: Adjacent to the parking lot is a starters building (the parking lot is separated from the "golf house" by a deep ravine - one cannot drive their car to the "golf house" but, rather, are driven to it by a golf cart shuttle) and the fleet of 70 golf carts (gas) and 3 utility carts, which are kept outside and chained at night.

Cart Paths: Paved asphalt cart paths are provided tee-to-green.

Architect: Gil Hanse, Member of American Society of Golf Course Architects (ASGCA)

Par: 70

Scorecard:

<u>Tees</u>	<u>Yardage</u>	<u>Course / Slope Rating</u>
Black	6,657	72.7 / 143
Gold	6,319	70.6 / 136
Green	6,016	69.4 / 132
White	4,825	70.1 / 125

Grassing: Greens: Bent
Tees: Bent
Fairways: Bent
Roughs: Tall Fescue/Kentucky Bluegrass

Bunkers: The bunkers that surround the course have been designed to look natural, not highly manicured. The bunker capes and surrounds are tall fescue and bluegrass mix and



fine fescue natural areas.

Irrigation Source:

The course's irrigation water comes from effluent (gray) water from the surrounding development. The main holding pond is located on the south side of east Avondale Road, by the maintenance building. London Grove Municipal Authority owns the pump house, while the pumps are all other irrigation infrastructure owned by Inniscrone. The effluent water supply is supplemented by purchased municipal water (at the going residential rate). As the development around Inniscrone grows, the need to purchase water will diminish. Over the past several years, the cost to purchase water has averaged \$34,000 annually.

Irrigation:

A double row Toro irrigation system that waters the course wall-to-wall

Maintenance Facility:

The maintenance complex is a 9,600 square foot cinderblock building with 5 garage doors allowing for 4 bays. This masonry block and metal building



provides a large amount of storage and shop space and a grinding room, as well as finished space for offices and rest rooms. The building has heat and air, as needed.

FF&E: A complete list of Inniscrone assets (FF&E) is available upon request. The golf course maintenance equipment list is enclosed.

Rounds Played: Due to the prior financial difficulties and several ownership and format changes in the operation of Inniscrone, only limited historical operating data is available. Below are the rounds of play recorded during the current Owner's operation. Since offering the new daily fee pricing and membership options, rounds for 2007 are up dramatically.

**Total
Rounds**

2006 (April-Dec.) 14,343
2007 (YTD thru July) 10,600



Residential

Development: Inniscrone Golf Club is part of a master planned residential community, consisting of 500 units. This sales memorandum is for the golf course (and associated structures) only, as noted above. A site plan is enclosed with this package for informational purposes only.

The master plan consists of approximately 500 residential units and the existing golf course. The residences consist of three different product types. Inniscrone View is a fully built-out 88-unit townhouse condominium development located across East Avondale Road from the main entry drive to the golf course. These 3-bedroom units are presently selling for upwards of \$250,000. Plans call for an additional 12 units of similar design to be built on the same side as the golf clubhouse, near the existing parking lot.

The development also includes a 265-unit age restricted development known as Traditions at Inniscrone. This development runs also off the south side of East Avondale Road, around the back of golf hole nos. six and seven. The current phase of the development consists of 151 detached residences of which 78 have been completed and sold. Current prices range between \$299,000 and \$360,000 for homes from 1,600 square feet to 2,600+ square feet.

The final product to be offered at the development consists of approximately 135 single home lots with finished homes priced around \$400,000 to \$500,000. The lots are presently in the final stages of approval and the developer expects to break ground Spring 2006. These lots are located to the north and east of golf holes nos. 10 through 17.

There is an estimated two-year sell-out of the single-family residences and a roughly five-year sell-out of the remaining units at Traditions at Inniscrone.