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FACILITIES ASSESSMENT AND FUTURE NEEDS RECOMMENDATIONS



Incline Village General Improvement District Mountain and Championship Golf Courses

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ATTACHMENTS

- I. Operational Review, Including Schedule A
- II. Market Analysis, Including Market Appendices
- III. Golf Course User Survey
- IV. Golf Course User Survey Results

I. INTRODUCTION

Incline Village General Improvement District (“IVGID”) engaged Global Golf Advisors (“GGA”) to assist in developing business plan framework for future operations and strategic thinking with regard to the Golf Courses at Incline Village (“GCIV” or “the Courses”). IVGID currently operates two golf courses:

1. Mountain Golf Course (“Mountain Course” or “the Course”)

- 18-hole short course
- Designed by Robert Trent Jones Junior
- Par 58 that plays just over 3,500 yards from the back tee setting

2. Championship Golf Course (“Championship Course” of “the Course”)

- 18-hole championship golf course
- Designed by Robert Trent Jones Senior
- Par 72 that plays over 7,100 yards from the back tee setting
- Ranked by Golf Digest and Golf Week as number nine in the state of Nevada as “Best Courses you can Play”

Process of Study and Analysis

GGA was charged with helping IVGID in planning for current and future facilities related to golf situated within the IVGID scope of operations, with a specific focus on the Mountain Golf Course Clubhouse, which is in considerable need of repair. GGA executed the scope of work set-out below in order to satisfy its engagement and craft the detailed observations and business plan recommendations contained within this Facilities Assessment and Future Needs Report:

1. Co-facilitation of the Mountain Course District Venue Advisory Team (“DVAT”)
2. Operational Review and Evaluation of Current Facilities
3. Market Analysis
4. Golf Course User Survey

This Facilities Assessment and Future Needs Report is structured to provide the reader with a clear and concise understanding of, and expected impact from, the key recommendations contained herein and resulting from the scope of work detailed above and executed by GGA during the five months: August 2012 through December 2012. Comprehensive study, research, data and analytics leading to the key observations and recommendations contained herein are detailed below and included in the report attachments:

1. GGA conducted on-site meetings and focus groups with IVGID Golf Course Management, the Mountain Course District Venue Advisory Team, as well as a random assortment of IVGID residents in order to thoroughly understand and assess the strengths, weaknesses, opportunities and threats facing the Golf Courses at Incline Village.
2. Two separate expert GGA resources conducted independent and thorough facility tours and management interviews at both the Mountain Golf Course and the Championship Golf Course in order to ensure a detailed understanding of the current successes, failures, challenges and opportunities facing the Incline Village Golf Courses. Both GGA resources also physically toured the GCIV market area attractions, accommodations and competitive golf properties.
3. GGA conducted a thorough analysis of the market for golf in the Lake Tahoe area, collecting detailed local, seasonal and visitor demographic information; travel pattern details; pricing, programming and incentive metrics from key market area competitors; and detailed statistics on annual rounds played in the market area. This process of analysis included in-depth conversations with market area operators and sought to understand the qualitative and quantitative nature of the competitive supply of golf courses with which the GCIV compete.
4. GGA conducted a detailed operational review of the GCIV that included a review of historic financial and operating results from the past three years as well as a ten year history of rounds played, the current and future year budgets, the GGA Golf Diagnostic Benchmarking Study, and discussions with Management regarding the Golf Courses' historic results.
5. Leveraging the results of study and analysis detailed in points one through five, GGA drafted the Golf Course User Survey and finalized the Survey with feedback and assistance from the DVAT.
6. GGA issued, managed, tabulated and analyzed the results of the Golf Course User Survey via a web-based third party survey program, Survey Monkey, while the DVAT, in coordination with GGA, communicated the intent of the Survey to the IVGID residents and solicited responses to the Survey.

The two Golf Courses at Incline Village, while complimentary in product offering, are different recreational options and must be approached, analyzed, marketed, and operated differently, as they attract and represent distinctly different customer segments and compete in different golf market segments. Accordingly, the Golf Courses at Incline Village were evaluated independently by GGA throughout this process, keeping in mind appropriate and advantageous synergies where possible. It is important for Management to maintain awareness of the differences in these Courses, customers and market segments in order to ensure packaging and programming for each Course is distinct and does not negatively impact the other Course.

Note to the Reader

The reader is cautioned not to immediately discount recommendations contained within this Report if they differ from personal or wide spread opinion and to review and understand all data points and analysis that have gone into the scope of work prior to drawing conclusions.

There are recommendations within this document that are similar to those made by third party consultants in the past and while they may have not been accepted or implemented at the time, the recommendations herein must be evaluated, understood and implemented now in order to protect the future of the Golf Courses.

It is important to understand that public golf courses operated by a governmental body, for its residents, such as the Golf Courses at Incline Village, face a number of important and critical mandates that differ from the single mandate a privately owned and operated public golf course does, which is to 'enhance profitability'.

The Golf Courses at Incline Village, which are meant to serve the recreational needs of the residents, must attract a significant amount of outside play (public golfers) in order to sustain the substantial costs associated with maintaining and operating golf courses and to prevent significant upward pressure on IVGID Recreation Fees and thus downward pressure on property values.

In order for the Golf Courses at Incline Village to be economically sustainable, an asset to the residents of IVGID, and not a significant liability, structural and operational change MUST take place and the Courses must compete directly with all of the other golf courses in the local market in order to attract and nurture high-yield public rounds of golf.

Management of the Golf Courses at Incline Village is faced with a very difficult task that will require the understanding and assistance of all IVGID Residents, especially the golfing residents. Management must efficiently and effectively blend the wants and needs of the golfing

residents that have been the strongest supporters for the Golf Courses through the years, with the wants and needs of the golfing public in order to turn the Golf Courses into sustainable recreational assets for IVGID.

Management and IVGID will not successfully achieve the goal of sustainability without help, support and certain compromises from IVGID Residents, especially the golfing residents. It is in the best interest of all IVGID Residents to help Management achieve the goal of Golf Course sustainability. For residents, whether they are occasional golfers, avid golfers or not golfers at all, that own property within IVGID, the value is impacted by the presence and success of the Golf Courses¹.

¹ National Association of Realtors.

II. RELEVANT EMERGING TRENDS

Emerging trends in the golf industry were top of mind throughout the research and analytical process of this engagement and contributed significantly to the recommendations contained within this report. The following summary of key emerging trends applies to the Golf Courses at Incline Village:

1. Smaller, operationally efficient clubhouses are being built.
 - Lavish and sizeable clubhouses are proving to be too costly to operate and maintain and are suffering from poor to severe lack of use.
 - The finances of golf courses across North America are being negatively impacted by over-built and operationally challenged clubhouses.
 - Clubhouse food and beverage outlets are unable to compete with the variety of culinary offerings afforded by stand-alone restaurants, and
 - Golfers are no longer arriving early or staying later after their rounds of golf to dine.
2. 'Time' is becoming an ever larger factor in consumer decision making.
 - The age of the all-day golf outing that includes a five-plus hour round of golf is fading quickly.
 - People's lives are busier and faster paced than ever before with continually increasing demands on their time.
 - As a result, recreational outlets that require an abundance of time are being prioritized and losing ground to outlets that take less time. The exception to this relates to recreational outlets that allow for multi-tasking.

- Golf is winning favor when combined with other items on people's priority list such as: spending time with family, socializing with friends, and exercising for the sake of fun, among others.
3. More women are golfing and they have significant influence over how and where their families recreate.
 - It is no secret that women more often than not are the decisive voice with respect to family decisions, including how their families spend leisure and vacation time.
 - The good news is that more women are taking up the game of golf and believe the game of golf has significant potential as a family sport.
 - Accordingly, savvy golf course operators are focusing on women and juniors to bolster utilization in every category of golfer.
 4. Golfers, no different than most consumers the world over, are becoming ever more conscious of environmental impact.
 - People are increasingly conscious of pollutants originating on golf courses and the detrimental impacts such pollutants may have on personal health and on the environment.
 - Facilities that can boast environmentally sound cultural practices are experiencing an uptick in patronage and via various environmental 'green' marketing and advertising campaigns.
 5. Shifting focus to 'fun' on the golf course and away from 'score'.
 - In order to attract new players to the game and to keep existing players golfing longer, focus is shifting from competing and ego on the golf course to enjoyment.

- Programs such as the 'Play-it-forward' concept are having increasing success at enhancing golfers' 'fun' quotient and represent a critical component in any successful course's programming arsenal.

6. Increasing impact of social media.

- Golfers are following their favorite golf courses via social media for news, weather, specials and activities.
- Golf courses around the globe are experiencing success with robust social media platforms that create a sense of community and the portrayal of a 'family' surrounding the golf course that local area golfers and visitors alike aspire to be a part of.
- Key social media outlets include Twitter, Facebook, Pinterest, and Google Plus.

7. Movement away from rigid and fixed rate pricing schemes to variable rate pricing schemes and robust yield management.

- The theory is similar to airline and hotel pricing, where the price for the same inventory item (seat or room) fluctuates based on demand with the goal of selling all inventory at the highest possible price.
- In the simplest form, the variable rate approach suggests that the course will vary its rate to attract targeted audiences – there should be more groups and audiences that reveal themselves as the year progresses – at select times of the day and days of the week.
- This approach seeks to preserve the established demand for the most desirable tee times while increasing demand for the worst – or least market-attractive – tee times. The objective to the variable pricing approach is to fill the tee sheet with golfers.

- Yield management programs demonstrate that the Course is responding to market conditions and making a realistic response to current economic conditions. A successful implementation of a modern yield management process will indicate:
 - i. Increased rounds played,
 - ii. Improved facility utilization, and
 - iii. Increased revenues.

III. MOUNTAIN GOLF COURSE RECOMMENDATIONS

The Mountain Golf Course has experienced a significant decline in activity and rounds played over the past decade, with utilization almost cut in half. Expenses have been reduced to a minimum, and in some areas, particularly capital maintenance, reduced too far. The future success of the Mountain Golf Course rests squarely on revenue growth.

Overall, the Mountain Course appears to charge more than its users consider to be a fair exchange for the value received. In addition, IVGID has been far too rigid in its delivery of the product to market from a packaging and programming standpoint. In order to effectively grow revenue, Management must realign the value-for-money proposition with user expectations. However, before Management is able to actively and effectively grow revenue, deferred capital items should be addressed.

The most notable deferred capital item currently in existence at the Mountain Course is the clubhouse, which is in considerable need of repair and was the lowest ranked attribute of the Mountain Course on the GCIV User Survey by resident and non-resident respondents alike. All other attributes of the Mountain Course included in the survey feedback (Course design, conditioning, views, topography and customer service) were given excellent rankings, consistent with user satisfaction (typically considered to be a ranking of 3.75 or higher), with only a slight indication that golf course conditioning may be lacking.

The following recommendations have been derived from research and analytics with respect to the competitive market place, historic and future operations, user needs and best industry practices.

Facility Recommendations

The existing five-year capital plan for the Mountain Course amounts to a total of almost \$1.435 million, with only \$215,000 of the total budget dedicated to capital items unrelated to the clubhouse, and thus approximately \$1.2 million already dedicated to both existing clubhouse repair and maintenance activities and a new clubhouse facility. GGA has not assumed this budget to be fixed; however, has used it as a 'tolerance' guide for capital expenditures, beyond which, additional funding permissions and sources must be attained. The following facility recommendations are presented in order of priority:

1. Build a new purpose-built clubhouse facility in line with emerging trends that will meet the current and future needs of golfers.
 - Background information on the Mountain Golf Course clubhouse:
 - i. The clubhouse is now 42 years old, is obsolete and is in need of a number of near-term repairs and maintenance projects.
 - ii. These projects include deck replacement and structural upgrades, restroom expansion, siding replacement, HVAC replacement, and a number of smaller maintenance projects.
 - iii. The clubhouse does not meet the Americans with Disabilities Act (“ADA”) regulations. Although there is no requirement that the building be brought into compliance immediately, ADA compliance must be addressed with a future project and / or at some future date.
 - Four options for addressing the failing clubhouse infrastructure were considered:
 1. Close the Mountain Course and repurpose the property for higher and better use by IVGID.
 2. Build a new state-of-the-art clubhouse facility with enhanced food and beverage offerings and amenities, under the assumption that the cost will require a modest increase in the annual IVGID Recreation Fee.
 3. Build a new purpose built and operationally efficient clubhouse structure that does not require an increase in the annual IVGID Recreation Fee.
 4. Undertake repairs and maintenance projects to the existing clubhouse to address immediate issues and ADA requirements, maintaining the status quo for a few more years and not requiring an increase in the annual IVGID Recreation Fee.

- Option 1, which calls for the elimination of the Mountain Course, is infeasible in light of substantial costs required to remove the current facilities – including the existing clubhouse – for unspecified uses. Furthermore, the loss of property value for all property owners adjacent to the Mountain Course would be substantial. Based on references to other markets where golf courses have been eliminated, GGA estimates a loss of property value which would range from 15% to 35% of current fair market value.

Option 2, which is to build a new state-of-the-art clubhouse facility is not an economically responsible option as the cost-to-construct the facility would be substantially higher than other options, would require an increase in the annual IVGID Recreation Fee and the market would not support the enhanced amenities and food and beverage offerings through increased utilization.

- i. A state-of-the-art clubhouse facility with enhanced food and beverage amenities would require additional funding and an increase in the annual Recreation Fee. By comparison, the existing clubhouse would also risk considerable annual operating losses due to lack of utilization and the potential associated inefficiencies.
 - ii. Enhanced food and beverage dining and amenities are not considered to be a profitable venture for golf courses from a best practice stand point, as sheer lack of volume generally prevents them from competing with local restaurants whose sole and primary business is food and beverage and whose operating hours are narrowly defined and scalable.
 - iii. Only 15% of the Golf Course User Survey respondents indicated support for a new state-of-the-art clubhouse facility, requiring an increase in the annual Recreation Fee.
- Option 3, which is to build a new purpose-built and operationally efficient clubhouse structure is recommended for the following reasons:
 - i. The state of, design of and general layout of the existing clubhouse is antiquated (for example restroom facilities are inadequate for user needs), not competitive with other market area courses and thus a detriment to the marketability of the Mountain Golf Course.

- ii. The majority of the 667 respondents to the Golf Course User Survey (55%) indicated that they prefer a new purpose-built facility (40%), or a new state-of-the-art facility (15%) for a total of 55% indicating that they would prefer NOT to repair the existing facility while 45% indicated a preference for repairs as opposed to construction of a new facility.
 - iii. A significant disconnect currently exists between the golf course user experience and the clubhouse user experience at the Mountain Course. The existing clubhouse design was given a rating of 2.59 out of 5 by the Golf Course User Survey respondents, which is second worst after clubhouse dining experience - which was given a rating of 2.29. According to the survey, the lowest ranked attributes of the Mountain Course all related to the existing clubhouse, with clubhouse terrace, views from clubhouse, views from terrace, and pro shop location and design; all receiving ratings lower than 2.9 out of 5. All other Mountain Course attributes, such as golf course design, conditioning, views, topography and customer service, received ratings of 3.69 or higher out of 5. It is important that all aspects of the user experience be consistently positive in order to generate repeat business and word-of-mouth referrals, as well as to avoid word-of-mouth criticisms.
 - iv. Grab-and-go food and beverage services that include beverages and light snacks are the best match for the Mountain Course customer base.
- Option 4, which would have IVGID undertake repairs and maintenance projects to the existing clubhouse in order to address immediate issues and ADA requirements, is not recommended.
 - i. A new clubhouse must be built at some point in the near future regardless of what is done immediately with respect to repair and maintenance projects due to instability of the infrastructure and considerable renovation work required to correct operational and user requirement issues and to become ADA compliant.

- ii. Significant funding would be required to address the near-term repairs and maintenance projects that could otherwise be put towards the cost of a new clubhouse. For example, over \$200,000 must be spent this year alone, which does not include ADA compliance costs for the existing structure or additional projects that will be required in the future.
- Options 2 or 3, above, assume the need for a new clubhouse for the Mountain Course, which will only need to be built once every 35 to 45 years. The new clubhouse must be located and built to ‘the highest and best use’ of Mountain Golf Course property. The ‘highest and best use’ of the property indicates that the existing maintenance building site is the most appropriate location on the property for a clubhouse, offering views of Lake Tahoe, which would be attractive to both golfers and non-golfers alike.
- It should be noted that 26% of respondents to the survey question about a clubhouse with views of Lake Tahoe indicated that they would actually play more golf at the Mountain Course if the clubhouse offered views of Lake Tahoe, at an average of 5.5 more rounds per year for a total of 715 additional rounds from the respondents alone, which equates to approximately \$30,000 in additional bottom line revenue every year based on historic net revenue per round. For illustration purposes, at a 5% interest rate and a 15 year amortization period, this additional bottom line contribution would support over \$300,000 in debt.

2. The new facility must:

- Be designed to provide a warm and inviting atmosphere as more women are attracted to golf and the Mountain Course’s primary target market audiences are families and women.
- The emphasis for the new facility should be on the efficient creation of a venue that serves as a platform for socialization.
- Meet the immediate needs of golfer patrons for registration, light retail (playing essentials such as golf balls, headwear, limited outerwear, minimal golf equipment and sun care), and limited refreshment capabilities (beverages, light snacks and socialization).

- Rely on an open concept, great-room floor plan with reception, cashier and registration functions in the center of the room.
- Call on a design program with door and windows solutions to integrate extended patio spaces under a large and low-slung roof to enhance space needs with an inside/outside orientation.
- Include limited kitchen facilities and requirements to enable a self-service dining capability.
- Provide a modest food and beverage area that is one open room within the clubhouse featuring a 'grab and go' self-serve and vending snack bar style of operation. It should operate similar to a current-day convenience store in which one sales person can respond to purchase request and sales requirements. This 'concessionary' food and beverage model is more profitable due to the minimal staffing requirements.
- Have restrooms (not locker-rooms) that are adequate by gender to accommodate a foursome of golfers simultaneously with no waiting required.
- Be located on the current maintenance building site and provide sweeping vistas of Lake Tahoe from both the great-room and terrace/patio area. This location will allow a small footprint clubhouse that will limit overhead to be built on stable land, provide non-golfers with a benefit, as well as golfers, to meet with friends and enjoy refreshments and light snacks with sweeping vistas overlooking the lake.
- Be designed and built to a size of no more than 2,500 square feet (not including cart storage), with a terrace/patio of no more than 1,200 square feet.
- Include cart storage underneath the clubhouse and patio in order to leverage the hillside slope and prevent significant soil cutting and efficiently maximize space and storage area.

- Ensure the cart storage area provides the capacity to charge up to 60 electric carts in order to enable both GCIV to operate with the same type of golf cart and attain operational efficiencies through fleet consolidation opportunities, as well as to address the future trend for environmental awareness relative to emissions.
 - When comparing gas carts to electric carts, gas carts have historically been considered a more powerful cart as well as a more expensive cart to operate. Gas carts were typically favored by golf courses with steep and rugged terrain due to the power and performance differential. However, in recent years, electric cart technologies have improved to the point where this differential is largely considered to be negligible. Accordingly, the benefits that IVGID stands to realize from cart fleet standardization and sharing between the Mountain and Championship courses are considered to be greater than any performance or cost differential between gas and electric carts.
3. Relocate the maintenance facility to the current clubhouse site.
- The existing maintenance building is inadequate for operations from a number of different perspectives, including meeting space, lunch room space, and storage and \$70,000 has been budgeted within the next three years for improvements.
 - In order to relocate the existing clubhouse, the site must be addressed, re-planned and re-purposed regardless of other considerations.
 - Locating the maintenance facility on the current clubhouse site will allow for the inclusion of the cell tower in the maintenance compound for security reasons and improve access from the maintenance facility to the golf course.
4. The relocated maintenance facility must:
- Provide for efficient and subtle access to and from the Course for the maintenance team via alternate routes than through golfers on the first and tenth tees.

- Be sufficiently ‘tucked away’ and indiscriminant to golfers on the first and tenth tees.
 - Provide an area for proper equipment cleaning and maintenance, as well as for appropriate storage of chemicals, fertilizers, aggregates, and equipment.
 - Include restrooms for both genders with small lockers for a staff of 8 to 10.
 - Include a small break and training room that will adequately fit 6 to 8 people.
5. Improve the practice area. The practice area must:
- Be nestled around the first and tenth tees adjacent to the new maintenance building, creating an inviting and popular holding/waiting area for golfers awaiting their tee time.
 - Include a minimum of two driving nets and a large putting/chipping green that the maintenance team is able to easily care for each morning and early afternoon before retiring for the day.
 - Include an unmanned starter box/hut that provides score cards with pencils, displays the time and a clear message board that notifies golfers of the day’s rules, play patterns, which nine holes are in play or to be played first, etc. and houses a small vending machine for beverages and snacks.
 - Utilize the driving nets and starter box/hut to disguise the maintenance building along with carefully arranged plants and foliage.
6. Continue with the cart path improvement program now underway.
- The cart path system is in need of repair and should be improved in order to enhance the user experience and limit the wear and tear on the cart fleet.

7. Execute an Underbrush Remediation Program.

- Certain areas of the Course have been allowed to become overgrown and act to limit the playable terrain and to reduce visibility of natural landscape and Course features.
- Accordingly, an underbrush remediation program should be carried out that seeks to improve playability and golfers' ability to quickly find errant golf balls as well as to uncover and make visible the natural landscapes and features on the Course.

8. Plan for adequate funding to address the above facilities' recommendations.

The cost to implement the facility recommendations outlined in Table 1 on the following page, should be considered high-level estimates based on benchmarks and require detailed due diligence and budgeting prior to proceeding.

Table 1: Estimated Cost to Implement Mountain Golf Course Facilities Recommendations

Item	Unit Cost Assumptions	Unit Assumptions	Cost Estimate
1. New Purpose Built Clubhouse			\$1,300,400
- Demolition of Existing Structure	\$15/sq. ft. including Patio	3,580	\$53,700
- Construction of New Structure			\$910,000
o Main Floor	\$250/sq. ft. including FF&E	2,500	\$625,000
o Basement (Cart Storage)	\$75/sq. ft. including FF&E	3,000	\$225,000
o Terrace/Patio	\$50/sq. ft. including FF&E	1,200	\$60,000
- Landscaping	5% of total cost	\$910,000	\$45,500
- Site work and Parking Lot	12% of total cost	\$910,000	\$109,200
- Architectural Fees	5% of total cost	\$910,000	\$45,500
- Construction Management Fees	5% of total cost	\$910,000	\$45,500
- Permitting	5% of total cost	\$910,000	\$45,500
- Contingency Fees	5% of total cost	\$910,000	\$45,500
2. Relocate Maintenance Facility	\$75/sq. ft. including FF&E	5,000	\$375,000
3. Improve Practice Area	putting greens & bunker	1	\$30,000
- Driving Nets	\$2,500/driving net	2	\$5,000
- Tiered Putting Green and Chipping Area	large tiered green	1	\$22,000
- Bunker Improvement	large bunker	1	\$3,000
4. Cart Path Improvement Program		1	\$20,000
- Aggregates			\$10,000
- Labor and Equipment			\$10,000
5. Underbrush Remediation Program			\$10,000
TOTAL FACILITY RECOMMENDATION COSTS			\$1,735,400

- Using the recommendations and benchmark costs, shown above as a guide, IVGID should enlist engineering and architectural assistance from professionals with considerable experience working in the Tahoe Basin in order to develop conceptual construction plans and budget estimates in order to solidify all necessary costs and identify any potential complications, including site limitations.
- Clubhouse costs have been estimated to be \$250 per square foot and include Furniture, Fixtures and Equipment ("FF&E").
- The cart storage area should be constructed underneath the clubhouse and terrace in order to attain cost efficiencies through shared foundation and shared structural walls.
- The operation should plan initially for 60 golf carts, the storage of which will require roughly 3,000 square feet enclosed by non-temperature-controlled space. The cart storage area was assumed to cost \$75 per square foot, including all FF&E that is required.
- The terrace was assumed to cost \$50 per square foot including landscaping on and around the terrace.
- Architectural fees, construction management fees, permitting fees and contingency fees were projected based on benchmarks of 5% of the total new clubhouse structure costs respectively.
- The site work and parking estimate is based on benchmarks and a parking lot that leverages the existing infrastructure as best as possible to accommodate between 50 and 100 vehicles with an appropriate bag drop area. The parking will be hard-surfaced with commercially reliable materials.
- The costs to build a new golf maintenance facility are generally around \$50 per square foot, FF&E, parking and landscaping included; however, due to the proximity to the first and tenth tee and the entrance to the Course, it was assumed that the exterior must be slightly more pleasing to the eye than a typical structure, and thus a cost of \$75 per square foot was assumed.

- The golf maintenance building cost estimate is based on a 5,000 square foot building that includes single-room equipment storage, equipment repair shop, staff meeting room/lunch area and a small administrative space for the golf course superintendent and for the irrigation control computer station and server, with an adjacent small separate metal building in which to store chemicals and fertilizers.

Overall, design and budget specificity and controls must be implemented and adhered to for a successful project. It will be important for the engineering work and architectural work recommended herein, include GGA engagement in order to ensure appropriate alignment with the vision, recommendations and costing presented herein.

Market and Marketing Recommendations

1. Brand each of the nine-holes at the Mountain Course with unique and meaningful course names and develop marketing materials and Course supplies accordingly in order to help increase participation and utilization.
 - The Course is currently advertised as an 18-hole short course, with all marketing and advertising materials, including pricing structured as such.
 - Market research, industry experience and Golf Course User Survey results indicate that the target customer audience for the Mountain Course is typically apt to enjoy a 9-hole short course experience as much, or more, as an 18-hole short course experience.
 - There should be 9-hole score cards for each nine as well as the 18-hole score cards.
2. Post and advertise 9-hole green fee rates and run 9-hole specials, packages and events during historically slow tee times in order to fill the tee sheet, bolster utilization and increase revenue.

- Nine-hole green fee rates should be posted and advertised - 53% of the respondents to the Golf Course User Survey indicated that they would play on average 5.6 more rounds of golf every year if nine-hole rates were published and they could select which nine they played. This action alone should generate between 2,600 and 5,200 more rounds per year when you consider that the average respondent plays 7.7 rounds at the Mountain Course already.
 - Market research indicated that most courses post a nine-hole green fee rate, especially executive courses.
 - Exclusive time periods should be dedicated to 9-hole play with the option to 'reserve your favorite nine' on weekdays and other historically slow times.
 - Nine-hole rates should be posted at 56% to 60% of posted 18-hole rates, consistent with market area 9-hole rates.
3. Stratify green fee rate pricing consistent with best practice yield management techniques in order to help increase utilization.
- Market research and net rate analysis indicate the Mountain Course is priced too high in off-peak times.
 - The single greatest factor that Golf Course User Survey respondents indicated would cause them to play more golf at the Mountain Course was lower green fees at 48% of question respondents. The next two factors from a weighting perspective, each selected by 23% of question respondents as factors that would cause them to play more golf were 'Improved Pace of Play' and 'Improved Food and Beverage Operations'.
 - 2013 peak green fee rates should remain consistent with 2012 pricing only for tee times that have been historically sold out. Green fee rates for all other times, especially those times dramatically under-utilized, should be reduced substantially, consistent with an aggressive yield management program, targeting an overall net rate per round of 75% of the average posted peak rate (please see Attachment I: Operational Review for a detailed description of 'net rate per round').

- Adjust and stratify Resident and Non-Resident rates for summer season and spring and fall seasons on weekends and weekdays in a similar fashion to the schedule shown in Table 2 below:

Table 2: Example of Recommended Summer Weekend Green Fee Rate Stratification

Summer Weekend Non-Resident Green Fee			
Time	Green Fee Rate	Posted Peak Rate	Net Rate
Sunrise to 9:00am	\$60.00	\$75.00	80%
9:00am to 11:00am	\$75.00	\$75.00	100%
11:00am to 2:00pm	\$60.00	\$75.00	80%
2:00pm to 4:00pm	\$50.00	\$75.00	66%
4:00pm onward	\$40.00	\$75.00	53%
66 tee times (10 minute intervals)	Avg. \$57.27	\$75.00	76%

4. Experiment and test a 'walking' and 'riding' pricing scheme in non-peak times and for 9-hole rounds that allows golfers to pay less if they would prefer to walk in order to increase perceived affordability.
 - For a period of time in the spring of 2013, advertise 'walking rates' for 9-hole rounds in off-peak times.
 - Set walking rates at \$6.00 to \$10.00 less than the riding rate.
 - Measure the success of the program versus prior year in relation to rounds played, cart utilization and revenue and take appropriate action based on the results, potentially graduating the program to 18-hole rounds as well if the financial results and yields support it.

5. Bolster social media presence and embark on an aggressive social media campaign in order to expand market reach, increase awareness and bolster utilization.
 - Emerging trends are for golfers to follow their favorite golf courses via social media for news, weather, specials and activities.
 - Key social media outlets include Twitter, Facebook, Pinterest, and Google Plus; which should be used by IVGID to create a sense of community around the golf courses and a family that all residents aspire to be a part of and participate in.
6. Emphasize key message points that create competitive advantage in all marketing, advertising and promotional materials:
 - A unique mountain golf experience;
 - A relaxed and peaceful environment for family and friends to gather, socialize and golf together;
 - An environmentally conscious golf sanctuary;
 - A pressure-free atmosphere for beginners and novice golfers alike;
 - A short course that requires less time away from life's other activities and commitments;
 - A true 'shot makers' course to hone the skills of the most advanced golfers;
 - Playability;
 - Family friendliness, catering to women and juniors; and,
 - A sense of community with familiar faces.

7. Focus marketing and promotional efforts on key target markets and demographics.

- It is very important to clearly define the target markets and market demographics on which the Course should focus. The following is a summary of the primary target markets for the Mountain Course:
 - i. Residents of Incline Village and Crystal Bay.
 - ii. Other Lake Tahoe area residents.
 - iii. Tourists and visitors from Northern California.
- The Mountain Course should focus specifically on local families, beginner golfers and seniors – as these groups are the most likely to appreciate a shorter executive style golf course and there is very little competition for this type of course in the area.

The following is a summary of the primary target market demographic audiences for the Mountain Course:

- i. Residents of Incline Village and Crystal Bay:
 - Resident Seniors and their friends for a fun and enjoyable round of golf with friends and social groups – men and women (in the 50 to 70 age cohorts) to increase weekday demand.
 - Resident families and friends for socializing, outings and golf camps – Combining juniors and women (especially) to increase off-peak demand on weekends and weekdays.
 - Resident avid golfers for skill development and shot making practice – to increase weekday demand for men and women who seek a fun and fast practice venue.
- ii. Other Lake Tahoe area residents:
 - Other residents and nearby homeowners – to increase off-peak demand (i.e. twilight rounds).

iii. Tourists and visitors from Northern California.

- Tourists and visitors for a fun, family oriented short course that shortens the time requirement during family vacations and holidays – to increase prime time rounds.
- Hotel, resort and casino guests from Reno, Truckee and other local area establishments for a fun, family oriented short course that is an exceptional group outing venue that requires less time – to increase prime time rounds.
- Leverage and nurture relationships with local area, Reno and Truckee hotels, resorts and casinos to drive tourist, visitor and tour group business.

8. Develop and implement marketing programs that will drive customer loyalty and retention while enhancing utilization.

- A rewards program that provides card holders with 10% off of merchandise and extra days of advanced booking. The program should reward frequent players with discounted food and beverage and pro shop merchandise.
- A pre-paid annual ‘advantage card’ program for Residents that allows golfers to purchase an annual advantage card at the beginning of the season for a fixed fee. As an example, the fixed fee would be \$275, payment of which allows the card holder (non-transferable) to pay 50% off post green fee rates whenever they play up to a pre-specified maximum number of annual rounds, i.e. 40 rounds. Therefore, a Resident would pay \$275 at the beginning of the season and \$22.50 to play 18-holes during peak-times up to a maximum of 40 total rounds, after which full rates must be paid. Attention must be given by Management to the overall net rate per round that card holders would be generating for the Course when setting pricing (i.e. $\$22.50 \times 40 \text{ rounds} + \$275 = \$1,175 / 40 = \$29.38 \text{ per round} / \$45 = 65\%$). Card holders should also be afforded similar privileges to rewards program participants as they would automatically be enrolled as well as other value-added benefits. This program should be set at 40 rounds in order to act as an annual pass program, while yielding a responsible net rate per round as well as to compliment other pre-paid round packages for fewer rounds at a lower discount (i.e. 10 and 20 pre-paid round packages at set discounts).

- Host and administer various leagues and local resident events that promote a feeling of community and family while also providing a place for individuals to come in order to meet and play golf with other like-minded individuals. Leagues and local resident events should, whenever possible, be held during off-peak times or periods that typically have low utilization (i.e. a resident twilight league).
- A 'nine and dine' program to promote couples golf. Test the market on a Thursday or Friday night with a 'nine and dine' event for couples or parent and child beginning at 4:00 to 4:30 p.m. The fee would be the twilight rate plus the dinner at full price which would include a food and beverage special.
- A special family package for the Mountain Course including four green fees and lunch/dinner. Bundle the price based on two adults and two juniors.

Business Model and Operating Recommendations

1. Implement a sophisticated yield management program.

- The goal of an effective yield management system is to fill every available tee time at the highest price the market is willing to pay in order to play.
- Yield management does not require a posted price list with a large number of different green fee rates for various times of the day. It requires periodic specials and discounts pushed out to the market on relatively short notice via all available channels. In order to be effective, these 'distribution channels' must be established and effective. Such programs are most efficiently implemented and managed using electronic tee sheets that rely upon an online presence for the Course.
- The tee sheet should be constantly monitored and analyzed in order to identify times of opportunity to release special pricing for specified times in order to utilize the available inventory.

- The first objective is to fill the tee sheet for each Course at the highest possible rate. Once the tee sheet is full – or reasonably near full – Management will begin to increase the variable rate to test and measure the elasticity of price within its targeted audiences.
 - This approach does not suggest discounting the prices of tee times that are already being successfully filled. Nor does this approach suggest that the Course is desperate. This approach demonstrates that the Course is responding to market conditions and making a realistic response to current economic conditions.
 - In order to effectively manage a yield management program, key performance indicators must be readily available and monitored to allow for quick and decisive action. Relevant performance indicators include percentage booked, percentage open, percentage sold, revenue per round and revenue per round as a percentage of the average posted peak rate with target levels for each.
 - As an example, the net rate per round as a percentage of the average posted peak rate target should be 70% overall which is the low-end of the benchmark range as the Mountain Course should focus on driving volume.
 - Ensure the information system utilized by the Course is sophisticated enough to track and report key performance indicators and allow for advanced tee sheet management, including the ability to book both 9 and 18-hole rounds on the tee sheet on either nine, automatically factoring the cross-over and blocking the appropriate nines.
2. Lease a new fleet of electric golf carts.
- The current fleet of gas golf carts is nearing the end of its useful life and presents a slight barrier to women and families due to the noise and smell of the gas engines.

- Emerging trends indicate that women and families are ever more conscious of pollutants originating on golf course facilities. Therefore, a switch to electric carts should be welcomed and advertised by the Course in conjunction with an environmental 'green' campaign.
3. Reduce fleet services expenses and increase greens maintenance payroll and benefit expenses via additional summer-season headcount.
- While the overall greens maintenance budget falls within benchmark range, the fleet services expense is substantially higher than benchmark (approximately \$35,000 higher) and payroll and benefit expenses related to greens maintenance headcount is slightly below benchmark.
 - Investigate the ability to reduce fleet services costs to a benchmark level, sharing certain mechanic costs with the Championship Course and shift cost savings to maintenance payroll and benefit costs in order to add hourly wage labor to help improve Course conditions and keep up with underbrush cleaning and other general maintenance items that have recently been neglected.
 - Understanding that technicians working within IVGID are unionized and their relationships with IVGID are governed by contractual obligations, a reduction in fleet services expenses may not be possible.
4. Improve food and beverage net profit.
- The food and beverage operation at the Mountain Course should provide a net profit of 15% to 30% of gross food and beverage revenue every year.
 - Focus must be placed on controlling labor costs, which a new and efficiently designed clubhouse will assist with, as well as on controlling other food and beverage related costs which have historically been significantly higher than benchmarks.

5. Increase annual marketing, advertising and promotional spending in line with benchmarks.

- In 2012 roughly \$7,400 was spent on marketing, advertising and promotions for the Mountain Course, which is significantly below benchmarks and what competitive courses in the local area are spending in order to attract public play. In order to be competitive, the GCIV must go to market and ask for business in order to remain competitive with the other market area courses that are doing just that. In an over-supplied market, the GCIV must maintain a constant and aggressive market presence lest they be forgotten.
- The Mountain Course should increase annual spending on effective marketing, advertising and promotions, to 3% of gross revenue, aggressively targeting both residents and outside public play. Management should prepare a clear and concise plan every year specific to the Mountain Course, due to its unique characteristics and target market segments, that leverages 'contra' arrangements (defined as a barter deal between two parties that exchange goods or services without any cash changing hands), and public relations to the utmost extent in order to obtain the most value possible for the money spent. Exchanging golf course or driving range access during off-peak and under-utilized times for effective marketing, advertising and promotional services is considered a best practice.

Financial Impact

GGA analyzed the financial impact of the Mountain Golf Course recommendations outlined herein in accordance with detailed survey results, market due diligence and financial analytics. Overall, the recommendations have been designed to drive volume, utilization and thus revenue at the Course with an Earnings Before Interest, Depreciation and Amortization (“EBITDA”) target of approximately \$170,000 at maturity. Please see attached Schedule A for detailed analysis of historic results and projections.

1. The following table outlines the projected bottom line impact from recommendations for the Mountain Course over the next five years, considered to be the time required to ramp up revenue and operations to an appropriate and expected mature level. An expanded version of this table that includes three years of historic results can be found in Schedule A attached.

Table 3: Estimated EBITDA Impact from Implementation of Recommendations

Bottom Line Impact	Fiscal Years Ended June 30 th						
	2011/2012 Actual	2012/2013 Budget	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
EBITDA (Loss)	(\$126,837)	(\$114,627)	(\$77,083)	(\$20,427)	\$46,145	\$121,048	\$171,161

- It should be noted that the ‘Hurdle Point’ or break-even point falls in the 2016 season at a rounds volume of approximately 16,975.
- Accordingly, the Mountain Course must generate approximately 3,500 rounds in addition to those budgeted in 2012/2013 in order to reach a break-even level of operations.
- This financial impact analysis should be used as an EBITDA target for Management over the next five years through the implementation of recommendations.

- In order to determine the most appropriate set of financial and operational assumptions that were utilized in the above projected financial results for the golf course, as detailed in Schedule A attached, GGA referenced the following:
 - i. Product offerings and pricing of the competitive golf market within a 50 mile radius of Incline Village, with specific focus on the local market within a 20 mile radius;
 - ii. Historic financial and operating results for the Course; and,
 - iii. The GGA Golf Diagnostic Benchmarking Study² and other standard data available through Golf Data-tech, National Golf Foundation and Pellucid Corp.

- 2. The following table outlines the projected revenue impact from recommendations for the Mountain Golf Course. An expanded version of this table that includes three years of historic results can be found in Schedule A attached.

Table 4: Estimated Revenue Impact from Implementation of Recommendations

Fiscal Years Ended June 30 th							
Revenue Impact	2011/2012 Actual	2012/2013 Budget	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Revenue							
Golf Revenue	\$584,746	\$605,300	\$651,804	\$716,988	\$791,365	\$874,189	\$937,234
Net Merchandise Revenue	\$23,252	\$23,700	\$25,323	\$29,676	\$34,348	\$39,157	\$41,158
Net Food and Beverage Revenue	\$59,310	\$53,300	\$57,914	\$65,287	\$74,843	\$84,579	\$88,901
Total Revenue (Gross Margin)	\$667,308	\$682,300	\$735,041	\$811,951	\$900,556	\$997,926	\$1,067,293

² GGA Golf Diagnostic Benchmarking Study includes detailed financial and operational data points for all facilities that GGA has performed work for in its 20-year history.

- Golf revenue is the most important revenue source for driving bottom line revenue and is projected as a function of estimated rounds played, average posted peak rate and net rate per round as a percentage of the average posted peak rate.
- Merchandise revenue and food and beverage revenue do not contribute the same amount to the bottom line as there is a direct associated cost with every additional dollar sold.
- Merchandise and Food and Beverage revenue were projected as a function of revenue per round consistent with historic metrics.
- Management should target net revenue (gross margin) for the Mountain Course of \$1 million or more at maturity and expect a five-year march to maturity.

3. The following table outlines the revenue metrics derived from recommendations for the Mountain Course and utilized to project revenue. An expanded version of this table that includes three years of historic results can be found in Schedule A attached.

Table 5: Estimated Revenue Metrics Derived from Implementation of Recommendations

Revenue Metrics	Fiscal Years Ended June 30 th						
	2011/2012 Actual	2012/2013 Budget	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Rounds Played	13,407	13,500	14,896	16,487	18,078	19,579	20,579
Average Posted Peak Green Fee Rate	\$55.00	\$55.00	\$56.10	\$57.22	\$58.37	\$59.53	\$60.72
Net Rate / Round as % of Avg. Posted Peak Rate	76%	82%	78%	76%	75%	75%	75%

- Management should target a minimum of 20,000 18-hole equivalent rounds on the Mountain Course at maturity.

- Accordingly, rounds played have been projected to increase over the next five years by approximately 7,000 rounds to just over 20,500 18-hole equivalent rounds in year five.
- This is considered to be a conservative estimate of rounds at maturity and may be substantially lower than what is actually achieved.
- The average posted peak rate for the Mountain Course is expected to be the same as the 2012/2013 budgeted rates, with a 2% inflation adjustment, factored in every year through maturity for both revenue metrics and expense metrics.
- The net rate per round is expected to decline from the budgeted 82% to the mid-point of the benchmark range of 75% which is consistent with the pricing and yield management recommendations herein.

4. The following table outlines the expense projections derived from recommendations for the Mountain Golf Course. An expanded version of this table that includes three years of historic results can be found in Schedule A attached.

Table 6: Estimated Expense Metrics for Projected Revenue from Implementation of Recommendations

Expense Impact	Fiscal Years Ended June 30 th						
	2011/2012 Actual	2012/2013 Budget	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Expenses							
Golf Operations Expenses	\$236,450	\$188,276	\$212,804	\$217,060	\$221,401	\$225,829	\$230,345
Greens Maintenance Expenses	\$434,774	\$443,856	\$445,233	\$454,138	\$463,221	\$472,485	\$481,935
Food and Beverage Expenses	\$49,248	\$55,346	\$42,405	\$47,310	\$53,642	\$60,093	\$63,012
Administration Expenses	\$73,673	\$109,449	\$111,638	\$113,871	\$116,148	\$118,471	\$120,841
Total Expenses	\$794,145	\$796,927	\$812,080	\$832,378	\$854,411	\$876,878	\$896,132

- Overall, historic expenses were reasonable and generally in line with benchmark metrics with the exception of:
 - i. Golf cart services and supplies expense budgeted at \$41,900, significantly above benchmark level excluding lease costs (\$15,000) due to an old cart fleet in need of significant annual repair.
 - ii. Fleet Service costs budgeted at \$86,600 for 2012/2013, significantly higher than benchmark excluding labor (\$25,000 to \$45,000).
 - iii. Greens maintenance labor expenses budgeted at \$218,356 for 2012/2013, slightly below benchmark levels (\$250,000 to \$275,000) mostly from a headcount perspective, lower by two part-time laborers and a part-time technician which makes up for part of the fleet service expense difference from benchmark.
- An adjustment from budgeted golf cart service and supply costs (\$41,900) was made to account for an operating lease related for 60 new electric carts at a lease rate of \$750 per cart (\$45,000 annually) on top of service and supply costs set to benchmark levels (\$15,000) for a total net adjustment of \$21,600 in additional costs for 2013/2014, increasing at inflation thereafter.
- Adjustments were made to Fleet Services, down from \$86,600 to \$53,332 and Greens Maintenance Labor expenses, up to \$250,223 from \$218,356, consistent with benchmarks, reallocating expenses from Fleet Services to payroll and benefit costs in order to fund additional headcount necessary to improve conditions and keep pace with appropriate underbrush maintenance.
- In addition, an annual inflationary increase of 2% was added to each expense line.
- It has also been assumed that any labor efficiencies from the new clubhouse design will be off-set by the increased requirement for organization and management of various pricing and programming.

Future Capital Funding Recommendations

In the cash flow projections presented in Schedule A attached, capital maintenance costs each year have been estimated at 5% of gross revenue. In every golf operation, it is important to plan for future capital costs so that when the time comes to fund capital projects, the funds are there. In many golf course operations, projects become troubled when adequate reserves for capital maintenance and improvements are underfunded.

1. Budget for a capital maintenance operating expense at 5% of annual gross revenue every year to maintain existing capital in reasonable repair.
 - GGA benchmarks indicate that the average capital maintenance expenses incurred by similar courses that have been built outside of the last ten years are typically set at the top-end of the benchmark range which is between 3% and 5% of gross revenue, depending on the age of the facility and whether or not the equipment is leased.
 - This assumes that there is no deferred capital in existence which must be funded and addressed separately. The majority of deferred capital in existence on the Mountain Course will be addressed via implementation of the Facility Recommendations contained herein.
2. Allocate 100% of EBITDA after capital maintenance every year to a future capital improvement fund for new capital items or unforeseen replacements that may be required.
 - GGA benchmarks indicate that the average capital improvements pool is funded via net operating income (EBITDA) after capital maintenance in the range of 25%.
 - However, given the limited profitability projected for the Mountain Course, this benchmark may prove inadequate and thus IVGID should plan to continue allocating capital improvement funds to the Course until such time that the Course reaches the

projected mature level of operation herein, after which 100% of net operating income should be allocated to a capital improvement fund; which may or may not require limited funding from IVGID.

3. Complete a capital reserve study.

- The capital funding estimates contained herein are based on benchmarks and should be considered as a high-level guide in concept only.
- A comprehensive capital reserve study should be completed in order to determine actual future capital funding requirements in order to accurately and effectively budget for IVGID funding requirements via the recreation fee.

Table 7 below, highlights the anticipated capital funding requirements from IVGID based on benchmark capital funding estimates. An expanded version of this table that includes three years of historic results can be found in Schedule A attached.

Table 7: Estimated Revenue Metrics Derived from Implementation of Recommendations

Capital Funding	Fiscal Years Ended June 30 th						
	2011/2012 Actual	2012/2013 Budget	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
EBITDA (Loss)	(\$126,837)	(\$114,627)	(\$77,083)	(\$20,427)	\$46,145	\$121,048	\$171,161
Capital Maintenance	(116,610)	(\$243,300)	(\$39,777)	(\$44,093)	(49,059)	(\$54,478)	(\$58,180)
EBITDA after Capital Maintenance	(\$243,447)	(\$357,927)	(\$116,816)	(\$64,520)	(\$2,914)	\$66,570	\$112,981
Estimate of IVGID Funding	(\$243,447)	(\$357,927)	(\$229,797)	(\$177,501)	(\$115,895)	(\$46,411)	\$0

Overall, the Mountain Course should be self-sustaining at a mature level of operations; however, should not be expected to contribute Net Income to IVGID for other uses.

IV. CHAMPIONSHIP GOLF COURSE RECOMMENDATIONS

The Championship Golf Course has experienced a decline in activity and rounds played over the past decade, with utilization down by 35% to 40% from historical highs. Increased competition in the area has had considerable impact on utilization and the financial success of the Course; however, over the past three years, rounds played have held up reasonably well and yet revenue has struggled to hold-up.

The majority of Championship Course attributes that respondents of the GCIV User Survey were asked to rate were given excellent rankings, consistent with user satisfaction (typically considered to be a ranking of 3.75 or higher). The chipping area was the only attribute that was given poor ratings and according to Management, the chipping area is already scheduled to be renovated. The other areas that received ratings in or near the 3.75 cut-off for satisfaction were golf course conditioning, the putting area and the grille and snack bar which should be reviewed by Management and evaluated for low cost improvements.

The future success of the Championship Golf Course, as with the Mountain Golf Course, rests squarely on the shoulders of revenue growth. Overall, Management is spending too much for the revenue being generated and due to issues with the golf course renovation, the greens maintenance budget, when compared to benchmarks at other facilities absent sand capping issues, would be yielding turf and maintenance conditions superior to those currently in play.

The following recommendations have been derived from extensive research, due diligence and analytics with respect to the competitive market place, historic and future operations, user needs and best industry practices.

Facility Recommendations

The Championship Golf Course recently underwent a significant renovation which has considerably enhanced the facilities. Accordingly, there does not appear to be substantial deferred capital in existence, if any, and very limited facility improvement requirements. The current five-year capital plan for the Championship Course totals \$2,159,430 (average of \$431,886 per year) and addresses normal capital items that are expected of similar facilities. The following is the only additional item that GGA noted should be included in the capital plan at \$50,000; however, a more accurate budgeted dollar amount should be sought by Management.

1. Continue to address drainage and hot spot issues on Course to improve conditioning.
 - Fairway conditioning on a number of holes is inconsistent at best, with soggy areas and hard areas mixed throughout the same fairway. This creates uneven and in some cases unfair playing conditions that may act to turn golfers away.
 - According to Management, the fairways were not sand-capped or sodded when the Course was renovated. Therefore, additional dollars have and must continue to be spent on aggregates to top dress fairways and gradually build up a reasonable sand capping, as well as additional labor for deep tine aerification (a deep tine aerifier was purchased last year to help with this process) and hand watering when required.

Market and Marketing Recommendations

1. Aggressively target local, Reno and Truckee area hotels, resorts and casinos with attractive individual and group packages.
 - Market research indicated that a number of local area accommodation providers and casinos, with captive audiences of potential golfing customers adorning their halls, are under the impression that the Championship Golf Course at Incline Village is more of a private course for residents only.
 - This perception must be abolished if the Championship Course is to be financially self-sustaining.
 - Management should consider blocking a large portion of tee times, considered to be high-demand for public visitors, intermittently on the tee sheet specifically for visitor golfers. Management should work with all golfing residents of Incline Village to limit disruption to their playing habits. The Course must find a way to increase non-resident golf, including individual and group visitors from the hotels, resorts and casinos in the surrounding area during peak rate times.

- Management must take the initiative to reach out to all potential hotel, resort and casino partners in the surrounding area and develop a relationship that is mutually beneficial.
 - 75% of posted rates should be used for hotel, resort and casino pricing in order to appropriately incentivize partners to send golfers to the Championship Golf Course. Require partners to charge their golfing guests 85% of the posted rate and allow the partners to keep the rest as a referral/partnership fee.
 - For example, assuming the Hyatt sends 1,000 golfers through to the Championship Course next year during peak Saturday and Sunday morning times, every guest pays 85% of \$179 or \$152.15 and the Hyatt keeps \$17.90 ($\$152.15 - \134.25 (75% of \$179)) for every guest, netting \$17,900 in partner revenue. This program should only be available to trusted partners and their paying guests with proof of patronage required. Please refer to Attachment I: Operational Review and Schedule A for detailed historic net rate analysis.
2. To improve competitiveness in the local marketplace, adjust green fee rate pricing consistent with an appropriate market value for money proposition to help increase utilization.
- Market research and net rate analysis indicate the Championship Course is priced too high relative to that of their competitors. Please refer to Attachment II: Market Analysis for detailed market data points.
 - Average revenue received by the Championship Course from every round played, a key performance indicator, has declined considerably from \$73.14 in 2009/2010 to \$66.58 in the 2012/2013 budget in the face of posted green fee rate increases.
 - The green fee rate increases appear to have been met initially with a decline in rounds played, and the play passes which were severely discounted appear to have been implemented to combat the initial reaction to higher rates.
 - 2013 green fee rates for both resident and non-resident golfers in both peak and off-peak times should be adjusted downward in all seasons (spring, summer, and fall) with the exception of the peak summer non-resident rate.

- Table 8 highlights recommended posted rates for the 2013 season which should be increased annually at the pace of inflation:

Table 8: Recommended Pricing Adjustments for the Championship Golf Course

Time	2012	Recommended 2013	Difference
Resident Green Fee Rates			
Peak In-Season Rates	\$75.00	\$69.00	(\$6.00)
Peak off-Season Rates	\$65.00	\$59.00	(\$6.00)
Average Peak Resident Rate	\$70.00	\$64.00	(\$6.00)
Non-Resident Green Fee Rates			
Peak In-Season Rates	\$179.00	\$179.00	(\$0.00)
Peak off-Season Rates	\$169.00	\$139.00	(\$30.00)
Average Non-Resident Peak Rate	\$174.00	\$159.00	(\$15.00)
Overall Average Peak Rate	\$122.00	\$111.50	(\$10.50)

- Non-resident green fee rates for times dramatically under-utilized should be reduced, consistent with an aggressive yield management program.
 - The yield management program should target an overall net rate per round of 75% of the average posted peak rate for Non-Residents, i.e. 75% of \$159.00 for 2013, or \$119.25 average, and 75% of \$179 or \$134.25 in-season and 75% of \$139.00 off-season or \$104.25 (please see Attachment I: Operational Review for a detailed description of 'net rate per round').
3. Do not adjust pricing or packaging on 2012 play passes for 2013, even though 2013 posted rates have been recommended to be decreased.

- Play passes currently offer too deep of a discount off posted rates.
 - Maintaining the current pricing for the play passes will increase the net rate per round as measured against the posted rate to appropriate levels in accordance with benchmark.
 - Typically a 10 round pack (without an extra round) would be discounted at 10%, a 15 round pack at 15%, a 20 round pack at 20% and so on.
4. Stratify green fee rate pricing consistent with best practice yield management techniques in order to help increase utilization.
- A number of key competitors offer discounted weekday rates and off-peak time rates on weekends to drive volume during slower periods. The same should be considered on the Championship Course.
 - Both Resident and Non-Resident rates for summer season and spring and fall seasons on weekends and weekdays should be adjusted and stratified in a similar fashion to the following schedule in Table 9:

Table 9: Example of Recommended Summer Weekend Green Fee Rate Stratification

Summer Weekend Non-Resident Green Fee			
Time	Green Fee Rate	Posted Peak Rate	Net Rate
Sunrise to 9:00am	\$149.00	\$179.00	83%
9:00am to 11:00am	\$179.00	\$179.00	100%
11:00am to 2:00pm	\$149.00	\$179.00	83%
2:00pm to 4:00pm	\$129.00	\$179.00	72%
4:00pm onward	\$95.00	\$179.00	53%
66 tee times (10 minute intervals)	Avg. \$141.00	\$179.00	78.7%

5. Leverage discount tee time sellers such as Golf Now to broaden market audience and take advantage of their far reaching and robust marketing and advertising capabilities.
 - Third party tee time sellers such as Golf Now have a large audience of golfers who search of available tee times via their tee time interface.
 - Management should utilize Golf Now as part of a yield management strategy to fill all tee times with the highest price the market is willing to pay. Care should be taken to control tee time pricing through Golf Now and to constantly monitor effectiveness.
6. Beta test a 'walking' and 'riding' pricing scheme in non-peak times that allows golfers to pay less if they would prefer to walk in order to increase perceived affordability.
 - For a period of time in the spring of 2013, advertise 'walking rates' in off-peak times.
 - Set walking rates at \$6.00 to \$10.00 less than the riding rate.
 - Measure the success of the program versus prior year in relation to rounds played, cart utilization and revenue and take appropriate action based on the results.
7. Bolster social media presence and embark on an aggressive social media campaign.
 - Emerging trends are for golfers to follow their favorite golf courses via social media for news, weather, specials and activities. The Championship Course should lead the way for both Incline Village Courses and activate social media.
 - Key social media outlets include Twitter, Facebook, Pinterest, and Google Plus.

8. Emphasize key message points that create competitive advantage in all marketing, advertising and promotional materials:

- A unique parkland golf experience;
- A relaxed and peaceful environment for family and friends to gather, socialize and golf together;
- An environmentally conscious golf sanctuary;
- A challenging test of golf for the avid and skilled golfer, yet playable, relaxed and enjoyable for the novice golfer.
- Family friendliness, welcoming women and juniors; and,
- A sense of community with familiar faces.

9. Focus marketing and promotional efforts on key target markets and demographics.

- It is very important to clearly define the target markets and market demographics on which the Course should focus. The following is a summary of the primary target markets for the Championship Course:
 - i. Residents of Incline Village and Crystal Bay.
 - ii. Other Lake Tahoe area residents.
 - iii. Tourists and visitors from Northern California and Nevada.
- The Championship Course should focus specifically on local avid and beginner golfers alike, seniors and families. However, it is important to understand that the Championship Course must target a different market segment than the Mountain Course, the

championship golf segment. The following is a summary of the primary target market demographic audiences for the Championship Course:

- i. Residents of Incline Village and Crystal Bay:
 - Resident Golf Club Members – to continue supporting the Course and supplying a substantial and captive number of annual rounds.
 - Resident avid golfers for an exceptional leisure activity and to socialize with fellow residents – to increase weekday demand for men and women.
 - Resident Seniors for a fun and enjoyable round of golf with friends and social groups – men and women (in the 50 to 70 age cohorts) to increase weekday demand.
 - Resident families and friends for socializing, outings and golf camps – Combining juniors and women (especially) to increase off-peak demand on weekends and weekdays.
- ii. Other Lake Tahoe area residents:
 - Other residents and nearby homeowners – to increase off-peak demand (i.e. twilight rounds).
- iii. Tourists and visitors from Northern California and Nevada:
 - Tourists and visitors for a challenging, yet playable ‘championship’ course experience in the mountains – to increase prime time rounds.
 - Hotel, resort and casino guests from Reno, Truckee and other local area establishments for a challenging, yet playable ‘championship’ course experience in the mountains that is an exceptional group outing venue with an incredible setting for post-round food and drink on the terrace – to increase prime time rounds.

10. Develop and implement marketing programs that will drive customer loyalty and retention while enhancing utilization:

- Word-of-mouth and viral marketing options will be the primary marketing vehicles to be used in 2013. The Course must call on programs that reward repeat/return play - promotional rounds after certain volume thresholds are achieved by each golfer (i.e. play ten rounds and the 11th round is free) – and that increase the frequency of play at the Championship Course (i.e. prizes for most rounds played). Following are several programs that will roll out in 2013:
 - i. A rewards program that provides card holders with 10% off of merchandise and extra days of advanced booking. The program should reward frequent players with discounted food and beverage and pro shop merchandise.
 - ii. ‘My Best Friend’ – Viral marketing program that enables existing golfers to promote the Course to friends. The goal here is to increase the audience of golfers.
 - iii. Play 10 – Ten rounds with a free 11th round. This program intends to increase share-of-wallet capture.
 - iv. Baker’s Dozen – Leagues that host 12 weeks receive the 13th week at no charge. This program intends to increase share-of-wallet capture.
 - v. ‘Best Customer Recognition’ – Recognize most frequent golfers with monthly and annual awards that encourage frequent and repeat play. For example, a winter trip to Florida for the four golfers who play the most rounds at GCIV. Or, special prizes (i.e. sports tickets or golf balls or all-the-coffee-you-can-drink) for golfers who play more than 40/60 rounds per year at GCIV.
- Host and administer various leagues and local resident events that promote a feeling of community and family while also providing a place for individuals to come in order to meet and play golf with other like-minded individuals. Leagues and local resident events should, whenever possible be held during off-peak times or periods that typically have low utilization (i.e. a resident twilight league).

- A 'nine and dine' program to promote couples golf. Test the market on a Thursday or Friday night with a 'nine and dine' event for couples or parent and child beginning at 4:00 to 4:30 p.m. The fee would be the twilight rate plus the dinner at full price which would include a food and beverage special.

Business Model and Operating Recommendations

1. Implement a sophisticated yield management program.
 - Please see bullet point # 1. in the Business Model and Operating Recommendations section for the Mountain Course for yield management details.
2. Reduce the scope of operations and thus expenditure on golf operations.
 - The current scope of operations for golf operations far exceeds the needs of the Course and patrons with expenditures exceeding benchmarks for similar operations.
3. Reduce greens maintenance expenses focusing on greens maintenance headcount and fleet services expenses.
 - The greens maintenance budget is substantially higher than benchmark with the leading contributor being payroll and benefit expenses that are over \$50,000 higher than benchmark. Fleet services expenses and Services and Supplies expenses also appear to be higher than benchmark with the ability to reduce annual expenses by approximately \$12,500 and \$15,000 respectively. . It should be noted, that upon first glance, fleet services expenses appear to be significantly higher than benchmark (Approximately \$80,000 higher); however, this is attributable to the payroll and benefit costs of a full-time mechanic in similar operations.
 - Investigate the ability to reduce net payroll and benefit costs, services and supplies costs and fleet services costs.

4. Improve food and beverage net profit.

- The food and beverage operation at the Championship Course should provide a net profit of 10% to 22% of gross food and beverage revenue every year.
- Focus must be placed on controlling labor costs, as well as on controlling other food and beverage related costs which have historically been significantly higher than benchmarks (please see Attachment I: Operational Review for details).

5. Increase annual marketing, advertising and promotional spending in line with benchmarks.

- The Championship Course should increase annual spending on effective marketing, advertising and promotions, to 3% of gross revenue, while preparing a clear and concise plan every year that leverages contra arrangements and public relations to the utmost extent.

Financial Impact

GGA analyzed the financial impact of the Championship Golf Course recommendations outlined herein in accordance with detailed survey results, market due diligence and financial analytics. Overall, the recommendations have been designed to drive volume, utilization and thus revenue at the Course with an EBITDA target of approximately \$285,000 at maturity.

1. Table 10, below, outlines the projected bottom line impact from recommendations for the Championship Golf Course over the next five years, considered to be the time required to ramp up revenue and operations to an appropriate and expected mature level. An expanded version of this table that includes three years of historic results can be found in Schedule A attached.

Table 10: Estimated EBITDA Impact from Implementation of Recommendations

Bottom Line Impact	Fiscal Years Ended June 30 th						
	2011/2012 Actual	2012/2013 Budget	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
EBITDA (Loss)	(\$75,353)	(\$217,647)	(\$34,506)	\$35,842	\$114,094	\$196,449	\$284,959

- It should be noted that the ‘Hurdle Point’ or break-even point falls in 2014 season at a rounds volume of approximately 22,000.
- Accordingly, the Championship Course must generate approximately 500 rounds in addition to those budgeted in 2012/2013 in order to reach a break-even level of operations. The key to reaching the break-even point lies in select expense reductions and improved yield.
- Management should target net revenue (gross margin) for the Championship Course of \$2.55 million or more at maturity and expect a five-year march to maturity.

- This financial impact analysis should be used as an EBITDA target for Management over the next five years through the implementation of recommendations.
 - In order to determine the most appropriate set of financial and operational assumptions that were utilized in the above projected financial results for the golf course, as detailed in Schedule A attached, GGA referenced the following:
 - i. Product offerings and pricing of the competitive golf market within a 50 mile radius of Incline Village, with specific focus on the local market within a 20 mile radius;
 - ii. Historic financial and operating results for the Course; and,
 - iii. The GGA Golf Diagnostic Benchmarking Study and other standard data available through Golf Data-tech, National Golf Foundation and Pellucid Corp.
2. Table 11, below, outlines the projected revenue impact from recommendations for the Championship Golf Course. An expanded version of this table that includes three years of historic results can be found in Schedule A attached.

Table 11: Estimated Revenue Impact from Implementation of Recommendations

Revenue Impact	Fiscal Years Ended June 30 th						
	2011/2012 Actual	2012/2013 Budget	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Revenue							
Golf Revenue	\$1,641,573	\$1,543,325	\$1,561,381	\$1,658,167	\$1,762,961	\$1,872,507	\$1,986,977
Driving Range Revenue	\$134,906	\$126,500	\$129,094	\$136,962	\$145,269	\$153,730	\$160,060
Net Merchandise Revenue	\$158,243	\$156,600	\$147,693	\$152,426	\$157,560	\$162,773	\$171,493
Net Food and Beverage Revenue	\$223,432	\$205,200	\$189,047	\$197,933	\$207,399	\$217,031	\$234,144
Total Revenue (Gross Margin)	\$2,158,154	\$2,031,625	\$2,027,214	\$2,145,487	\$2,273,190	\$2,406,041	\$2,552,675

3. Table 12, below, outlines the revenue metrics derived from recommendations for the Championship Golf Course and utilized to project revenue. An expanded version of this table that includes three years of historic results can be found in Schedule A attached.

Table 12: Estimated Revenue Metrics Derived from Implementation of Recommendations

Fiscal Years Ended June 30 th							
Revenue Metrics	2011/2012	2012/2013 Budget	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Rounds Played	22,850	21,525	21,880	22,091	22,349	22,607	22,866
Average Posted Peak Green Fee Rate	\$122.00	\$122.00	\$111.50	\$113.73	\$116.00	\$118.32	\$120.69
Net Rate per Round as a %	56%	55%	64%	66%	68%	70%	72%

- Management should target a minimum of 22,850 18-hole equivalent rounds on the Championship Course at maturity. 2011/2012 saw extraordinary weather conditions, accounting for the high volume of rounds relative to 2012/2013 budget and prior years, falling between 20,010 and 21,799.
- Accordingly, rounds played have been projected to increase over the next five years by approximately 1,350 rounds to just over 22,850 18-hole equivalent rounds in year five.
- This level of utilization is conservative and still far below capacity; however, given the level of competition in the marketplace, is easily achievable. There may be an opportunity to increase utilization substantially beyond the level contemplated herein.
- The average posted peak rate for the Championship Course is expected to be lower than 2012/2013 budgeted rates, with a 2% inflation adjustment, factored in every year thereafter through maturity for both revenue metrics and expense metrics.
- The net rate per round is expected to increase from the 55% budgeted to the level attained in 2010 – 64% - when rates were lower and play pass discounts not as steep, which is consistent with the pricing and yield management recommendations herein.

4. The following table outlines the expense projections derived from recommendations for the Championship Golf Course. An expanded version of this table that includes three years of historic results can be found in Schedule A attached.

Table 13: Estimated Expense Metrics for Projected Revenue from Implementation of Recommendations

Fiscal Years Ended June 30 th							
Expense Impact	2011/2012 Actual	2012/2013 Budget	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Expenses							
Golf Operations Expenses	\$645,544	\$529,734	\$428,462	\$437,031	\$445,772	\$454,687	\$463,781
Greens Maintenance Expenses	\$1,065,949	\$1,010,268	\$930,458	\$949,067	\$968,049	\$987,409	\$1,007,158
Food and Beverage Expenses	\$202,424	\$196,471	\$161,500	\$168,878	\$176,731	\$184,721	\$198,794
Hyatt Sports Shop	\$13,402	\$55,562	\$56,673	\$57,807	\$58,963	\$60,142	\$61,345
Administration Expenses	\$306,188	\$457,237	\$484,627	\$496,862	\$509,582	\$522,632	\$536,638
Total Expenses	\$2,233,507	\$2,249,272	\$2,061,720	\$2,109,645	\$2,159,096	\$2,209,592	\$2,267,716

- Overall, historic and budgeted golf operations and greens maintenance expenses were considerably higher than benchmark levels and have been adjusted accordingly:
 - i. Golf operations payroll and benefit costs have been reduced from \$362,934 budgeted in 2012/2013 to \$285,000 projected for 2013/2014 in order to account for the personnel changes already underway. The Head Golf Professional and Merchandiser positions are being changed to seasonal positions in addition to other reductions in staffing levels, across all areas of golf operations (carts, pro shop, merchandising, marshals', starters, etc.), that will not affect service levels. .
 - ii. Expenses for Course operations supplies, driving range supplies and golf cart supplies were all reduced to within benchmark ranges from a total of \$163,452 budgeted in 2012/2013 to \$130,508.

- iii. Adjustments were made to Fleet Services (down from \$155,400 budgeted for 2012/2013 to \$70,000) and Greens Maintenance Labor expenses (up from \$486,768 budgeted for 2012/2013 to \$505,000) consistent with benchmarks. The Fleet Services adjustments reflect a \$12,500 downward adjustment to operating supplies (parts, supplies, gas, oil, etc.) and a reallocation of labor costs to the Payroll and Benefits expense category. Expenses were reallocated from Fleet Services to payroll and benefit costs in order to account for a full-time mechanic at benchmark rates, while reducing headcount in shoulder seasons in order to maintain a reasonable payroll and benefits expense for greens maintenance in line with benchmarks. As noted previously, the Fleet Services expense reductions should be investigated in further detail as a portion of or all of the recommended reductions may not be possible due to IVGID union contracts and organizational structure.
- In addition, an annual inflationary increase of 2% was added to each expense line.

Future Capital Funding Recommendations

In the cash flow projections, capital maintenance costs each year have been estimated at 5% of gross revenue. Please reference the Mountain Course Future Capital Funding section previously mentioned for a more detailed discussion on Capital Funding. Championship Course recommendations:

1. Budget for a capital maintenance operating expense at 5% of annual gross revenue every year to maintain existing capital.
2. Allocate 100% of EBITDA after capital maintenance every year to a future capital improvement fund for new capital items or unforeseen replacements that may be required.
3. Complete a capital reserve study.

Table 14 on the following page, highlights the anticipated capital funding requirements from IVGID based on benchmark capital funding estimates. An expanded version of this table that includes three years of historic results can be found in Schedule A attached.

Table 14: Estimated Revenue Metrics Derived from Implementation of Recommendations

Fiscal Years Ended June 30 th							
Capital Funding	2011/2012 Actual	2012/2013 Budget	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
EBITDA (Loss)	(\$75,353)	(\$217,647)	(\$34,506)	\$35,842	\$114,094	\$196,449	\$284,959
Capital Maintenance	\$163,000	\$242,025	\$123,908	\$130,624	\$137,875	\$145,396	\$154,227
EBITDA after Capital Maintenance	(\$238,353)	(\$459,672)	(\$158,514)	(\$94,782)	(\$23,781)	\$51,053	\$130,732
Estimated IVGID Funding	(\$238,353)	(\$459,672)	(\$289,246)	(\$225,514)	(\$154,513)	(\$79,679)	\$0

Overall, the Championship Course, like the Mountain Course, should be self-sustaining at a mature level of operations; however, should not be expected to contribute Net Income to IVGID for other uses unless actual results considerably outperform those contemplated herein.

V. CONCLUSIONS

Both Golf Courses at Incline Village, the Mountain Course and the Championship Course, have the potential to be self-sustaining recreational assets for the Incline Village General Improvement District within the next five years. However, neither Course should be expected to contribute Net Income to IVGID for other non-golf uses.

The two IVGID golf courses must cease to compete with one another and serve as different-but-supportive recreational facilities. Programs and services at each Course should be unique and supportive of each unique brand proposition.

In order for the Mountain Golf Course to be successful, deferred capital, most notably the clubhouse, must be addressed and a new clubhouse built, the Mountain Course must be looked upon as two distinct nine-hole courses, priced and packaged in a flexible and user-friendly manner and aligned with user expectations. The Mountain Course must be attractive to women and families.

In order for the Championship Golf Course to be successful, Management must adjust pricing and packaging to market conditions, work with the user group golf clubs to improve the salability of peak tee times to tourists and visitors, implement an efficient yield management program, improve overall turf conditions and moderate expenses.

Overall, with the efficient and effective implementation of the recommendations contained within this report along with diligence and attention to detail on the part of GCIV Management, the future is bright for the Golf Courses at Incline Village.

RESTRICTIONS

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GGA reserves the right (but will be under no obligation) to review all calculations included or referred to in this report and, if we consider it necessary, to revise our conclusions in light of any information existing at the report and valuation date which become known to GGA after the date of this report.

GGA instructs that its analysis must be considered as a whole and that selecting portions of the analysis or the factors considered by us, without considering all factors and analyses together, could create a misleading view of the process underlying the feasibility recommendations and conclusions as well as the estimate of value. The preparation of a feasibility plan and valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

Global Golf Advisors Inc.

Incline Village General Improvement District

Facilities Assessment and Future Needs

Attachment I

OPERATIONAL REVIEW

Overview

The Golf Courses at Incline Village (“GCIV” or “the Courses”), the Championship Golf Course and the Mountain Golf Course, are currently operated by the Incline Village General Improvement District. As a necessary component to analyzing and assessing the operations at the GCIV, GGA performed a review and assessment of the historical operating results and current facilities, in order to determine areas of focus for future success.

The financial results of a public or semi-private golf course are significantly affected by both the number of members or pass holders and their propensity to play under a fixed annual fee as well as the course’s ability to attract public play and drive green fee rounds. Each round of golf played typically generates either a green fee or an annual fee return and impacts other revenue streams such as golf cart rental, practice facility revenue, food and beverage and merchandise sales. Of the above-noted revenue sources, the financial results of a public or semi-private golf course are impacted the most by bottom-line generators being green fees, annual pass fees, annual dues, golf cart revenue, and practice facility revenue. Food and beverage and merchandise revenue do not contribute to the bottom line to the same extent, as there is a direct cost associated with the product being sold. For instance, in a well-run public or semi-private facility, approximately 10% to 22% of every dollar of food and beverage revenue, and 25% to 30% of merchandise revenue goes to the bottom line.

Separate site visits were conducted by a GGA Principal and a GGA Senior Manager to inspect the facilities, execute Management interviews and meet with the IVGID Board and project team. Interviews were focused on how current facilities serve existing use patterns and needs.

The discussion presented herein with respect to the GCIV’s historical operating results is based on the GGA site visits to the Courses, the Courses’ historic results from 2009/2010 through 2011/2012 (years ended June 30th), and the 2012/2013 budget, the GGA Golf Diagnostic Benchmarking Study, and discussions with Management regarding the Courses’ historic financial results.

Summary of Historic Operating Results

The Golf Courses at Incline Village have operated at a loss in every year reviewed and evaluated, generating a combined Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”) loss of approximately (\$200,000) in fiscal year 2012 (summer of 2011 and spring of 2012). The Championship Course accounted for 38% of the combined loss at approximately (\$75,000), while the Mountain Course accounted for the remainder - 62% - at approximately (\$125,000).

The 2012 results are a considerable improvement over 2011 results that show a combined EBITDA loss of approximately (\$600,000) and indicate a return to historic results achieved in 2010 at a combined EBITDA loss of approximately (\$150,000). The significant loss noted in 2011 was largely due to a decline in revenue, with only a small portion of the difference between 2011 and 2012 results arising from expenditures.

Budgeted results for fiscal year 2013 (summer of 2012 and spring of 2013) estimate a greater loss than in fiscal year 2012 (\$332,274) due in most part to declining revenues. With (\$485,000) budgeted for capital maintenance projects in 2013, the loss after capital maintenance increases to approximately (\$820,000) compared with a loss after capital maintenance of approximately (\$482,000) in 2012 and (\$798,000) in 2011.

Table 1: Summary of Historic Results

Historic Financial Results (Rounded)	2009/2010	2010/2011	2011/2012	2012/2013
Championship Course				
Revenues	\$2,486,000	\$2,261,000	\$2,562,000	\$2,433,000
Cost of Sales	(\$388,000)	(\$366,000)	(\$404,000)	(\$402,000)
Expenses	(\$2,127,000)	(\$2,253,000)	(\$2,234,000)	(\$2,249,000)
EBITDA	(\$29,000)	(\$358,000)	(\$76,000)	(\$218,000)
Capital Maintenance	n/a	(\$114,000)	(\$163,000)	(\$242,000)
EBITDA, after Capital Maintenance	(\$29,000)	(\$472,000)	(\$238,000)	(\$460,000)
Mountain Course				
Revenues	\$782,000	\$681,000	\$715,000	\$735,000
Cost of Sales	(\$48,000)	(\$50,000)	(\$48,000)	(\$53,000)
Expenses	(\$859,000)	(\$881,000)	(\$794,000)	(\$797,000)
EBITDA	(\$126,000)	(\$250,000)	(\$127,000)	(\$115,000)
Capital Maintenance	n/a	(\$76,000)	(\$117,000)	(\$243,000)
EBITDA, after Capital Maintenance	(\$126,000)	(\$326,000)	(\$243,000)	(\$358,000)

Please see Schedule A for a detailed analysis of historic results.

Revenue

Total revenue has fluctuated between approximately \$2,940,000 in 2011 and \$3,275,000 in 2012. Championship Course revenue is budgeted in 2013 (2012 summer through 2013 spring) at \$2,433,125 which is a 5% decline from 2012 levels and a 2% overall decline since 2010. Mountain Course revenue is budgeted in 2013 at \$734,900 which is a 3% increase from 2012 levels and a 6% overall decline since 2010.

Golf revenue, the single greatest source of revenue for the Courses, has been in steady decline since 2010, with a momentary blip in 2012, that according to Management, was mostly attributed to exceptional weather. Golf revenue (green fees and play passes) has accounted for greater than 60% of total revenue every year and is measured and evaluated as a function of rounds played and the prices paid/attained for each round.

Rounds Played

Rounds played at the Championship Course have averaged approximately 21,500 over the past three years and are budgeted at this historic average for 2013 while rounds played at the Mountain Course have averaged 14,140 over the past three years and are budgeted at 13,500 for 2013.

Table 2: Rounds Played Comparison to Benchmarks

Rounds Played (18-hole equivalents)	2009/2010	2010/2011	2011/2012	2012/2013	Benchmark Range
Championship Course	21,799	20,010	22,850	21,525	18,000 to 24,000
Mountain Course	15,771	13,246	13,407	13,500	20,500 to 26,500

Overall, the Championship Course is operating within the annual benchmark range for rounds in the local market area while the Mountain Course is operating at a considerable rounds deficiency.

The normal operating capacity, given all available tee times every year, is upwards of 30,000 rounds for the Championship Course and 32,000 for the Mountain Course. Accordingly, the benchmark range is indicative of a highly competitive market with insufficient demand to fill the available supply of rounds in the marketplace.

The Championship Course has a limited opportunity to improve utilization and must aggressively compete with other local market area championship golf courses for a disproportionate share of rounds in order to do so. It will be important for the Championship Course to differentiate itself in the market from both a rate perspective and a packaging and programming perspective. Aggressive yield management techniques must be employed in order to generate the greatest amount of revenue from every round played on the golf course in order to enhance revenues and the bottom line.

It is important to note that resident green fee rounds have been in steady decline at the Championship Course over the past three years and are budgeted to be almost 1,000 less in 2013 (5,865) than they were in 2012 (6,852), with a shift to considerably more play pass rounds in 2013 than in 2010 and 2011, although, lower than 2012. This shift has been evaluated closely, as play pass rounds generally yield less revenue per round than green fee rounds. It appears as though a major contributing factor to this

downward trend in resident rounds played relates to price. Resident green fee rates have been increased by approximately 27% or 9% per year since 2010.

The Mountain Course has considerable room for improvement in rounds played with historic performance indicative of unsuccessful marketing and pricing. Resident rounds played, which represent the market of greatest opportunity for the Mountain Course, have been in steady decline over the past three years.

It is important to track and evaluate the net rate (revenue) received from every round of golf played in order to identify the greatest opportunities for rounds and revenue enhancement.

Net Rate per Round

The net rate per round being achieved by the Championship Course is well below the industry benchmark of 70% to 80% of the average posted peak rate for public or semi-private courses.

The Mountain Course on the other hand has achieved a net rate per round historically at the high-end of the benchmark range and is budgeted to achieve a net rate per round higher than the benchmark range in 2013.

Table 3: Net Rate per Round Comparison to Benchmarks

Net Rate Per Round (% of Average Posted Peak Rate)	2009/2010	2010/2011	2011/2012	2012/2013	Benchmark Range
Championship Course	64%	61%	56%	55%	70% to 80%
Mountain Course	76%	73%	76%	82%	70% to 80%

This is a critical performance indicator for any course as it identifies the amount of revenue that is actually contributed to the bottom line from tee time inventory items sold. This is even more important once a course’s annual rounds reach normal operating capacity as additional units of revenue no longer come from added inventory units; they only come from improving the yield from the existing finite units.

The Championship Course’s net rate per round has been in a state of steady decline over the past four years including the 2013 budget, from \$73.14 per round in 2010 to a budgeted \$66.58 per round in 2013. This is indicative of a shift in the type of rounds being sold and correlates directly with the shift noted previously in rounds from green fee rounds to play pass rounds.

The Mountain Course’s net rate per round has been in a state of steady climb from \$40.60 per round in 2010 to \$44.84 budgeted for 2013. It is interesting to note that this steady climb in net rate correlates directly to the steady decline in rounds played. The Mountain Course has considerable room for

improvement in rounds played with historic performance indicative of unsuccessful marketing and pricing.

The net rate per round a course achieves is directly attributed to the number and level of discounts provided to different player types in relation to the average posted peak rate. It is incredibly important for a course to structure golf pricing, programs and packages with their overall net rate per round in mind, ultimately managing their business to a targeted net rate. A net rate per round well below the industry benchmark level typically indicates that either the course’s peak rates are much too high for the market, which is detrimental to attracting all possible audiences of golfer; or, that the course is discounting too many tee times too steeply, which is detrimental to the course’s ability to ultimately charge their peak rates. It appears as though the Championship Course has been experiencing a combination of these issues, with the peak rate being too high relative to their market while simultaneously offering more and more discounts off their average posted peak rate over the past four years through increased play passes.

Golf Cart Rentals

Golf carts are included in the green fees at both the Championship and the Mountain Golf Courses.

Driving Range Revenue

The Championship Course is the only Course with a driving range, and the driving range is not large enough for golfers of all skill levels to hit regulation golf balls with all clubs in their bag. Accordingly, the Course implemented restricted flight golf balls in 2012. The Course sells both annual range passes and one-time buckets of balls. A bucket of range balls is only included for golfers paying the non-resident green fee rate. All other golfers must either purchase an annual range pass or purchase a bucket every time they wish to use the range.

Table 4: Driving Range Revenue Comparison to Benchmarks

Revenue Per Round	2009/2010	2010/2011	2011/2012	2012/2013	Benchmark Range
Championship Course	\$6.62	\$6.92	\$5.90	\$5.88	\$1.50 to \$3.50 per Round
Mountain Course	n/a	n/a	n/a	n/a	n/a

Overall, driving range revenue is considerable for the Championship Course and well above benchmark levels due to the location of the range in Incline Village and the ability to draw golfers to the range that are not playing golf at the Course. There has been a steady decline in driving range revenue per round over the past four years which Management attributes to the implementation of limited flight golf balls.

Merchandise Revenue

Merchandise Revenue is measured on a per round basis as well in order to ensure annual comparisons are accurate and based on traffic flow.

Table 5: Merchandise Revenue Comparison to Benchmarks

Revenue Per Round	2009/2010	2010/2011	2011/2012	2012/2013	Benchmark Range
Championship Course	\$22.52	\$21.82	\$22.52	\$22.27	\$18.50 to \$22.50
Mountain Course	\$5.19	\$4.95	\$5.68	\$5.39	\$2.50 to \$4.50

Overall, merchandise revenue is considerable for both Courses and indicative of a captive market audience.

Food and Beverage Revenue

Food and beverage revenue is also measured on a per round basis under the theory that the greater traffic through the facility from rounds of golf, the more opportunity for food and beverage sales.

Table 6: Food and Beverage Revenue Comparison to Benchmarks

Revenue Per Round	2009/2010	2010/2011	2011/2012	2012/2013	Benchmark Range
Championship Course	\$11.78	\$12.68	\$13.25	\$13.19	\$14.50 to \$24.50
Mountain Course	\$5.19	\$4.95	\$5.68	\$5.39	\$4.50 to \$6.50

The Championship Course Clubhouse is grand in scale and provides the Course an opportunity to host significant weddings and events unrelated to golf. This is the reason for the wide benchmark range. Considering the food and beverage options at the Mountain Golf Course, the revenue generated per round historically has been reasonable and offers limited opportunity for enhancement given the scope of operations associated with an executive course such as the Mountain.

Cost of Sales

Pro Shop Merchandise Cost of Sales

Overall, the merchandise cost of sales are actually on the low-end when compared to the industry benchmark of 70% to 75% for a public/resort course.

Table 7: Merchandise Cost of Sales Comparison to Benchmarks

% of Gross Revenue	2009/2010	2010/2011	2011/2012	2012/2013	Benchmark Range
Championship Course	64%	62%	63%	67%	70% to 75% of Gross Revenue
Mountain Course	42%	37%	38%	58%	55% to 65% of Gross Revenue

However, it should be noted that according to our discussions with Management, the GCIV do not sell very much in the way of hard goods, which typically carry a higher cost of sales and act to keep the overall cost of sales for merchandise revenue below 70%.

Food and Beverage Cost of Sales

Please see Food and Beverage Expense Analysis for a complete benchmark.

Expenses

Golf Operations

Overall, golf operation costs have been relatively stable over the past four years at both Courses with the exception of 2012 on the Championship Course. Payroll and benefit costs for golf operations on the Championship Course spiked in 2012 by approximately \$120,000, which was mostly attributed to different categorization of the Director of Golf Operations salary as the Director of Golf Operations was promoted from the Head Golf Professional role at the Championship Course.

Table 8: Golf Operations Expense Comparison to Benchmarks

Expenses	2009/2010	2010/2011	2011/2012	2012/2013	Benchmark Range
Championship Course	\$510,524	\$502,526	\$645,544	\$529,734	\$335,000 to \$465,000
Mountain Course	\$228,729	\$224,457	\$236,450	\$188,276	\$135,000 to \$195,000

The Championship Course is significantly higher than the benchmark range for Golf Operations expenses, the majority of which relates to salaries and wages. Therefore, there should be an opportunity to find efficiencies in job responsibilities and structure to reduce the golf operations expenses by \$60,000 to \$100,000 from the budgeted 2013 line items above.

According to the newly assigned Director of Golf, adjustments are already underway to the staffing levels and various expense lines related to Golf Operations which will take effect for the upcoming season. As an example, both the Head Golf Professional and Merchandiser positions are being converted from full-time salaried positions into part-time positions that, combined with other efficiencies already in the works, will help to reduce expenses to benchmark targets.

The Mountain Course falls within the benchmark range for Golf Operations expenses.

Greens Maintenance

Overall, greens maintenance expenses are substantial and represent the greatest category of expenses for GCIV with the Mountain Course expenses representing 43% of the Championship Course expenses in the 2013 budget.

The Championship Course appears to be overspending on greens maintenance while the Mountain Course appears to be spending the appropriate total amount; however, an opportunity exists to shift expenses within the department to better utilize resources and improve conditioning.

Table 9: Greens Maintenance Expense Comparison to Benchmarks

Expenses	2009/2010	2010/2011	2011/2012	2012/2013	Benchmark Range
Championship Course	\$983,213	\$1,089,532	\$1,065,949	\$1,010,268	\$695,000 to \$845,000
Mountain Course	\$468,060	\$487,409	\$434,774	\$443,856	\$425,000 to \$475,000

The Championship Course greens maintenance expenses are significantly higher than the benchmark range, all factors considered (greens maintenance expenses include utility costs and fleet costs such as fuel, maintenance, etc. that are allocations); while the Mountain Course expenses fall within the benchmark range.

The greens maintenance budget for the Championship Course is substantially higher than benchmark with the leading contributor being payroll and benefit expenses that are over \$50,000 higher than benchmark. Fleet services expenses and Services and Supplies expenses also appear to be higher than benchmark with the ability to reduce annual expenses by approximately \$12,500 and \$15,000 respectively. It should be noted, that upon first glance, fleet services expenses appear to be significantly higher than benchmark (Approximately \$80,000 higher); however, this is attributable to the payroll and benefit costs of a full-time mechanic in similar operations. Typically, we would expect a full-time mechanic on staff with the associated payroll and benefit costs reflected in the overall payroll and benefit costs for greens maintenance department and equipment fuel and repairs and maintenance costs separately itemized at a benchmark of \$25,000 to \$35,000 and \$25,000 to \$40,000 respectively.

Accordingly, there appears to be an opportunity to reduce payroll and benefit expenses on the Championship Course through the reduction in headcount and number of months of employment in the Championship Course greens maintenance department. That being said, the fairways were not sand-capped or sodded when the Course was renovated and thus additional dollars must be spent on labor to address soggy patches and hot spots via deep tine aerification and hand watering as well as additional dollars on aggregates to top dress fairways and gradually build up a reasonable sand capping.

While supplies appear to be slightly higher than benchmark levels, it is recommended that the Course continue with an aggressive topdressing program in order to continue attacking irrigation, drainage and turf quality issues on the fairways due to the absence of adequate sand capping.

While the Mountain Course falls within the benchmark range, fleet services expenses represent approximately \$86,000 of the budgeted \$443,856 - a substantial amount that is well in excess of benchmarks while payroll and benefit expenses appear to be below benchmark levels. Accordingly, there may be an opportunity to spend more on greens maintenance payroll and benefits for added headcount and less on fleet services at the Mountain Course in order to enhance conditioning.

Food and Beverage

Food and beverage costs are typically benchmarked as a percentage of gross food and beverage revenues.

Table 10: Food and Beverage Expense Comparison to Benchmarks

% of Gross Revenue	2009/2010	2010/2011	2011/2012	2012/2013	Benchmark Range
Championship Course					
Cost of Sales	28%	38%	26%	28%	34% to 38%
Payroll & Benefits	41%	48%	37%	43%	36% to 42%
Other	24%	25%	25%	24%	8% to 10%
Total Championship	93%	111%	88%	95%	78% to 90%
Mountain Course					
Cost of Sales	28%	35%	22%	27%	28% to 34%
Payroll & Benefits	39%	72%	43%	49%	36% to 42%
Other	14%	17%	14%	21%	6% to 9%
Total Mountain	81%	124%	79%	97%	70% to 85%

The food and beverage analysis in Table 10 above is indicative of inconsistent reporting and tracking of costs and possible cut-off issues with reporting. Certain costs that would typically be categorized as costs of sales may be categorized as other costs in the statistics above and the GCIV financials, as cost of sales appear to be generally on the very low end and other costs are significantly higher than benchmarks.

Overall, there appears to be an opportunity to improve food and beverage operations at both facilities in order to increase bottom line contribution.

Administration



Overall, administrative costs at both Courses are reasonable and appear to be in line or below benchmark levels. The Mountain Course is able to maintain an expense profile at the low-end of the benchmark range due to the Director of Golf’s shared resources with both Courses and resulting proportionate allocation of cost.

Table 11: General and Administrative Expense Comparison to Benchmarks

Expenses	2009/2010	2010/2011	2011/2012	2012/2013	Benchmark Range
Championship Course	\$460,920	\$466,052	\$306,188	\$457,237	\$348,000 to \$528,000
Mountain Course	\$117,163	\$108,283	\$73,673	\$109,449	\$110,000 to \$145,000

Analysis of the individual line items within administration revealed that both the Championship Course and Mountain Course spend too little on marketing and promotions, averaging approximately 2% of gross revenue annually per Course with the low-end of the benchmark range at 3% for mature operations and the high-end for a new start-up course at 7%.

INCLINE VILLAGE FACILITIES ASSESSMENT AND FUTURE NEEDS

Mountain and Championship Golf Courses

Attachment II - Schedule A

Financial Analysis & Projections

Fiscal Year Ended June 30th	Historic Results			Budget	Projections				
	2010	2011	2012	2013	Year 1	Year 2	Year 3	Year 4	Year 5
REVENUE	\$								
Championship Course Revenue									
Golf Revenue									
Golf Passes	165,310	198,319	478,601	1,433,225	1,561,381	1,658,167	1,762,961	1,872,507	1,986,977
Hyatt Sports Shop Admissions and Fees			17,776	110,100					
Golf Admissions and Fees	1,429,084	1,231,227	1,093,020						
Golf Goods and Services (Club Rentals, etc.)	31,512	35,692	43,595						
Sponsorships	-	-	3,000						
Total Golf Revenue	1,625,906	1,465,238	1,635,992	1,543,325	1,561,381	1,658,167	1,762,961	1,872,507	1,986,977
Driving Range Revenue									
Driving Range Passes	50,365	56,230	55,331	126,500	129,094	136,962	145,269	153,730	160,060
Driving Range Admissions and Fees	43,410	46,296	49,563						
Driving Range Goods and Services (Rental Clubs)	50,448	35,938	30,012						
Total Driving Range Revenue	144,223	138,464	134,906	126,500	129,094	136,962	145,269	153,730	160,060
Total Pro Shop Goods and Services (Merchandise) Revenue	454,247	400,515	470,881	479,300	492,308	508,086	525,202	542,577	571,643
Total Food and Beverage Revenue	256,805	253,689	302,652	284,000	295,385	309,270	324,061	339,111	365,851
Other Revenue									
Hyatt Sports Shop Goods and Services			11,707						
Administration Admissions and Fees	(281)	2,195	5,581						
Administration Goods and Services (Merchandise)	5,148	500	115						
Total Other Revenue	4,867	2,695	17,403	-	-	-	-	-	-
Total Championship Course Revenue	2,486,048	2,260,601	2,561,834	2,433,125	2,478,168	2,612,484	2,757,493	2,907,925	3,084,531
Delta	n/a	-9%	13%	-5%	2%	5%	6%	5%	6%
Cumulative Delta	n/a	-9%	3%	-2%	2%	7%	13%	18%	24%
Mountain Course Revenue									
Golf Revenue									
Golf Passes	13,912	17,282	30,681	605,300	651,804	716,988	791,365	874,189	937,234
Golf Admissions and Fees	626,386	525,716	527,040						
Golf Goods and Services (Club Rentals, etc.)	21,132	24,358	27,025						
Total Golf Revenue	661,430	567,356	584,746	605,300	651,804	716,988	791,365	874,189	937,234

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Mountain and Championship Golf Courses

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Financial Analysis & Projections

Fiscal Year Ended June 30th	Historic Results			Budget	Projections				
	2010	2011	2012	2013	Year 1	Year 2	Year 3	Year 4	Year 5
Total Pro Shop Goods and Services (Merchandise) Revenue	46,268	48,420	54,320	56,800	63,307	74,190	85,871	97,893	102,895
Total Food and Beverage Revenue	81,838	65,532	76,130	72,800	80,436	90,677	103,949	117,471	123,474
Other Revenue									
Administration Goods and Services	(7,953)	-	-	-	-	-	-	-	-
Total Other Revenue	(7,953)	-	-	-	-	-	-	-	-
Total Mountain Course Revenue	781,583	681,308	715,196	734,900	795,547	881,855	981,184	1,089,553	1,163,603
Delta	n/a	-13%	5%	3%	8%	11%	11%	11%	7%
Cumulative Delta	n/a	-13%	-8%	-6%	8%	19%	30%	41%	48%
TOTAL REVENUE	3,267,631	2,941,909	3,277,030	3,168,025	3,273,714	3,494,339	3,738,677	3,997,478	4,248,134
Delta	n/a	-10%	11%	-3%	3%	7%	7%	7%	6%
Cumulative Delta	n/a	-10%	0%	-3%	3%	10%	17%	24%	30%

INCLINE VILLAGE FACILITIES ASSESSMENT AND FUTURE NEEDS

Mountain and Championship Golf Courses

Attachment II - Schedule A

Financial Analysis & Projections

Fiscal Year Ended June 30th	Historic Results			Budget	Projections				
	2010	2011	2012	2013	Year 1	Year 2	Year 3	Year 4	Year 5
COST OF SALES									
Championship Course Cost of Sales									
Pro Shop Goods and Services (Merchandise)	315,207	269,255	324,460	322,700	344,615	355,660	367,642	379,804	400,150
Food and Beverage	72,715	96,475	79,220	78,800	106,338	111,337	116,662	122,080	131,707
Total Championship Course Cost of Sales	387,922	365,730	403,680	401,500	450,954	466,997	484,303	501,884	531,856
Delta	n/a	-6%	10%	-1%	12%	4%	4%	4%	6%
Cumulative Delta	n/a	-6%	4%	4%	12%	16%	20%	23%	29%
Mountain Course Cost of Sales									
Pro Shop Goods and Services (Merchandise)	25,153	27,135	31,068	33,100	37,984	44,514	51,523	58,736	61,737
Food and Beverage	23,143	22,950	16,820	19,500	22,522	25,390	29,106	32,892	34,573
Total Mountain Course Cost of Sales	48,296	50,085	47,888	52,600	60,506	69,904	80,628	91,628	96,310
Delta	n/a	4%	-4%	10%	15%	16%	15%	14%	5%
Cumulative Delta	n/a	4%	-1%	9%	15%	31%	46%	60%	65%
TOTAL COST OF SALES	436,218	415,815	451,568	454,100	511,460	536,901	564,932	593,511	628,166
Delta	n/a	-5%	9%	1%	13%	5%	5%	5%	6%
Cumulative Delta	n/a	-5%	4%	4%	13%	18%	23%	28%	34%
GROSS MARGIN									
Championship Course	2,098,126	1,894,871	2,158,154	2,031,625	2,027,214	2,145,487	2,273,190	2,406,041	2,552,675
Mountain Course	733,287	631,223	667,308	682,300	735,041	811,951	900,556	997,926	1,067,293
Total Gross Margin	2,831,413	2,526,094	2,825,462	2,713,925	2,762,254	2,957,439	3,173,746	3,403,967	3,619,968
Delta	n/a	-11%	12%	-4%	2%	7%	7%	7%	6%
Cumulative Delta	n/a	-11%	0%	-4%	2%	9%	16%	23%	30%
EXPENSES									
Championship Course Expenses									
Golf Operations (Services, Driving Range, Carts, Pro Shop)									
Payroll and Benefits									
Course Operations	193,773	136,242	256,374	187,418	-	-	-	-	-
Driving Range	38,936	30,265	30,742	24,547	-	-	-	-	-

INCLINE VILLAGE FACILITIES ASSESSMENT AND FUTURE NEEDS

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Financial Analysis & Projections

Fiscal Year Ended June 30th	Historic Results			Budget	Projections				
	2010	2011	2012	2013	Year 1	Year 2	Year 3	Year 4	Year 5
Golf Carts	50,949	76,710	74,360	54,748		-	-	-	-
Pro Shop	93,919	100,418	108,059	96,221		-	-	-	-
Total Payroll and Benefits	377,577	343,635	469,535	362,934	285,000	290,700	296,514	302,444	308,493
Delta	n/a	-9%	37%	-23%	-21%	2%	2%	2%	2%
Cumulative Delta	n/a	-9%	24%	-4%	-21%	-19%	-17%	-15%	-13%
Services and Supplies									
Course Operations	33,331	33,816	63,200	46,800	32,000	32,640	33,293	33,959	34,638
Driving Range	24,726	21,751	28,602	32,000	28,000	28,560	29,131	29,714	30,308
Golf Carts	59,073	80,452	73,649	69,900	65,000	66,300	67,626	68,979	70,358
Pro Shop	2,938	11,013	(1,999)	5,400	5,508	5,618	5,731	5,845	5,962
Total Services and Supplies	120,068	147,032	163,452	154,100	130,508	133,118	135,781	138,496	141,266
Delta	n/a	22%	11%	-6%	-15%	2%	2%	2%	2%
Cumulative Delta	n/a	22%	36%	28%	-15%	-13%	-11%	-9%	-7%
Utilities									
Course Operations	182	3	858	900	918	936	955	974	994
Driving Range	-	-	-	-	-	-	-	-	-
Golf Carts	12,660	11,848	11,699	11,800	12,036	12,277	12,522	12,773	13,028
Pro Shop	37	8	-	-	-	-	-	-	-
Total Utilities	12,879	11,859	12,557	12,700	12,954	13,213	13,477	13,747	14,022
Delta	n/a	-8%	6%	1%	2%	2%	2%	2%	2%
Cumulative Delta	n/a	-8%	-3%	-1%	2%	4%	6%	8%	10%
Total Golf Operations	510,524	502,526	645,544	529,734	428,462	437,031	445,772	454,687	463,781
Delta	n/a	-2%	28%	-18%	-19%	2%	2%	2%	2%
Cumulative Delta	n/a	-2%	26%	4%	-19%	-17%	-15%	-13%	-11%
Greens Maintenance									
Payroll and Benefits	506,070	523,887	531,134	486,768	505,000	515,100	525,402	535,910	546,628
Professional Services	-	4,283	4,688	2,300	2,346	2,393	2,441	2,490	2,539
Services and Supplies	216,423	273,997	248,333	240,200	225,000	229,500	234,090	238,772	243,547

INCLINE VILLAGE FACILITIES ASSESSMENT AND FUTURE NEEDS

Mountain and Championship Golf Courses

Attachment II - Schedule A

Financial Analysis & Projections

Fiscal Year Ended June 30th	Historic Results			Budget	Projections				
	2010	2011	2012	2013	Year 1	Year 2	Year 3	Year 4	Year 5
Equipment Repair	146,840	174,993	156,399	155,400	70,000	71,400	72,828	74,285	75,770
Utilities	113,880	112,372	125,395	125,600	128,112	130,674	133,288	135,953	138,673
Total Greens Maintenance	983,213	1,089,532	1,065,949	1,010,268	930,458	949,067	968,049	987,409	1,007,158
Delta	n/a	11%	-2%	-5%	-8%	2%	2%	2%	2%
Cumulative Delta	n/a	11%	8%	3%	-8%	-6%	-4%	-2%	0%
Food and Beverage									
Payroll and Benefits	105,649	121,340	112,795	120,971	124,062	129,893	136,106	142,426	153,658
Services and Supplies	61,024	64,386	75,544	67,600	29,538	30,927	32,406	33,911	36,585
Utilities	5,501	8,865	14,085	7,900	7,900	8,058	8,219	8,384	8,551
Total Food and Beverage	172,174	194,591	202,424	196,471	161,500	168,878	176,731	184,721	198,794
Delta	n/a	13%	4%	-3%	-18%	5%	5%	5%	8%
Cumulative Delta	n/a	13%	18%	14%	-18%	-13%	-9%	-4%	4%
Hyatt Sports Shop									
Payroll and Benefits	-	-	7,047	34,462	35,151	35,854	36,571	37,303	38,049
Services and Supplies	-	-	6,221	20,700	21,114	21,536	21,967	22,406	22,854
Utilities	-	-	134	400	408	416	424	433	442
Total Hyatt Sports Shop	-	-	13,402	55,562	56,673	57,807	58,963	60,142	61,345
Delta	n/a	n/a	n/a	315%	2%	2%	2%	2%	2%
Cumulative Delta	n/a	n/a	n/a	n/a	2%	4%	6%	8%	10%
Administration									
Payroll and Benefits	210,871	212,901	106,229	228,737	233,312	237,978	242,738	247,592	252,544
Marketing Services and Supplies	43,266	57,363	29,778	55,000	74,345	78,375	82,725	87,238	92,536
Professional Services	10,704	11,362	6,154	11,200	11,424	11,652	11,886	12,123	12,366
Services and Supplies	105,701	107,429	96,202	88,800	90,576	92,388	94,235	96,120	98,042
Insurance	43,796	35,257	35,398	38,900	39,678	40,472	41,281	42,107	42,949
Utilities	46,582	41,740	32,427	34,600	35,292	35,998	36,718	37,452	38,201
Total Administration	460,920	466,052	306,188	457,237	484,627	496,862	509,582	522,632	536,638
Delta	n/a	1%	-34%	49%	6%	3%	3%	3%	3%
Cumulative Delta	n/a	1%	-34%	-1%	6%	9%	11%	14%	16%
Total Championship Course Expenses	2,126,831	2,252,701	2,233,507	2,249,272	2,061,720	2,109,645	2,159,096	2,209,592	2,267,716
Delta	n/a	6%	-1%	1%	-8%	2%	2%	2%	3%
Cumulative Delta	n/a	6%	5%	6%	-8%	-6%	-4%	-1%	1%

INCLINE VILLAGE FACILITIES ASSESSMENT AND FUTURE NEEDS

Mountain and Championship Golf Courses

Attachment II - Schedule A

Financial Analysis & Projections

Fiscal Year Ended June 30th	Historic Results			Budget	Projections				
	2010	2011	2012	2013	Year 1	Year 2	Year 3	Year 4	Year 5
Mountain Course Expenses									
Golf Operations (Services, Driving Range, Carts, Pro Shop)									
Payroll and Benefits									
Course Operations	139,498	147,796	147,154	95,432	97,341	99,287	101,273	103,299	105,365
Golf Carts	21,792	20,687	20,535	23,905	24,383	24,871	25,368	25,876	26,393
Pro Shop	17,202	19,979	20,110	18,939	19,318	19,704	20,098	20,500	20,910
Total Payroll and Benefits	178,492	188,462	187,799	138,276	141,042	143,862	146,740	149,674	152,668
Delta	n/a	6%	0%	-26%	2%	2%	2%	2%	2%
Cumulative Delta	n/a	6%	5%	-23%	2%	4%	6%	8%	10%
Services and Supplies									
Course Operations	4,199	4,642	5,273	6,800	6,936	7,075	7,216	7,361	7,508
Golf Carts	44,941	30,152	42,031	41,900	63,500	64,770	66,065	67,387	68,734
Pro Shop	-	-	-	-	-	-	-	-	-
Total Services and Supplies	49,140	34,794	47,304	48,700	70,436	71,845	73,282	74,747	76,242
Delta	n/a	-29%	36%	3%	45%	2%	2%	2%	2%
Cumulative Delta	n/a	-29%	-4%	-1%	45%	47%	49%	51%	53%
Utilities									
Course Operations	1,097	1,201	1,347	1,300	1,326	1,353	1,380	1,407	1,435
Golf Carts	-	-	-	-	-	-	-	-	-
Pro Shop	-	-	-	-	-	-	-	-	-
Total Utilities	1,097	1,201	1,347	1,300	1,326	1,353	1,380	1,407	1,435
Delta	n/a	9%	12%	-3%	2%	2%	2%	2%	2%
Cumulative Delta	n/a	9%	23%	19%	2%	4%	6%	8%	10%
Total Golf Operations	228,729	224,457	236,450	188,276	212,804	217,060	221,401	225,829	230,345
Delta	n/a	-2%	5%	-20%	13%	2%	2%	2%	2%
Cumulative Delta	n/a	-2%	3%	-18%	13%	15%	17%	19%	21%
Greens Maintenance									
Payroll and Benefits	254,931	268,009	217,731	218,356	250,223	255,228	260,332	265,539	270,850
Professional Services	-	1,300	-	1,300	1,326	1,353	1,380	1,407	1,435
Equipment Repair	79,301	85,732	87,114	86,600	53,332	54,399	55,487	56,596	57,728
Services and Supplies	80,916	77,889	69,901	79,000	80,580	82,192	83,835	85,512	87,222

INCLINE VILLAGE FACILITIES ASSESSMENT AND FUTURE NEEDS

Mountain and Championship Golf Courses

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Financial Analysis & Projections

Fiscal Year Ended June 30th	Historic Results			Budget	Projections				
	2010	2011	2012	2013	Year 1	Year 2	Year 3	Year 4	Year 5
Utilities	52,912	54,479	60,028	58,600	59,772	60,967	62,187	63,431	64,699
Total Greens Maintenance	468,060	487,409	434,774	443,856	445,233	454,138	463,221	472,485	481,935
Delta	n/a	4%	-11%	2%	0%	2%	2%	2%	2%
Cumulative Delta	n/a	4%	-7%	-5%	0%	2%	4%	6%	8%
Food and Beverage									
Payroll and Benefits	31,894	47,035	32,950	35,646	30,566	34,457	39,501	44,639	46,920
Services and Supplies	11,404	11,431	10,919	15100	7,239	8,161	9,355	10,572	11,113
Utilities	1,812	2,400	5,379	4,600	4,600	4,692	4,786	4,882	4,979
Total Food and Beverage	45,110	60,866	49,248	55,346	42,405	47,310	53,642	60,093	63,012
Delta	n/a	35%	-19%	12%	-23%	12%	13%	12%	5%
Cumulative Delta	n/a	35%	9%	23%	-23%	-12%	2%	14%	18%
Administration									
Payroll and Benefits	34,687	32,991	16,511	30,349	30,956	31,575	32,207	32,851	33,508
Marketing Services and Supplies	17,011	13,716	7,356	20,000	20,400	20,808	21,224	21,649	22,082
Professional Services	1,365	5,355	1,500	1,600	1,632	1,665	1,698	1,732	1,767
Services and Supplies	31,443	30,879	23,742	31,900	32,538	33,189	33,853	34,530	35,220
Insurance	17,373	11,752	11,799	11,900	12,138	12,381	12,628	12,881	13,139
Utilities	15,284	13,590	12,765	13,700	13,974	14,253	14,539	14,829	15,126
Total Administration	117,163	108,283	73,673	109,449	111,638	113,871	116,148	118,471	120,841
Delta	n/a	-8%	-32%	49%	2%	2%	2%	2%	2%
Cumulative Delta	n/a	-8%	-37%	-7%	2%	4%	6%	8%	10%
Total Mountain Course Expenses	859,062	881,015	794,145	796,927	812,080	832,378	854,411	876,878	896,132
Delta	n/a	3%	-10%	0%	2%	2%	3%	3%	2%
Cumulative Delta	n/a	3%	-8%	-7%	2%	4%	7%	10%	12%
TOTAL EXPENSES	2,985,893	3,133,716	3,027,652	3,046,199	2,873,800	2,942,024	3,013,507	3,086,470	3,163,848
Delta	n/a	5%	-3%	1%	-6%	2%	2%	2%	3%
Cumulative Delta	n/a	5%	1%	2%	-6%	-3%	-1%	2%	4%
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION ("EBITDA")									
Championship Course	(28,705)	(357,830)	(75,353)	(217,647)	(34,506)	35,842	114,094	196,449	284,959
Mountain Course	(125,775)	(249,792)	(126,837)	(114,627)	(77,039)	(20,427)	46,145	121,048	171,161
TOTAL EBITDA	(154,480)	(607,622)	(202,190)	(332,274)	(111,545)	15,415	160,238	317,497	456,120

INCLINE VILLAGE FACILITIES ASSESSMENT AND FUTURE NEEDS

Mountain and Championship Golf Courses

Attachment II - Schedule A

Financial Analysis & Projections

Fiscal Year Ended June 30th	Historic Results			Budget	Projections				
	2010	2011	2012	2013	Year 1	Year 2	Year 3	Year 4	Year 5
Capital Maintenance Expense									
Championship Course		113,706	163,000	242,025	123,908	130,624	137,875	145,396	154,227
Mountain Course		76,324	116,610	243,300	39,777	44,093	49,059	54,478	58,180
Total Capital Maintenance	-	190,030	279,610	485,325	163,686	174,717	186,934	199,874	212,407
EBITDA AFTER CAPITAL MAINTENANCE EXPENSE									
Championship Course	(28,705)	(471,536)	(238,353)	(459,672)	(158,415)	(94,782)	(23,781)	51,053	130,732
Mountain Course	(125,775)	(326,116)	(243,447)	(357,927)	(116,816)	(64,520)	(2,914)	66,570	112,981
TOTAL EBITDA AFTER CAPITAL MAINTENANCE	(154,480)	(797,652)	(481,800)	(817,599)	(275,231)	(159,302)	(26,695)	117,623	243,713
Annual Capital Fund Contribution for Future Enhancements									
Championship Course (25% of EBITDA after Cap. Ex)					-	-	-	12,763	32,683
Mountain Course (25% of EBITDA after Cap. Ex)					-	-	-	16,642	28,245
Total Annual Fund Contribution					-	-	-	29,406	60,928
Cumulative Fund					-	-	-	29,406	90,334
Net Operating Income									
Championship Course					(158,415)	(94,782)	(23,781)	38,290	98,049
Mountain Course					(116,816)	(64,520)	(2,914)	49,927	84,736
TOTAL REMAINING NET OPERATING INCOME					(275,231)	(159,302)	(26,695)	88,217	182,785

Championship Course									
Depreciation	557,692	521,157	525,129	511,600					
Sale of Capital Assets/Intangibles	-	(428)	5,022						
Interest on Bond Debt	161,529	141,468	116,862	85,778					
Amortization Issuance Cost	4,450	4,578	4,578	4,579					
Fiscal Agent Fee	304	700	418	418					
Total Championship Course	723,975	667,475	652,009	602,375	-	-	-	-	-
Mountain Course									
Depreciation	117,545	123,726	142,241	131,400					
Non-Operating Leases	(15,392)	(38,353)	(36,335)	(31,200)					
Sale of Capital Assets/Intangibles		(5,440)	(576)						
Interest on Bond Debt		-	-						
Amortization Issuance Cost		-	-						

INCLINE VILLAGE FACILITIES ASSESSMENT AND FUTURE NEEDS

Mountain and Championship Golf Courses

Attachment II - Schedule A

Financial Analysis & Projections

Fiscal Year Ended June 30th	Historic Results			Budget	Projections				
	2010	2011	2012	2013	Year 1	Year 2	Year 3	Year 4	Year 5
Fiscal Agent Fee	-	-	-	-	-	-	-	-	-
Total Mountain Course	102,153	79,933	105,330	100,200	-	-	-	-	-
Total Income (Loss)									
Championship Course	(752,680)	(1,025,305)	(727,362)	(820,022)					
Mountain Course	(227,928)	(329,725)	(232,167)	(214,827)					
TOTAL INCOME (LOSS)	(980,608)	(1,355,030)	(959,529)	(1,034,849)					
Delta	n/a	38%	29%	8%					
Cumulative Delta	n/a	38%	2%	6%					

KEY METRICS AND PERFORMANCE INDICATORS

Revenue Metrics

Rounds Played

Championship Course

Resident Green Fee	7,720	7,573	6,852	5,865	6,215	6,565	6,915	7,265	7,615
Resident Guest Green Fee	2,275	1,912	1,919	2,084	2,092	2,101	2,109	2,117	2,126
Non-Resident Green Fee	5,479	4,056	4,672	5,103	5,400	5,600	5,800	6,000	6,200
Play Passes	4,085	5,133	7,434	6,625	6,325	6,025	5,725	5,425	5,125
Other (Staff, Complimentary)	2,240	1,336	1,973	1,848	1,848	1,800	1,800	1,800	1,800
Total Championship Course Rounds	21,799	20,010	22,850	21,525	21,880	22,091	22,349	22,607	22,866

Mountain Course

Resident Green Fee	6,574	5,923	5,831	5,390	6,012	6,721	7,430	8,099	8,545
Resident Guest Green Fee	1,653	1,176	1,151	1,085	1,210	1,353	1,496	1,630	1,720
Non-Resident Green Fee	4,731	4,276	4,529	4,912	5,479	6,125	6,771	7,381	7,787
Play Passes	444	806	1,002	707	789	882	975	1,062	1,121
Other (Staff, Complimentary)	2,369	1,065	894	1,406	1,406	1,406	1,406	1,406	1,406
Total Mountain Course Rounds	15,771	13,246	13,407	13,500	14,896	16,487	18,078	19,579	20,579

Net Rate Per Round

Championship Course

Resident	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Resident Guest	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Non-Resident	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Green Fee Rounds	\$ 80.68	\$ 82.76	\$ 70.90	n/a	n/a	n/a	n/a	n/a	n/a

INCLINE VILLAGE FACILITIES ASSESSMENT AND FUTURE NEEDS

Mountain and Championship Golf Courses

Attachment II - Schedule A

Financial Analysis & Projections

Fiscal Year Ended June 30th	Historic Results			Budget	Projections				
	2010	2011	2012	2013	Year 1	Year 2	Year 3	Year 4	Year 5
Play Pass Rounds	\$ 40.47	\$ 38.64	\$ 64.38	n/a	n/a	n/a	n/a	n/a	n/a
Overall Championship Course Net Rate Per Round	\$ 73.14	\$ 71.44	\$ 69.56	\$ 71.70	\$ 71.36	\$ 75.06	\$ 78.88	\$ 82.83	\$ 86.90
Mountain Course									
Resident	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Resident Guest	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Non-Resident	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Green Fee Rounds	\$ 40.87	\$ 42.26	\$ 42.49	n/a	n/a	n/a	n/a	n/a	n/a
Play Pass Rounds	\$ 31.33	\$ 21.44	\$ 30.62	n/a	n/a	n/a	n/a	n/a	n/a
Overall Mountain Course Net Rate Per Round	\$ 40.60	\$ 40.99	\$ 41.60	\$ 44.84	\$ 43.76	\$ 43.49	\$ 43.77	\$ 44.65	\$ 45.54
Green Fee Rates									
Championship Course									
Resident Green Fee Rates					2%	2%	2%	2%	2%
Peak In-Season Rate	\$ 59.00	\$ 65.00	\$ 75.00	\$ 75.00	\$ 69.00	\$ 70.38	\$ 71.79	\$ 73.22	\$ 74.69
Peak Off-Season Rate	\$ 55.00	\$ 55.00	\$ 65.00	\$ 65.00	\$ 59.00	\$ 60.18	\$ 61.38	\$ 62.61	\$ 63.86
Average Peak Resident Rates	\$ 57.00	\$ 60.00	\$ 70.00	\$ 70.00	\$ 64.00	\$ 65.28	\$ 66.59	\$ 67.92	\$ 69.28
Non-Resident Green Fee Rates									
Peak In-Season Rate	\$ 175.00	\$ 179.00	\$ 179.00	\$ 179.00	\$ 179.00	\$ 182.58	\$ 186.23	\$ 189.96	\$ 193.76
Peak Off-Season Rate	\$ 165.00	\$ 169.00	\$ 169.00	\$ 169.00	\$ 139.00	\$ 141.78	\$ 144.62	\$ 147.51	\$ 150.46
Average Peak Non-Resident Rate	\$ 170.00	\$ 174.00	\$ 174.00	\$ 174.00	\$ 159.00	\$ 162.18	\$ 165.42	\$ 168.73	\$ 172.11
Overall Average Peak Green Fee Rate	\$ 113.50	\$ 117.00	\$ 122.00	\$ 122.00	\$ 111.50	\$ 113.73	\$ 116.00	\$ 118.32	\$ 120.69
Net Rate Per Round as a % of Average Peak Rate									
Resident	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Resident Guest	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Non-Resident	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Play Pass	71%	64%	92%	n/a	n/a	n/a	n/a	n/a	n/a
Overall Net Rate Per Round as a % of Average Peak Rate	64%	61%	57%	59%	64%	66%	68%	70%	72%
Mountain Course									
Resident Green Fee Rates					2%	2%	2%	2%	2%
Peak In-Season Rate	\$ 41.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.90	\$ 46.82	\$ 47.75	\$ 48.71	\$ 49.68
Peak Off-Season Rate	\$ 38.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.80	\$ 41.62	\$ 42.45	\$ 43.30	\$ 44.16
Average Peak Resident Rates	\$ 39.50	\$ 42.50	\$ 42.50	\$ 42.50	\$ 43.35	\$ 44.22	\$ 45.10	\$ 46.00	\$ 46.92

INCLINE VILLAGE FACILITIES ASSESSMENT AND FUTURE NEEDS

Mountain and Championship Golf Courses

Attachment II - Schedule A

Financial Analysis & Projections

Fiscal Year Ended June 30th	Historic Results			Budget	Projections				
	2010	2011	2012	2013	Year 1	Year 2	Year 3	Year 4	Year 5
Non-Resident Green Fee Rates									
Peak In-Season Rate	\$ 71.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 76.50	\$ 78.03	\$ 79.59	\$ 81.18	\$ 82.81
Peak Off-Season Rate	\$ 64.00	\$ 65.00	\$ 60.00	\$ 60.00	\$ 61.20	\$ 62.42	\$ 63.67	\$ 64.95	\$ 66.24
Average Peak Non-Resident Rate	\$ 67.50	\$ 70.00	\$ 67.50	\$ 67.50	\$ 68.85	\$ 70.23	\$ 71.63	\$ 73.06	\$ 74.53
Overall Average Peak Green Fee Rate	\$ 53.50	\$ 56.25	\$ 55.00	\$ 55.00	\$ 56.10	\$ 57.22	\$ 58.37	\$ 59.53	\$ 60.72
Net Rate Per Round as a % of Average Peak Rate									
Resident	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Resident Guest	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Non-Resident	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Play Pass	79%	50%	72%	n/a	n/a	n/a	n/a	n/a	n/a
Overall Net Rate Per Round as a % of Average Peak Rate	76%	73%	76%	82%	78%	76%	75%	75%	75%
Play Passes									
Championship Course									
3 Rounds	n/a	n/a	207	n/a	n/a	n/a	n/a	n/a	n/a
5 Rounds	n/a	n/a	178	n/a	n/a	n/a	n/a	n/a	n/a
7 Rounds	53	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
10 Rounds	n/a	n/a	123	n/a	n/a	n/a	n/a	n/a	n/a
12 Rounds	83	106	n/a	n/a	n/a	n/a	n/a	n/a	n/a
15 Rounds	n/a	n/a	59	n/a	n/a	n/a	n/a	n/a	n/a
20 Rounds	117	107	76	n/a	n/a	n/a	n/a	n/a	n/a
Anytime > 2pm 30 days no cart	n/a	102	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Anytime > 2pm 30 days cart	n/a	97	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Anytime > 2 pm Season no cart	n/a	3	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Anytime > 2 pm Season cart	n/a	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Annual	n/a	n/a	41	n/a	n/a	n/a	n/a	n/a	n/a
Junior	27	27	21	n/a	n/a	n/a	n/a	n/a	n/a
Total Championship Course	280	443	705	-	-	-	-	-	-
Mountain Course									
10 Rounds	57	49	49	n/a	n/a	n/a	n/a	n/a	n/a
Junior	20	41	38	n/a	n/a	n/a	n/a	n/a	n/a
Total Mountain Course	77	90	87	-	-	-	-	-	-

INCLINE VILLAGE FACILITIES ASSESSMENT AND FUTURE NEEDS

Mountain and Championship Golf Courses

Attachment II - Schedule A

Financial Analysis & Projections

Fiscal Year Ended June 30th	Historic Results			Budget	Projections				
	2010	2011	2012	2013	Year 1	Year 2	Year 3	Year 4	Year 5
Annual Both Courses	3	4	2	n/a	n/a	n/a	n/a	n/a	-
Total Play Passes	360	537	794	-	-	-	-	-	-
Driving Range Revenue Per Round at Championship Course	\$ 6.62	\$ 6.92	\$ 5.90	\$ 5.88	\$ 5.90	\$ 6.20	\$ 6.50	\$ 6.80	\$ 7.00
Merchandise Revenue Per Round									
Championship Course	\$ 22.52	\$ 21.82	\$ 22.52	\$ 22.27	\$ 22.50	\$ 23.00	\$ 23.50	\$ 24.00	\$ 25.00
Mountain Course	\$ 3.77	\$ 5.49	\$ 6.07	\$ 4.21	\$ 4.25	\$ 4.50	\$ 4.75	\$ 5.00	\$ 5.00
Total Merchandise Revenue Per Round	\$ 14.65	\$ 15.32	\$ 16.44	\$ 15.31	\$ 15.11	\$ 15.09	\$ 15.12	\$ 15.18	\$ 15.53
Food and Beverage Revenue Per Round									
Championship Course	\$ 11.78	\$ 12.68	\$ 13.25	\$ 13.19	\$ 13.50	\$ 14.00	\$ 14.50	\$ 15.00	\$ 16.00
Mountain Course	\$ 5.19	\$ 4.95	\$ 5.68	\$ 5.39	\$ 5.40	\$ 5.50	\$ 5.75	\$ 6.00	\$ 6.00
Total Food and Beverage Revenue Per Round	\$ 9.01	\$ 9.60	\$ 10.45	\$ 10.19	\$ 10.22	\$ 10.37	\$ 10.59	\$ 10.82	\$ 11.26
Cost of Sales Statistics									
Merchandise COS as a % of Revenue									
Championship Course	64%	62%	63%	67%	70%	70%	70%	70%	70%
Mountain Course	42%	37%	38%	58%	60%	60%	60%	60%	60%
Food and Beverage COS as a % of Revenue									
Championship Course	28%	38%	26%	28%	36%	36%	36%	36%	36%
Mountain Course	28%	35%	22%	27%	28%	28%	28%	28%	28%
Expense Metrics									
Projected Inflation/Expense Growth (CPI)					2%	2%	2%	2%	2%
Food and Beverage Expense Metrics									
Payroll & Benefits as a % of Revenue									
Championship Course	41%	48%	37%	43%	42%	42%	42%	42%	42%
Mountain Course	39%	72%	43%	49%	38%	38%	38%	38%	38%
Services and Supplies as a % of Revenue									
Championship Course	24%	25%	25%	24%	10%	10%	10%	10%	10%
Mountain Course	14%	17%	14%	21%	9%	9%	9%	9%	9%
Total F&B Net Income									
Championship Course	7%	-11%	12%	6%	12%	12%	12%	12%	12%
Mountain Course	19%	-24%	20%	4%	25%	25%	25%	25%	25%

INCLINE VILLAGE FACILITIES ASSESSMENT AND FUTURE NEEDS

Mountain and Championship Golf Courses

Attachment II - Schedule A

Financial Analysis & Projections

Fiscal Year Ended June 30th	Historic Results			Budget	Projections				
	2010	2011	2012	2013	Year 1	Year 2	Year 3	Year 4	Year 5
Advertising expense as a % of gross revenue					3%	3%	3%	3%	3%
Championship Course	2%	3%	1%	2%					
Mountain Course	2%	2%	1%	3%					
Capital Maintenance as a % of gross revenue					5%	5%	5%	5%	5%
Championship Course					5%	5%	5%	5%	5%
Mountain Course					5%	5%	5%	5%	5%

Incline Village General Improvement District

Facilities Assessment and Future Needs

Attachment II

MARKET ANALYSIS

Overview

The Golf Courses at Incline Village (“GCIV”), the Championship Golf Course and the Mountain Golf Course, are located within Incline Village, Nevada on the northern shores of Lake Tahoe, a large fresh water lake in the Sierra Nevada of the United States.

Lake Tahoe is the largest alpine lake in North America^[1] and a popular tourist destination with year-round highway access from Reno, Nevada, Carson City, Nevada, and Sacramento, California. It is home to a number of ski resorts, summer outdoor recreation, including golf courses, and tourist attractions.

Incline Village is a 30 minute drive east from Truckee, California, a 35 minute drive west from Carson City, Nevada and a 45 minute drive south from Reno, Nevada. Generally, individuals will travel up to 30-miles (or roughly 45-minutes) to play at a preferred golf course. As such, this analysis considers the supply of golf courses within a 30-mile radius of Incline Village.

However, in the unique circumstances of a recreation-specific residential neighborhood development such as Incline Village, the distance individuals are willing to travel to play at a preferred golf course is much smaller and is closer to a 5-mile or 10-mile radius. Further, the focus groups held by GGA in August 2012 indicated that most current Club members and annual pass holders live within roughly 10-miles of the GCIV. As a result, this market analysis puts more emphasis on golf courses located in close proximity to the GCIV.

Golf Industry Trends

While the golf industry has been and continues to face a number of challenges, the future outlook remains optimistic. Due to changing demographics, the demand for golf rounds is anticipated to increase in the years to come. Specifically, the large number of “baby boomers” retiring in the next decade is expected to have a significant effect on the golf industry. These individuals are expected to have more leisure time available and sufficient financial resources, even in these troubled economic times, such that demand is anticipated to increase. It should be noted that this is somewhat mitigated by the fact that many retirees are subject to fixed incomes, which can limit the disposable income allocated to recreational activities, including golf, and may become an even greater factor given the current economic climate. As the financial resources of the retiring population change due to the current economic times, the retirees’, once capable of affording a mid to high end golf experience, may

^[1] Lake Tahoe Visitors Authority

be forced to play less and / or seek out a lower level experience than once thought. However, this still offers significant upside through effective yield management programs.

Therefore, with the economy slumping and the aging population base nearing retirement, the affordability and playability of golf courses are becoming increasingly important. Courses that offer an affordable golf experience with multiple options for packaged golf, coupled with multiple tee settings, manageable distances and carries, and those that allow the golfer the chance to roll the ball up to the green, will be best positioned to attract this growing segment of the demographic. These factors should be considered in any golf development, specifically if it will attract retirees.

In the immediate term, past observations and experience in the industry suggest that women represent a significant growth opportunity for the golf industry. The impact of focused efforts to attract and retain women golfers in the game has promising effects for the industry as a whole. For example, with increased pressure on leisure time for many families, the introduction of women to the game of golf provides for many more “family orientated” golf outings as well as providing an immediate base of potential new golfers to spur revenue and diversity in the game. According to Martha Barletta in her book “Marketing to Women”, 90% of home purchases are driven by the female in the relationship. Therefore, women will be a key component of targeted marketing efforts in the foreseeable future.

Overall, facilities that have the capability to serve the growing need for practice and skill development of the golfer while also being able to address the needs of an aging demographic will be best positioned in the future to meet the challenges ahead. The current economic climate will present unique challenges for golf clubs and golfers alike and may produce a shift in the type of supply offered in order to support the potential shift in the demand for specific golf experiences discussed above. However, based on the expanding reach of the game to junior and female golfers and the aging demographic with their increased leisure time, it is expected that the overall demand for golf is well positioned for stability and is expected to increase in the future.

This detailed Market Analysis for GCIV considers market-driven factors that may impact the success of the Club, such as location, quality of the product, pricing and the overall experience relative to other local courses. This information will serve as the foundation for the competitive analysis and will identify key competitive strengths and weaknesses.

Demographic Profile

Local Market Demographics

In order to effectively analyze the local market, demographic trends have been collected using three different radii – 10 miles, 20 miles and 50 miles.

Table 1 on the following page provides the key market demographics while additional detail is provided in Appendix I:

Table 1: Local Market Demographics

Criteria	10 Miles	20 Miles	50 Miles
Population 2011 Estimate	26,780	294,725	670,025
Average Annual % Changes 2000-2010	-0.2%	1.4%	1.9%
Median Age – 2011 Estimate	39.2	39.3	39.2
Average Annual Household Income – 2011 Estimate	\$131,036	\$89,767	\$77,353
Golf Participation Rate	11.2%	11.7%	11.6%
Estimated Number of Golfers	3,000	34,000	78,000
Average Annual Rounds Played per Golfer	17.6	15.8	15.9
Total Estimated Demand (in rounds)	52,800	537,200	1,240,200

The following observations are noted from Table 1:

- The population growth rate within 10-miles of Incline Village from 2000 to 2010 is negative; however, as indicated in Appendix I it is anticipated to increase from 2011 to 2016 to 2.1% per annum surpassing the historic and expected growth rate of the larger radii. This is a positive factor given that Club members and play pass holders of GCIV tend to reside within 10 miles of the Courses.
- The 2011 average annual household income is significantly higher within 10 miles of GCIV indicating the Club is located in an affluent area, which is another positive indicator given the correlation between golf and income levels.
- While the participation rate within 10 miles of GCIV is slightly lower than the larger radii, the average annual rounds played per golfer is higher. However, the total estimated demand for golf (in rounds) is estimated to be only 52,800 which supports a maximum of two 18-hole golf courses (while in reality there are currently six courses within 10 miles, four public/semi-private and two private courses). Consequently, while 10-miles is the primary feeder market for season pass holders, it is necessary to target residents in the surrounding areas (i.e. 20 to 30 miles) as well as tourists for green fee rounds.

Tourism & Visitor Statistics

As previously noted, Incline Village is located on the north shore of Lake Tahoe, an extremely popular year round tourist destination; as such, it is important to consider the impact of tourists to the Club. Given the seasonal nature of golf in this region the visitor statistics will focus on the second and third quarter results as reported by the Nevada Commission on Tourism in “Discover the Facts” which approximate the prime golfing months (May through September).

Table 2: Nevada and Washoe County Visitors

Attributes	Second Quarter	Third Quarter	Combined
Number of Visitors			
Nevada	13,326,691	13,737,106	27,063,797
Washoe County	1,138,625	1,260,884	2,399,509
Number of Room Nights Occupied			
Nevada	14,465,469	14,688,945	29,154,414
Washoe County	1,025,052	1,122,995	2,148,047
Number of Passengers Arriving/Departing from Reno/Tahoe Int. Airport	942,811	1,037,228	1,980,039

Source: Discover the Facts – Q2 and Q3 by Nevada Commission on Tourism.

While the above table provides information on the number of visitors to Nevada and Washoe County, the table below provides tourism-related statistics specific to Washoe County:

Table 3: Washoe County Visitor Statistics

Attributes	Washoe County - 2011
Visitor Demographics:	
Male / Female	61% / 39%
Average Age	44
Visitor Origin – Top States by %:	
California	39.1%
Texas	5.1%
Florida	4.3%
Nevada	4.1%
New York	3.7%
Illinois	3.0%
Arizona	2.9%
Ohio	2.8%
New Jersey	2.6%
Washington	2.5%
Primary Method of Travel:	
Air	41%
Car	54%
Length of Stay in Nights:	
Day Trip	20%

Attributes	Washoe County - 2011
1 Night	12%
2 Nights	24%
3 Nights	18%
4+ Nights	26%
% of Visitors that Played Golf	15%

Source: 2011 Visitor Profile Survey by EMC Research, Inc. on behalf of the Reno-Sparks Convention and Visitors Authority.

As noted in the table above, the overall annual golf participation rate by tourists in 2011 was 15%; however, during the prime golf season (in the second and third quarters) the golf participation rates were slightly higher at 16% and 21% respectively. As such, we have estimated that tourists accounted for approximately 447,000 rounds of prime season golf in Washoe County in 2011 conservatively assuming one round per golfer. This estimate is based on the combined results of the two studies noted above to provide an indication of the impact of tourism on golf. In comparison, it is estimated that Washoe County residents played approximately 787,000 rounds of golf. This estimate is based on the United States Census Bureau 2011 population estimate for Washoe County assuming a golf participation rate of 11.7% and 15.8 rounds per golfer (based on the 20-mile radius demographic statistics previously noted). Based on these estimates, tourists account for approximately 36% of golf rounds played in Washoe County, which is significant. This is also corroborated by golf course operators who indicated a large volume of tourist rounds.

Competitive Market Analysis

Evaluation of Local Competition:

Similar to the demographic (demand side) analysis the supply side analysis will also take into consideration the same three radii: 10-miles, 20-miles and 50-miles of Incline Village. While all golf courses within these radii will compete to some extent with GCIV, the analysis will focus on direct competitors: public/semi-private, high-end regulation length courses and executive length courses within 20 miles. The following table provides a summary of the number and type of courses in the market area:

Table 4: Number and Type of Courses in the Market Area

Attributes	10-Miles	20-Miles	50-Miles
Public/Semi-Private Courses:			
9-Hole	1	3	5
18-Hole	2	13	23
27-Hole		1	2

Attributes	10-Miles	20-Miles	50-Miles
36-Hole	1	3	3
Executive/Par 3 Courses			1
Subtotal	4	20	34
Private Courses:			
9-Hole		1	1
18-Hole	2	7	7
27-Hole		1	1
36-Hole		1	2
Subtotal	2	10	11
Total Number of Courses	6	30	45

In order to effectively analyze and illustrate market trends the public/semi-private golf courses will also be sub-divided into the following segments for comparison purposes:

Peak Posted Green Fee

High-End Courses	\$100 +
Mid-Market Courses	\$50 to \$99
Low-End Courses	< \$50

Public/Semi-Private Courses:

Green Fee Rate Trends:

Within the local market area peak posted greens fees at the regulation length public/semi-private facilities range from \$25.00 to \$240.00, with an average of \$79.91. These are the peak posted rates which vary in their inclusion of power carts and range balls. GCIV had peak posted rates of \$179 and \$75 in 2012 for the Champion and Mountain Courses respectively; these rates are the non-resident rates and include cart and range. Similar to GCIV, many courses in the market area charge a premium to non-residents with reduced rates for local residents.

Overall green fee rates have been flat in the market area over the past three years with an average 0% change. Typically when the average annual percentage change in green fees is below the average inflation rate for the same period, this indicates price sensitivity and/or competitive pressure.

The following table illustrates the average annual percentage change in green fees over the past three years by market segment:

Table 5: Green Fee Rate Trends by Market Segment

Market Position	Average Annual % Change in Green Fees 2010 to 2012
High-End	1%
Mid-Market	-1%
Low-End	0%
Overall	0%

Annual Passes:

Most of the public courses also sell seasonal passes which range from \$599 to \$4,000 for a single member. While a few courses also charge entrance fees which range from \$1,500 to \$7,500, this is not common. As an alternative to seasons passes many courses offer pass books which entitle golfers to a fixed number of rounds and some also offer loyalty programs whereby a nominal flat fee entitles golfers to discounted green fees.

Rounds Played:

The overall average annual 18-hole rounds played at courses in the market area are in the range of 21,000 to 22,000. Based on the length of the playing season normal capacity would be approximately 30,000 per annum; as such, this also indicates that the market is competitive and the supply of golf exceeds the current demand. The following table illustrates average annual rounds played by market segment:

Table 6: Rounds Played by Market Segment

Market Position	Average Annual Rounds Played 2010 to 2012 (18 Hole Equivalent)
High-End	18,053
Mid-Market	22,399
Low-End	26,525

As noted above all segments show rounds played below capacity. However, of particular note is the correlation of green fees with rounds played, more specifically the higher the green fee the lower the

rounds played. While this logic may not apply to individual courses, there definitely appears to be an inverse relationship between green fees and rounds played.

We have also provided an analysis of the weather patterns experienced from 2010 to 2012 in Appendix IV in order to determine any adverse influence this may have had on rounds played. Based on this analysis and discussions with golf course operators, rounds played were on average slightly lower in 2011 due to a higher number of extremely hot days in August and September. In comparison to the 30-year average, which had approximately 50 days with temperatures greater than 90 degrees Fahrenheit, 2011 had 70 days. While warmer temperatures are generally good news for golf clubs, days with temperatures in excess of 90 degrees tend to deter golfers. The average annual fluctuation in reported rounds from 2010 to 2012 varied by less than 5%.

Consequently, while weather may have impacted rounds played slightly in 2011, the fact remains that rounds played in the market area are well below the normal capacity which is attributed to a competitive golf market.

Summary:

In conclusion, both the green fee trends and rounds played trends indicate a competitive public golf market.

Please refer to Appendix II for detailed information on public golf courses in the local market.

Private Clubs:

Private clubs in the market area charge entrance fees in the range of \$1,000 to \$18,500 with annual dues at the 18-hole courses ranging from \$4,500 to \$13,800 for a family. As such, the price point at the private clubs is generally much higher than at the semi-private clubs. Consequently, these clubs do not compete directly with GCIV as they offer a much different experience than that of a public/semi-private course. However, at least two of these courses are currently allowing some non-member play (Schaffer's Mill Golf & Lake Club and The Resort at Red Hawk).

Direct Competitors:

The following in-depth analysis will focus on courses identified as direct competitors to GCIV in order to assess and compare pricing practices. Direct competitors are defined as courses within 20 miles of GCIV with similar posted rates and offerings.

Table 7: Direct Competitor Public Courses within 20 Miles of GCIV

Course	Location	Miles to Incline	Holes	Yardage	Architect
Incline Village	Incline Village, NV		36		
Championship				7106	Robert Trent Jones Sr.
Mountain				3519	Robert Trent Jones Jr.
Northstar at Tahoe	Truckee, CA	9	18	6781	Robert Muir Graves
Old Greenwood	Truckee, CA	12	18	7518	Jack Nicklaus
Gray's Crossing	Truckee, CA	14	18	7466	P. Jacobsen/J. Hardy
Coyote Moon	Truckee, CA	15	18	7177	Brad Bell
Tahoe Donner	Truckee, CA	17	18	N/A	N/A
Genoa Lakes	Genoa, NV	18	36		
Lakes				7359	P. Jacobsen/J. Harbottle III
Resort				7358	J. Harbottle III/J. Miller
Edgewood	Stateline, NV	20	18	7555	George Fazio
Tahoe Paradise	South Lake Tahoe, CA	28	18	4034	N/A

N/A – Information not available.

While there are several comparable courses to the GCIV Championship Course, there is very little to compare the Mountain Course to as there is only one other 18-hole executive course within 50-miles of GCIV, Tahoe Paradise. This course is located twenty-eight miles away and has a much lower price point with a peak rate of \$40 plus cart.

Table 8: Green Fee Rate Comparison

Course	Peak Posted Green Fee Rate (Non-Resident)	Cart	Total Peak Rate Incl. Cart	Shoulder Season Rate	Resident/Guest Rate (if applicable)
Incline Village					
Championship	\$179	Included	\$179	\$169	\$75
Mountain	\$75	Included	\$75	\$60	\$45
Northstar at Tahoe	\$80	Included	\$80	\$60	
Old Greenwood	\$185	Included	\$185	\$140	

Course	Peak Posted Green Fee Rate (Non-Resident)	Cart	Total Peak Rate Incl. Cart	Shoulder Season Rate	Resident/Guest Rate (if applicable)
Gray's Crossing	\$185	Included	\$185	\$140	
Coyote Moon	\$149	Included	\$149	N/A	
Tahoe Donner	\$125	Included	\$125	\$100	\$60/\$75
Genoa Lakes					
Lakes	\$120	Included	\$120	\$60	\$120
Resort	\$80	Included	\$80	\$60	\$49
Edgewood	\$240	Included	\$240	\$160	
Tahoe Paradise	\$40	\$15	\$55	\$40	

N/A – Information not available.

Based on the above the following is evident:

- Most direct competitor courses included both golf cart and range balls in their posted rates.
- The discount reflected in shoulder season rates ranges from 0% to 50%, with an average of 23%. GCIV Championship Course is at the low end of this range at only 5%.

Table 9: Season Passes Comparison

Course	Entrance Fee	Annual Dues	Notes
Incline Village			
Championship	No	\$1,950	
Mountain	No		
Northstar at Tahoe	No	No	
Old Greenwood	No	\$2,900	Allows access to Old Greenwood & Gray's Crossing
Gray's Crossing	No	\$2,900	
Coyote Moon	No	No	
Tahoe Donner			
Homeowners	No	\$1,400	
Public	No	\$2,199	
Genoa Lakes	\$7,500	\$3,096	Membership to both the Resort & Lakes courses
Lakes			
Resort	No	\$595 excl. cart	Resort course only
Edgewood	No	\$4,000	
Tahoe Paradise	N/A	N/A	

N/A – Information is not available.

Based on the above the following is noted:

- Only one of the direct competitors charges an entrance fee – Genoa Lakes.
- Annual dues range from \$595 to \$4,000.
- In addition to annual passes some clubs also offer play passes in packages of 5 to 20 rounds.

INCLINE VILLAGE FACILITIES ASSESSMENT AND FUTURE NEEDS

Mountain and Championship Golf Courses

Appendix I

Market Area Demographics

	Total Population within 10 miles of the Site	Total Population within 20 miles of the Site	Total Population within 50 miles of the Site
Population Demographics			
Population - 2000 census	26,591	255,825	552,882
Population - 2010 census	25,953	291,370	660,339
Population - 2011 estimate	26,780	294,725	670,025
Population - 2016 projection	29,605	309,972	709,171
Average annual percent change from 2000 - 2010	-0.2%	1.4%	1.9%
Average annual percent change from 2011 - 2016	2.1%	1.0%	1.2%
Median Age			
Median age - 2000 census	35.7	35.6	34.2
Median age - 2010 census	40.3	38.2	36.7
Median age - 2011 estimate	39.2	39.3	39.2
Median age - 2016 projection	39.9	40.2	40.1
Average Household Income			
Average Household income - 2000 census	\$ 96,165	\$ 67,449	\$ 59,668
Average Household income - 2010 census	N/A	N/A	N/A
Average Household income - 2011 estimate	\$ 131,036	\$ 89,767	\$ 77,353
Average Household income - 2016 projection	\$ 146,132	\$ 99,632	\$ 86,169
Average annual percent change from 2000 - 2010	N/A	N/A	N/A
Average annual percent change from 2011 - 2016	2.3%	2.2%	2.3%
Average Household Income by Income Segments 2011			
Percentage of households \$0 - \$14,999	6.00%	8.70%	9.60%
Percentage of households \$15,000 - \$24,999	4.70%	8.80%	9.20%
Percentage of households \$25,000 - \$34,999	8.30%	9.30%	9.90%
Percentage of households \$35,000 - \$49,999	11.40%	12.90%	13.90%
Percentage of households \$50,000 - \$74,999	17.30%	19.30%	20.20%
Percentage of households \$75,000 - \$99,999	13.10%	13.60%	14.70%
Percentage of households \$100,000 - \$149,999	18.60%	15.80%	14.20%
Percentage of households \$150,000 and over	20.70%	11.60%	8.40%
			100.10%
Macro-Level Golf Data			
[1] Golf participation rate	11.2%	11.7%	11.6%
Number of golfers	3,000	34,000	78,000
[1] Average rounds played (per golfer)	17.6	15.8	15.9
[2] Total estimated demand for rounds (Based on frequency of play)	52,800	537,200	1,240,200

Source:

Demographic information specific to the market area is from the Pellucid Demographic Analyzer.

INCLINE VILLAGE FACILITIES ASSESSMENT AND FUTURE NEEDS

Mountain and Championship Golf Courses

Appendix II

Local Market Area Competition - Public Golf

Course	Miles to Incline	Location	Holes	Yardage	Architect	2012 Green Fee Rates - Summer					2012 Green Fee Rates - Spring, Fall, Winter					Cart Incl	Cart Fee	Range Balls
						Weekdays		Weekends		Twilight	Weekdays		Weekends		Twilight			
						9-Hole	18-Hole	9-Hole	18-Hole		9-Hole	18-Hole	9-Hole	18-Hole				
1 Incline Village - Championship			18		Robert Trent Jones Sr.	\$ 179.00	\$ 179.00	3pm-\$95	\$ 169.00	\$ 169.00	3pm-\$95	Yes			\$9-\$11			
Incline Village - Mountain			18		Robert Trent Jones Jr.	\$ 65.00	\$ 75.00	4pm-\$45	\$ 55.00	\$ 60.00	4pm-\$45	Yes						
Regulation Length Courses:																		
2 Northstar at Tahoe Golf Course	9	Truckee, CA	18	6781		\$ 45.00	\$ 80.00	\$ 45.00	\$ 80.00	1pm-\$60	\$ 60.00	\$ 60.00	1pm-\$45	Yes	N/A	\$ 4.00		
3 Silver Oak Golf Course	10	Carson City, NV	18	6564		\$ 30.00	\$ 50.00	\$ 30.00	\$ 50.00	2pm-\$25	\$ 25.00	\$ 40.00	1pm-\$25	Yes	N/A	\$3-\$7		
4 Old Greenwood Golf Club	12	Truckee, CA	18	7518	Jack Nicklaus	\$ 160.00	\$ 185.00	\$ 185.00	\$ 185.00	4pm-\$75	\$ 140.00	\$ 140.00	4pm-\$75	Yes		Included		
5 Golf Club at Gray's Crossing	14	Truckee, CA	18	7466	P. Jacobsen/J. Hardy	\$ 160.00	\$ 185.00	\$ 185.00	\$ 185.00	4pm-\$75	\$ 140.00	\$ 140.00	4pm-\$75	Yes		Included		
6 Eagle Valley Golf Course	13	Carson City, NV	36															
East Course						\$ 20.00	\$ 22.00	2pm-\$15	\$ 22.00	\$ 22.00	2pm-\$15	No	\$ 15.00	\$5-\$10				
West Course						\$ 45.00	\$ 35.00	2pm-\$25	\$ 35.00	\$ 35.00	2pm-\$25	Yes		\$5-\$10				
7 Empire Ranch Golf Course	13	Carson City, NV	27	6535		\$ 15.00	\$ 23.00	\$ 20.00	\$ 37.00	1pm-\$35	\$ 15.00	\$ 23.00	\$ 15.00	No	\$ 12.00			
8 Wolf Run Golf Club	14	Reno, NV	18	7100	Arnold Palmer	\$ 55.00	\$ 65.00	\$ 65.00	\$ 65.00	4pm-\$55	\$ 45.00	\$ 55.00	3pm-\$30	Yes				
9 Sun Ridge Golf Course	15	Carson City, NV	18	6914		\$ 35.00	\$ 45.00	2pm-\$30	\$ 30.00	\$ 30.00		Yes						
10 Resort at Squaw Creek	15	Olympic Valley, Ca	18			\$ 45.00	\$ 95.00	\$ 45.00	\$ 95.00	3pm-\$60				Yes		Included		
11 Coyote Moon Golf Course	15	Truckee, CA	18	7177		\$ 149.00	\$ 149.00	\$ 149.00	\$ 149.00	3pm-\$95				Yes		Included		
12 Lake Ridge Golf Course	17	Reno, NV	18	6715	Robert Trent Jones Sr.	\$ 75.00	\$ 85.00	2pm-\$60/\$70	\$ 45.00	\$ 49.00		Yes						
13 Tahoe Donner Golf Course	17	Truckee, CA	18			\$ 125.00	\$ 125.00	3pm-\$90	\$ 100.00	\$ 100.00	3pm-\$70		\$ 17.00					
14 Genoa Lakes Golf Club	18	Genoa, NV																
Lakes Course			18	7359	P. Jacobsen/J. Harbottle III	\$ 120.00	\$ 120.00	4pm-\$55	\$ 60.00	\$ 60.00		Yes		Included				
Resort Course			18		J. Harbottle III/J. Miller	\$ 80.00	\$ 80.00	4pm-\$35	\$ 60.00	\$ 60.00		Yes		No				
15 Washoe County Golf Club	18	Reno, NV	18	6695		\$ 21.00	\$ 32.00	\$ 21.00	\$ 32.00	2pm-\$20	\$ 25.00	\$ 25.00	\$ 25.00	No	\$ 13.00	\$3.50-\$8.50		
16 Edgewood Tahoe Golf Course	20	Stateline, NV	18	7555	George Fazio	\$ 220.00	\$ 240.00	3:30pm-\$170	\$ 140.00	\$ 160.00	\$ 130.00	Yes		Included				
17 Rosewood Lakes Golf Course	20	Reno, NV	18	6693		\$ 21.00	\$ 29.00	\$ 21.00	\$ 29.00	4pm-\$15	\$ 17.00	\$ 23.00	\$ 17.00	No	\$ 10.00			
18 Dayton Valley Golf Club at Legado	21	Dayton, NV	18	7218	Arnold Palmer	\$ 25.00	\$ 40.00	\$ 25.00	\$ 45.00	\$ 30.00		Yes						
19 Wildcreek Golf Course	23	Sparks, NV	27			\$ 27.00	\$ 45.00	\$ 27.00	\$ 55.00	2pm-\$30		Yes		\$3-\$5				
20 D'Andrea Golf Club	25	Sparks, NV	18															
21 Sierra Sage Golf Course	26	Reno, NV	18			\$ 17.00	\$ 25.00	\$ 17.00	\$ 25.00	2:30-\$17	\$ 13.00	\$ 17.00	\$ 13.00	No	\$ 14.00			
22 Carson Valley Golf Course	26	Gardnerville, NV	18	6020		\$ 18.00	\$ 28.00	\$ 20.00	\$ 34.00	4pm-\$20	\$ 20.00	\$ 25.00	\$ 20.00	No	\$ 12.00	\$3-\$6		
23 Lake Tahoe Golf Course	27	South Lake Tahoe, C	18	6741	Billy Bell Jr.	\$ 85.00	\$ 85.00					Yes						
24 Whitehawk Ranch Golf Club	45	Clio, CA	18	6954		\$ 125.00	\$ 125.00	2pm-\$95	\$ 95.00	\$ 95.00	\$ 85.00	Yes		Included				
25 Nakoma Golf Resort	47	Clio, CA	18	6749		\$ 65.00	\$ 85.00	3pm-\$55						\$5-\$8				
26 Graeagle Meadows Golf Course	48	Graeagle, CA	18	6725		\$ 55.00	\$ 55.00	2pm-\$35				No	\$ 20.00	\$6-\$10				
27 The Golf Club of Fernley	48	Fernley, NV	18			\$ 25.00	\$ 25.00					No	\$ 5.00	\$ 5.00				
28 Grizzly Ranch Golf Club	48	Portola, CA	18		Bob Cupp	\$ 109.00	\$ 109.00	2pm-\$89	\$ 80.00	\$ 80.00	2pm-\$65	Yes		Included				
9-Hole and Executive/Par-3 Courses:																		
29 Old Brockway Golf Club	5	Kings Beach, CA	9	6724		\$ 40.00	\$ 70.00	\$ 40.00	\$ 70.00	3pm-\$35	\$ 30.00	\$ 55.00	\$ 30.00	\$ 55.00	3pm-\$25	No	\$ 13.50	
30 Tahoe City Golf Course	12	Tahoe City, CA	9	5261	May Webb Dunn	\$ 30.00	\$ 50.00	\$ 30.00	\$ 50.00	\$ 25.00				No	\$ 10.00			
31 Ponderosa Golf Course	13	Truckee, CA	9	3022		\$ 30.00	\$ 50.00	\$ 30.00	\$ 50.00	2:30-\$25				No	\$ 13.00			
32 Bijou Golf Course	21	South Lake Tahoe, C	9							\$ 15.00	\$ 26.00	\$ 15.00	\$ 26.00	No				
33 Tahoe Paradise Golf Course	28	South Lake Tahoe, C	18	4034		\$ 30.00	\$ 40.00	\$ 30.00	\$ 40.00		\$ 30.00	\$ 40.00	\$ 30.00	\$ 40.00	3pm-\$30	No	\$ 15.00	
34 The Links at Kiley Ranch	28	Sparks, NV	9	1400		\$ 11.00	\$ 16.00	\$ 11.00	\$ 16.00									
Total Number of Holes: 639						Avg. of 18-hole + regulation courses: \$ 26.40 \$ 79.97 \$ 27.10 \$ 85.70												
18-Hole Equivalents: 35.5						Avg. of all courses: \$ 27.00 \$ 75.00 \$ 27.47 \$ 79.91												
						Avg. immediate competitor courses:												

Derek Notes:

BOLD - call completed

related courses

related courses

18HE - used 90% of starts based on commentary from operators and rate structures which indicated predominantly 18-hole rounds

INCLINE VILLAGE FACILITIES ASSESSMENT AND FUTURE NEEDS

Mountain and Championship Golf Courses

Appendix II

Local Market Area Competition - Public Golf

Course	Advance Reservations	Rounds Played			18HE or Starts	Annual % Change	Peak Green Fee Rates			Annual Passes	Number of Members	Member Capacity	Entrance Fee	Single	Spouse	Family
		2012	2011	2010			2012	2011	2010							
1 Incline Village - Championship	14 free, 90 \$15															
Incline Village - Mountain	14 free, 90 \$10															
Regulation Length Courses:																
2 Northstar at Tahoe Golf Course	30 days	will not disclose				0%	\$ 80.00	\$ 80.00	\$ 80.00	No						
3 Silver Oak Golf Course	14 days	will not disclose				0%	\$ 50.00	\$ 50.00	N/A	Yes						
4 Old Greenwood Golf Club	30 days	17,000	15,300	15,300	18HE	0%	\$ 185.00	\$ 185.00	\$ 185.00	Yes			No	\$ 1,400	\$ 2,600	
5 Golf Club at Gray's Crossing	30 days	14,000	12,600	12,600	18HE	0%	\$ 185.00	\$ 185.00	\$ 185.00	Yes			No	\$ 2,900	\$ 4,500	
6 Eagle Valley Golf Course										Yes			No	\$ 1,600	\$ 2,500	
East Course																
West Course																
7 Empire Ranch Golf Course	14 days	23,333	26,667	N/A	18HE	0%	\$ 37.00	\$ 37.00	\$ 37.00	Yes			No	\$ 950	\$ 475	
8 Wolf Run Golf Club	14 days									Yes			\$ 5,500	\$ 2,904	\$ 3,504	
9 Sun Ridge Golf Course																
10 Resort at Squaw Creek	120 days	9,500	8,000	N/A	starts	0%	\$ 95.00	\$ 95.00	\$ 95.00	Yes			No	\$ 599		
11 Coyote Moon Golf Course	30 days	14,000	14,000	14,000	18HE	1%	\$ 149.00	\$ 149.00	\$ 145.00	No						
12 Lake Ridge Golf Course																
13 Tahoe Donner Golf Course	12 days									Yes			No	\$ 2,199		
14 Genoa Lakes Golf Club		27,000	26,000	29,000	18HE					Yes			\$ 7,500	\$ 3,096	\$ 5,280	
Lakes Course	30 days					5%	\$ 120.00	\$ 110.00	\$ 110.00							
Resort Course	30 days					0%	\$ 80.00	\$ 80.00	\$ 80.00	Yes			No	\$ 595		
15 Washoe County Golf Club		36,000	36,000	36,000	18HE	2%	\$ 32.00	\$ 31.00	\$ 31.00	No						
16 Edgewood Tahoe Golf Course	120 days	17,000	16,000	16,500	18HE	0%	\$ 240.00	\$ 240.00	\$ 240.00	Yes	100	No	No	\$ 4,000	\$ 3,600	
17 Rosewood Lakes Golf Course	30 days															
18 Dayton Valley Golf Club at Legado	14 days	25,200	23,400	20,700	18HE	6%	\$ 45.00	\$ 40.00	\$ 40.00	Yes	120		\$ 1,500	\$ 2,904	\$ 3,504	
19 Wildcreek Golf Course	14 days	34,200	32,850	33,300	18HE	-3%	\$ 55.00	\$ 55.00	\$ 59.00	Yes			No	\$ 1,775	\$ 400	
20 D'Andrea Golf Club																
21 Sierra Sage Golf Course	7 days	27,000	22,500	19,000	18HE	7%	\$ 25.00	\$ 22.00	\$ 22.00	No						
22 Carson Valley Golf Course	60 days	22,500	N/A	N/A	18HE	0%	\$ 34.00	\$ 34.00	\$ 34.00	Yes			No	\$ 900	\$ 600	
23 Lake Tahoe Golf Course	60 days	23,850	21,600	23,400	18HE	1%	\$ 85.00	\$ 84.00	\$ 84.00	Yes	15		No	\$ 1,500		
24 Whitehawk Ranch Golf Club																
25 Nakoma Golf Resort	unitd - disct for adv book	will not disclose					\$ 85.00	N/A	N/A	Yes			No	\$ 2,000	\$ 2,600	
26 Graeagle Meadows Golf Course	365 days	will not disclose				-8%	\$ 55.00	\$ 65.00	\$ 65.00	Yes			No	\$ 500	\$ 750	
27 The Golf Club of Fernley	7 days					-14%	\$ 25.00	\$ 25.00	\$ 35.00							
28 Grizzly Ranch Golf Club							\$ 109.00	N/A	N/A	Yes						
9-Hole and Executive/Par-3 Courses:																
29 Old Brockway Golf Club	30 days	slight decrease - competition & weather					\$ 70.00	N/A	N/A	Yes	220	No	No	\$ 950	\$ 950	
30 Tahoe City Golf Course	14 days	10,047	N/A	N/A	starts		\$ 50.00	N/A	N/A	Yes	120	No	No	\$ 700	\$ 1,000	
31 Ponderosa Golf Course										Yes			\$	\$ 500	\$ 400	
32 Bijou Golf Course																
33 Tahoe Paradise Golf Course		will not disclose - steady				0%	\$ 40.00	\$ 40.00	\$ 40.00	Yes						
34 The Links at Kiley Ranch																
			22,353	21,243	21,980	0%										
			21,474	21,243	21,980	0%										

Derek Notes:

BOLD - call completed

related courses

related courses

18HE - used 90% of starts based on commentary from operators and rate structures which

INCLINE VILLAGE FACILITIES ASSESSMENT AND FUTURE NEEDS

Mountain and Championship Golf Courses

Appendix II

Local Market Area Competition - Public Golf

Course	Notes:
1 Incline Village - Championship Incline Village - Mountain	
<u>Regulation Length Courses:</u>	
2 Northstar at Tahoe Golf Course	3-Pak \$169, spring/fall, closed winter, 4 season resort Hyatt/Ritz, shoulder season - shotgun rounds
3 Silver Oak Golf Course	Acorn Club \$75 - ~30% disct green fees, 1hr early twilight, disct range, 20% disct apparel & lessons, 1 free golf round, 2 free lunches, 3 free buckets
4 Old Greenwood Golf Club	4 season resort, NCGA member discts, membership for Greenwood & Gray's Crossing
5 Golf Club at Gray's Crossing	membership for Greenwood & Gray's Crossing
6 Eagle Valley Golf Course East Course West Course	50 mile club - \$65 (if you live w/ 50 miles) - 2 free rounds, 4 drinks, 2 lunches, 1 free after 10 pd rounds, 10% disct merchandise, 25% range disct, lesson disct, adv tee times, early twilight; punch cards 10 riding \$350, 20 riding \$600
7 Empire Ranch Golf Course	Empire Ranch Card - \$150 - 1st 4 rounds free & every 11th round, gr. Fee \$25 summer, \$20 winter, cart incl.; membership rates are walking
8 Wolf Run Golf Club	membership is for Wolf Run & Kiley Ranch
9 Sun Ridge Golf Course	
10 Resort at Squaw Creek	Creek Card - \$99 - 50% disct gr fee
11 Coyote Moon Golf Course	resort course
12 Lake Ridge Golf Course	local summer rate \$55/\$65
13 Tahoe Donner Golf Course	public rates used, also offer member, guest, NCGOA rates and homeowner membership rates
14 Genoa Lakes Golf Club Lakes Course Resort Course	membership for both courses, single entrance fee, family \$12,500 disct. Local rates offered disct. Local rates offered. Resort course season pass
15 Washoe County Golf Club	smart cards - 10-25% disct books
16 Edgewood Tahoe Golf Course	
17 Rosewood Lakes Golf Course	
18 Dayton Valley Golf Club at Legado	membership incl. Wolf Run, entrance fee is single (family \$2500), also offer afternoon membership for \$100/mo with \$50 entrance fee
19 Wildcreek Golf Course	18-hole & 9-hole par 3 course, rounds & rates are for 18-hole course
20 D'Andrea Golf Club	course closed 2012
21 Sierra Sage Golf Course	new ownership last 3 yrs = improved rounds
22 Carson Valley Golf Course	
23 Lake Tahoe Golf Course	resident card \$50 with disct gr fees up to 45%
24 Whitehawk Ranch Golf Club	
25 Nakoma Golf Resort	disct for longer advance bookings
26 Graeagle Meadows Golf Course	Tuesday special \$55 w cart, membership = reduced green fees \$20/round, real estate
27 The Golf Club of Fernley	
28 Grizzly Ranch Golf Club	course in process of being sold
<u>9-Hole and Executive/Par-3 Courses:</u>	
29 Old Brockway Golf Club	
30 Tahoe City Golf Course	wolf run / dayton valley - sister courses
31 Ponderosa Golf Course	
32 Bijou Golf Course	
33 Tahoe Paradise Golf Course	
34 The Links at Kiley Ranch	

Sources:
Based on discussions with golf courses operators and various golf course websites.

Derek Notes:

BOLD - call completed

related courses

related courses

18HE - used 90% of starts based on commentary from operators and rate structures which

INCLINE VILLAGE FACILITIES ASSESSMENT AND FUTURE NEEDS

Mountain and Championship Golf Courses

Appendix III

Local Market Area Competition - Private Golf

Course Name	Miles to Incline	Location	Holes	Yardage	Year Built	Architect	Full Golf Family Membership					Social Entrance Fee	Social Annual Dues	Guest Fee	Notes	
							Initiation Fee	Equity	Total Entrance Fee	Annual Dues	F&B Minimum					Estimated Annual Subtotal
1 Thunder Canyon	6.28	Washoe Valley, NV	18			Robert Muir Graves	\$ 1,000		\$ 1,000	\$ 5,040	\$ -	\$ 5,040	\$ 500	\$ 1,200	\$ 50	Golf Season Membership - \$3000 initiation fee, \$475/mo May-Aug, \$200 cart fee \$100/mo Sep-Apr, \$50 per round
2 Monteux Golf & Country Club	9.84	Reno, NV	18	7,500	1997	Jack Nicklaus	non-resident \$ 18,500 Montreux resident \$ 12,500		\$ 18,500 \$ 12,500	\$ 9,996 \$ 9,996		\$ 9,996 \$ 9,996	\$ 2,500	\$ 1,164		
3 Lahontan Golf Club	11.47	Truckee, Ca	27		1998	Tom Weiskopf										
4 Schaffer's Mill Golf & Lake Club (formerly The Timilick Club)	11.69	Truckee, CA	18	7,010	2008	J. Miller/J. Harbottle								\$125-\$160		currently allowing ltd. Non-member play
5 The Club at Clear Creek	13.32	Carson City, NV	18			Coore & Crenshaw										
6 Martis Camp Club	13.55	Truckee, CA	18													
7 Arrow Creek Golf Club	13.79	Reno, NV	36													
8 Glenbrook Golf Course	15.39	Glenbrook, NV	9	2,715						\$ 2,500		\$ 2,500				
9 Somersett Country Club	19.49	Reno, NV	18	7,252				\$ 2,500	\$ 2,500	\$ 5,100		\$ 5,100	\$ 300			Out of Area Membership (>30 miles) - \$2000 annual or Oct-March \$1200
10 Hidden Valley Country Club	20.19	Reno, NV	18		1956	Billy Bell Jr.	mk rate			\$ 5,196	\$ 900	\$ 6,096	\$ 1,000	\$ 900	\$40-\$125	equity members at max of 445
11 The Resort at Red Hawk	28.19	Sparks, NV	36			Robert Trent Jones Hale Irwin	\$ 7,500		\$ 7,500	\$ 4,980		\$ 4,980		\$49-\$85		public play permitted

Sources:
Based on discussions with golf courses operators and various golf course websites.

INCLINE VILLAGE FACILITIES ASSESSMENT AND FUTURE NEEDS

Mountain and Championship Golf Courses

Appendix IV

Information comparing monthly temperature, total monthly rainfall and days of precipitation in the market area

Average Temperature in the Market Area (Fahrenheit)				
Months	2010	2011	2012	Avg. 1971-2000
January	36.9	37.3	39.0	33.6
February	40.8	35.0	39.3	38.5
March	45.2	44.5	45.8	43.3
April	48.3	49.0	53.5	48.6
May	52.9	54.4	61.6	56.4
June	68.4	65.6	68.9	64.7
July	77.9	75.4	77.8	71.3
August	72.6	75.6	79.0	69.9
September	67.4	70.6		62.4
October	55.9	56.4		52.0
November	40.9	42.1		40.9
December	39.3	33.6		33.6
Average	53.9	53.3		51.3
Total (May / Oct)	65.9	66.3		62.8

Total Days Above 90 Degrees Fahrenheit (Days/Month) *				
Months	2010	2011	2012	Avg. 1971-2000
January	0	0	0	0.0
February	0	0	0	0.0
March	0	0	0	0.0
April	0	0	1	0.0
May	0	0	1	1.0
June	5	5	9	7.3
July	27	25	25	19.8
August	20	29	30	17.0
September	9	11		5.2
October	1	0		0.1
November	0	0		0.0
December	0	0		0.0
Total	62	70		50.4
Total (May / Oct)	62	70		50.4

Total Precipitation in the Market Area (Inches/Month)				
Months	2010	2011	2012	Avg. 1971-2000
January	1.0	0.1	1.5	1.06
February	2.2	1.4	0.6	1.06
March	0.2	1.3	0.1	0.86
April	0.7	0.1	0.1	0.35
May	0.3	0.4	0.3	0.62
June	0.0	1.4	0.0	0.47
July	0.3	0.0	0.0	0.24
August	0.1	0.0	0.0	0.27
September	0.0	0.0		0.45
October	2.7	0.2		0.42
November	0.5	0.1		0.80
December	1.4	0.0		0.88
Total	9.3	4.9		7.48
Total (May / Oct)	3.4	2.0		2.47

Total Precipitation Days in the Market Area (Days/Month) *				
Months	2010	2011	2012	Avg. 1971-2000
January	13	2	4	6.9
February	9	6	5	7.0
March	4	12	3	6.8
April	5	4	4	3.9
May	2	4	1	4.3
June	0	5	0	3.6
July	1	0	1	2.0
August	2	0	1	2.1
September	0	1		3.3
October	7	2		3.3
November	6	3		5.0
December	8	0		5.4
Total	57	39		53.6
Total (May / Oct)	12	12		19

Notes: * 1 day of precipitation = 0.01 inch or more

Sources: This information was based on information from the National Oceanic & Atmospheric Administration - Reno, Nevada.



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Incline Village General Improvement District
A Survey about Your Golf Courses at Incline Village
Attachment III
GOLF COURSE USER SURVEY

The Incline Village General Improvement District (“IVGID”) is evaluating the clubhouse facilities at the Mountain Golf Course as part of a future project to address aging and failing infrastructure as well as Americans with Disabilities Act (ADA) compliance. IVGID is using this opportunity to complete a strategic evaluation of the Golf Courses. An independent firm which specializes in golf-related businesses, Global Golf Advisors, has been engaged to assist IVGID in determining the most appropriate way forward through execution of various research and due diligence procedures, including the facilitation of this Survey.

Your feedback is important and will be influential in determining the future direction taken by IVGID on the Golf Courses at Incline Village. The survey will require less than ten minutes’ time and can be completed online through either the IVGID website or the Global Golf Advisors website by following these instructions – Option 1, 2 or 3 – listed below:

Option 1:

- a) Go to the IVGID website at www.ivgid.org.
- b) Click on the “Golf Course Survey” Icon on the homepage to begin.

OR

Option 2:

- a) Enter the link below into you browser:
<http://www.globalgolfadvisors.com/marketplace/surveys/>
- b) Under “Incline Village General Improvement District: Golf Course User Survey” select ‘click here’ to begin.

OR

Option 3:

- a) Go to the Global Golf Advisors website at www.globalgolfadvisors.com.
- b) At the top of the homepage, click on the heading titled ‘MARKETPLACE’.
- c) On the left hand side click on the heading ‘SURVEYS’.
- d) Under “Incline Village General Improvement District: Golf Course User Survey” select ‘click here’ to begin.



Respondent Profile:

1. (Optional) First Name: _____ Last Name: _____

2. (Optional) E-mail address: _____

3. Zip Code: _____

4. Age:

Under 25	_____	51 to 58	_____
25 to 34	_____	59 to 66	_____
35 to 42	_____	67 to 74	_____
43 to 50	_____	75 and Over	_____

5. Gender:

Male:	_____	Female:	_____
-------	-------	---------	-------

6. Please complete the following:

	Yes	No
I am a parcel owner of record in Incline Village or Crystal Bay (i.e. the Washoe County tax bill is mailed to and paid by me).	_____	_____

7. On average, how many months of the year do stay at Incline Village (please circle the most appropriate response for each time period):

November 1st through April 30th:

None	Less than 1 Month	1	2	3	4	5	6
------	-------------------	---	---	---	---	---	---

May 1st through to October 31st:

None	Less than 1 Month	1	2	3	4	5	6
------	-------------------	---	---	---	---	---	---

8. Please select the most appropriate use of the property you stay at:

Weekends and Holidays only	_____
Weekends, Holidays, and Extended Vacations	_____
Secondary Residence	_____
Primary Residence	_____



9. How many years have you been a member of the Community?

30 years or more _____	10 to 14 years _____
25 to 29 years _____	5 to 9 years _____
20 to 24 years _____	1 to 4 years _____
15 to 19 years _____	Less than 1 year _____

10. Regardless of whether or not you play golf, your feedback is important to this process and project.

Please indicate below if you play golf, i.e. if you are a golfer. If you are not a golfer and select 'No', **the only questions you need to complete beyond this point is question #1. under the Mountain Golf Course Survey Questions section below**, as the other remaining questions are golfer specific questions about rounds played and user satisfaction.

	Yes	No
I am a golfer.	_____	_____

11. How many rounds of golf do you play every year (please include rounds played at IVGID courses as well as all other courses):

1 to 10 _____	71 to 80 _____
11 to 20 _____	81 to 90 _____
21 to 30 _____	91 to 100 _____
31 to 40 _____	101 to 110 _____
41 to 50 _____	111 to 120 _____
51 to 60 _____	Over 120 _____
61 to 70 _____	

How many of your annual rounds of golf do you play at IVGID courses?

1 to 10 _____	71 to 80 _____
11 to 20 _____	81 to 90 _____
21 to 30 _____	91 to 100 _____
31 to 40 _____	101 to 110 _____
41 to 50 _____	111 to 120 _____
51 to 60 _____	Over 120 _____
61 to 70 _____	



How many of your annual rounds of golf do you play at other Lake Tahoe area courses?

1 to 10	_____	71 to 80	_____
11 to 20	_____	81 to 90	_____
21 to 30	_____	91 to 100	_____
31 to 40	_____	101 to 110	_____
41 to 50	_____	111 to 120	_____
51 to 60	_____	Over 120	_____
61 to 70	_____		

12. Please complete the following:

	Yes	No
I am a member of a local golfers club within the communities of Incline Village and Crystal Bay	_____	_____
I am a play pass holder at the Championship Golf Course	_____	_____
I am a play pass holder at the Mountain Golf Course	_____	_____
I am a pass holder or member at other Lake Tahoe area golf courses	_____	_____



Mountain Golf Course Survey Questions:

1. The existing Mountain Golf Course clubhouse is now 42 years old and is in need of a number of near-term repairs and maintenance projects. This work includes deck replacement and structural upgrades, siding replacement, HVAC replacement, and a number of smaller maintenance projects. This work, if completed, does not extend the life of the entire building or enhance the customer experience.

Additionally, the clubhouse does not meet the Americans with Disabilities Act (“ADA”) regulations. Although there is no requirement that the building be brought into compliance immediately, ADA compliance must be addressed with a future project.

Which of the following would you support (Please select one):

- a) A new, state-of-the-art clubhouse facility with enhanced food and beverage offerings and amenities that will require a modest increase in the annual IVGID Recreation Fee _____

OR

- b) A new purpose built and operationally efficient clubhouse structure that does not require an increase in the annual IVGID Recreation Fee _____

OR

- c) Undertake repairs and maintenance projects to the existing clubhouse to address immediate issues and ADA requirements. This option maintains the status quo and does not require an increase in the annual IVGID Recreation Fee. _____

2. If a new clubhouse was built at the Mountain Golf Course that offered views of Lake Tahoe, would you play golf or play more golf at the Mountain Course?

Yes _____

No _____

If you answered **Yes**, how many times per year (please check the most appropriate range)?

1 to 3 rounds _____

10 to 12 rounds _____

4 to 6 rounds _____

13 to 15 rounds _____

7 to 9 rounds _____

Over 15 rounds _____



3. Do you play golf at the Mountain Golf Course?

Yes _____ No _____ I Don't Play Golf _____

How many of your annual rounds of golf do you play at the Mountain Golf Course?

1 to 10	_____	71 to 80	_____
11 to 20	_____	81 to 90	_____
21 to 30	_____	91 to 100	_____
31 to 40	_____	101 to 110	_____
41 to 50	_____	111 to 120	_____
51 to 60	_____	Over 120	_____
61 to 70	_____		

If you answered **No**, would you be more likely to play golf at the Mountain Golf Course if the conditions were improved?

No more likely to play golf	_____	Yes – 10 to 12 rounds per year	_____
Yes – 1 to 3 rounds per year	_____	Yes – 13 to 15 rounds per year	_____
Yes – 4 to 6 rounds per year	_____	Yes – Over 15 rounds per year	_____
Yes – 7 to 9 rounds per year	_____		

4. Is the Mountain Golf Course too difficult?

Yes _____ No _____ I Don't Play Golf _____

If you answered **Yes**, would you be more likely to play golf, or play more golf at the Mountain Golf Course if the course was easier to play?

No more likely to play golf	_____	Yes – 10 to 12 rounds per year	_____
Yes – 1 to 3 rounds per year	_____	Yes – 13 to 15 rounds per year	_____
Yes – 4 to 6 rounds per year	_____	Yes – Over 15 rounds per year	_____
Yes – 7 to 9 rounds per year	_____		



5. If the Mountain Golf Course published 9-hole rates and allowed you to pick which nine you played, would you play golf or play more golf at the Mountain Course?

Yes _____ No _____

If you answered **Yes**, how many times per year?

1 to 3 rounds _____	10 to 12 rounds _____
4 to 6 rounds _____	13 to 15 rounds _____
7 to 9 rounds _____	Over 15 rounds _____

6. Which of the following additional factors would cause you to play more golf at the Mountain Course (please select all factors that apply):

- Lower green fee rates _____
- New electric golf carts _____
- Improved pace of play _____
- Shorter rough _____
- Larger landing areas _____
- Improved food and beverage options _____
- Updated bathroom facilities _____
- Weekly competitions with prizes _____
- Improved family and junior programming _____
- Marketing and programming that caters to business use _____
- None _____
- Other: (please specify) _____

7. Please rank the following attributes of the Mountain Golf Course (on a scale of 1 to 5, circle your response; “1” = Poor, “3” = Average, and “5” = Excellent).

- | | | | | | |
|--------------------------------|---|---|---|---|---|
| • Golf course design | 1 | 2 | 3 | 4 | 5 |
| • Golf course conditioning | 1 | 2 | 3 | 4 | 5 |
| • Golf course views | 1 | 2 | 3 | 4 | 5 |
| • Golf course topography | 1 | 2 | 3 | 4 | 5 |
| • Clubhouse design | 1 | 2 | 3 | 4 | 5 |
| • Views from clubhouse | 1 | 2 | 3 | 4 | 5 |
| • Clubhouse dining experience | 1 | 2 | 3 | 4 | 5 |
| • Clubhouse terrace | 1 | 2 | 3 | 4 | 5 |
| • Views from clubhouse terrace | 1 | 2 | 3 | 4 | 5 |
| • Pro shop location and design | 1 | 2 | 3 | 4 | 5 |
| • Customer Service | 1 | 2 | 3 | 4 | 5 |



Championship Golf Course Survey Questions:

8. Do you play golf at the Championship Golf Course?

Yes _____ No _____ I Don't Play Golf _____

How many of your annual rounds of golf do you play at the Championship Golf Course?

1 to 10	_____	71 to 80	_____
11 to 20	_____	81 to 90	_____
21 to 30	_____	91 to 100	_____
31 to 40	_____	101 to 110	_____
41 to 50	_____	111 to 120	_____
51 to 60	_____	Over 120	_____
61 to 70	_____		

If you answered **No**, would you be more likely to play golf at the Championship Golf Course if the conditions were improved?

No more likely to play golf	_____	Yes – 10 to 12 rounds per year	_____
Yes – 1 to 3 rounds per year	_____	Yes – 13 to 15 rounds per year	_____
Yes – 4 to 6 rounds per year	_____	Yes – Over 15 rounds per year	_____
Yes – 7 to 9 rounds per year	_____		

9. Is the Championship Golf Course too difficult?

Yes _____ No _____ I Don't Play Golf _____

If you answered **Yes**, would you be more likely to play golf, or play more golf at the Championship Golf Course if the course was easier to play?

No more likely to play golf	_____	Yes – 10 to 12 rounds per year	_____
Yes – 1 to 3 rounds per year	_____	Yes – 13 to 15 rounds per year	_____
Yes – 4 to 6 rounds per year	_____	Yes – Over 15 rounds per year	_____
Yes – 7 to 9 rounds per year	_____		



**Incline Village General Improvement District
Golf Course User Survey**

10. Please rank the following attributes of the Championship Golf Course (on a scale of 1 to 5: “1” = Poor, “3” = Average, and “5” = Excellent).

• Golf course design	1	2	3	4	5
• Golf course conditioning	1	2	3	4	5
• Golf course views	1	2	3	4	5
• Golf course topography	1	2	3	4	5
• Chateau design	1	2	3	4	5
• Views from Chateau	1	2	3	4	5
• The Grille and Snack Bar	1	2	3	4	5
• Chateau terrace	1	2	3	4	5
• Views from Chateau terrace	1	2	3	4	5
• Pro shop location and design	1	2	3	4	5
• Driving range	1	2	3	4	5
• Chipping area	1	2	3	4	5
• Putting area	1	2	3	4	5
• Customer service	1	2	3	4	5

**Thank you for your time and interest in the IVGID golf courses.
The survey is complete!**

Incline Village General Improvement District

A Survey About Your Golf Courses at Incline Village

Attachment IV

SURVEY RESULTS

Overview

The Incline Village General Improvement District ("IVGID") Golf Courses Survey was launched at 12:00am on November 8th, 2012 and closed at 12:00am on December 2nd, 2012. The Survey was designed to gather feedback from residents and golf course consumers to compliment other research and due diligence procedures being undertaken as part of a strategic evaluation of the Incline Village Golf Courses, with a focus on aging and failing infrastructure, as well as Americans with Disabilities Act ("ADA") compliance at the Mountain Golf Course.

This document contains a detailed analysis of the survey results that will be interpreted and utilized by IVGID and Global Golf Advisors ("GGA"), the firm engaged by IVGID to facilitate the golf courses survey and assist in determining the most appropriate strategic direction for the Incline Village golf courses.

Summary of Responses

Table 1: Summary of Responses		
Responses Received	Total	% Total
<u>Total Responses *</u>	<u>667</u>	<u>100%</u>
<u>Parcel Owners</u>	<u>575</u>	<u>86%</u>
Golfing Parcel Owners	437	66%
Non-Golfing Parcel Owners	138	21%
<u>Non-Parcel Owners (incl. blanks)</u>	<u>92</u>	<u>14%</u>
Golfing Non-Parcel Owners	64	10%
Non-Golfing, Non-Parcel Owners	28	4%

* Total recorded survey entries were 700; however, only 667 were valid entries after accounting for duplicate entries and entries without any data. Duplicate entries were identified through a detailed analysis of source IP addresses, first and last names and e-mail addresses.

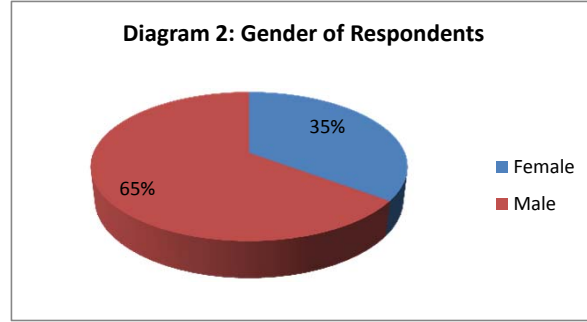
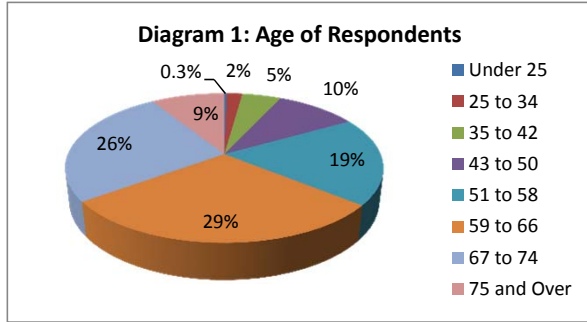
Table 2: Response Rates		
Responses Requested	Total	% Total
<u>E-mail Blasts Sent</u>		
Residents - Golfer e-mail blast	1,012	43%
Residents - Public Meetings and Special Announcements e-mail blast	2,521	23%
Golfing Visitors	4,602	1%
<u>Resident Communications Sent</u>		
Notifications in Incline Village and Crystal Bay Utilities Bills	4,500	13%
Postcard Mailer - Parcel Owners of Record	6,954	6%
Postcard Mailer - Recreation Card Holders of Record	1,607	9%
2006 Community Surveys Issued to All Residents	7,258	8%
Newspaper Ads (every Thursday beginning on Nov. 1st, ending Nov. 29th)	n/a	n/a

Overall, 86% of survey respondents were parcel owners and 66% of survey respondents were golfing parcel owners. Response rates for the survey are considered to be significant with 43% of resident golfers that have an e-mail address logged with IVGID responding to the survey. The 575 parcel owners that responded to the survey represent 23% of the total resident e-mail addresses on file with IVGID for Public Meetings and Special Announcements, 13% of the total number of utility bills distributed and 8% of the total community surveys issued in 2006 to every resident.

Incline Village General Improvement District
 A Survey About Your Golf Courses at Incline Village
Attachment IV
SURVEY RESULTS

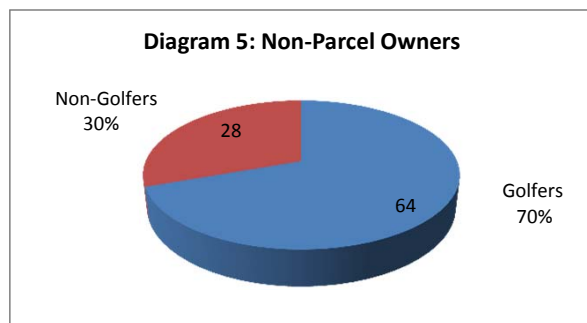
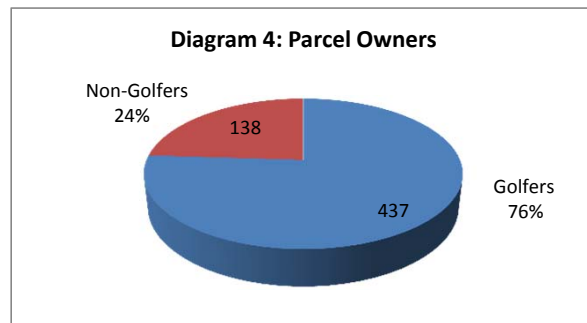
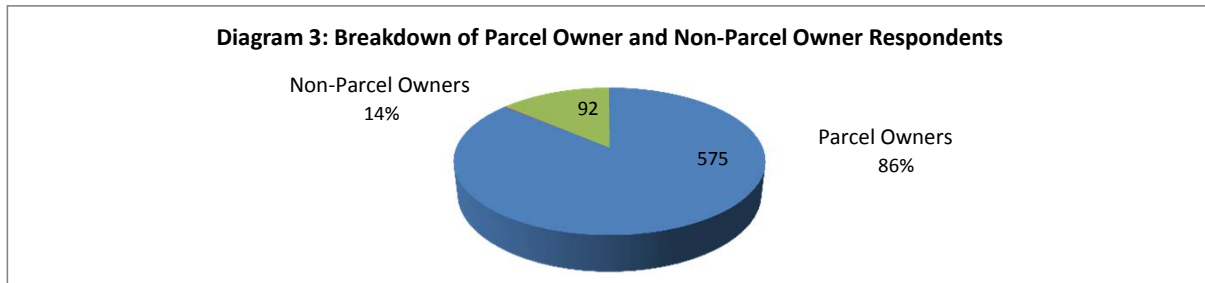
SECTION I - RESPONDENT PROFILE

Age and Gender Mix of Respondents Re: Questions # 4. and #5.



Respondent Age	Female	Male	Total	% of Total
Under 25	1	1	2	0.3%
25 to 34	2	10	12	2%
35 to 42	10	20	30	5%
43 to 50	26	37	63	10%
51 to 58	49	72	121	19%
59 to 66	74	112	186	29%
67 to 74	52	114	166	26%
75 and Over	10	47	57	9%
Total Responses	224	413	637	100%
% of Responses	35%	65%	100%	n/a

Breakdown of Parcel Owner and Golfing Respondents Re: Questions #6. and #10.



Incline Village General Improvement District
 A Survey About Your Golf Courses at Incline Village
Attachment IV
SURVEY RESULTS

Months of the Year Respondents Stay at Incline Village Re: Question #7.

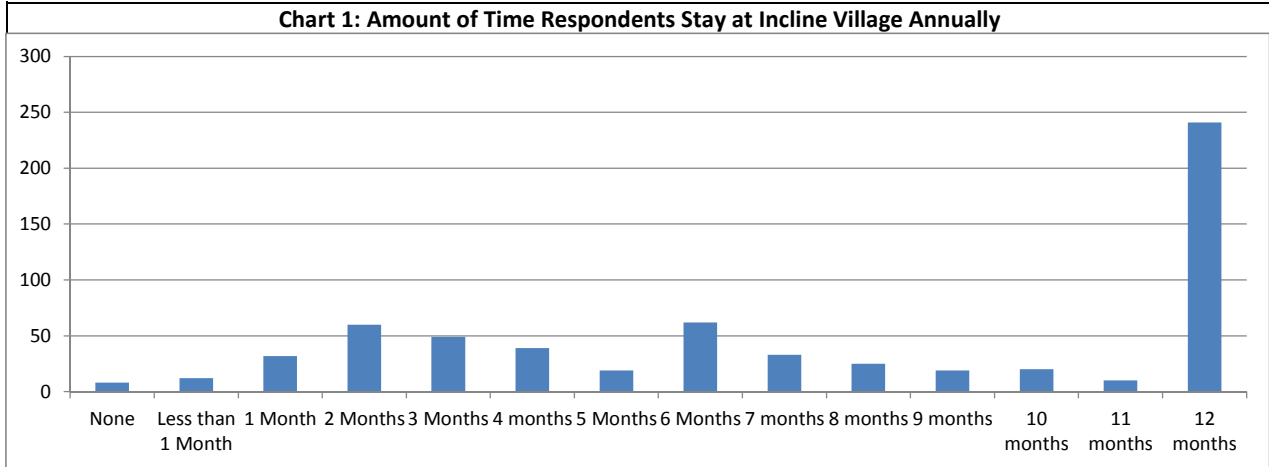
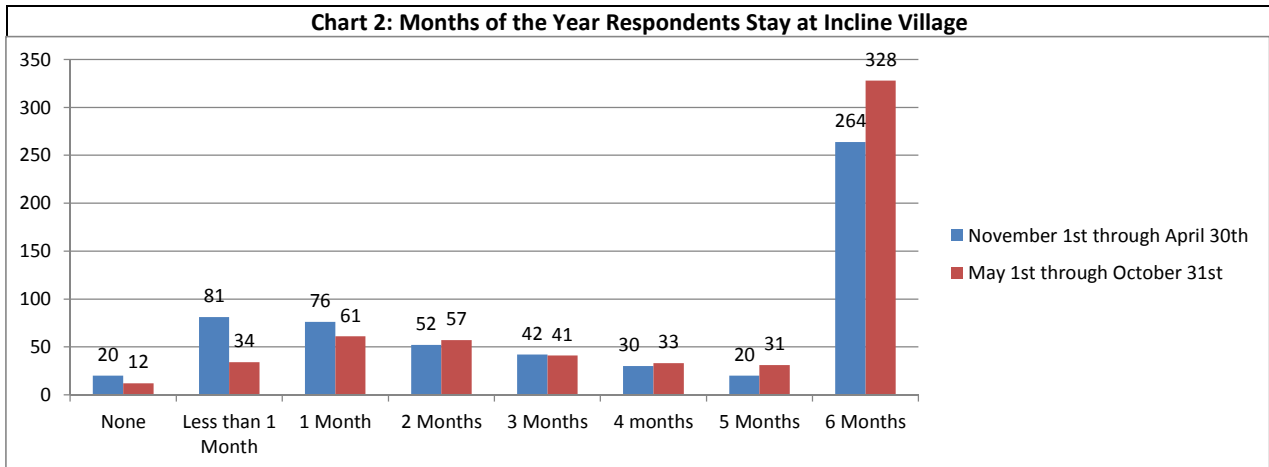


Table 4: Amount of Time Respondents Stay at Incline Village Annually

Responses Re: Number of Months Spent at Incline Village	Total	% Total
None	8	1%
Less than 1 Month	12	2%
1 Month	32	5%
2 Months	60	10%
3 Months	49	8%
4 months	39	6%
5 Months	19	3%
6 Months	62	10%
7 months	33	5%
8 months	25	4%
9 months	19	3%
10 months	20	3%
11 months	10	2%
12 months	241	38%
Total Responses	629	100%



Incline Village General Improvement District
 A Survey About Your Golf Courses at Incline Village
Attachment IV
SURVEY RESULTS

Table 5: Months of the Year Respondents Stay at Incline Village

Responses Re: Number of Months Spent at Incline Village	Nov. 1st through Apr. 30th	May 1st through Oct. 31st	Total	% Total
None	20	12	32	3%
Less than 1 Month	81	34	115	10%
1 Month	76	61	137	12%
2 Months	52	57	109	9%
3 Months	42	41	83	7%
4 months	30	33	63	5%
5 Months	20	31	51	4%
6 Months	264	328	592	50%
Total Responses	585	597	1182	100%

Most Appropriate Use of the Property Re: Question #8.

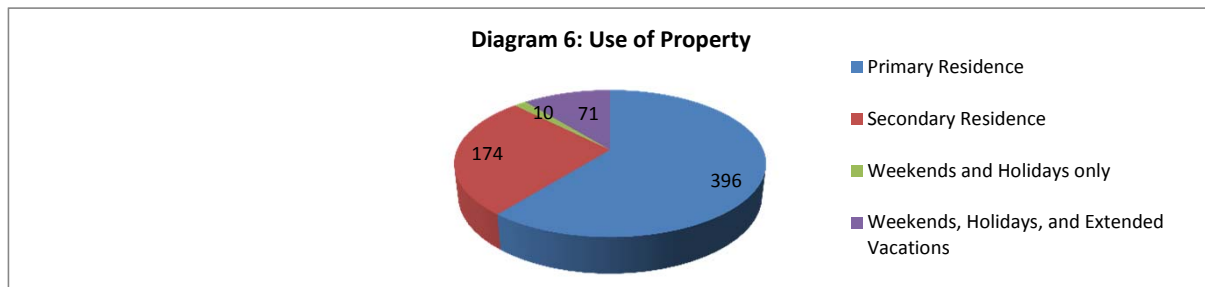
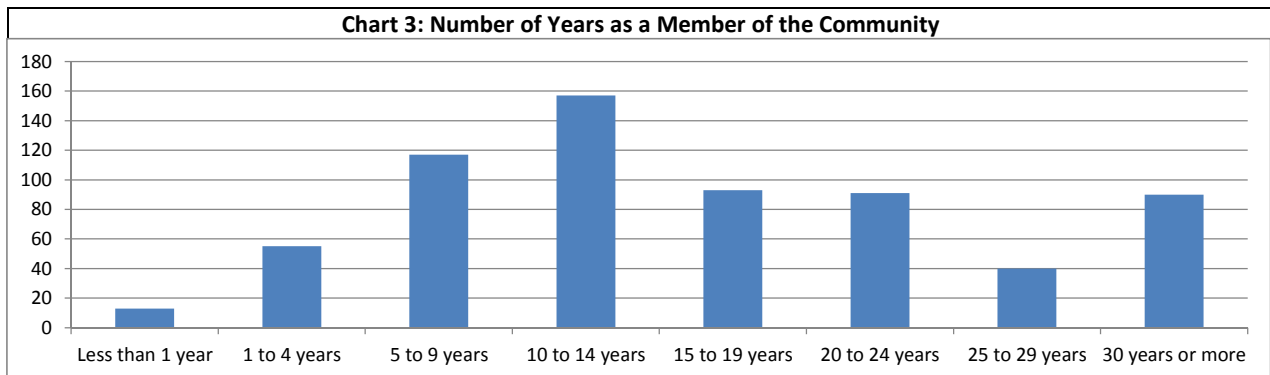


Table 6: Use of Property

Responses Re: Most Appropriate Use of the Property	Total	% Total
Primary Residence	396	61%
Secondary Residence	174	27%
Weekends and Holidays Only	10	2%
Weekends, Holidays, and Extended Vacations	71	11%
Total Responses	651	100%

Number of Years the Respondent Has Been a Member of the Community Re: Question #9.



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Table 7: Number of Years as a Member of the Community		
Responses Re: Number of Years	Total	% Total
Less than 1 year	13	2%
1 to 4 years	55	9%
5 to 9 years	117	18%
10 to 14 years	157	24%
15 to 19 years	93	14%
20 to 24 years	91	14%
25 to 29 years	40	6%
30 years or more	90	14%
Total Responses	643	100%

Golfers versus Non-Golfers Re: Questions #10.

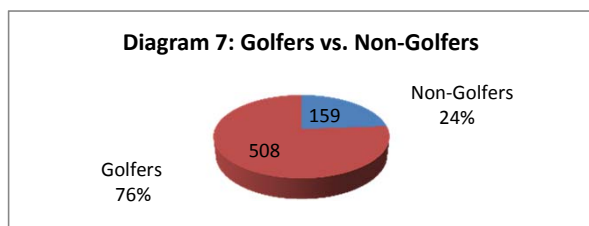


Table 8: Golfers vs. Non-Golfers		
Responses	Total	% Total
Golfers	508	76%
Non-Golfers	159	24%
Total Responses	667	100%

Rounds Played by Golfers Re: Question #11.

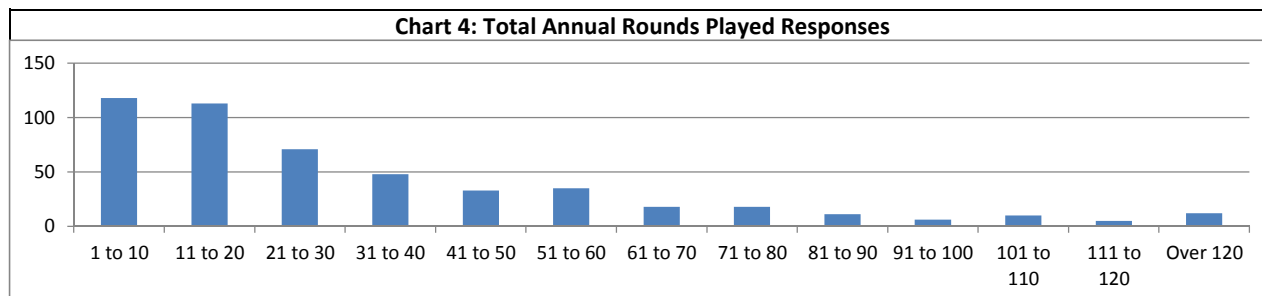


Table 9: Total Annual Rounds Played Responses		
Responses Re: Annual Rounds Played	Total	% Total
1 to 10	118	24%
11 to 20	113	23%
21 to 30	71	14%
31 to 40	48	10%
41 to 50	33	7%
51 to 60	35	7%
61 to 70	18	4%
71 to 80	18	4%
81 to 90	11	2%
91 to 100	6	1%
101 to 110	10	2%
111 to 120	5	1%
Over 120	12	2%
Total Responses	498	100%
Average Annual Rounds Played by Respondents	32.7	

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Chart 5: Annual Rounds Played AT IVGID COURSES Responses

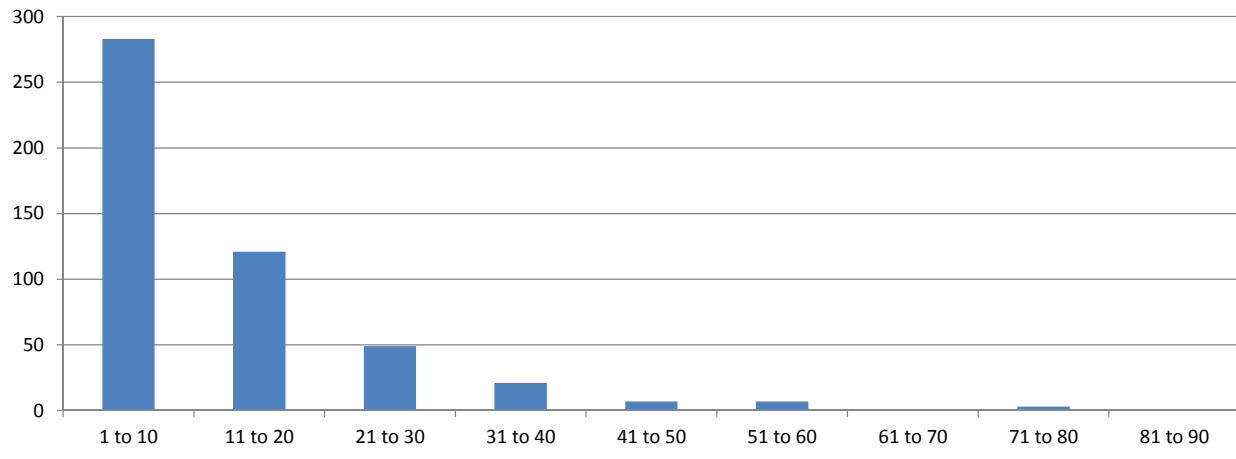
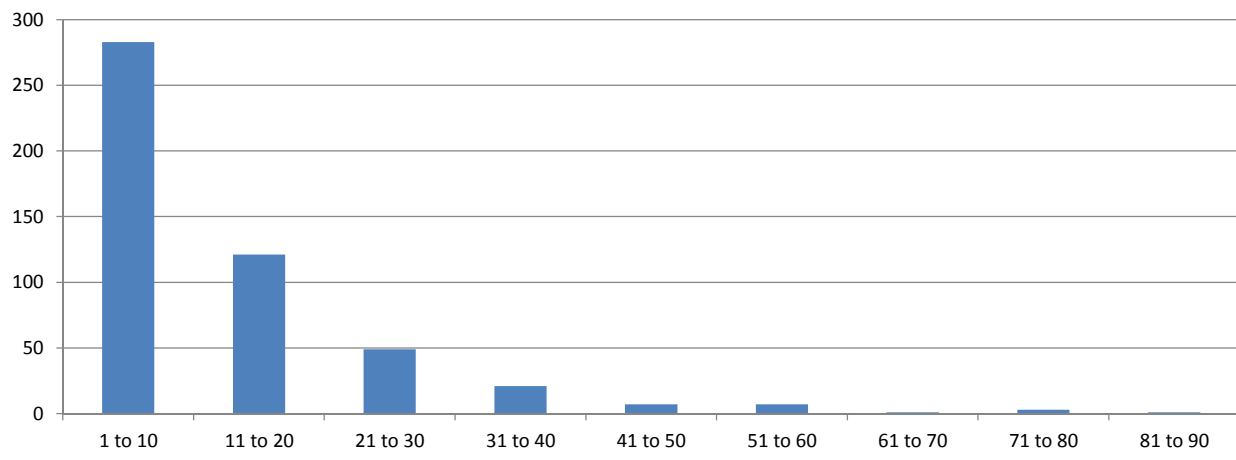


Table 10: Annual Rounds Played AT IVGID COURSES Responses

Responses Re: Annual Rounds Played at IVGID Courses	Total	% Total
1 to 10	283	57%
11 to 20	121	25%
21 to 30	49	10%
31 to 40	21	4%
41 to 50	7	1%
51 to 60	7	1%
61 to 70	1	0%
71 to 80	3	1%
81 to 90	1	0%
Total Responses	493	100%
Average Annual Rounds Played at IVGID Courses	12.71	

Chart 6: Annual Rounds Played at OTHER LAKE TAHOE AREA COURSES Responses



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Table 11: Annual Rounds Played at OTHER LAKE TAHOE AREA COURSES Responses

Responses Re: Annual Rounds Played at Other Lake Tahoe Area Courses	Total	% Total
1 to 10	376	83%
11 to 20	46	10%
21 to 30	15	3%
31 to 40	6	1%
41 to 50	3	1%
51 to 60	2	0%
61 to 70	3	1%
Total Responses	451	100%
Average Annual Rounds Played at IVGID Courses	7.97	

Number of Respondents that are Golf Course Members Re: Question #12.

Diagram 8: Golf Course Membership Breakdown of Golfing Respondents

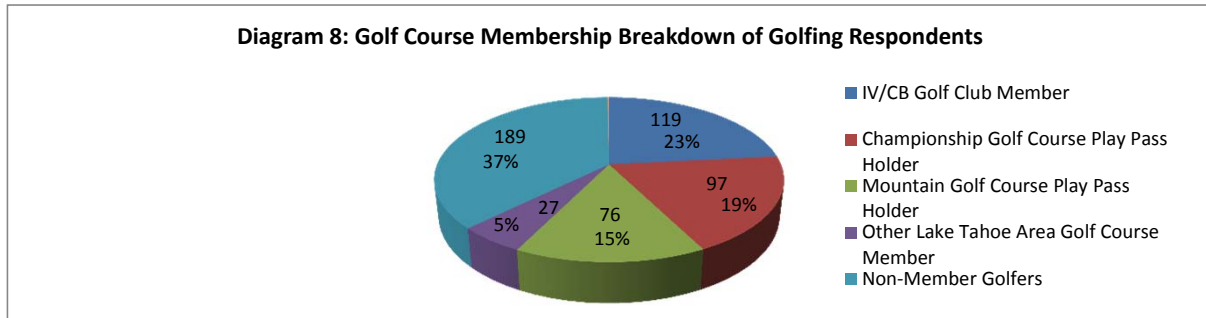


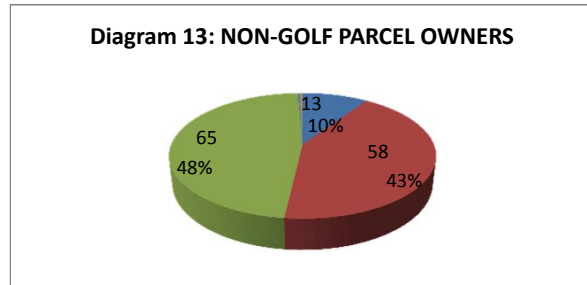
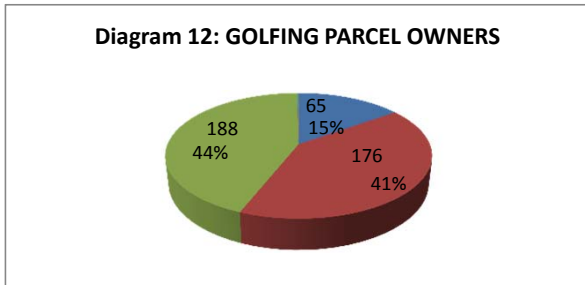
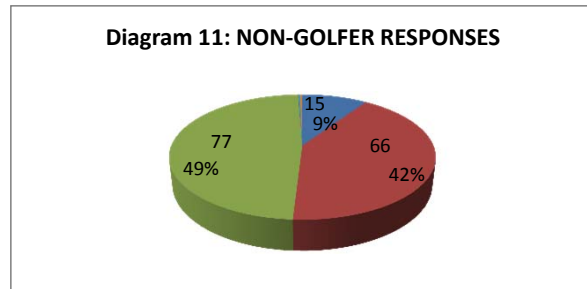
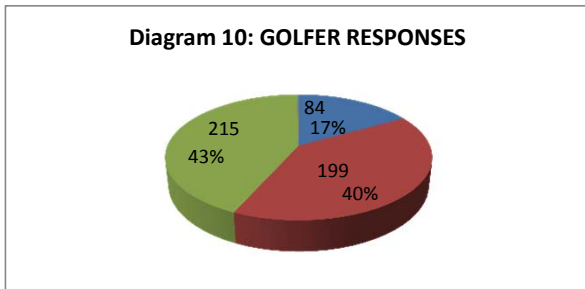
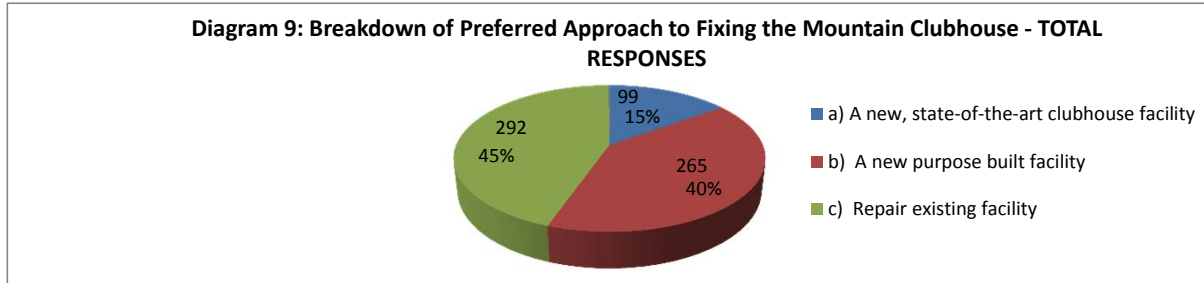
Table 12: Number of Years as a Member of the Community

Responses Re: Golf Course Membership Status	Total Responses	% Total
IV/CB Golf Club Member	119	23%
Championship Golf Course Play Pass Holder	97	19%
Mountain Golf Course Play Pass Holder	76	15%
Other Lake Tahoe Area Golf Course Member	27	5%
Non-Member Golfers	189	37%
Total Responses	508	100%

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SECTION II - MOUNTAIN GOLF COURSE SURVEY QUESTIONS

Preferred Approach to Fixing the Mountain Golf Course Clubhouse Re: Question #1.



Overall, responses to the Mountain Golf Course Clubhouse approach were reasonably consistent regardless of the respondent profile with approximately 45% preferring repairs to the existing structure, 40% preferring a new purpose built structure and 15% preferring a new, state-of-the-art facility. **It is important to note that the majority of respondents, approximately 55%, prefer a new facility.**

Table 13: Preferred Approach to Fixing the Mountain Golf Course Clubhouse - TOTAL RESPONSES		
Responses Re: Clubhouse Approach	Total Responses	% Total
a) A new, state-of-the-art clubhouse facility	99	15%
b) A new purpose built facility	265	40%
c) Repair existing facility	292	45%
Total Responses	656	100%

Table 14: Preferred Approach to Fixing the Mountain Golf Course Clubhouse - GOLFERS		
Responses Re: Clubhouse Approach	Total Responses	% Total
a) A new, state-of-the-art clubhouse facility	84	17%
b) A new purpose built facility	199	40%
c) Repair existing facility	215	43%
Total Responses	498	100%

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Table 15: Preferred Approach to Fixing the Mountain Golf Course Clubhouse - NON-GOLFERS		
Responses Re: Clubhouse Approach	Total Responses	% Total
a) A new, state-of-the-art clubhouse facility	15	9%
b) A new purpose built facility	66	42%
c) Repair existing facility	77	49%
Total Responses	158	100%

Table 16: Preferred Approach to Fixing the Mountain Golf Course Clubhouse - GOLFING PARCEL OWNERS		
Responses Re: Clubhouse Approach	Parcel Owners	% Total
a) A new, state-of-the-art clubhouse facility	65	15%
b) A new purpose built facility	176	41%
c) Repair existing facility	188	44%
Total Responses	429	100%

Table 17: Preferred Approach to Fixing the Mountain Golf Course Clubhouse - NON-GOLFING PARCEL OWNERS		
Responses Re: Clubhouse Approach	Parcel Owners	% Total
a) A new, state-of-the-art clubhouse facility	13	10%
b) A new purpose built facility	58	43%
c) Repair existing facility	65	48%
Total Responses	136	100%

Would Respondents Play More Golf if a New Clubhouse Offered Views of Lake Tahoe? Re: Question #2.

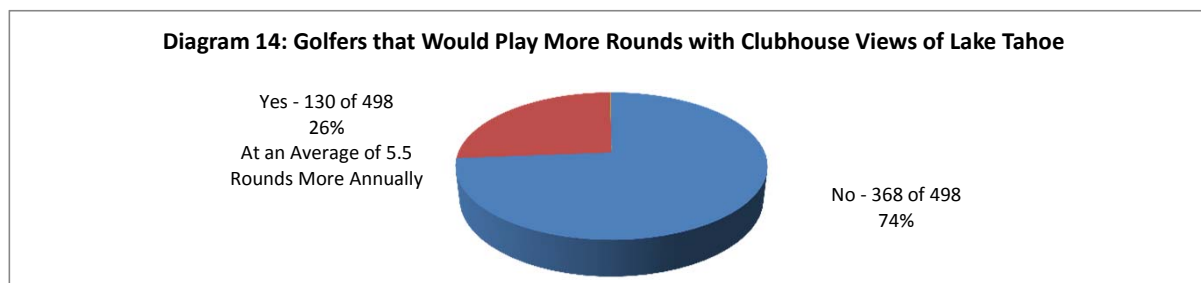


Table 18: Golfers that Would Play More Rounds with Clubhouse Views of Lake Tahoe		
Responses Re: Would You Play More Rounds	Total	% Total
No	368	74%
Yes - 1 to 3 rounds	43	9%
Yes - 4 to 6 rounds	51	10%
Yes - 7 to 9 rounds	15	3%
Yes - 10 to 12 rounds	16	3%
Yes - 13 to 15 rounds	1	0%
Yes - Over 15 rounds	4	1%
Total Responses	498	100%
Average Annual Additional Rounds Respondents Would Play	5.5	

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Golfers that Play Golf at the Mountain Course Re: Question #3.

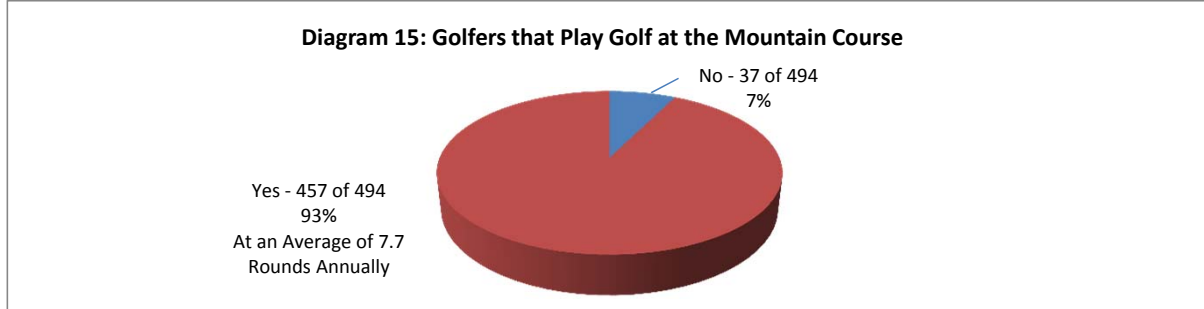


Table 19: Summary of Respondents that Play Golf at the Mountain Course		
Responses Re: Annual Rounds Played at the Mountain Course	Total	% Total
No	37	7%
Yes - 1 to 10 rounds	364	74%
Yes - 11 to 20 rounds	71	14%
Yes - 21 to 30 rounds	17	3%
Yes - 31 to 40 rounds	4	1%
Yes - 41 to 50 rounds	0	0%
Yes - 51 to 60 rounds	1	0%
Total Responses	494	100%
Average Annual Rounds Played at the Mountain Course	7.7	

Of the 37 respondents that indicated they do not play golf at the Mountain Course, 14 or 38% indicated that they would be more likely to play golf at the Mountain Course if conditions were improved, at an average of 2.8 annual rounds.

Is the Mountain Course Too Difficult? Re: Question #4.

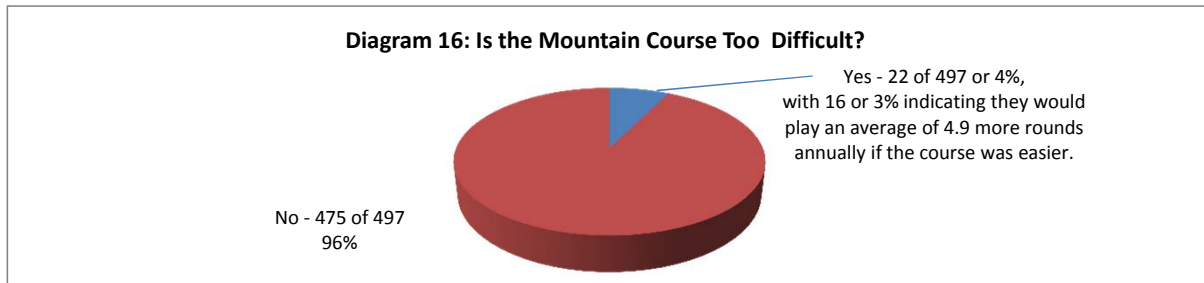


Table 20: Is the Mountain Course Too Difficult?		
Responses Re: Would You Play More Golf	Total	% Total
No	475	96%
Yes - No More Likely to Play Golf if it was easier	6	1%
Yes - 1 to 3 rounds more if it was easier	4	1%
Yes - 4 to 6 rounds more if it was easier	4	1%
Yes - 7 to 9 rounds more if it was easier	3	1%
Yes - 10 to 12 rounds more if it was easier	5	1%
Total Responses	497	100%
Average Number of Additional Rounds Played at the Mountain Course Annually	4.9	

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Would you Play More Golf at the Mountain Course with 9-hole Rates and You Could Select the Nine? Re: Question #5.

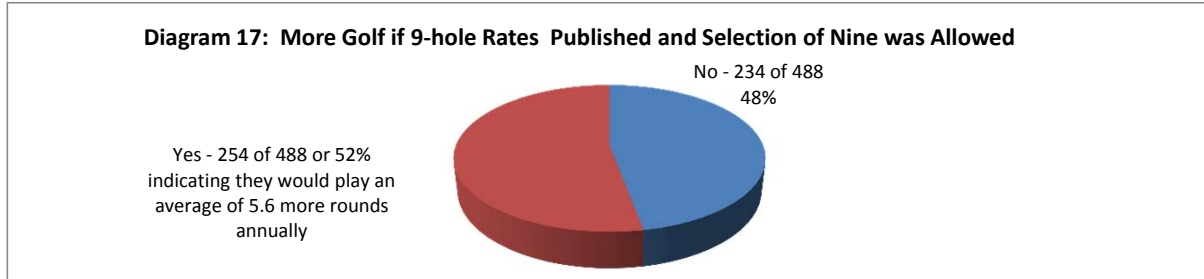
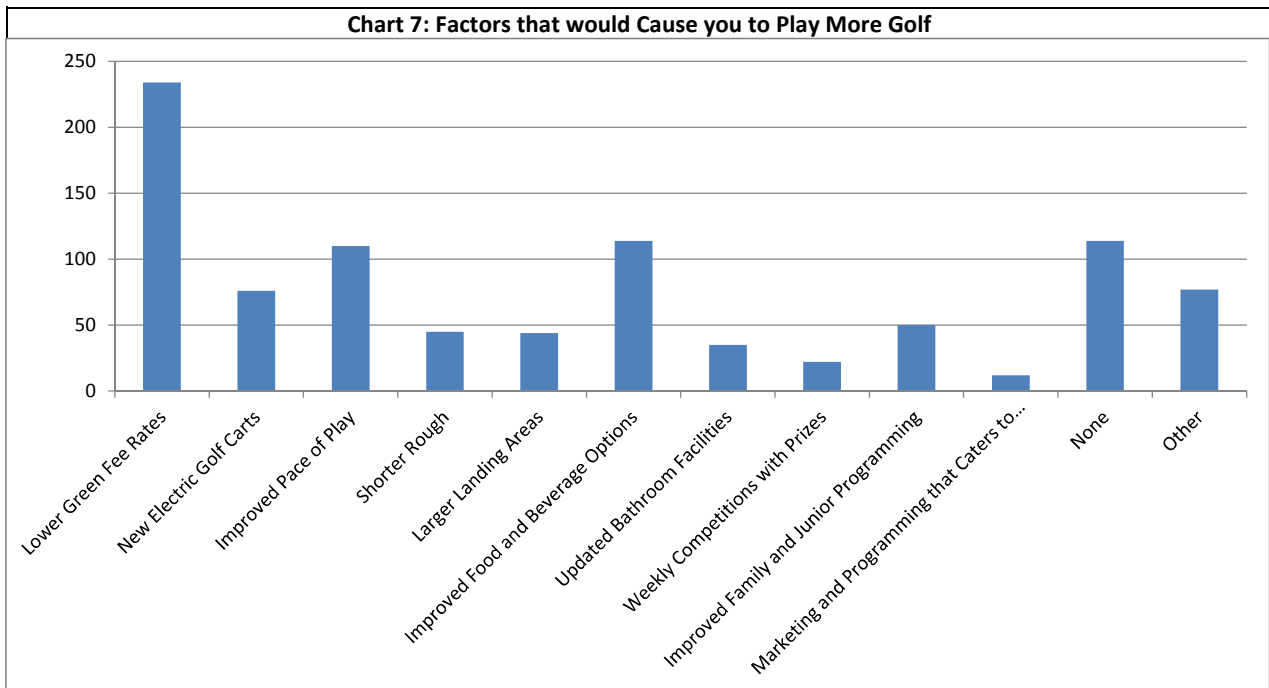


Table 21: More Golf if 9-hole Rates Published and Selection of Nine was Allowed		
Responses Re: Would You Play More Golf	Total	% Total
No	234	48%
Yes - 1 to 3 rounds more	82	17%
Yes - 4 to 6 rounds more	96	20%
Yes - 7 to 9 rounds more	36	7%
Yes - 10 to 12 rounds more	26	5%
Yes - 13 to 15 rounds more	4	1%
Yes - Over 15 rounds more	10	2%
Total Responses	488	98%
Average Number of Additional Rounds Played at the Mountain Course Annually	5.6	

What Factors Would Cause you to Play More Golf? Re: Question #6.



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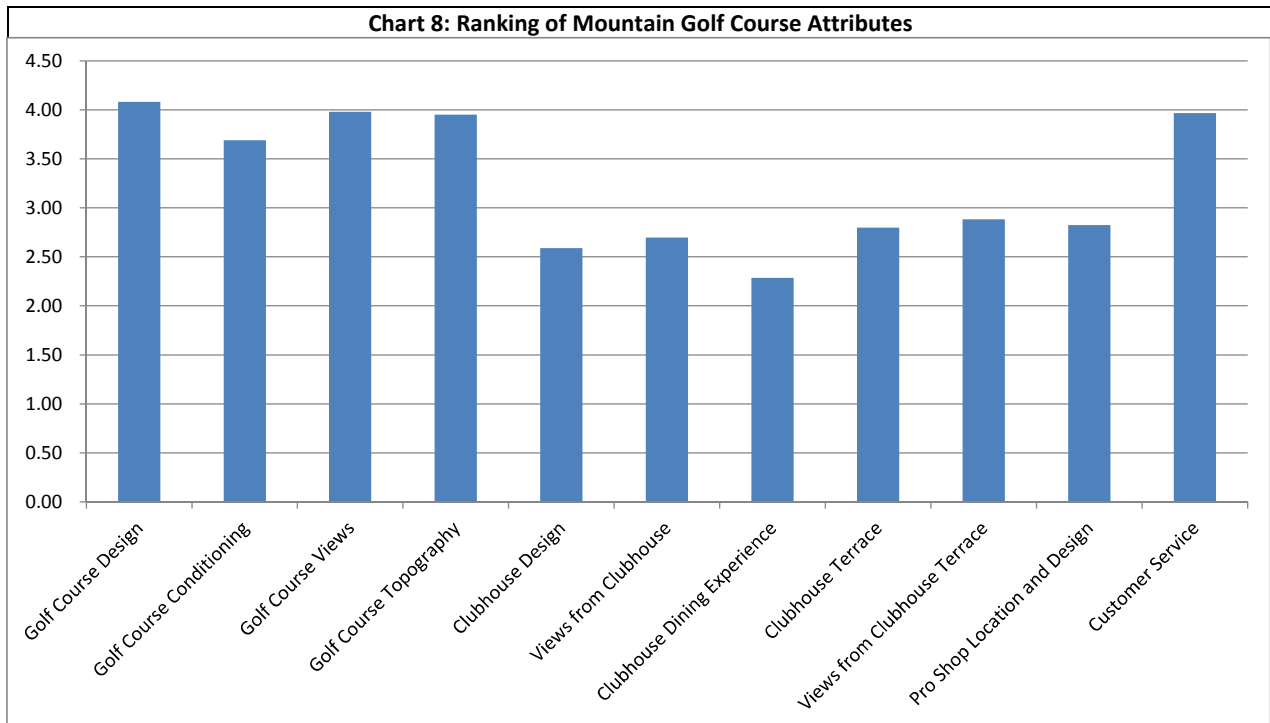
Table 22: Factors that Would Cause Respondents to Play More Golf

Responses Re: Factors	Total	% Total
Lower Green Fee Rates	234	25%
New Electric Golf Carts	76	8%
Improved Pace of Play	110	12%
Shorter Rough	45	5%
Larger Landing Areas	44	5%
Improved Food and Beverage Options	114	12%
Updated Bathroom Facilities	35	4%
Weekly Competitions with Prizes	22	2%
Improved Family and Junior Programming	50	5%
Marketing and Programming that Caters to Business Use	12	1%
None	114	12%
Other	77	8%
Total Responses	933	100%

The most popular responses for 'Other' related in some way to rates being too high or the need for enhanced family and junior programming.

Ranking of Mountain Golf Course Attributes Re: Question #7.

Chart 8: Ranking of Mountain Golf Course Attributes



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Table 23: Ranking of Attributes - Mountain Golf Course		
Responses Re: Attributes	Total Responses	Average Rating
Golf Course Design	476	4.08
Golf Course Conditioning	472	3.69
Golf Course Views	473	3.98
Golf Course Topography	467	3.95
Clubhouse Design	470	2.59
Views from Clubhouse	466	2.70
Clubhouse Dining Experience	447	2.29
Clubhouse Terrace	452	2.80
Views from Clubhouse Terrace	458	2.88
Pro Shop Location and Design	467	2.82
Customer Service	472	3.97
Average of all Responses	465	3.25

The lowest rankings are all attributable to the Mountain Course Clubhouse with most other attributes receiving reasonable rankings with the greatest room for improvement being on golf course conditioning.

SECTION III - CHAMPIONSHIP GOLF COURSE SURVEY QUESTIONS

Golfers that Play Golf at the Championship Course Re: Question #8.

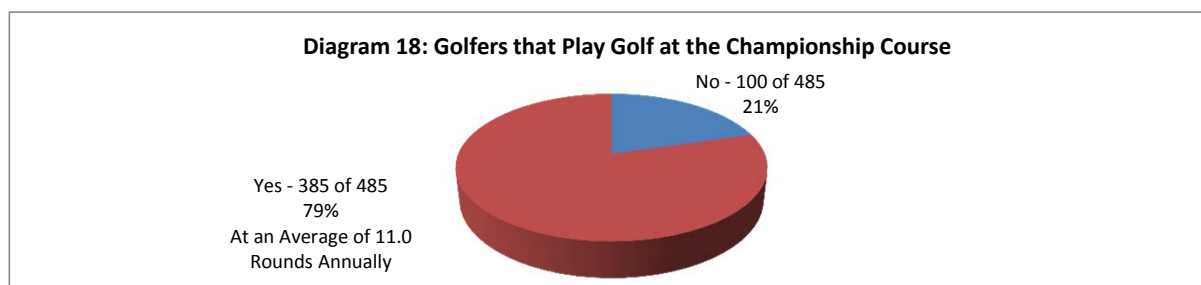


Table 24: Summary of Respondents that Play Golf at the Championship Course		
Responses Re: Annual Rounds Played at the Championship Course	Total	% Total
No	100	21%
Yes - 1 to 10 rounds	271	56%
Yes - 11 to 20 rounds	55	11%
Yes - 21 to 30 rounds	35	7%
Yes - 31 to 40 rounds	9	2%
Yes - 41 to 50 rounds	4	1%
Yes - 51 to 60 rounds	6	1%
Yes - 61 to 70 rounds	2	0%
Yes - 71 to 80 rounds	2	0%
Yes - 81 to 90 rounds	1	0%
Total Responses	485	100%
Average Annual Rounds Played at the Mountain Course	11.0	

Of the 100 respondents that indicated they do not play golf at the Championship Course, 20 or 20% indicated that they would be more likely to play golf at the Championship Course if conditions were improved, at an average of 3.45 annual rounds.

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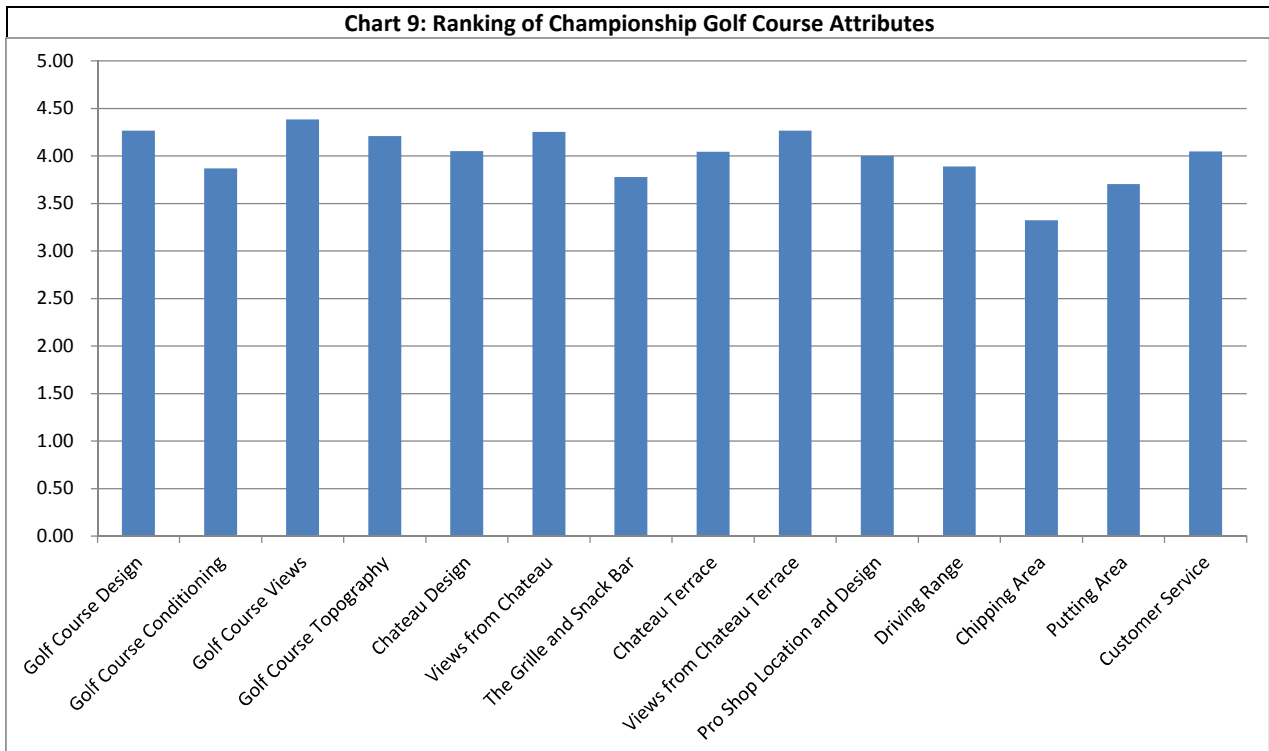
Is the Championship Course Too Difficult? Re: Question #9.



Table 25: Is the Championship Course Too Difficult?

Responses re: Is the Championship Course Too Difficult?	Total	% Total
No	387	80%
Yes - No more likely to play golf	25	5%
Yes - 1 to 3 rounds more if it was easier	37	8%
Yes - 4 to 6 rounds more if it was easier	24	5%
Yes - 7 to 9 rounds more if it was easier	6	1%
Yes - 10 to 12 rounds more if it was easier	3	1%
Yes - 13 to 15 rounds more if it was easier	1	0%
Yes - Over 15 rounds more if it was easier	1	0%
Total Responses	484	100%
Average Number of Additional Rounds Played at the Championship Course Annually	4.2	

Ranking of Championship Golf Course Attributes Re: Question #10.



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Attributes	Total Responses	Average Rating
Golf Course Design	446	4.27
Golf Course Conditioning	445	3.87
Golf Course Views	448	4.39
Golf Course Topography	444	4.21
Chateau Design	449	4.05
Views from Chateau	449	4.25
The Grille and Snack Bar	446	3.78
Chateau Terrace	443	4.05
Views from Chateau Terrace	447	4.27
Pro Shop Location and Design	448	4.00
Driving Range	450	3.89
Chipping Area	442	3.32
Putting Area	447	3.70
Customer Service	453	4.05
Average of all Responses	447	4.01

The lowest ranking is attributed to the Chipping Area, which is already scheduled for renovation. The areas with the greatest opportunity for improvement relate to the Putting Area, The Grille and Snack Bar, Golf Course Conditioning and the Driving Range.