LEISURE
INVESTMENT PROPERTIES GROUP

GOLF ♦ MARINAS ♦ SKI ♦ RESORTS ♦ PLANNED COMMUNITIES

GOLF & RESORTS INVESTMENT REPORT

2022

(2021 Review & 2022 Forecast)

LEISURE INVESTMENT PROPERTIES GROUP

Photo by Evan Schiller, Courtesy of Cabot
Sold by LIPG

TO OUR
VALUED CLIENTS

Special News on the Leisure Investment Properties Group

The Leisure Investment Properties Group, LLC left its national commercial real estate company in July of 2021 and is now the largest advisor and broker of golf and marina and related assets in the US.

In 2009, while a global economic crisis was devastating the real estate market, Steve Ekovich and Chris Karamitsos identified a void in the commercial real estate brokerage industry. With turmoil not seen since the S&L crisis of the 1980s, the golf industry would require specialists proficient in helping investors navigate through incredibly recalcitrant markets. Enter, the Leisure Investment Properties Group (LIPG).

Leveraging Chris' background as both a real estate broker and PGA golf professional, along with Steve's decades-long track record of facilitating billions of dollars' worth of commercial transactions, the two formed the golf-centric brokerage division for the publicly traded, commercial real estate investment firm, Marcus & Millichap. The idea was to bring investment-grade underwriting of assets, institutional-quality advisory services, and brokerage "best-practices" to the golf investment community. In the years that followed, the group listed, sold, advised, and underwrote hundreds of properties totaling over $2.5 billion.

In 2010 Terry Vanek, MBA from Florida, joined the group followed by long time industry veteran Rob Waldron, who worked for Legg Mason RE Services, Fore Golf and Billy Casper Golf. The new LIPG, LLC's four core partners today are Steve Ekovich, Chris Karamitsos, Terry Vanek and Rob Waldron.

In 2014 the LIPG expanded its services by successfully launching the marina division. With the addition of Brett Murphy and long time real estate veteran Jeff Spilman, they launched the Marina division where today it is considered one of the top marina brokerage division's in the marina airspace. Brett and Jeff are also founding members of the LIPG.

In launching our national brokerage and advisory company, the LIPG is even better positioned to continue to execute on its vision of being the preeminent leader in business-driven, leisure investment real estate and advisory services. As an independent, national brokerage and advisory firm, the LIPG's core niches remain golf courses, golf master planned communities, golf resorts and golf course conversions to other forms of real estate. The marina division will continue to advise and broker marinas, marina master planned communities and marina resorts.

Given its complete autonomy, the company can now adapt more quickly to market changes and bring far greater resources to the firm's clientele. The firm will also be able to provide several additional marketing options and platforms for clients, allowing for their assets to be more competitive as highly sought-after investment vehicles. Without the restrictions and limitations of a large publicly traded company, we can focus our time and energy on helping our clients create and preserve wealth in the leisure industry, determine the best options for them and provide the most prescient and forward thinking advisory services.

Considering the events of the past 18 months, a global pandemic, currency volatility & manipulation, national elections, trillions in stimulus, shifts in monetary policy and the threat of inflation, the LIPG is better positioned now than ever to use its advisory services to help clients in analyzing market trends and navigating tenuous economic environments. The team looks forward to this new chapter in the evolution of the company and to continue to provide it's clients with the finest advisory services in the industry.

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A TRUSTED VISION
FOR THE FUTURE OF GOLF

State of the Golf Market Executive Summary

This report, used by many golf industry owners, lenders, appraisers, management companies, consultants and media outlets is usually released in March, so as to provide the best sales statistics since pre-porting agencies are usually 2-3 months behind in the reporting of golf sales. We will cover what happened to golf retrospectively in 2021 and look forward to what we believe will happen in 2022.

Income	↑	Rounds Membership	↑
Median Price	↑	Income	↑
Average Price	↑	Off Course Golf Interest	↑
Number of Transactions	↑	Net Golf Course Closures	↓
Interest Rates	↑	Stock Market	↑

The global health crisis that started in 2020 and continued into 2021 has left an indelible mark on society, structurally changing how people live, work, play, vacation, dine and shop. Many question **when** things will return to normal, or if the definition of normal has been changed forever. As of this writing, Omicron seems to be abating and even the most cautious states are now fully open for business. We believe that the systemic changes in our society may have been a decade away however, the COVID-19 Pandemic just sped them up. The dramatic lifestyle changes of the last two years will directly affect the demand characteristics of golf courses — both over the short and long-term.

Our 2021 report and 2022 Forecast features:

- Exclusive Interview with **Cabot CEO, Ben Cowan-Dewar, who recently acquired World Woods from Our Team and in addition, own the famed Cabot Cape Breton Golf Resort and are also in the process of developing Cabot St. Lucia with famed golf developer Mike Keiser**
- The State of the Golf Industry from an asset value view by Steve Ekovich
- Buyer Sentiments by Terry Vanek, (what and who is buying and why)
- The Pandemic's Continued Impact on Golf, and Golf's Perfect Storm, both articles from Rob Waldron
- 2021 golf course sales activity—The "core: $1-10M investment tranche by Kody Tibbetts

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Robert Waldron

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State of the Golf Investment Market

By: Steven Ekovich

GOLF IS OFFICALLY BACK!!

No one predicted in June of 2020, when the first states started reopening after the initial wave of pandemic closings, that 2021 would be stronger than 2020. The prevailing assumption in the summer of 2020 was we would keep approximately 15% of the Covid bump/increase in play. In the summer of 2021, pundits were postulating a return to a normalized golf market by the end of 2021, with a loss of 20-30% in rounds while retaining the majority of private members. Once again, they were incorrect. We are three months into 2022 and the popularity of golf continues to improve. The past two years have erased nine years of decline! The Pellucid Report, in their State of the Industry conference, stated from 2020, we are up 60M rounds in the US. In 2021 golf rounds grew another 25%, which translates into a 15% growth over the past decade.

Golf Course prices were up, golf revenue was up, memberships were up, the stock market was up, membership dues and green fees were up .

It is good time to be in the golf business! Not so long ago, during Golf Inc. Conferences, the mood was dower, and available financing for golf was limited. Golf courses closings outpaced new course openings. For about 7-10 years, net closings were running about 170-200 golf courses nationwide per year, or golf supply was reducing by about 200 a year. **Today we can declare we are not only in supply and demand balance, we have more demand than tee times,** so as a golf owner, **you have pricing power**. Let's look deeper at what has been giving golf two years of health, happiness and hutzpah.

THE DEMAND SIDE

The NGF touted "rounds bettered the previous high set 20 years ago despite 3.7M fewer golfers". Approximately 530M rounds played in 2021, up 5% from 2020. Public golf was up 7% over 2020 and Private was up 1%, (but private rounds were up 20% in 2020 over 2019.) The Pellucid Report stated utilization, (number of possible rounds a course can put through in a day) was up to 54% in 2019, up to 61% in 2020 and up to 63% in 2021. Pellucid also provides an analysis of the impact of weather on golf rounds across the US by state. They determined that in none of those years was weather a significant factor, which means, golfers are playing more golf and we are gaining golfers. Public golf fees are up $1.5B from 2019 to 2020 and up $1B in 2021.

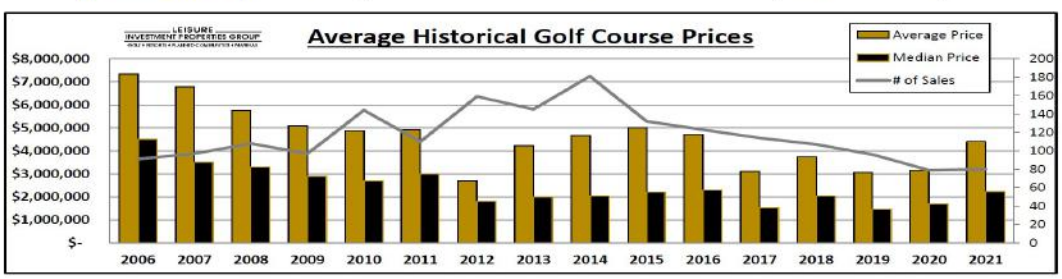
In fact, golf revenue alone was up for all types of golf facilities in 2021, because play was up, which certainly makes sense. Public course golf revenue was up 28.7%. Membership counts were up at almost every club in the country. The increased demand has enabled private clubs to increase initiations, dues and fees in many markets. A private 36-hole course in Florida, Belair Country Club, has 810 members and a waiting list of 56 to be full golf members. To get on the waiting list to be a golf member the initiation fee is **$50,000 non-refundable**, and who knows how long it will take for you to become a member if you are number 42 on the list.

When we look at F&B revenue, from 2020 and the first half of this year, most clubs except for the most restrictive states ,were open for

LIPG - National Golf Course Sales History

	# of Sales	Average Price	% Change	Lowest Price	% Change	Highest Price	% Change	Median Price	% Change
2006	91	$ 7,326,883	N/A	$ 1,100,000	n/a	$ 39,500,000	n/a	$ 4,500,000	n/a
2007	97	$ 6,778,325	-7.49%	$ 559,000	-49.18%	$ 58,000,000	47%	$ 3,500,000	-22.22%
2008	108	$ 5,757,172	-15.06%	$ 595,000	6.44%	$ 50,575,000	-12.80%	$ 3,300,000	-5.71%
2009	97	$ 5,089,742	-11.59%	$ 500,000	-15.97%	$ 50,000,000	-1.14%	$ 2,900,000	-12.12%
2010	144	$ 4,873,308	-4.25%	$ 250,000	-50.00%	$ 40,000,000	-20.00%	$ 2,700,000	-6.90%
2011	110	$ 4,912,103	0.80%	$ 275,000	10.00%	$ 73,525,000	83.81%	$ 3,000,000	11.11%
2012	159	$ 2,700,215	-45.03%	$ 250,000	-9.09%	$ 30,000,000	-59.20%	$ 1,802,500	-39.92%
2013	145	$ 4,211,889	55.98%	$ 366,450	46.58%	$ 48,520,000	61.73%	$ 2,000,000	10.96%
2014	181	$ 4,661,645	10.68%	$ 266,800	-27.19%	$ 60,000,000	23.66%	$ 2,045,000	2.25%
2015	132	$ 5,012,316	7.52%	$ 263,250	-1.33%	$ 47,000,000	-21.67%	$ 2,195,000	7.33%
2016	123	$ 4,718,947	-5.85%	$ 500,000	89.93%	$ 50,000,000	6.38%	$ 2,300,000	4.78%
2017	114	$ 3,105,611	-34.19%	$ 520,000	4.00%	$ 30,700,000	-38.60%	$ 1,525,000	-33.70%
2018	107	$ 3,741,962	20.49%	$ 500,000	-3.85%	$ 41,948,500	36.64%	$ 2,046,418	34.19%
2019	96	$ 3,050,907	-18.47%	$ 500,000	0.00%	$ 16,750,000	-60.07%	$ 1,464,291	-28.45%
2020	79	$ 3,149,046	3.22%	$ 500,000	0.00%	$ 34,500,000	105.97%	$ 1,700,000	16.10%
2021	80	$ 4,399,889	39.72%	$ 500,000	0.00%	$ 45,333,000	31.40%	$ 2,225,000	30.88%
TOTAL	1,863	$ 4,538,790	-39.95%						

Outliers Removed (<$500k or >$75m)



***Data Courtesy of the Leisure Investment Properties Group: www.LeisurePropertiesGroup.com

Fig. 1 (*We have not included large multi-course portfolio sales, or large golf resort sales, as they are not reflective of the average and median golf course true value. Likewise, golf courses that closed and sold for housing that artificially inflates values are not included in the averages or medians*).

business. While not able to capture the pre-pandemic F&B revenue levels, many clubs again resumed outings and tournaments. Weddings were booked solid for the last half of 2021 and many were booked through 2022. (There was excess demand from weddings that were delayed until the end of 2021 and into 2022.)

What was the bad news? A year ago one of our potential sellers said he was afraid of losing members, if people found out the course was for sale. When we went to list his course this year he said, you know what, **"I am not afraid anymore of losing members, I am afraid of losing staff!"** At the moment, staffing is the number one problem in golf. Rising minimum wages mandated by states and or driven by competition paying more per hour to attract talent, as well as a portion of our work force retiring, and our government's infusion of cash that allowed some workers to stay at home and get paid, all collectively put tremendous stress on hiring and retaining staff.

THE SUPPLY SIDE

The number of 18 hole equivalent golf courses, (18HEQ) closed in 2021 was 130 according to the NGF, down 53% from its peak in 2019, prior to the pandemic. From the height of golf's supply of courses in 2005-2006, we have shed about 10-12% of supply with an average of 170-200 net closures per year for the past 6-7 years. The supply of courses has been reduced to 16,000 from a high-water mark of approximately 18,000.

GOLF COURSE VALUES

Supply, demand and interest rates all affect a golf course/club's value. The good news for golf course owners is the average price was up a **whopping 40% in 2021, and the median price 31%.** Those numbers are huge by comparison to previous years. The average sale price was $4,399,889 and the median sale price was $2,225,000. The average was up over $1M and the median about $525K. In both commercial and residential real estate, the median is considered the

"We are not only at equilibrium, we now have more golf demand than supply of courses and pricing power is back in the hands of golf owners."

better indicator of value, vs. the average which can be affected by either many small sales or a few large ones (**see figure 1 front page**). Why are the values up so much? First, when we look at the data there were more larger transactions that traded vs the previous year which pushes up both the average and median, but second, and more importantly, both gross revenue and EBITDA is up on just about every course in the country. For the first time since the great recession, nationally we have had two years of revenue growth and, more importantly, EBITDA growth. You can't have increases in golf course values without some increases in net income (EBITDA). What is interesting is that in 2020, buyers were saying "I can't value this club on this Covid bumped income". Appraisers were calling and inquiring, "How do I value income"? This year, we are seeing significantly less resistance to valuing golf assets with all Covid income included, because instead of revenue decreasing, like many pundits predicted, it went up in 2021. Now most of our clients are forecasting 2022 will be even better than 2021, based on the first few months of this year. 2022 welcomes the return of banquet and outing business which contributes to bottom line operating margins, in addition to ala carte dining which is typically a loss leader.

Tax Policy Changes: Will they affect golf course owners?

The Biden administration's proposed American Jobs Plan (AJP), American Families Plan (AFP), and fiscal year 2022 budget would increase federal spending by about $4 trillion over 10 years, including $1.7 trillion for infrastructure, partially funded with **higher taxes on individuals and businesses as well as increased tax enforcement.** The plan includes:

> Raise the top marginal income tax rate from 37 percent to 39.6 percent, which would apply to income over $452,700 for single filers, $481,000 for head of household filers, and $509,300 for joint filers. These thresholds are indexed for inflation after 2022.
>
> Tax long-term capital gains as ordinary income for taxpayers with adjusted gross income above $1 million, resulting in a top marginal rate of 43.4 percent when including the new top marginal rate of 39.6 percent and the 3.8 percent Net Investment Income Tax (NIIT).

So if you have owned a golf course for some time with accumulated equity built up and you want to do a 1031 tax deferred exchange, it doesn't look like that is under consideration any more, as it was in the beginning of 2021. But, your capital gains rates are going up.

THE ECONOMY AND GOLF

The U.S. economy grew by 5.7 percent in 2021, the fastest full-year clip since 1984, roaring back in the pandemic's second year despite two new virus variants that rocked the country. The growth came in fits and starts, with a burst of government spending helping propel a fast start, even as a surge in new cases and deaths in the second half of the year created additional pressures. The economy grew at a 6.9% annual rate from October to December, the Bureau of Economic Analysis said Thursday, a sharp acceleration from 2.3 percent in the previous quarter. **To sum it up, Inflation is Back!**

The consumer price index climbed **7% in 2021, the largest 12-month gain since June 1982,** according to Labor Department data released Wednesday. The widely followed inflation gauge rose 0.5% from November, exceeding forecasts. The data bolsters expectations that the **Fed will begin raising interest rates in March 2022,** a sharp policy adjustment from the timeline projected just a few months ago.

High inflation has proven more stubborn and widespread than the central bank predicted amid unprecedented demand for goods along with capacity constraints related to the supply of both labor and materials. Meanwhile, the unemployment rate has now fallen below 4%.

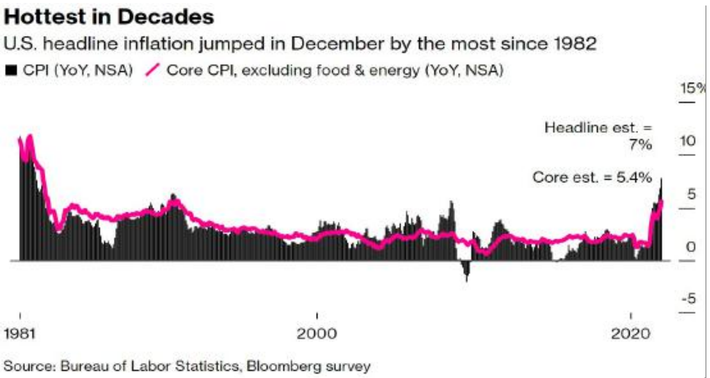


Fig. 2 *Inflation Rates over time*

The S&P 500 rose 26.89% in 2021, marking the benchmark's third straight positive year. The Dow and Nasdaq also notched three-year winning streaks, gaining 18.73% and 21.39% for the year, respectively.

CONCLUSIONS AND PREDICTIONS

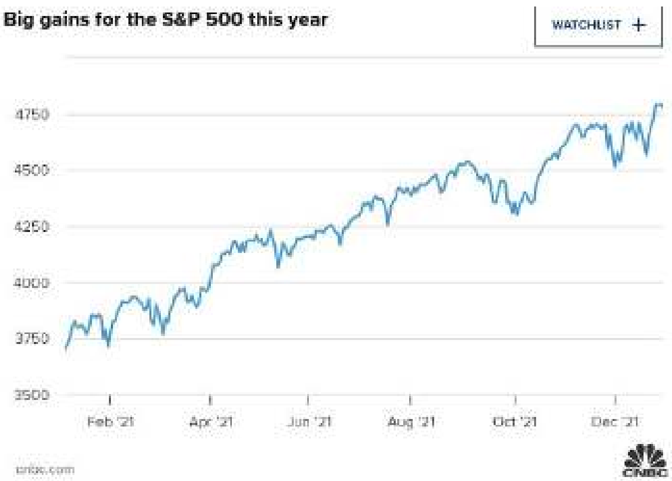


Fig. 3 *S&P Growth in 2021*

In the summer of 2021 we predicted that golf rounds and membership would continue to be up over the 2019 pre-Pandemic levels and a la carte F&B would be more normalized in the second half of 2021 as 70% of adults are currently vaccinated. In 2022 and 2023 we expect banquet and outing business will be extraordinary as pent-up demand for weddings, banquets and functions postponed form the past two years, will be re-booked.

Since the COVID-19 Pandemic has added some much needed revenue and EBITDA to courses struggling, those struggling courses that would have sold in early 2020 will continue to have a lifeline and will be less encouraged to sell. Finally, migration out of northern cities has driven white hot home prices in warm weather markets as demand for single family homes (particularly in the south and suburbs) has sky-rocketed. **All that we predicted came true**.

As we look forward to 2022, and are writing this report in mid-March, there are some brewing headwinds not just for golf but for all business. We are going to have the first interest rate increase. Gas prices have doubled. Russia has invaded Ukraine, and as a result the world is cutting off commerce with Russia - which will take oil supply out of the market. Hiring and retaining hourly workers is tremendously difficult, and rising hourly wages are out of control. Even with all those headwinds, we believe 2022 will again be outstanding for golf for a number of reasons, which we will share below.

2022 Predictions:

- Private course demand, memberships and revenue will continue at or above 2021 levels.
- Private courses will continue to push dues and initiation fees higher.
- F&B should have its first normal year since 2019.
- There will be a call-back to work for employees working from home. Many companies excited by the reduction in facility (needing less space with employees working from home), will shed office space. This means golfers will have more free time to golf.
- Those who are unable to work from home will return to offices, softening the golf demand during the week.
- Golf course values will continue to rise, as revenue and EBITDA are increase for the third time in 11 years.
- Experienced golf course buyers will be competing with new buyers entering the industry chasing yields as, other forms of real estate show historically low cap rates on acquisition. This will drive golf metrics like EBITDA multipliers higher as well as GRMs higher.
- Golf course-conversions in major metros will continue their white hot demand, as less and less golf course conversions will be available and the housing markets are hot. Rising interest rates could cool some home buyer demand and reduce sky rocking home values.
- There will continue to be more consolidation of golf to larger aggregators.
- Once struggling equity clubs will be healthier, so privately owned for profit clubs with $5M plus revenue and strong EBITDA will create some bidding wars not seen in golf in 14 years.
- 2022 will be the most fun for owners, buyers, golfers and golf advisors, (like the Leisure Investment Properties Group), we've had in years.

As Tom Brady says on his pod casts, "Let's Go".

Investor Sentiment: Golf's Covid Boom 2020, 2021 and Beyond

By: Terence Vanek

The months since the pandemic hit in March 2020 have presented the property sector with an unending series of unprecedented challenges and enormous, rapid shifts. What do they portend for the golf industry going forward? The theme that emerged more than any other during conversations with industry leaders was the surprising resilience of the economy and of property markets generally, but more surprisingly golf specifically, inspiring greater confidence in the industry's collective capacity to adapt to changing market conditions and future unknown risks.

Facing a devastating medical crisis of unknown dimensions, the economy sustained epic losses of output and jobs as the United States promptly shut down at the beginning of the pandemic. But confounding initial expectations of a protracted recession and then recovery spanning several years, the economy began to bounce back almost as quickly as it shut down.

GOLF BECOMES A FAVORED ASSET CLASS IN 2021

In essence, as the world changed, so did consumer demand to play golf. And with it, the way in which golf investors perceive and interact within it. No doubt the pandemic took its toll on the majority of commercial real estate investors in 2020. But it also fundamentally shifted investor preferences in the different types of commercial property, and favorably for golf. As 2021 ended, it is clear that – at least in the short term - the investment landscape has materially changed in unexpected ways – and golf is certainly a favored asset class moving forward.

Golf's resurgence, however, was initially entirely unexpected at first, and then thought generally by the majority of owners and investors to be short lived. The recession ended up lasting only two months—the shortest on record—according to the Fed. But it would be vastly overstating the situation to say that golf assets pivoted without skipping a beat. General managers and operators faced daunting hurdles in the beginning months just to keep doing business. Nearly every property sector was forced into urgent changes, but golf more so than most. The travel restrictions and stay-at-home orders enacted in the first quarter of 2020 to slow the spread of COVID-19 had an immediate and severe impact on the golf sector.

But soon thereafter, forced to stay at home with most business temporarily shut down, one of the only available outlets to exercise and socially engage was the golf course. And now economic output is back above pre-COVID levels, and jobs surpassed previous levels by early 2022. The second half of 2020 through 2021 saw material increases in all things golf related – rounds played, membership, equipment sales, even TV viewership – not seen since 1997 when Tiger Woods captured the country's interest and attention on golf.

A NEW POOL OF INVESTORS

Now, three months into 2022, investment demand for golf assets is stronger than it has been in nearly two decades. An appetite driven in no doubt by an unprecedented increase in rounds – over 60M or 15% from 2020 *(see Figures 1&2).* And approximately 50% of that increased demand has come from the long awaited **"cross-over buyer",** or investors that typically transact in your core commercial property markets – apartments, retail, office, industrial, and hospitality.

As a result, for the first time in a decade, sellers are on the upswing of a golf market experiencing material growth in not just earnings, but also and more importantly the interest and intrigue of these non-traditional cross-over investors. Investors that typically engage in the core markets of office, apartments and hospitality seemingly flooded away from pandemic burdens into golf's pandemic relief. And while the core golf investor raised questions surrounding the sustainability of golf's pandemic driven success, the cross-over investors surged into a market where cap rates could be found at three times the yield of core commercial property values *(see Figure 3).*

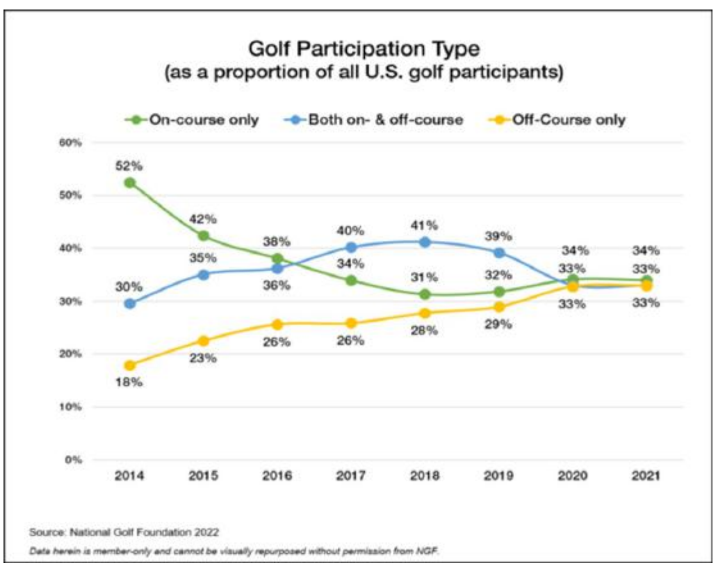


Fig. 1 *Golf Participation Rates since 2014 by Facility Type*

Fig. 2 *Growth in Rounds over the Last Two Decades*

Investor Sentiment: Golf's Covid Boom 2020, 2021 and Beyond

By: Terence Vanek

THE CONTINUED QUESTION SURROUNDING THE BID/ ASK SPREAD BETWEEN BUYERS AND SELLERS

In 2021, most industry experts believed our "new normal" moving forward for 2022 would include a continued interest, though reduced from 2020's resurgence and tempered against the return of competing activities and interests as the population is vaccinated and reincorporates travel, dining, entertainment, and other alternative social activities.

Now, moving into 2022 and 2023, there is a growing belief that demand will sustain, and golf rounds will mostly retain the significant growth experienced over the last two years. There continues to exist a divide between the revenue golf investors are willing to recognize as sustainable, vs. the revenue golf sellers want traditional multiples to be applied. Conservative buyers rightly take caution when underwriting 2020 and 2021 financial performance, grounding improvements in growth to pre-pandemic historical performance. But the cross-over buyer has a much more aggressive appetite at lower cap rates, and aggressive sellers rightly point to the continued strength of golf revenues – despite the return to competitive recreational activities now available, like travel, dining out, concerts and sporting events. They claim technological advancements and the fundamental shift in the world's work from home new normal, whereby flexible working schedules and geographic relocation, will allow golf to flourish for years to come.

Over time and through continued trial and error, buyers and sellers will reset the traditional multiples to which the golf airspace has become accustomed. Transaction values were up nearly 40% during 2021. There will continue to be some discount applied to 2021 round and revenue gains, along with some reward given to sellers for the perceived future benefit of owning golf. But transaction interest is certainly up from last year, as are valuations, and for the first-time golf owners have the benefit and leverage of finally living in a seller's market.

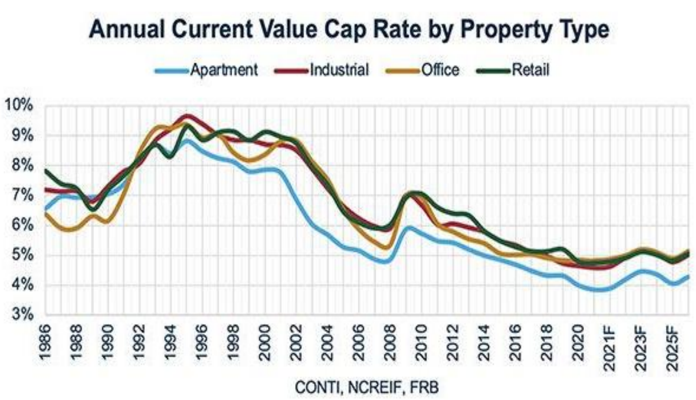


Fig. 3 *Average Cap Rates across Core Commercial Property Types*

CONCLUSIONS

The economic outlook certainly looked much better by the end of 2021 than could reasonably have been hoped for a year earlier. Not only has economic output already recovered to pre-COVID levels, but growth was at its highest rate in decades during 2021. Government stimulus flushed the economy with cash, and consumers managed to save much of their stimulus, leaving households in solid financial shape. And, given the forced imprisonment many consumers were forced to endure at the heights of the pandemic, many are now exuberantly out and about spending on all the leisure activities they once were forced to give up.

At the same time, the 2022 economy faces downside risks and uncertainty, particularly in the form of new waves of COVID infections—and most especially if those infections are more transmissible like the Delta and Omnicron variants or more lethal. The war in Ukraine and rising inflation also place significant strain on the economy *(see Figure 4).*

And it must be emphasized that no matter how great the hunger for a return to normalcy, the reality is that much remains decidedly abnormal. As of early fall 2021, most office workers are still working remotely from home—at least on a partial basis. Labor markets have shifted and many workers simply are unwilling to give up their flexible home/work freedom, choosing instead a new career and/or better opportunity. Bottlenecks remain throughout the supply chain.

Despite these headwinds, golf continues to thrive. And investors have taken note. Financing has become more readily available. Memberships at many clubs are at capacity. Rounds nationwide continue to rise. And the profitability from golf operations has led golf assets to be a much more desirable real estate investment in the eyes of buyers moving into 2022.

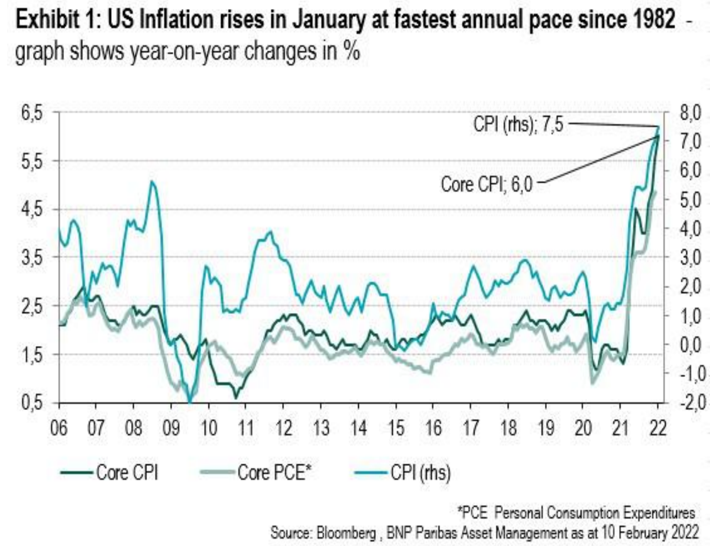


Fig. 4 *Inflation Rates Skyrocket beginning 2021*

PANDEMIC'S CONTINUED IMPACT ON GOLF OPERATIONS INTO 2022

BY: ROB WALDRON

In our 2021 Investment Report we conveyed the ingenuity and resourcefulness exhibited by golf course operators as they navigated their way through the COVID-19 Pandemic. As we kick off a new golf season many of the lessons learned and procedural changes brought about during the pandemic will impact operators into 2022 and beyond. Below is a partial summary of the pandemics impact on operations we anticipate well into 2022.

DAILY FEE OPERATIONS

The increased demand at daily fee golf courses has motivated course owners to make adjustments to their operating models. Courses continue to raise rates and fees during all dayparts are making better use of dynamic pricing. Annual passes are either being eliminated, offered on a limited basis or restricting usage as operators strive to maximize revenue per round.

Continued demand for tee times has made aggressive discounting unnecessary. Outings and large groups requiring shotgun starts are being limited in favor of full priced daily fee rounds which provide improved tee time yield at higher rates.

FOOD & BEVERAGE

Today's society has become more health-conscience and tastes have changed. Customers demand greater menu selections including Vegan and Keto options along with a greater variety of cocktails and craft beers. Considering these changes has helped Clubs to attract younger Millennials, Generation X and Z and Boomers who have adopted healthier diets.

Labor shortages have surfaced as a major obstacle for the hospitality industry nationwide and golf courses are no exception. Increased minimum wages have necessitated higher menu prices and adjustments to limited service models. Takeout and pickup service has replaced full service at many clubs.

WEDDINGS

According the Wedding Report, 2022 is expected to be the busiest year for weddings since 1984 with an estimated 2.5 million brides and grooms expected to walk down the aisle.

A large majority of these weddings have been rescheduled from the past two years. Others are the result of engagements which occurred during the pandemic. Many clubs are benefitting by filling historically unpopular days of the week and times of the day while charging premiums for the popular days and times.

The increased demand for weddings has driven up the price for all costs related to the celebrations including, planes, venue rentals, florists, photographers, and caterers who attempt to make up for the lost revenue of the past two years.

PRIVATE CLUB MEMBERSHIP

Unprecedented demand to join private clubs has brought back waiting lists at more than one half the clubs cross the U.S. Owners have been able to take advantage of the higher demand by raising initiations, dues and fees. According to Club Benchmarking, 25% of clubs had full memberships pre-pandemic. Currently that number is in the 50% range.

As a means of maximizing dues revenue, Clubs have adjusted their membership offerings by eliminating discounted memberships classifications such as Junior Executive and Senior. Clubs have creatively added new non-golf membership classifications such as social, dining, fitness and swim/tennis classifications as alternative means of increasing dues revenue.

TECHNOLOGY

Advances in technology continue to embrace and engage golfers. One impact of the pandemic is the growing trend of online bookings of tee times. This has resulted in improved inventory control and yield management for operators. While dramatically reducing the number of no-shows.

Operators encourage their golfers to download their Club's app which enhances course loyalty and creates cross marketing opportunities. Social media has simplified communication between clubs and their customers as well as groups of golfers.

LABOR CONCERNS

The primary concerns for course operators in 2022 is the lack of available labor and the rising costs. Clubs are struggling to find course maintenance workers and front and back of the house F&B staff. With many States increasing minimum wage, labor costs are rising across the board.

Competition for hourly employees makes it difficult to hire new employees and retain existing staff. Creating labor shortages. The shortages have a direct impact on service levels in the clubhouse and on course conditioning.

Golf's Perfect Storm: Beyond The Pandemic

By: Rob Waldron

The golf industry realized a significant increase in players, rounds, revenue and profitability during 2020 and 2021. As we enter 2022, the popularity of golf continues to grow. The pandemic which limited many other outdoor activities certainly influenced new-found growth in the game. However it was not the sole contributing factor providing significant lift.

THE PERFECT STORM

The timing of the Pandemic served to fuel the fire and was just one of many factors contributing to the growth of the game. The Game of Golf has benefitted from a "Perfect Storm" of positive influences and circumstances during the past several years resulting in a reversal of the downward trends experienced prior to 2020.

INCREASED NUMBER OF GOLFERS

In 2000 the leadership of golf's governing bodies launched an organization called Golf 20/20. The objective was to identify initiatives designed to grow the game of golf through the year 2020. The programs specifically targeted youths, women and minorities as growth vehicles. By 2020 many of these programs had become well established. Social distancing and outdoor activity necessitated by the pandemic made golf an ideal alternative:

- ◊ Get Golf Ready
- ◊ PGA Junior League
- ◊ Drive, Chip & Putt
- ◊ LPGA-USGA Girls Golf
- ◊ The First Tee
- ◊ Op 36 Golf
- ◊ Top Golf
- ◊ Women's Golf Day Unites

GOLF 20/20 VISION FOR THE FUTURE

DRIVE CHIP & PUTT

The First Tee®

GET GOLF READY

PGA jr.league

#WGDUNITES

Girls Golf LPGA * USGA

DECREASE IN SUPPLY OF GOLF COURSES

According to the National Golf Foundation, U.S. golf course closings have outpaced new course openings each year since 2006, resulting in a net decrease in courses. The driving factor of course closures has been growing interest from developers. Residential and commercial development typically provide a significantly greater return on investment than use as a golf course.

The decrease in supply of golf courses in concert with the increase in the number of golfers and growing demand for tee times has resulted in record numbers of rounds and revenue for course owners nationwide.

WORKING REMOTE PHENOMENA

The pandemic changed the work habits of many Americans by requiring them to work from home. Employees discovered they could successfully conduct business via phone and computer. Working from home eliminated commutes to an office providing the workforce with more greater time flexibility. Golfers have taken advantage of this extra time to play more golf. Operators welcomed the growth of weekday and evening golf leagues and increased demand for twilight tee times.

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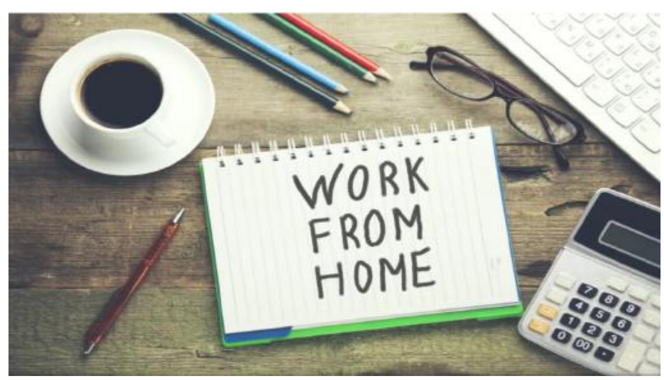


Based on the wide variety of factors that have contributed to the escalation of golf during the past several years we remain bullish on golf. Preliminary results for the first quarter of 2022 from seasonal markets in the southwest and southeast have been very positive. Pre-bookings for outings, leagues and golf packages are strong well into 2022 putting smiles on the faces of course owners and operators.

Interview: Cabot CEO, Ben Cowan-Dewar

By: Chris Karamitsos & Steve Ekovich

(Cabot CEO, Ben Cowan-Dewar—Cabotstlucia.com)

The Cabot organization develops and operates luxury master planned resort communities. Until recently, Cabot owned exclusively in Canada and the Caribbean. During the second half of 2021, the Leisure Investment Properties Group facilitated Cabot's first US acquisition. The renowned World Woods Golf Club, a 48-hole, Tom Fazio signature design in west central Florida, is being transformed into Cabot Citrus Farms. CEO, Ben Cowan-Dewer, was kind enough to share his thoughts about Cabot's resorts as well as the golf industry:

CK: Ben, congratulations on Cabot Citrus Farms. What motivated you to look at the US mainland (particularly Florida) for your latest acquisition?

BC-D: Thank you! I had been closely following World Woods since it first opened in 1993. The topography and vegetation are beautiful and rare for Florida, and we were intrigued by having such close proximity to Orlando and Tampa. We have focused on finding world-class sites for golf and we think Cabot Citrus Farms will be that!

CK: What can we expect to see once Cabot Citrus Farms is unveiled?

BC-D: Cabot Citrus Farms will open in 2023 with world-class amenities including two revitalized 18-hole courses, a par-3 course, a new clubhouse and practice facilities with a putting course and driving range. We anticipate opening with an initial real estate offering of 30-40 cottages in 2023 and adding more units over time

CK: How did luxury, "destination" golf become Cabot's business model?

BC-D: We're in the business of building the best golf we can, in some of the most beautiful places in the world. This has evolved over time as we've heard our guests desire for incredible experiences and their willingness to travel to seek those out.

SE: You have a relationship with Mike Kiser, (Bandon Dunes) how did that develop?

BC-D: Mike partnered with me in Cabot 15 years ago and everything we have achieved is really a credit to him for both having provided the example with Bandon Dunes and being my partner and mentor for all these years.

SE: Is Mike going to be involved in Cabot Citrus Farms?

BC-D: Yes. Fortunately, Mike is involved in everything we do at Cabot.

SE: Aside from COVID, what do you see in the next 10 years that continues to grow golf, rather than reverting to pre-COVID demand?

BC-D: Golf is on an amazing growth trajectory. There are a lot of factors here, but I think the most important three are; a combination of diversity in players, the desire for unique experiences and people wanting a connection to the outdoors. Golf has a lot going for it. Of course, special properties with exceptional courses helps.

SE: Cabot Cape Breton has amazing landscapes and vistas. How did you become involved in the project and have you met projections on real estate sales?

BC-D: I heard about the project 18 years ago and set out to develop a golf course from there. We were not sure there was a robust real estate market in Cape Breton so we focused on building great golf and creating the destination. We are proud that Cabot

CABOT

Interview: Cabot CEO, Ben Cowan-Dewar

By: Chris Karamitsos & Steve Ekovich

Cape Breton has impacted the community in many ways including hundreds of jobs created, increases in tourism and revenue to local businesses, and a sense of pride in our neighbors. Since those early days, we exceeded our expectations.

SE: You are developing Cabot Saint Lucia, with Coore and Crenshaw. Can you tell us what you envisioned for that resort and where you are in the process?

BC-D: Working with Bill and Ben (who designed Cabot Cliffs for us) again is a great joy and the site is truly extraordinary. We can't wait for people to see the results! Cabot Saint Lucia will offer a golf club, luxury accommodations for members and guests, and a collection of residences and customizable beachfront lots. The 18-hole golf course, Point Hardy Golf Club, will open for preview play later this year and celebrate its grand opening in early 2023. We are getting ready to seed the front nine and the back nine is rounding into shape. Completed comfort stations, a food and beverage experience, retail pop-up and tennis courts will debut later this year as well, followed by a beach restaurant, clubhouse, luxury accommodations, swimming pools and a health and wellness offering in early 2023.

CK: The concept of golf as an amenity to drive real estate sales is gaining traction again. How will the industry avoid getting over-supplied like before?

BC-D: I think there is always a market for a world-class product. The risks is really when the products isn't exceptional or when courses struggle to differentiate themselves

CK: With investor sentiment strengthening, how do you envision the capital markets reacting to golf?

BC-D: Given how quiet they have been for 14 years and buoyancy the market has seen, I think they will wake up. However, the lessons of the financial crisis are still fresh for many. Better underwriting and choosing great markets seems like a good place to start.

CK: How has COVID impacted Cabot on both the golf and hospitality sides?

BC-D: On the hospitality side, we had a tough 2020, but demand for this season now well exceeds that of 2019. On the real estate side, the demand was robust. We were fortunate to sell many of our properties within hours and days of release. The past two years have certainly accelerated a desire for people to own vacation real estate and spend time with family and friends.

CK: Where else can we expect to see Cabot resorts in the next 3 to 5 years and what does the long-term growth of the company look like?

BC-D: We are actively working on a few projects and expect to have an announcement on at least one in the coming months! We will continue to look at great locations in places our guests want to visit, which means our focus is largely on Europe and North America. Finding amazing sites is the hardest part and, with a few of those in our sights, we see tremendous opportunity ahead!

2021 Golf Course Sales Activity—The "Core" $1-10M Tranche

By: Kody Tibbetts

The analysis below solely focuses on golf course transactions that occurred within the calendar year of 2021. Our intent is to provide insight on the direction of average and median prices of golf courses that will be operated as golf, not courses that will later be converted to other uses. Any redevelopment and/or courses being repurposed have been removed from the data, as well as portfolio sales to ensure the metrics are not being distorted. In addition, this article pays special attention to the Core $1M - $10M Investment Tranche – generally considered the most important subset of golf-specific transaction activity. These values are driven primarily by property fundamentals specific to the business of golf, and therefore most telling towards overall investment sentiment.

Transaction Summary

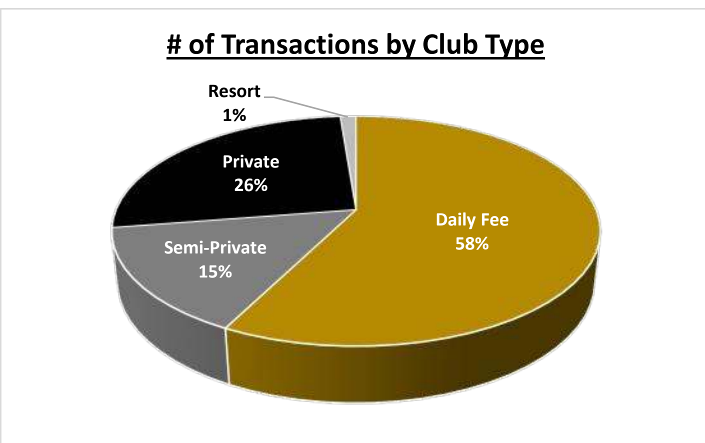
	2021	2021 vs 2020	2021 vs L3YR AVG.
Total # of Transactions	**80**	*1.27%*	*-22.36%*
Average Price	**$ 4,399,889**	*39.72%*	*34.48%*
Median Price	**$ 2,225,000**	*30.88%*	*28.71%*
Total Sales Volume	**$ 351,991,156**	*41.49%*	*N/A*

Investment Tranches

Sales Price	# of Sales	% Share	Average Price	Median Price
$500K - $999K	16	20%	$ 697,500	$ 707,500
$1M - $2.99M	39	49%	$ 1,928,437	$ 1,800,000
$3M -$4.99M	7	9%	$ 4,230,604	$ 4,200,000
$5M - $9.99M	10	13%	$ 6,782,640	$ 6,725,000
$10M+	8	10%	$ 21,022,688	$ 17,450,000
Core ($1M - $10M)	**56**	**70%**	**$ 3,083,030**	**$ 2,450,000**

# of Transactions by Club Type

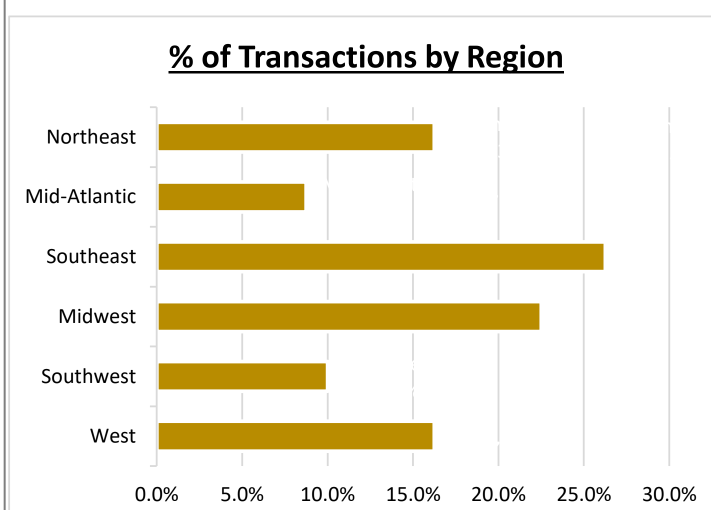
Daily Fee	Semi-Private	Private	Resort
46	12	21	1



Last year we pondered how big of an impact COVID, and remote work would have relative to golf course values. With tee sheets packed, initiation fees rising and membership waiting lists growing longer, it wasn't a question of which way values were going (obviously up), it was a question of how much. At first glance, a total of 80 transactions seems extremely low for a year in which golf participation exploded and clubs experienced unprecedented top-line and bottom-line growth. However, there are a few factors that I think help explain why that is. First, many owners were reluctant to sell when business was doing so well. Second, we have 36 additional sales recorded that we could not obtain data for which is much higher than usual. Overall, we tracked 116 golf course transactions but only had available sales data for a total of 80 (remember we exclude redevelopment and portfolio sales). As for the average price, it increased nearly 40% over 2020 and 34% over the last three-year average (2018 – 2020). The median price increased 31% over 2020 and 29% over the last three-year average.

Focusing on the "core" data, the $1M to $10M Investment Tranche, we tracked a total of 56 sales or 70% of all recorded transactions in 2021. The average sales price jumped from $2,312,460 in 2020 to $3,082,030 in 2021 and the median sales price jumped from $1,925,000 in 2020 to $2,450,000 in 2021, which is an increase of 33% and 27%, respectively. Nearly 70% of transactions within the core investment tranche occurred in the $1,000,000 to $2,999,999 range. Most transactions in that range are daily fee or semi-private facilities that generate the lions share of revenue through extremely price sensitive green fees and/or low margin food and beverage operations. Throughout the middle and the top of the range $3,000,000 - $4,999,999 and $5,000,000 to $9,999,999 is where we typically see more of the private clubs transact who generate more reliable income through membership dues and fees.

For golf course owners reading this, it is important to note that the value of your club has not automatically increased by 30—40%. Golf course assets are inherently unique, and the quality of revenue and EBITDA are critical factors that drive value. For example, investors may apply a discount to a public club that added x number of rounds over the pandemic, meanwhile they may pay a premium for a private club that added y number of members over the same time frame with expectations of membership revenue being much stickier. With that being said, the short-term outlook is certainly bullish as participation has remained strong post-pandemic, values have bounced back, and for the first time in a long time, golf course owners have regained pricing power. The most interesting question now is how do values hold up in the long-term?

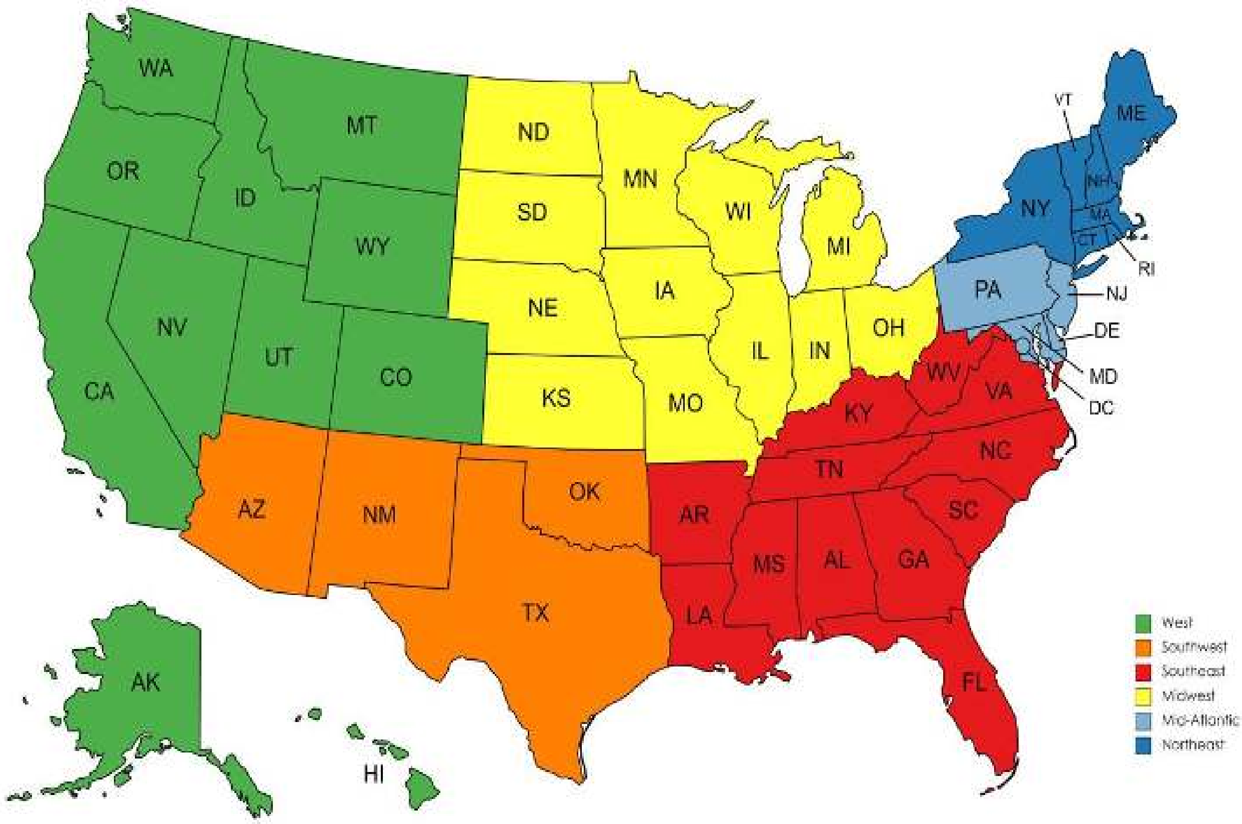


*Data Courtesy of the Leisure Investment Properties Group Based on Available Information and Recorded Data
**Data May Not Represent Complete List of Sales If Transactions Were Not Reported or Recorded
***Portfolio Sales and Outliers Excluded

2021 Golf Course Sales Activity—The "Core" $1-10M Tranche

By: Kody Tibbetts

2021 Golf Course Transactions by Region



	West	Southwest	Midwest	Southeast	Mid-Atlantic	Northeast
# of Transactions	**13**	**8**	**18**	**21**	**7**	**13**
% Share	*16.3%*	*10.0%*	*22.5%*	*26.3%*	*8.8%*	*16.3%*
Average Price	**$6,938,462**	**$4,787,500**	**$1,478,967**	**$5,953,805**	**$4,137,747**	**$3,298,124**
% +/- US Average	*58%*	*9%*	*-66%*	*35%*	*-6%*	*-25%*
Median Price	**$4,050,000**	**$2,700,000**	**$895,000**	**$2,250,000**	**$3,914,228**	**$3,298,124**
% +/- US Median	*82%*	*21%*	*-60%*	*1%*	*76%*	*48%*
High Price	**$28,000,000**	**$16,000,000**	**$9,026,400**	**$45,333,000**	**$7,350,000**	**$13,650,000**
Low Price	**$1,650,000**	**$950,000**	**$500,000**	**$650,000**	**$1,600,000**	**$550,000**

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Partial List of FY 2021 Golf Course Sales
(Some sales are not included due to confidentiality)

Golf Course Name	Sale Price	Property Type	# Holes	Market	State
Old Collier Golf Club	$45,333,000	Private	18	Naples	FL
Ka'anapali Golf Course	$28,000,000	Public/Resort	36	Lahaina	HI
World Woods, Sugarmill & Southern	Confidential	Various	72	Brooksville	FL
La Rinconada Country Club	$18,900,000	Private	18	Los Gatos	CA
The Legacy Golf Club	$16,000,000	Daily Fee	18	Phoenix	AZ
The Willow Ridge Country Club	$13,650,000	Private	18	Harrison	NY
Brookfield Country Club	$11,400,000	Private	18	Roswell	GA
The International Golf Club	$10,000,000	Private	36	Bolton	MA
Quail Hollow Country Club	$9,026,400	Private	36	Painsville	OH
Eagle Mountain Golf Club	$8,150,000	Daily Fee	18	Fountain Hills	AZ
The Golf Club of California	$8,000,000	Daily Fee	18	Fallbrook	CA
Greate Bay Country Club	$7,350,000	Private	18	Somers Point	NJ
Desert Island Golf and Country Club	$7,050,000	Semi-Private	18	Rancho Mirage	CA
Devils Ridge Golf Club	$6,400,000	Private	18	Holly Springs	NC
Newark Country Club	$6,000,000	Private	18	Newark	DE
Melrose Country Club	$5,500,000	Daily Fee	18	Cheltenham	PA
Crooked Creek Club	$5,200,000	Private	18	Milton	GA
Red Tail Golf Club	$5,150,000	Daily Fee	18	Devens	MA
Coyote Lakes Golf Club	$4,700,000	Daily Fee	18	Surprise	AZ
Canyon Crest Country Club	$4,700,000	Private	18	Riverside	CA
Cross Creek Golf Club	$4,550,000	Semi-Private	18	Temecula	CA
Bay Point Golf Club	$4,200,000	Semi-Private	36	Panama City	FL
Sequoia Woods Country Club	$4,050,000	Private	18	Arnold	CA
Sparrows Point Country Club	$3,914,228	Private	27	Dundalk	MD
Woodlake Resort & Country Club	$3,500,000	Resort	18	Vass	NC
The Refuge Golf Club	$2,950,000	Private	18	Lake Havasu City	AZ
Country Club of Ithaca	$2,940,616	Private	18	Ithaca	NY
Stanton Ridge Golf & Country Club	$2,900,000	Private	18	Whitehouse Station	NJ
DeBary Golf and Country Club	$2,900,000	Semi-Private	18	Debary	FL
Auburn Valley Golf Club & Event Center	$2,900,000	Daily Fee	18	Auburn	CA
Hiddenbrooke Golf Club	$2,750,000	Semi-Private	18	Vallejo	CA
Fox Run Golf Club	$2,710,000	Daily Fee	18	Ludlow	VT

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Partial List of FY 2021 Golf Course Sales

(Some sales are not included due to confidentiality)

Golf Course Name	Sale Price	Property Type	# Holes	Market	State
Sea Ranch Golf Links	$2,600,000	Daily Fee	18	The Sea Ranch	CA
Eagle Point Golf Club	$2,600,000	Semi-Private	18	Eagle Point	OR
Innsbrook Country Club	$2,500,000	Private	18	Merrillville	IN
Palmbrook Country Club	$2,450,000	Semi-Private	18	Sun City	AZ
Rhodes Ranch Golf Club	$2,450,000	Daily Fee	18	Las Vegas	NV
Brushy Mountain Golf Course	$2,350,000	Daily Fee	18	Taylorsville	NC
Eagle Crest Golf Course	$1,925,000	Daily Fee	27	Clifton Park	NY
RedTail Golf Club	$2,300,000	Semi-Private	18	Sorento	FL
Salem Glen Country Club	$2,250,000	Semi-Private	18	Winston-Salem	NC
Carolina National Golf Club	$2,200,000	Semi-Private	27	Bolivia	NC
Sundance Golf Club	$2,100,000	Daily Fee	18	Buckeye	AZ
Stoneybrook West Golf Course	$2,000,000	Daily Fee	18	Winter Garden	FL
Westminster Golf Club	$1,800,000	Daily Fee	18	Lehigh	FL
Quarry Ridge Golf Course	$1,725,000	Daily Fee	18	Portland	CT
Lancaster Country Club	$1,700,000	Private	27	Lancaster	PA
Salem Hills Golf Club	$1,650,000	Daily Fee	18	Northville	MI
Shadow Mountain Golf Club	$1,650,000	Public	18	Palm Desert	CA
Lake Presidential Golf Club	$1,600,000	Daily Fee	18	Upper Marlboro	MD
Twin Isles Country Club	$1,586,412	Private	18	Punta Gorda	FL
Stonebridge Golf Club	$1,500,000	Daily Fee	18	Lakeland	TN
Aspen Ridge Golf Course	$1,470,000	Daily Fee	18	Bourbonnais	IL
Pine Hills Country Club	$1,350,000	Semi-Private	18	Cordele	GA
Martin Downs Golf Club	$1,342,000	Public	18	Palm City	FL
Crystal Highlands Golf Club	$1,330,000	Public	18	Festus	MO
Little River Country Club	$1,295,000	Daily Fee	18	Marinette	WI
Sycamore Country Club	$1,200,000	Daily Fee	18	Ravena	NY
Turtleback Golf Course	$1,150,000	Daily Fee	18	Rice Lake	WI
The Club at Shoal Creek	$1,095,000	Daily Fee	18	Griffin	GA
Palm Valley Golf Club	$1,000,000	Daily Fee	27	Goodyear	AZ
Balmoral Woods Country Club	$1,000,000	Daily Fee	18	Crete	IL
Bellair Golf Course	$950,000	Executive	18	Glendale	AZ

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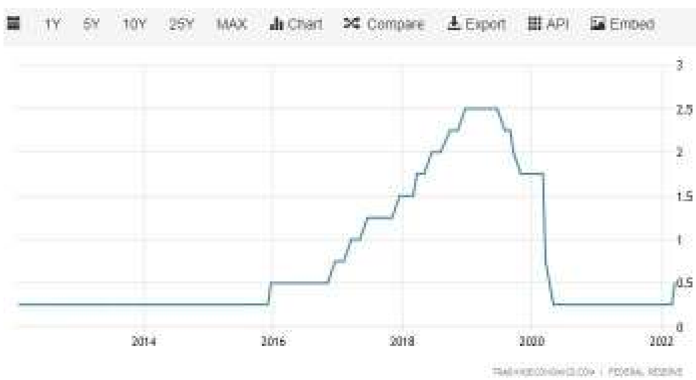
2021/2022 Lending Outlook

By: Steven Ekovich

LENDING OUTLOOK

In 2021, nothing really changed from 2020. However as of this writing in March, inflation, supply chain issues, skyrocketing fuel prices and a war in Ukraine have the Fed ready to fight inflation. Federal Reserve policymakers will take the necessary steps to get inflation down even if that means increasing interest rates by more than 25 basis, Chair Powell said in comments to a National Association for Business Economics conference in Washington. Powell also repeated that the Fed's reductions to its massive balance sheet could start by May. The Fed raised the target for the fed funds rate by a quarter-point to 0.25%-0.5% during its March 2022 meeting for the first time in three years and signaled ongoing rate hikes ahead. The Fed now sees rate hikes at each of the six remaining meetings this year, with the fed funds rate reaching 1.9% by year's



end. source: Federal Reserve

For the past, twenty years banks and other lenders have looked to the past to assess the creditability of their commercial customers. Many of these lending decisions have come down to risk models and credit rating on historic financials and past performance based on prior year P&L's.

In 2022, with interest rate spreads remaining elevated and select lenders offering conservative LTV's, loan opportunities continue to grow for golf properties that are in stable condition. We still are a drip in the facet vs a flow from the facet, like in apartments and we hope this year to go from a drip to a small stream. We still need banks, who are conservative by nature, to catch up with the new golf demand for loans and the stability pictures of courses operating models.

Today, Lenders who will consider lending on golf, lend on a case-by-case basis and frequently perform risk assessments on their clients. The post-COVID-19 lender may also require borrowers to obtain business interruption insurance, unconditional guarantees, rent provision assignments, or adequate collateral in order to secure a loan, but we have not seen that yet on the golf side or with SBA lenders.

Although much of the lending landscaped changed and diminished during the Pandemic, Leisure activities such as golf thrived and have continued this trend into the second half of 2021. With increased rounds throughout the country in 2021 and a continued trend into the first two months of 2022, lenders are encouraged and are giving golf a second look. Golf was not just a hobby for the United States the last two years, it was a necessary escape, a way to provide some sanity and a business model that become healthy again. 2021 had both better revenue and EBITDA than 2020 and 2020 was better than 2019 and we are hoping 2022 is better at least marginally than 2021.

Recent studies have revealed that golf courses are in better financial shape today than they have been since the great recession, which is good news for lenders of golf assets. Profitable golf courses are not just good for the game and business of golf, they're essential. Profits allow owners to invest in the future cap-ex needs to provide greater experiences for golfers. One theme has remained the same though throughout the pandemic, Lenders and investors will continue to create and update processes and procedures that will better protect themselves and lead to better lending decisions and hopefully that will lead to more opportunities to lend on golf.

Available Golf Course Financing in Today's Market	
Convential Bank Loan	Fixed Rate: 4.5 - 6%, Point: 1%, Term: 3-10 yrs., Amort: 20-25 yrs., LTV: 50-60%, DCR: 1.3-1.4, Loan Size: $750k & Up
	Floating Rate: 4.25-6%, Term: 10 yrs, Amort 20-25 yrs
SBA Guaranteed Loan 7A Program	Interest: 4%- 6%, Over Prime but No Origination Fee, Points: 0%, Term: 25 yrs, Loan Size: Up to $5M, Amort: 25 Yrs
Life Company	Interest: 4.5%-6%, Points: 1%, Term: 5,10,15 yrs, Amort: 15,20,25 yrs, LTV: 55-65%, Loan Size: Min Loan Size $15M, Pure Land
Bridge Loan	Interest: 7%-10%, I/O Term: 1-2 yrs, LTV: up to 65%, Desire Primary Markets, Cash Flowing Product, Fees: 1-2% of Loan
Hard Money	Interest: 10%-15% including Points, Term: 1-3 yrs, LTV: 50-60%, Usually Interest Only, Fees: 2-3% of Loan
Private Equity	Interest: 12-15%+, Unleveraged IRR: 20%, Preferred Returns 8.8-12%, LTV: 60-70%, Waterfall Structure: Deal by Deal on Profit

LEISURE INVESTMENT PROPERTIES GROUP

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