



FOOTHILLS DEVELOPMENT CORPORATION

INVESTMENT SUMMARY

Overview: Foothills Development Corporation (FDC) is seeking a \$500,000 FDC equity partner to fund initial acquisition costs and working capital reserves to purchase the former Georgia Tech Club - an 18-hole championship private country club in Cherokee County, Georgia. The Club is located inside the upscale Echelon subdivision of 230 estate lots with home prices starting at \$1,100,000. As structured, \$3,500,000 cash and a Letter of Credit for \$1,000,000 are required at closing and will be provided by the senior Echelon Club, LLC equity partner. Our agreement with the senior Echelon Club, LLC investor requires Foothills to provide \$500,000 for deposits and reserves.

The golf course has been constructed on 262 acres at a cost of \$19,500,000 and is located in the most affluent section of North Atlanta. The entire Echelon development is being purchased by Southeast Capital Partners, Inc (SECP) for \$12,500,000, all cash. Foothills Development Corporation will purchase the golf course from SECP for \$4,500,000 consisting of \$3,500,000 cash at closing plus a Letter of Credit for \$1,000,000 in 18 months. To satisfy the Letter of Credit, FDC will offer 10 Life Memberships for \$100,000 each over the 18-month period. The golf course and other club amenities will be owned by Foothills Development Corporation in conjunction with its Senior Echelon Club, LLC Foothills will be responsible for building the clubhouse, swim-tennis, maintenance and other appropriate first quality country club facilities and amenities to complete and market the country club and community.

Management: Foothills principals are Ted Robinson (www.privateclubassociates.com), Bob Johnson (www.rtc.us) and Steve Eiberger who combined have over 70 years experience in operating and marketing golf course and recreational properties and developing contiguous residential properties.

Financial: <u>Golf Course and Property Purchase Price</u>	\$ 4,500,000
New Clubhouse /Working Capital:	<u>\$ 7,400,000</u>
Total Cost at Completion	\$11,900,000

Source of Funds

Senior Equity Partner	\$ 3,500,000
Foothills Development Corp partner	\$ 500,000
10-Lifetime Memberships	\$ 1,000,000
Loan	<u>\$ 6,900,000</u>
Total	\$11,900,000

Use of Funds

Purchase Golf Course	\$ 4,500,000
Completion of Clubhouse(s)	\$ 4,900,000
Construction Contingency (5%)	\$ 245,000
Swim/Tennis Amenities	\$ 400,000



Maintenance Facility	\$ 400,000
Hardscape/Landscape	\$ 400,000
Interest Reserve	\$ 260,000
Closing Costs	\$ 130,000
Start Up & Operating Reserve for 1 st Year	<u>\$ 665,000</u>
Total	\$11,900,000

Loan: Foothills has a letter of intent from a lender who will provide the \$6.9 million loan required to complete the clubhouse and amenity package as well as provide the operating reserve. The free and clear property with a \$10,000,000 “as is” land value will be used as collateral for the \$6.9 million facilities’ loan.

Structure: The Business Plan calls for the Senior Echelon Club LLC equity partner) and Foothills to repay the loan based on interest only during construction followed by a 25-year amortization. This provides the lender (1st mortgage holder) with a debt to equity ratio of 53%. The Senior Equity investor in The Echelon Club will hold a second mortgage of \$4,500,000.

Equity: The FDC equity investor (\$500,000) in Foothills Development Corp. will receive 75% of the FDC corporate cash flow from the operation until the entire investment has been recovered. After 100% payback, the FDC equity investor will have a 25% interest in the Foothills Development Corp interest in The Echelon Club, LLC for life. The Internal Rate of Return (IRR) calculation to the FDC equity partner for the first five-year period is approximately 40% with full repayment of the investment occurring by Year 3.

Membership: It is anticipated that 207 new memberships will be sold over the first three years, the proceeds from which will stabilize the operations of the club. A conservative acquisition of 49 memberships is projected for the first year of operation during the initial vertical construction. Research indicates a significant pent up demand for membership once the current ownership situation is resolved.

For more information on this business and/or real estate, go to next page, print form, complete items highlighted in blue in the Confidentiality / Disclosure Agreement, and Fax to (813) 200-1215. Nelson Consulting will expedite an Executive Summary to your Email address. Note: Owner’s of this business have agreed to pay fees and/or compensation to Nelson Consulting, Inc., as stated in the Agreement on the following page.



CONFIDENTIALITY / DISCLOSURE AGREEMENT

Print Legibly, Sign & Fax to (813) 200-1215

A FACSIMILE COPY OF THIS DOCUMENT SHALL SERVE AS AN ORIGINAL SIGNATURE FOR ALL PURPOSES.

INVESTMENT DESCRIPTION: FOOTHILLS DEVELOPMENT CORPORATION \$500K

Your Name: _____, **Company Name:** _____,

Telephone number: _____, **Fax Number:** _____,

E-Mail Address: _____, **Web Site:** _____,

Mailing Address: _____, herein known as

PROSPECT, acknowledges and agrees that PROSPECT approached NELSON CONSULTING, INC. (INTE MEDIARY), and that INTE MEDIARY was the first to advise them of the availability and details concerning this business investment and/or real property opportunity. 1. PROSPECT understands and agrees that all dealings concerning the opportunity above will be handled through INTE MEDIARY and that **INTE MEDIARY has entered into Agreements with owner's seeking funding in exchange for payment of fees and/or compensation.** INTE MEDIARY will furnish to PROSPECT certain proprietary information relating to the various operations, properties, personnel, financial and other matters that are non-public, confidential or proprietary in nature and are hereinafter referred to as "Proprietary Information." The Proprietary Information will be kept confidential and shall not, without the prior written consent of INTE MEDIARY, be disclosed by PROSPECT or its agents, representatives or employees, in any manner whatsoever, in whole or in part, and shall not be used by PROSPECT, its agents, representatives or employees, other than in connection with a potential investment in the opportunities described. PROSPECT shall be fully responsible for any breach of this Agreement by itself, its agents, representatives or employees. The Proprietary Information (including any copies thereof), will be returned to INTE MEDIARY immediately upon INTE MEDIARY'S request. PROSPECT agrees that it shall not retain any copies of the Proprietary Information supplied pursuant to the terms and conditions of this Agreement. 2. Any and all information provided to PROSPECT is provided for informational purposes only. INTE MEDIARY does not make any representations and/or warranties as to the accuracy of the information provided and that PROSPECT is to make his or her own independent evaluation of the opportunities described above. PROSPECT acknowledges that INTE MEDIARY has advised PROSPECT to seek independent professional advice in the review and evaluation of the information provided and that PROSPECT should seek the advice of an attorney and/or certified public accountant. 3. In the event PROSPECT discloses the availability of said designated opportunities to a third party who invest in said business without INTE MEDIARY'S assistance, then PROSPECT, in addition to the remedies specified herein, is also responsible for payment of INTE MEDIARY 'S fees and compensation which would have been paid by INTE MEDIARY'S client. 4. For two years from the date of this Agreement, PROSPECT agrees not to deal directly or indirectly with the owner's of the INTE MEDIARY'S client seeking funding without the prior written consent of INTE MEDIARY. If PROSPECT enters into an investment, sale or purchase Agreement, a management contract or other financial arrangement with a INTE MEDIARY'S client, including the lease or purchase of business premises from the INTE MEDIARY'S client, PROSPECT shall be liable for any and all damages INTE MEDIARY may suffer, including but not limited to the INTE MEDIARY'S fees and compensation agreed to by the INTE MEDIARY'S client. PROSPECT agrees and does hereby appoint INTE MEDIARY its attorney in fact to execute all documents necessary to place a lien on the PROSPECT'S and INTE MEDIARY'S client business assets to collect its fees and compensation, and this Agreement shall be the consent to do so as required by Florida Statute 475.42. 5. This Contract shall be governed by the laws of the state of Florida. Any breach of this Agreement shall result in the prevailing party being entitled to receive from the other party all of its reasonable attorney's fees, costs, and expenses incurred at both the trial and appellate levels. The parties hereby consent to personal jurisdiction and venue, for any action arising out of a breach or threatened breach of this Agreement in the Circuit Court in and for Hillsborough County, Florida. The parties hereby agree that any controversy, which may arise under this Agreement, would involve complicated and difficult factual and legal issues. Therefore, any action brought by either party, alone or in combination with others, whether arising out of this Agreement or otherwise, shall be determined by a Judge sitting without a jury. 6. The INTE MEDIARY'S client is the intended beneficiary of all covenants of PROSPECT, which benefit the INTE MEDIARY'S client, including without limitation the covenants concerning the use of information disclosed to PROSPECT, and an INTE MEDIARY'S client may bring an action to enforce such covenants. PROSPECT represents and warrants to INTE MEDIARY that PROSPECT do not represent a third party, governmental agency or competitor of the business, nor is PROSPECT employed by a competitor and the sole purpose for receiving any information regarding a business is to invest in said business. **PROSPECT acknowledges receiving a copy of this Agreement and a facsimile copy with signatures shall be considered as original.**

Prospect Internal Document ID _____

PROSPECT Signature

Signature Date

John L Nelson President

Signature Date

Nelson Consulting, Inc.

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