

Roslyn, Holiday Organization to develop golf community

JERICHO, N.Y. — Mt. Sinai Ventures LLC, an affiliate of Roslyn Bancorp Inc., has partnered with The Hamlet at Willow Creek Development Co. LLC, an affiliate of The Holiday Organization, to develop a 177-unit, \$105 million residential golf community. The Mt. Sinai-based

development will be known as the Hamlet at Willow Creek.

The partners expect the project to be completed in 24 to 36 months. The terms of Roslyn's investment call for a preferred return of 1 percent over the bank's prime lending rate on a total investment of \$25 million, plus a 50 percent

share in the residual profits and losses. According to John R. Bransfield Jr., vice chairman of Roslyn Bancorp and president of Roslyn Savings Bank, the company expects its share of the profits to be in excess of \$10 million.

The homes currently under construction range from

\$485,000 to \$625,000 and range in size from 2,200 square feet to 3,900 square feet. They will be adjacent to the 18-hole golf course and practice range. Also included in the golf club are tennis courts, playgrounds, basketball courts and an in-ground swimming pool. Once completed, the club will accept only

a limited number of memberships from non-homeowners.

Roslyn and The Holiday Organization previously teamed to construct a 370-unit residential community in Oyster Bay, which should be completed later this year.

The Holiday Organization has constructed similar projects throughout New York, Pennsylvania, New England and Florida.

First National

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First National's board of directors recently approved a proposal to provide additional funds to finance golf projects on Native American soil. This move stems from the positive experience First National has had with Santa Clara Golf Services, which is constructing a course in Santa Fe, N.M. Working with Native American projects, Sager said, is a relatively new area of investment.

"That's a real breakthrough for us, and apparently for everyone else," he said.

Previously, lenders were skittish about lending for projects on Native American soil because of tribes' sovereign governments. Because of this structure, lending for these projects is the equivalent of lending for a project in another country.

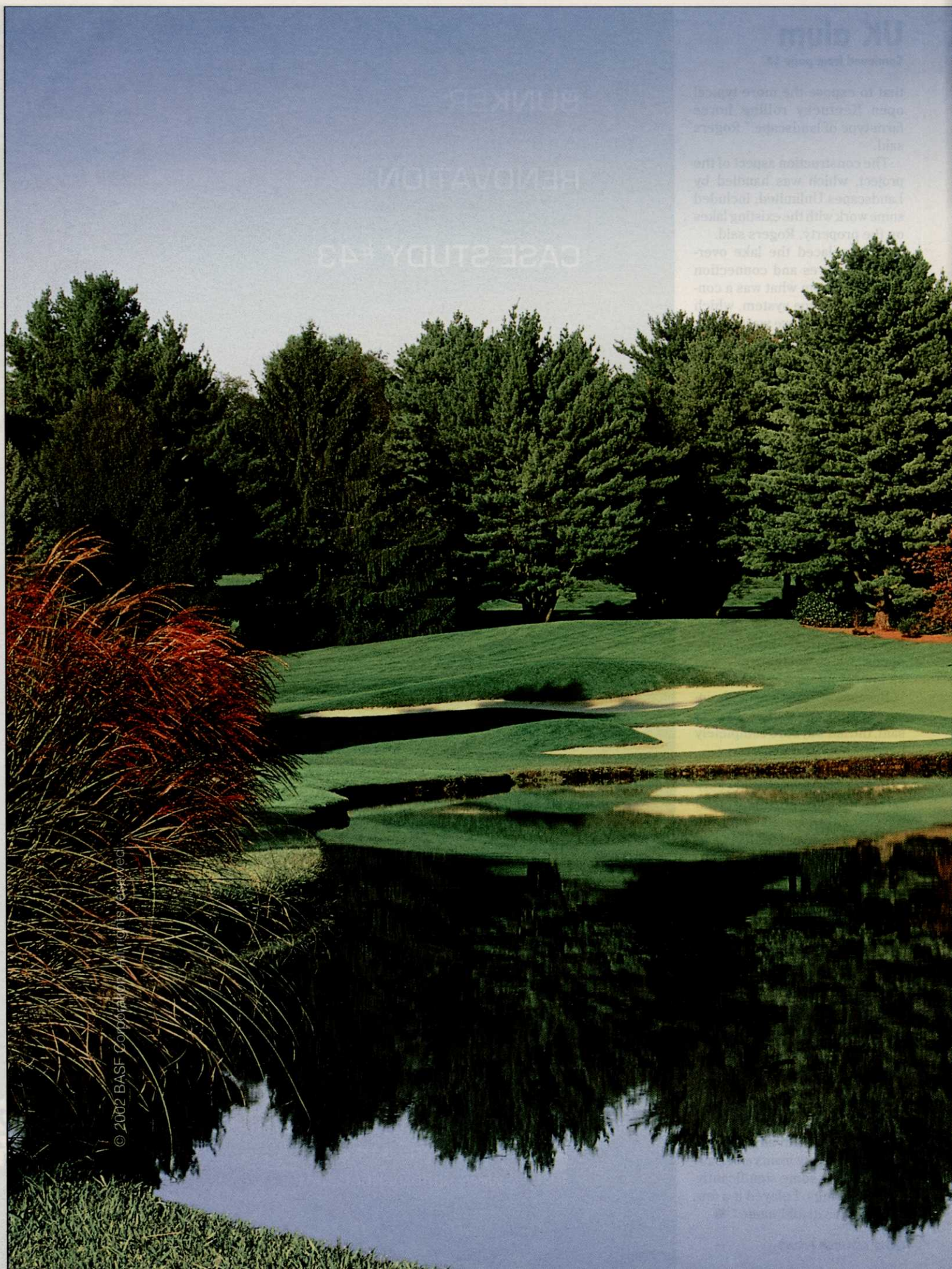
"You are not lending to an United States entity, you're lending to a sovereign entity, so you are subject to whatever Indian law exists at that particular tribe," Sager said. "You're effectively lending to a non-United States entity, so you don't have simple fee title to the real estate. It's a whole different set of rules."

Sager said a number of factors have led to an increase in the number of inquiries for these types of projects in recent years.

"There are a lot more now than there were five years ago and certainly 10 years ago," he said. "The growth with casino development and destination resort development onto Native American lands has sparked golf development and of course golf course lending. It's a wonderful market and I think a wonderful opportunity for golf course developers to partner with Native Americans."

Based on its success with the Santa Clara project, Sager said, First National will continue to fund these types of projects in the future.

"It's been a very positive experience for us," he said. "The golf course is not open yet, although we have invested several million dollars. We said, 'Now that we've got our feet in the water, let's get wet all the way up to our neck and do some more of these.'" ■



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