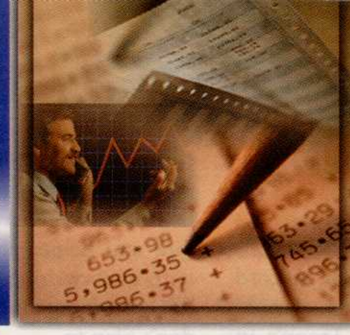

MANAGEMENT

BRIEFS

ZIMMERMANN JOINS UNITED GOLF GROUP

NEW YORK — United Golf Group, which owns and operates four golf properties in the United States, has named Gene Zimmermann vice president of operations. Zimmermann's office will be based at United's Serenoa Golf Club in Sarasota, Fla. He brings 20 years of industry experience to United, where he will be responsible for overseeing all club operations. Zimmermann competed on the PGA Tour in the early 1980s and on the Nike Tour in 1997.

BURROUGHS & CHAPIN PROMOTES STANZEL

MYRTLE BEACH, S.C. — Burroughs & Chapin Golf Management has named Keith Stanzel director of tournaments and special events for all six of the company's managed golf courses. Stanzel has been with Burroughs & Chapin starting as director of sales at Myrtlewood Golf Club. In his new position, Stanzel, who is also president of the Grand Strand Area Golf Directors Association, will serve as a liaison to the local hotel package community, and will also work on tournament development and administration.

CLUB TEE TIME ACHIEVES MILESTONE, EXPANDS

MISSION VIEJO, Calif. — Club Tee Time recently signed the 3,000th golf course to use its tee time reservation system, giving the company representation in all 50 states. In addition, the company has launched a new membership program to allow members to realize savings of up to 40 percent on green fees at "trophy" courses.

CLUBCORP ANNOUNCES NEW PRESIDENT, BOARD CHANGES

DALLAS — Golf course ownership and management company ClubCorp has hired John A. Beckert as president and chief operating officer, following the death of company founder and chairman of the board of directors Robert Dedman (see story on page 3). Robert Dedman Jr., the company's CEO, has taken his father's place as chairman. Beckert and Nancy Dedman, widow of Robert Dedman Sr., have been added to the board.

Editorial Focus: Financing

Financing hard to come by, but not unavailable

By DEREK RICE

PROVIDENCE, R.I. — It's no secret that financing in the golf course business is more scarce than it was just 10 years ago. While some of the larger lenders have pulled out, most notably

Bank of America, many of the big dogs, such as Textron Financial and First National, are still going strong.

There is also a smaller segment of lenders which specialize solely in golf lending and which finance many of the projects the larger lenders take a pass on. George Marderosian of Clubhouse Capital, one of those smaller lenders, said the industry has seen some shakeup in the recent past.

"There's no question that these days it's pretty volatile in the world of golf course finance," he said. "Most construction financing is extremely limited. It's always been difficult to obtain construction financing for a new project, but it's virtually impossible these days."

Marderosian said many factors have contributed to the downturn in funding.

"In most markets, there are courses that are under-performing, and consequently, there are construction loans that are not being serviced. The default rate is up, and borrowing options are down," he said. "Those

Continued on next page

Ocean Trails finds long-sought buyer in Trump

Real estate mogul hopes to rival Pebble Beach by repairing holes, building luxury homes

By DEREK RICE

RANCHO PALOS VERDES, Calif. — The world's most famous 15-hole golf course recently gained a bit more notoriety, and its prospective new owner apparently isn't finished with the property.

Following his offer for the Ocean Trails Golf Course, New York real estate mogul Donald Trump said he plans to repair three holes that collapsed in 1999 and make the course a rival to nearby Pebble Beach Golf Links.

"This is a wonderful piece of property that has been under siege for many years," Trump told Reuters. "We are going to take care of it and turn it into a championship course."

Holes 9, 12 and 18 at Ocean Trails were damaged in 1999 when a portion of the ledge on which they sat collapsed into the Pacific Ocean.

Brothers Bob and Ken Zuckerman were within six weeks of opening Ocean Trails in 2000 when they filed for bankruptcy protection. Since May, Credit Suisse First Boston has held title to the property, and had been actively seeking a buyer. Prior to the bankruptcy, the Zuckermans had owned the property since the 1940s.

In addition to repairing the three damaged holes, which separated from the mainland and fell about 50 feet, Trump plans to build 75 luxury homes on the site. However, in order to make the club exclusive and completely private,

Continued on next page

Golf Trust of America liquidation progressing

More complete plan expected after upcoming annual meeting

CHARLESTON, S.C. — Golf Trust of America Inc. (GTA) has scheduled its 2002 annual shareholders meeting for Nov. 18 at 9:30 a.m. The meeting will be held at Charleston Place Hotel.

Among the issues to be addressed at the annual meeting is GTA's continued plan for liquidating its assets. Within the next six to 18 months, the company expects to sell off its remaining 16 courses and wind up its operations. Before this can be completed, shareholders must agree to the plan, which calls for them to receive between $6.01 and $9.43 per share. That estimate is based on the sale value of the company's remaining properties, as well as its current outstanding debt. This price range remains in line with what GTA had previously announced (*GCN* May 2002).

Since announcing its plan for liquidation in March 2001, GTA has shed 21.5 (18-hole equivalent) courses for a total of more than $190 million. Because the majority of those sales came in 2001, the company cautions that the timeframe for liquidation may exceed its estimate.

In its second-quarter earnings report released in late August, GTA reported a net loss of $1.3 million. The company previously announced that it hoped to have no taxable income to report, especially in light of the nearly $22 million in losses it carried forward from 2001.

— Derek Rice

Club looks to privatization to ensure steady revenue stream

By DEREK RICE

EGG HARBOR, Wis. — With rounds numbers flattening out and in some cases dropping, course owners across the country are looking for ways to increase their revenues or, at the very least, keep them constant.

One way owners and managers are doing this is by converting their semi-private and daily-fee courses to private clubs.

In the case of Horseshoe Bay Golf Club, one of the reasons this became necessary was the short golf season in Wisconsin, combined with the potential for summer Saturday rainouts, according to Orie Milton, director of sales and marketing for the Troon Golf-managed club.

Horseshoe Bay opened in 2000 with a plan to be a semi-private club, offering a limited number of memberships but remaining open for public play. The public play, however, never reached desired levels, Milton said.

Horseshoe Bay GC in Egg Harbor, Wis., has made the move toward privatization as a way of guaranteeing revenues in the face of flat rounds numbers.

"Since opening, the public play has been a real struggle," Milton said. "After the first season, the owners began discussions about possibly going private. The primary reason being to stabilize revenue flow. With the number of rounds dropping nationwide, that's a struggle for everyone."

The club now offers three levels of memberships to accommodate various income levels, as well as to account for seasonal play. Horseshoe Bay also includes a housing development, offering residents the option of buying a golf membership when purchasing their home.