

December 28,2006

Memo: ILE Board of Directors

Subject: 2007 Golf Rates

From: Jim Way

I requested this Special Meeting of the Board of Directors to propose a plan for golf revenue for 2007. I have reviewed the actual revenue over the last few years and I would like to state emphatically the following:

- 1) Errors have been made in judgment over the past year that could have serious financial consequences for the golf operation and all of ILE.
- 2) Key experienced individuals in our community that could have given intelligent input as to the formulation of income and expense budgets were not consulted.
- 3) The budget for 2007 reflects an increase of approximately \$140,000 over 2006 and approximately \$133,000 increase over 2005 for greens fees income. This amounts to approximately 5000 rounds increase or one extra entire month of play with every tee time taken by foursomes for six straight hours for thirty straight days. That is not going to happen even if we had no members.
- 4) If approximately \$16,000 comes in greens fees for December the total income for 2006 golf will be approximately \$416,000. Expenses can be projected at approximately \$555,000. This is a \$139,000 loss for the golf operation for 2006. This includes an approximate \$15,000 donation from ILE members and \$40,000 transfer from maintenance fees given by land and home owners. (see attached)

As a result of my lack of confidence in the current Boards handling of their fiduciary responsibility regarding the golf course myself and others organized a luncheon, submitted a questionnaire to over one hundred people, formulated a Membership Committee and are submitting a recommendation from the people. They have requested it be accepted entirely and give the decision making process back to the people.

Dec. 28,2006

Golf Income Comparisons

	<u>2004</u>	<u>2005</u>	(Projected) <u>2006</u>	<u>2007 Budget</u>
Membership	228,000.00	200,000.00	217,000.00 (T)	350,000.00
Greens Fees	162,000.00	134,000.00	87,000.00	95,000.00
Other Income	<u>114,000.00</u>	<u>91,000.00</u>	<u>112,000.00</u>	<u>78,000.00</u>
Total	504,000.00	425,000.00	416,000.00	523,000.00

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2006 Golf Income / Loss Analysis

2006	Income November (YTD)	\$380,000.00
	Projected December Income	<u>36,000.00</u>
	Total 2006 Income (Projected)	416,000.00
2006	Golf Pro Shop Exp. Nov. (YTD)	168,000.00
	Projected Dec. Expenses	12,000.00
	Golf Course Exp. Nov. (YTD)	355,000.00
	Projected Dec. Expenses	<u>20,000.00</u>
	Total 2006 Expenses (Projected)	555,000.00
	Approximate Loss (Projected)	(139,000.00)

MINUTES OF ILE GOLF COMMITTEE
December 20,2006

The meeting was called to order by Richard Green, Chairman at 1:55 PM in the Terrace Room of ILE Clubhouse.

Present were:

Richard Green- Chairman, Janice Masotti-Secretary, George Miller, Woody Tracy, Vince Mee, Jane Barton and Dick Hozel. Guests present were Herman Titsworth and Jerry Denstorff.

The committee, using the input from the questionnaire given to all attending the luncheon held prior to this meeting, discussed at length, what they thought would be competitive charges for membership and outside play. It was clearly understood, this is for this year and must be competitive and attractive to recover our membership and hopefully bring new members.

Attached are the recommendations that the committee will submit to ILE Board of Directors for Approval.

Also discussed were how memberships would be instated at different times of the year. When joining, a new member will be prorated ONE TIME ONLY and assume his membership the following January 1st.

WGA-MGA

Herman informed the committee, that separate days for the WGA and MGA did not create any problem or loss of tee time, as both groups were clearing the tee by 9:00 AM. Since we are a distance in travel from most outside play, early tee times are not at a premium. If we find we need more tee times in February and March, the issue will be addressed by the committee.

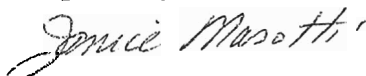
ADVERTISING

Janice informed the committee that she has contacted the America' Favorite Coupon Book and several other coupon books. Once our rates have been approved, we will be advertised in the Ledger, Sebring Sun and in the Vero Beach area.

The committee is well aware that we have three months to generate what amounts to more than 2/3 of our annual income. January, February and March. We have to be able to proceed with speed to accomplish this.

Our next ILE Golf Committee Meeting will be held immediately following the meeting with The Board of Directors, scheduled for December 28th, 1:00 PM.

Respectfully submitted,



Janice Masotti
Secretary

**DECISIONS OF THE MEMBERSHIP COMMITTEE
REPRESENTING THE GOLFERS OF ILE**

TYPES OF MEMBERSHIP

Single	
Annual	\$1200.00
Six Month	1000.00
Three month	600.00 (year 2007 only)
Driving Range	100.00

For annual memberships, a three payment plan, January, February, March will be available. ~~All~~ yearly payments, based on January 1, 2007, effective date. Memberships purchased after January 1, 2007 will be ~~pro-rated~~ for the first of each month. (2007 only)

Tokens purchased will be redeemed towards membership ONLY. At the rate they were purchased.

OUTSIDE PLAY

Committee MUST have decision making power to adjust immediately to competitive conditions and advertise such prices.

January

Morning Rate - \$25.00

Afternoon Rate - \$22.00

Special Rates - foursome \$92.00

Special Rates - Groups

At the discretion of Pro Shop Manager Herman Titsworth, with the approval of Golf Membership Committee.

Special Rates - Lunch - to be ~~instituted~~ after change of rates and with agreement with John.

Weekends - \$22.00 foursome \$80.00

FREE GOLF

Only employees of the golf operation to be entitled to free golf. Hours worked per week not to be a consideration.