

# *experience Troon*

Company Overview  
December 2014





*Brief Company History*

Troon was founded in 1990 by Dana Garmany, Troon’s Founder, Chairman and CEO. Mr. Garmany, envisioned the concept of serving the public golfer as a “member for a day,” believing that public and resort golfers were looking for a higher quality public golf experience commensurate to that which is experienced at the finer private clubs around the world. This “member for a day” concept was initiated at Troon North Golf Club in Scottsdale, Arizona. The overwhelming success of Troon North led to more golf course owners and developers desiring to emulate the “Troon Experience.” As a result, many turned to Troon, the recognized innovator of this concept in the industry.



*Troon Corporate Office - Scottsdale, AZ*

Today, Troon now offers comprehensive services in the areas of golf course, club, leisure and hospitality development, construction, management and marketing. The Company currently manages more than 170 unique four and five-star daily fee, resort and private facilities located in 28 countries and 34 states. The Company currently employs more than 10,000 associates worldwide.

*Overview of Services Provided*

Unlike other golf management companies, Troon has built its reputation by managing best-in-class facilities around the world. In fact, Troon is the only third-party golf management firm that limits the facilities we operate pursuant to a definitive set of criteria, which includes four and five star daily fee, resort and private golf clubs. This market positioning has afforded us more than 20 years of experience operating some of the most elite golf clubs around the world, such as Turnberry, Troon North Golf Club, Pronghorn, The Grove, The Els Club, Saadiyat Beach Golf Club, Pearl Valley Golf Estates, Lake of Isles, Quintero Golf Club, The Peninsula Club, Red Ledges and Kapalua.

Within the Troon portfolio, 47 of our upscale golf courses have received a Top 100 ranking by a national or international golf publication, with many others receiving other significant acclaim. In addition, our expertise in managing first-class clubs throughout the world has provided us the opportunity to host numerous high-profile tournament events, including Major Championships, WGC tournaments, PGA TOUR tournaments, LPGA tournaments, Senior PGA tournaments and high-profile corporate outings.

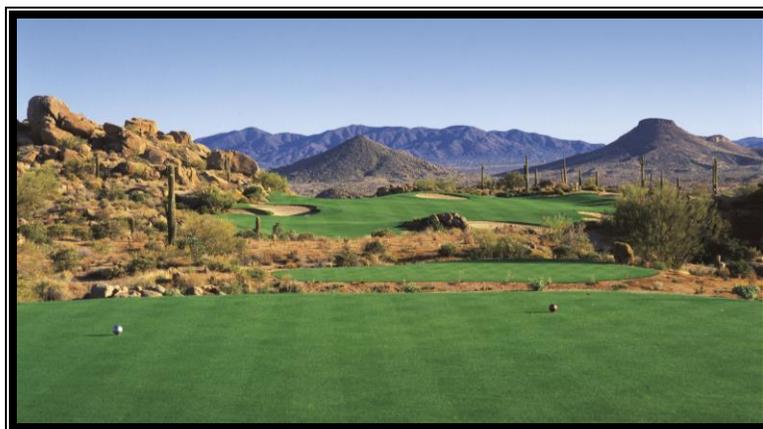
The collective experience of the Troon corporate staff and its more than 10,000 employees worldwide is unparalleled in the golf management industry. Our corporate infrastructure includes professionals and expertise in:

- **Agronomy**
- **Golf/Facility Operations**
- **Food & Beverage**
- **Sales & Marketing**
- **Procurement**
- **Risk Management**
- **Human Resources**
- **Accounting & Legal**
- **Information Technology**
- **Golf Course & Clubhouse Design and Development**

### ***Agronomic Conditioning***

The Company's mission statement is "To create extraordinary guest service and member experiences by delivering superior service, amenities and playing surfaces." To achieve this mission, the primary cornerstone of Troon's success is to provide superior agronomic conditions at our facilities. This commitment to agronomic superiority is the focus of Troon's proprietary Agronomy Standards.

Our Agronomy Standards are the most exacting and detailed in the golf management industry. Golf course maintenance and agronomic programs tailored to the facility are developed and assembled prior to opening. Detailed schedules and programs for the golf course are established utilizing the Company's proprietary agronomic programs. These programs are based on agronomic expertise involving complex scientific principles and a deep respect and understanding of the natural environment. The flow of information between the Troon corporate office and the network of facility superintendents helps every facility maintain the best possible playing conditions.



*Troon North, Hole 15, Monument Course– Scottsdale, AZ*

Jeff Spangler, the Company's Senior Vice President of Science and Agronomy (and one of the Company's founders), is one of the most respected agronomists in the golf industry. Mr. Spangler's background includes an Advanced Agronomy degree from Ohio State University and more than 20 years of facility experience at some of the finest golf facilities in the country including, Pebble Beach and Muirfield Village. Each facility will realize the benefits of Troon's proprietary Agronomy Standards, the expertise and experience of Jeff Spangler, Dave Nicholls, Vice President of Science and Agronomy, a Company Regional Agronomist, and a network of the industry's most respected team of superintendents to ensure that the facility's agronomic conditions are optimized and the long-term health of the surfaces are closely monitored.

The combination of these exacting agronomy standards, world-class corporate agronomic oversight and an information network of industry-leading superintendents have been a successful combination for the Company's facilities, guests and clients. Troon North Golf Club's Pinnacle Course has been named "The Best Conditioned Golf Course in America" by Golf Digest magazine. This coveted industry award is a confirmation of Troon's philosophy regarding the priority of agronomic conditions at its facilities.

In addition, as the sustainability of golf and its effects on the environment have come under immense scrutiny, the Company has launched the Troon Environmental Management Initiative (EMI). Unlike previous programs and practices, Troon EMI is the golf industry's first unified plan for environmental stewardship. The voluntary initiative combines a robust set of policies and procedures that position the Company as the industry leader in environmental stewardship. Troon EMI sets rigorous performance goals that create sustainable solutions for Troon-managed facilities by combining three distinguished environmental programs together. These programs include the Troon Environmental Management System (EMS), the Company's long established Troon Agronomy Standards and the Audubon Cooperative Sanctuary Program for Golf Courses.

### ***Golf/Facility Operations***

The Company's management approach is centered upon delivering members and guests to our facilities and providing them with an overall world-class experience. In order to achieve this result, Troon's goal is to deliver unparalleled levels of customer service and superior golf course conditioning. In doing so, the Company operates the facility efficiently and in a manner that generates maximum profitability for the facility's ownership. The success of each facility's golf operations is dependent upon the hiring and training of quality associates, implementing Troon's proprietary Operating Standards and providing access to the unparalleled depth of expertise provided by the corporate organization to support our associates at each facility.



A key factor in the success of Troon and the facilities we operate is the high quality of our associates at the facility level. Over the years, the Company has been able to attract the best people who are looking for a career in golf. In an industry notorious for high turnover rates, the Company attracts and retains associates because of the quality of the facilities in the portfolio and the possibility for advancement as the Company grows. Our extensive benefit programs, regular training seminars and the Company's industry leading Operating Standards have also contributed to an extremely low attrition rate. The stability of our associate population makes it possible to deliver consistent guest service without interruption. As a result, the Company's General Managers, Food and Beverage Managers and Golf Professionals are the most sought after facility operators in the golf industry based on their experience operating under Troon's proprietary operational standards at some of the world's most renowned golf facilities.

The Company's Operating Standards were assembled and implemented early in the firm's history after a comprehensive facility-level analysis of the criteria for superlative guest service, outstanding food and beverage preparation and presentation and world class agronomy from our own facilities and other industry leading firms in the hospitality and service industry, including Four Seasons, Neiman Marcus and Nordstrom. This well-integrated proprietary approach to golf facility management in the areas of golf operations, agronomy and food and beverage provide the foundation for extraordinary facility management, efficiency and financial results. The implementation of our Operating Standards ensures consistency of service levels, food quality and agronomic conditioning at the each Troon managed facility.

The Company's employee training program is one of the most advanced in the golf industry. Facility Managers that are selected from outside the Troon system are trained in Troon's corporate office in the "management-training incubator." If the Facility Managers have been promoted or have been transferred from another facility, training is generally not required since the candidate is familiar with the Troon Operating Standards and understands what is expected of them. Golf Professionals and Food and Beverage Managers customarily are also promoted from within the Company's system. However, if a candidate from outside the Troon system is selected, they are sent to either Troon's corporate office or an existing facility for training.

The Company's Training Team includes representatives from the Operations, Human Resources and Accounting Departments. This training focuses on areas such as Troon's guest service requirements and employee empowerment, and may be delivered in Spanish if required.

The Company's management of a facility is comprehensive and includes, among other things, the responsibility to:

- Hire, train and supervise daily operations including facility staffing, operation and promotion of golf course and golf shop, facility food & beverage (if applicable), course maintenance and periodic activities such as tournament or other event coordination.
- Develop and coordinate a business plan for each calendar year meeting the agreed upon objectives of the Owner.

- Provide Centralized Services including facility accounting and payroll, financial reporting and human resources administration.
- Provide detailed monthly operating budgets to Owner for all aspects of facility operation.
- Utilize national account status to obtain favorable pricing on golf shop merchandise, apparel, operating equipment and supplies and food and beverage supplies.
- Coordinate with Owner concerning ongoing capital expenditures, including the replacement of equipment and the expenditures of the Capital Reserve.
- Prepare monthly operating reports comparing actual results to budget and analyzing financial performance monthly and year-to-date for each period.
- If applicable, assist in the coordination of a membership plan at the facility; services include the sale of memberships, as well as ongoing operation of membership programs.
- If applicable, assist in the establishment of a golf school at the facility, through either Troon Academies or a recognized golf school.
- If applicable, assist with the operation of additional recreational amenities at the facility.

***Food & Beverage***

The Company’s philosophy on food and beverage and related services is that the experience should be commensurate with the extraordinary golf experience at each facility. Troon’s proprietary Food and Beverage Standards are based on the standards observed by some of the most respected hoteliers in the world. These standards ensure that the Company’s high level of food and beverage quality remains consistent at each facility over time and consistent across Troon’s family of facilities.

John Bartilomo, the Company’s Vice President of Food and Beverage, is responsible for the implementation and compliance of Troon’s proprietary Food and Beverage Standards at our facilities. John has more than 30 years of experience in the industry and is a graduate of the prestigious New England Culinary Institute in Montpelier, Vermont. He began honing his craft with jobs in fine restaurants throughout the United States including New York’s La Cremaillere, Nantucket Islands Opera House, New Orleans Arnaud’s Restaurant as well as culinary positions in Boca Raton, Florida, Chicago, Illinois, and San Trope France. John has earned certification with The American Chef’s Federation as Executive Chef and Culinary Educator honors. He is responsible for the implementation and compliance of Troon’s proprietary Food and Beverage Standards at our facilities.



The Company operates a wide variety of food and beverage operations at our various facilities. Troon's proprietary Food and Beverage Standards, management expertise and well-trained associates ensure that each facility's guests enjoy his/her dining experience as much as their golf experience.

The following tasks are currently implemented at all of our Troon facilities.

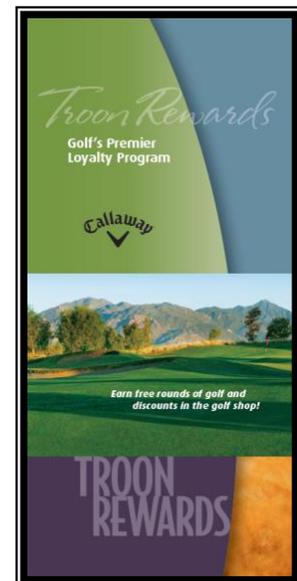
- Implement comprehensive cost control systems.
- Utilize its national account status to obtain favorable pricing on food and beverage costs, supplies and equipment.
- Analyze current menu and re-engineer for quality, consistency and margin.
- Assess current physical layout and configuration of the facility's food and beverage outlet to ensure maximum operational flexibility.
- Implement bar and food inventory controls to minimize or leakage and spoilage.
- Analyzes the facility's food and beverage outlets and implement changes to improve variety and profitability.
- Analyze current hours of operation to ensure appropriate staffing levels.
- Implement guest service training utilizing the operating training manuals.
- Create food and beverage marketing plans for the facility including banquet, catering, and non-golf generated food and beverage strategies.
- Create detailed recipe cards for each menu item to ensure consistency and cost control.

### ***Sales & Marketing***

The Company markets the facilities it manages on a local, regional, and national basis through the creation of a detailed, strategic marketing plan that includes specific action steps, training on industry accepted sales practices, and regular evaluation of the effectiveness of existing marketing activities. Marketing efforts focus on building public awareness and facility brand recognition for each individual facility primarily, but also allowing Troon brand utilization as the Owner sees fit. Due to the size of the Troon portfolio, maximum advertising exposure occurs for the most competitive rates in most markets. As a result of extensive marketing coverage, Troon-managed facilities are the most visible and recognized facilities in the golf industry.

By building brand awareness and consistently delivering positive experiences, Troon assures its customers that they will "Experience Troon" at any Troon-managed facility. Our strong relationships with upscale golfers, drives more rounds at higher rates. In addition, innovative products such as the Troon Card and Troon Rewards have been developed to aid facilities to capture additional market share and rate.

One of the greatest advantages the Company's scale provides to our facility owners is the depth of support provided through our Sales and Marketing Department. Troon's



Sales and Marketing personnel each have a different responsibility to our clients from public relations to group sales oversight to collateral design and advertisement placement. These marketing experts represent the largest marketing department in the third-party golf management business. Their responsibilities range from increasing your facility's recognition in the early tenure to insuring that your tee sheet is full after stabilization.

The sales and marketing efforts for a facility typically has a three-pronged approach, focusing on marketing the facility on a local, regional and national basis. The effort made at the facility level to build the unique identity of the facility at the regional and local level receives critical focus. This approach, combined with the overlapping regional and national efforts supported by the corporate office maximizes the exposure for each Troon-managed facility. Every element of the corporate marketing plan focuses on driving customers to our facilities. The tools used to create the 'call to action' include print advertising, travel shows, direct and electronic mail, wholesaler solicitation, rack brochures and our own frequency and membership programs.

The Company successfully leverages the size of the portfolio to create savings with co-operative marketing opportunities. In many "cluster" markets, our facilities have been able to combine resources to minimize overall advertising expenditures while increasing reach and awareness for each of their properties. In "non-cluster" markets, our facilities take advantage of partnerships with numerous publications.

### ***Procurement***

The Company has two corporate employees dedicated solely to procuring goods and services for our facilities at the most competitive prices and terms in the industry. Charlene Gallob, Vice President of Procurement and Kristen Goulet, Director of Retail, combine to negotiate with the golf industry's most prominent vendors. Because of their efforts, our long standing vendor relationships and the purchasing power of more than 150 facilities worldwide, we are able to drive the most cost effective purchasing that the golf industry has to offer. Troon-managed facilities receive preferential pricing, lease terms and service through multiple vendors for golf course maintenance equipment, golf carts, golf shop hard and soft goods, food and beverage supplies, golf course maintenance supplies, IT equipment, etc.

### ***Risk Management & Insurance Procurement***

Facilities receive the economic and service benefit of the golf management industry's only dedicated in-house Insurance Risk Manager, Bob Provost. The company ensures implementation of risk management policies at the facility in order to minimize exposure to operational risks. Bob has more than 30 years of experience as a risk manager and insurance procurement representative in the hospitality business. Bob will also seek out the most appropriate and competitive insurance policies and coverage. This service can represent a significant savings, with facilities participating in the Company's insurance programs saving 15-40% on property and casualty insurance premiums, while at the same time receiving broader and deeper coverage, with lower deductibles than can other wise be achieved.

### ***Human Resources***

The Company provides comprehensive human resources for all of its employees without the use of third-party consultants or an employee leasing company that commonly adds costs to the facility. Troon currently employs more than 10,000 associates worldwide and serves as the employer of all associates at a facility. The Company's Human Resources department provides all of the services of a Fortune 500 company's human resources department. The department ensures that all employees are recruited, hired, trained, serviced with most professional processes in the business with a continuing focus on the importance of our people and their direct relationship to the success of each facility.

All associates are trained on an annual basis in such topics as Troon service standards, first aid, CPR and avoidance of issues associated with sexual discrimination and harassment. At each facility, our staff is capable of training in English and Spanish. Our online human resources service allows employees to make benefit changes at their convenience. We have a 24-hour employee hotline and our human resources answer all of their incoming calls within 24 hours.

### ***Accounting Protocols***

The Company provides comprehensive accounting oversight services from the corporate office without the use of third parties or consultants. Our Regional Controller system continues to be highly successful and cost effective method to provide C.P.A. level oversight to each facility. Weekly, monthly, quarterly and annual reports are provided to owners to ensure that operational decisions are made on current information and controls reflect accurate data. Troon's Accounting Operational Procedures replicate those of most of the large hotel operators in the United States. In appropriate situations, the Company recommends a third tier of oversight within its Shared Accounting group. This service replaces the on-site property accounting function with a team of staff accountants, A/P clerks, and accounting managers at the corporate office.

### ***Technology Implementation***

The Company's Information Technology staff is involved in the evaluation, design and installation of complete information technology systems for all of Troon's managed facilities. The Company's Information Technology staff is available to evaluate your facility's technology needs and make recommendations for optimum system efficiency. Our national account purchasing arrangements with hardware and software suppliers enhances the benefit of procuring these operating these systems once we have been engaged.

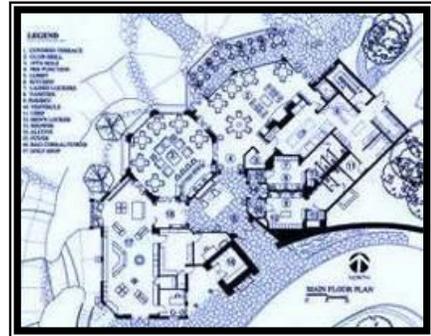
The Company's Information Technology staff will provide the following services:

- Position the facility on the cutting edge of modern technology in the golf industry by offering a fully integrated reservations, property management and point-of-sale solutions.
- Administer the facility's tee times electronically.

- Facilitate inclusion in the Troon web site ([www.troongolf.com](http://www.troongolf.com)) and coordinate a facility web strategy including the maintenance and/or establishment of the facility's web page and Internet applications.
- Manage the facility's supply chain and inventory with software applications or through the Internet.

### ***Golf Course & Clubhouse Design and Development***

Since its inception, the Company has been involved in the development, construction and opening of more than 75 golf facilities. Our Design and Development Department manages all aspects golf course, clubhouse and ancillary structure development and construction, from reviewing design plans and managing construction to providing assistance in the selection and procurement of FF&E. The development services provided to our clients are handled by Troon corporate employees (including civil engineers, architects and project managers), saving our owners from incurring the additional expense of outside consultants as may typically be the case with a self managed project or with other management companies.



The Company prides itself on helping to develop world-class golf facilities that are developed in a way that maximizes operational efficiency and are appropriate for the project of which they are a part. Success in this area is due to the expertise and experience of the staff in this department and their regular interaction with the best development, design and construction professionals in the golf industry at the best new upscale golf facilities in the world. This experience and expertise translates into a well-constructed facility that minimizes unnecessary costs and operates at high level of efficiency once open.