

Dear Members and Investors of the Golf Club Kitzbüheler Alpen - Westendorf!

This is our first English newsletter in 2011. We have recently had the good news we were hoping to receive. That is, that we have finally got the "go ahead" from Vienna for constructing the golf course in Westendorf. All objections against the golf course from opponent Jakob Gossner sen. were rejected. The positive news from the „environmental board" in Vienna is a vital step to realise the project.

1. How do we proceed – latest news.

Our plan to accomplish the project remains unchanged:

1. Agreements with all land owners – are done
2. UVP (Environmental Board)– "Go ahead" already given – received on March 17th 2011
3. Financing in progress – goal for the finance to be in place by the end of June 2011
4. Begin of Golf Course construction - possible start late summer 2011
5. Clubhouse, details agreed in conjunction with a separate company with other investors. Planned construction start date - Spring 2012
6. Course and Clubhouse opening - planned in spring 2013

The next step regards finance - getting together the necessary start up investment- and to talk with different banks regarding the loans required to fund the project.

Our investors, who already signed a model (FA/HA/PA) agreement received a letter in April to pay their share to a guarded bond account (Treuhandkonto). If we can accumulate enough start up investment capital into that account, we can expect a positive answer from the banks.

At the same time we are in ongoing talks with the "Gemeinde" of Westendorf, TVB (local Tourist Board) and the „Skiwelt" over possible co-operations, synergies and financial involvements.

We will also pursue other potential partners and enterprises, which up till now – without the „go ahead" from Vienna - were not keen to make any commitments.

Talks are on-going regarding the clubhouse (with possibly accommodation for upto 40 guests), which will be set up in a different company.

With the initial investment, loans and financial subsidies from both the TVB and the "Gemeindamt", this should be hopefully enough to fund the project.

After the successful financing is in place and construction has commenced, the investors money will be released from the guarded account by the attorney (Treuhänder).

All contracts from our investors (FA/HA/PA) will then be countersigned.

The business plan (Wirtschaftlichkeitsstudie) which was done in 2009 from Dr. Ennemoser will also be updated with actual figures.

Westendorf is very privileged to be the only village with valid permission to build a Golf course in the Tirol. Thirteen other villages / regions in Tirol are desperately seeking permission for a Golf course, most of them with little chance of succeeding. The permission afforded to us should be taken in the interest of Westendorf and our region.

2. Investor meeting at Gasthof Maierhof/Westendorf (29.4.11)

About 30 interested investors attended the meeting.

Beforehand some question were submitted to us by email:

- How many investors do we have up to now (110 at 30.4.11)
- How much will their total shares be (€ 1,4 Mill. at 30.4.11)

So how will the financing be done? How much money do we plan to bring in, and how much start up investment is still missing?

Confirmed figures will be released by May 30th. 2011. This is the last day of payment for our investors. To reach the required figure of 70% of the start up capital, we need another € 0.8 Mill..

Conclusion: we have to find more investors. Some existing investors offered their help in recruiting new ones (investors attract investors). Another possibility would be if existing investors increase their share – some investors have already offered additional assistance.

The enterprise treaty (KG Vertrag) which was criticised by a few investors, was adjusted in agreement on April 28th. We are waiting now for the final version from our attorney. It includes a proposal that a so called „Beirat“ with 5 members controls the enterprise. Membership to be made up from the following - the TVB and the Gemeindamt, the Enterprise (Gesellschafter) and two chosen from the investors. As soon as we have the final version it will be published on our website for everyone to view.

The audience criticised that not enough of „good news“ was spread in public by media or flyers. A fact agreed. Nevertheless, it was mentioned from now on the project should be driven from all sides including TVB and Gemeinde. This includes marketing which will be more effective if done together. Among others Herbert Pircher and Hans Fuchs jun. agreed with that statement and furthermore wished in general more enthusiasm from everybody.

3. Further activities:

- Since both locations for the Golf Club advertisements (arrival into Westendorf and the middle station Gondola) were no longer available it is planned to find new locations for them.

- Driving range: We are in discussions - with „pro´s/con´s“ about building the driving range beforehand.

Pro´s: a first clear signal is set, exercise area for golfers, will facilitate further sales to investors

Con´s: we need personnel (collecting balls, law mowing), costs

- Shared use of the lakes on the Golf course by „Skiwelt“ (snow making in winter!): in general a good idea, because both parties could benefit

- Clubhouse: the concept of the second enterprise is being developed. There must be strong ties between clubhouse and golf course, because „one depends on the other“.

- Our investor models (FA/HA/PA) are being modified. The current version is only valid up to end of June 2011. Thereafter it will be a little more expensive to join us.

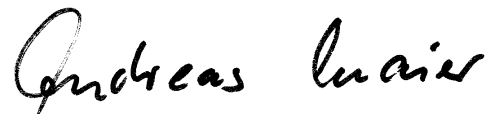
As you noticed there are many things to do. More man power will be not available until construction is started. So far we have to rely on the help of TVB/Gemeinde, because without a joined effort such a project can´t be done.

Have a nice game!

Your team from Golfclub Kitzbüheler Alpen – Westendorf!

Westendorf, May 17th. 2011

Regards



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