

**MAHOGANY RUN GOLF COURSE
RENOVATION UPDATE
AS OF JANUARY 4, 2005**

Mahogany Run Golf Course is more than halfway completed with its projected \$1,325,000 in improvements to the clubhouse and golf course. The Ginn Company (www.ginncompany.com) purchased Mahogany Run Golf Course on June 14, 2004 and has been steadily making progress toward taking the golfing experience at the course to a higher level. The main focus of the early renovation plans has been on the clubhouse and service outlets. There are major renovations anticipated for the Golf Course in the future – most likely a new irrigation system, new green and tee complexes (and turf), total refurbishment of the bunkers, new fairway and rough turf, and the possible expansion and rerouting of the course itself. Although golf course conditions are improving daily as The Ginn Company has already invested over \$300,000 in near term improvements (new turf equipment, selected green-side bunker refurbishing, new irrigation pumps, aggressive agronomy practices for better turf quality, cart path repairs, etc.), most of the major improvements to the course are yet to come. We have also significantly increased our operating budgets to improve our service and quality levels, and we are already seeing significant improvements in delivering both of these critical areas.

The Clubhouse is undergoing a major facelift that will ultimately provide a very warm and welcoming atmosphere for our guests. The entire building, both inside and out, has been cleaned and painted with vibrant new colors. The Pro Shop has seen a major transformation: the installation of a new computer cash register system that makes it easier and faster to take tee times (including on-line reservations) and to check people in, an upgrade of the telephone system, new ceiling and lighting fixtures, new carpeting, fresh paint, new fixture placement and a new Pro Shop counter has been designed and is currently being constructed. We received delivery of 78 brand new state of the art Precedent Professional Model golf carts from Club Car in late September of 2004.

The upstairs Grillroom is being renovated and enclosed, and is scheduled to open in May of 2005 with air conditioning, modern sports room audio and video systems, carpeting, new furniture, new kitchen equipment, and a new bar with a new grillroom

menu. We anticipate that the new Mahogany Grill will provide a very comfortable environment to relax in before or after your round of golf.

The 19th Hole will be totally renovated during the summer of 2005. The Locker Rooms are being renovated with new carpeting, new furniture, new sink fixtures, music has been added, and the vanities and mirrors are being refurbished. The Banquet Room has been nicely renovated and is available to rent for group, business, civic or social occasions.

The Front Entrance to the golf course has been totally upgraded to improve our first impression to our guests as they arrive. New signage, a new canopy that protects arrivals from inclement weather or the sun, and the expansion and the paving of the parking lot have been noticeable improvements. The new landscaping and lighting around the clubhouse have been welcome changes. The entrance stairway to the Pro Shop level is seeing new blue bit rock walls, tiling, lighting and landscaping.

We look forward to seeing you and serving you on your next visit to St. Thomas. We hope you will be pleased with the improvements to Mahogany Run Golf Course!

Rich Hohman

Vice President

The Ginn Company