



## **Madison Country Club Renovation Project**

### **Preliminary Offering Summary**

#### **Purpose**

Madison Country Club began operation as a 9-hole golf course in 1946. In 1948, a native stone building was constructed to serve as the Clubhouse and Pro Shop. In 1962, the Club authorized an addition to the original building to expand usable space. Another major step was taken in 1989 when MCC expanded its 9-hole course to an 18-hole layout. In the ensuing years, it is safe to say that MCC has developed an outstanding golf course, but has not been attentive to maintenance needs or functional improvements to its Clubhouse.

The membership has approved the project contingent on securing long-term financing. Long-term financing will be combined with privately raised funds to complete the project. Today, MCC has secured \$204,250 from 48 pledges. We are permitting a five-year payment for pledges which means some of the dollars raised through this offering are needed as pledges are collected. MCC intends to continue private fundraising to offset project costs and overall debt service with a goal of \$300,000.

This project will provide a renovated and remodeled Clubhouse that will complement the outstanding golf course available to the citizens of Madison and the surrounding area.

#### **Offering**

- Up to \$600,000 offering /24 shares in a Limited Liability Company
- \$25,000 per share, 1 share minimum investment.
- There will be a buy-sell agreement included with the shares.

#### **Security**

- Prorated 1<sup>st</sup> position mortgage with GROW SD, or other lenders, on the entire Madison Country Club site. Site includes approximately 116 acres of land including real estate improvements. Property appraised for \$900,000 in 2004.

#### **Buildings/Project**

The Main Level –The plan is to demolish the current addition and rebuild new space and renovate within the walls of the stone building to meet today's needs. The floor plan shows that we will have a new pro shop, snack bar and lounge area; a more functional banquet/dining area (the stairs will be covered with a trap door); expanded outdoor seating on the south and new outdoor seating on the north; and main level men's and women's bathrooms plus exterior access bathrooms for golfers. The kitchen will remain where it is, but be significantly remodeled. In addition, we intend to remedy the problems with the paths and landscape areas around the Clubhouse and

create new and accessible entrances on the east and west ends plus from the north outdoor seating area.

The Lower Level – This area will be gutted and transformed to include new areas. There will be spaces for lockers and club storage; food and beverage storage; mechanical systems; a single unisex bathroom and shower; and an office. We plan to secure this space with swipe card technology at the exterior door and interior doors.

Building Systems – As part of the project, we will also take care of the various building systems that are old and worn-out. Even if we did not do this project, these systems need to be addressed and include:

- Heating and Cooling
- Plumbing and Septic
- Electrical
- Building Roofs
- Windows and Doors

Existing Debt – Currently Madison Country Club owes a local bank approx. \$160,000. Original funds were used to build a retention pond between holes #9 and #12 along with significant improvements to the irrigation system. This debt will be retired with this offering.

#### **Financing Assumptions**

- \$200,000 from GROW, SD
- A minimum of \$200,000 in private donations paid over a five-year period.
- Private placement through this offering and/or other long term debt

#### **Ownership Terms**

- 4% Annual return on contributed capital with annual principal and interest payments based on a 25 year amortization and a 5 year balloon

*These are not the full terms, only preliminary for informational purposes.*

