

Speech by Dr. Hans-Jürgen Reichardt

Groundbreaking For Main Clubhouse & Grand Opening Dedication – The Creek 9

January 19, 2004

Paul, thank you so much for your nice introductory words. On behalf of my whole team, I would like to welcome and thank you, our residents and members, for accepting our invitation to meet us today. Together with my family members who are with me today, I am really pleased, excited and happy to share some time on this important day for all of us to celebrate two unique and important events: the groundbreaking for the new clubhouse and the ribbon-cutting for the third or Creek 9.

With today's groundbreaking for the new clubhouse, Heron Creek is taking another major step or, as I would like to say, milestone for getting the top-notch community lifestyle completed. This ceremony is actually happening much earlier than originally planned and anticipated. Heron Creek continues its commitment to provide diverse lifestyle options here in North Port with the decisions to build the new clubhouse and to create two more lighted tennis courts available in Summer 2005 to offer a complete schedule of tennis activities for our residents and members. Our luxurious amenities will then be completed.

The clubhouse, no doubt, is destined to become the focal point of Heron Creek, one of Sarasota County's most highly acclaimed communities. The architectural firm, Lane Associates of Jacksonville, Florida, was chosen to design the facility, having been selected because of its extensive experience and strong reputation in designing clubhouses throughout the nation and most particularly in Florida. There were uncounted hours of workshop sessions and numerous visits to comparable facilities before I made this final selection. Actually, we started our thoughts regarding the clubhouse design in 2000 and 2001 meetings with at least four different architects considering a lot of different models and recommendations. Of course, many additional design suggestions were collected through workshops and interviews with our Club Members, which I really appreciate. The input from our residents and members is incredibly important in planning and finally designing the clubhouse. It was always my intention to design the clubhouse with the same care and attention as the whole master-planned community, keeping both the business aspects but also the desires of our residents and members in mind.

The community's spectacular new clubhouse, a two-level design with more than 21,000 square feet of space, will feature the upper level main floor, accessed at the covered entry and through the grand foyer, with the main dining room, a private dining room and the grill room. This will allow a total seating of over 250 guests for fine and/or informal dining and banquets. The main floor also includes the boardroom, a card - or classroom, kitchen, offices and restrooms. Patios and decks adjoin the dining room and the grill room. From the dining area, you will have breathtaking views.

The lower level houses a fully equipped golf pro shop, men's and women's locker rooms, restrooms, and a golf cart and bag storage. Careful attention to detail and carefully selected designers and artisans will ensure the expected result of a prestigious club. Interior detailing is so important to us that my wife Monika and I will work personally with a well-recognized designer firm to ensure elegance and comfort throughout every square foot of floor space of our new clubhouse. With painstaking execution, we will coordinate light fixtures that are artistic but

functional. For a majestic compilation, this team will determine a color flow, choice of floor coverings, furniture space planning, and complementing accessories. From conception to completion, the exterior and interior detailing becomes a harmonious confluence of ideas and styling that places Heron Creek once more on the leading edge of gracious country club living. From the start of the project we demanded that the clubhouse should be a haven of serenity, an expression of refined elegance, and the utmost in comfort. The traditional décor and understated elegance will quietly welcome you and your guests. The landscape architect provided tremendous site planning and creative design solutions for the whole clubhouse area including the parking space.

Construction activities are expected to commence immediately. My construction planning schedule is indicating that the clubhouse could be open by December 2004. But considering how weather conditions play havoc with the best of schedules, this estimate may not be the final word.

I am convinced that Heron Creek soon will be admired for its club, which I said before will become the epitome of gracious country club living.

After opening the new clubhouse, the existing one will be converted to a separate recreational complex or activity center that includes exercise and fitness, saunas, pool, wraparound sun deck, and tennis complex with its own tennis pro shop. It may also feature a snack and coffee/refreshment bar called "Courtside Café" to offer casual luncheon fare for tennis players, golfers between rounds, and those enjoying poolside activities. For the tennis enthusiasts, the new two more tennis courts available in Summer 2005 will then provide a complete schedule of tennis activities.

Both the Fitness Club and the main Clubhouse will offer scheduled social and recreational events, as well as educational seminars and other activities. We all have seen communities where the clubhouse stands empty most of the time, and the residents rarely have an opportunity to socialize and get to know each other. We intend to do everything so that Heron Creek will be an active and busy club. Here social life revolves around the club, and there's always something going on.

Naturally, the centerpiece of the Heron Creek community is its fabulous golf course. The beautiful fairways and immaculate greens are both trademarks of the already existing par 72 championship layout at Heron Creek. From the moment you step onto the first tee at Heron Creek Golf & Country Club, you experience the exhilaration of playing a brilliantly designed course that offers a challenge for golfers of every skill level. It seems to be true: Playing golf at Heron Creek is an experience you'll want to repeat over and over again.

In the meantime, Heron Creek has become without doubt a favorite spot for golfers from Bradenton to Fort Myers, and only a few communities in all of Southwest Florida can match its championship golf course.

We are here today to celebrate also the official opening of the third nine, The Creek 9, also designed by Arthur Hills, one of the world's foremost golf architects. In traveling the Creek 9 by cart, you will easily imagine that this part of the course was also created to exist in harmony with nature. Like the existing 18 holes, understanding the need for a sensitive balance within natural environments, Arthur Hills, in designing the third part of the golf course, gives special care to

preserving and enhancing the natural habitat. It seems to me even as a non-golfing person that the Creek 9 is more demanding from the tee to the green than the already existing 18 holes. Good golfers will find themselves challenged, while recreational golfers will find the play endlessly interesting. After finishing the clubhouse and the third nine of our golf course, Heron Creek offers an unsurpassed lifestyle within its exceptionally active community. Beyond offering the ultimate in country club living, Heron Creek provides convenient access to shopping, services, restaurants, entertainment and other conveniences in the very near future to its residents in the pedestrian friendly Heron Creek Towne Centre, adjacent to the gated community. These interacting development parts deliver a lifestyle that's unique and unmatched in value, and an unhurried pace that let's you relax and enjoy it all each day, because this is especially for you. If not, there is always Sarasota and Fort Myers.

Heron Creek is secluded and private, yet intimate and inviting. With little over 800 single-family home sites nestled throughout 676 acres of lush habitat, Heron Creek sets the tone for elegant living in an uncrowded, natural setting. And by offering only 550 golf memberships, you'll never have to wait for a tee time to play. A variety of residential lifestyle needs will be met within the total community of Heron Creek that emphasizes low density, sweeping streetscapes and an abundance of open spaces. Heron Creek is and will be North Port's premier golf and country club community. And it is certainly no accident that WHERE TO RETIRE magazine has again named Heron Creek as one of the 100 best master-planned communities in America. In a personal letter to me, the editor and publisher stated: "Your development has earned its place within this elite group of companies that is helping to create an active and fulfilling lifestyle for the 21st Century". And most interestingly, although thirty of the 100 best communities are in Florida, Heron Creek is the only honored community located in Sarasota County.

New home sales have hit a record high for the last two years, so that we expect final build-out around 2006, much earlier than actually expected. There are only a few larger lots available.

As I near the end of my presentation, please give me your attention for some thoughts and comments on the recently introduced membership program. In going private nowadays, our option approach to members is offering you an outstanding and unique opportunity without any further obligation. If you finally vote for conversion and decide to take over the course management and control it, you will be faced with the lowest membership or equity fee ever paid for any Arthur Hills golf course of this magnitude from Naples to Tampa. The other advantage is the restricted number of members at 550.

The bundled golf membership concept as one of the alternatives in comparison did not play any major role in our considerations in offering an equity membership plan to our residents or members because of the bad experience of overcrowded golf activities in the season. Please have in mind that we started Heron Creek with the approval of 1,975 units originally. There are prominent Arthur Hills courses where 930 and more residents share their membership for 27 holes. Furthermore, I do not expect everybody agreeing to the asked price in the membership documentation or even its whole framework. There is no doubt, that from a market prospective the offered program to you is the fairest available for a member, with no obligation. But keep in mind, at day X you will be confronted with the alternative that a profit-oriented buyer may not deliver course management to your satisfaction without having any possibility for correction or control. We have seen this happen all over the nation and even in our neighborhood. It is important to emphasize that your real estate value depends on the appearance of the golf course to a certain extent.

For further questions and concerns regarding the membership program please feel free to contact the well-known persons of my team or me personally. We are always glad to help you better understand the essentials of the program and the resulting benefits for you.

Thank you very much for your patience. After the symbolic groundbreaking and ribbon-cutting ceremonies, I would like to share and enjoy lunch and complimentary refreshments with you. Enjoy the rest of your day.