April - May 2009

GOLF COURSE

Dear Members and Guests,

We've been extremely busy this month, as you all may or may not know we have a new Design Associate from Nicklaus Design. His name is Dirk Bouts, Dirk and I worked together back in 1996 on a Nicklaus Design in (Medan, Sumatera, Indonesia, Name BUKIT BARISAN GOLF CLUB).

One of the most important aspects of Dirk's trip this month was to confirm a 9 hole routing for Ibar. He did in fact do this and we've been busy trying to make that idea a reality. We will now play 9 holes as follows, instead of completing #8 then on to #9 which would be too great a distance from the club house, Dirk decided to take you down, so from #8 you'll go to #16 (#9) by doing this we close the distance back to the club house.

That will give you a total PAR of - 36 for the 9 holes, which is exactly what you need for 9 holes. Now to update you on what has been done since Dirks visit- PAR 3 #8 is now 100% completed,
green and fairway was seeded out yesterday.

My crews will be finishing up by cleaning the cart path and installing some erosion control systems in and around the hole to protect the seed from any big rains we may get during the grow-in period.

Green of Hole 8

Green of Hole 16 (9)

My remaining staff will move on to #16, I've competed the USGA drainage system in the green, Greens mix has been installed and the green is now ready for the final phase of floating and having the sod ring installed for the seed. I have the seed bed completed and once the sod ring is installed, which will be today (April 30,2009).

The final floating of the surface will be done and the seed placed. The remainder of this hole will be completed by my Assistant Stanimir, as I will be going away for several months planning to come back in August. So my Assistant will complete the fairway prep, bunker sodding and fairway seeding. This may take the month of May to accomplish, since the weather has been a major contributing factor in recent days. Not to mention there are large areas of NATIVE GRASS on this hole.

Don D. Ellsworth,
April 30th, 2009

KPMG Golf Business Forum 2009

We are happy to announce that for a 2nd year in a row Golf Club Ibar participated in the KPMG Golf Business Forum 2009 which was held on May 4-6 at The Celtic Manor Resort in Wales, host venue of the 2010 Ryder Cup. More than 275 industry professionals from around the world attended the Golf Business Forum, established as the leading international event for the golf resort and community industry. The theme of the event this year was 'Navigating the Choppy Waters of the Economic Downturn.' At the event which offered excellent networking opportunities to share the joys
and difficulties of the past year, Mr. Kiril Nedev, Founder and Owner of Golf Club Ibar met again with various golf businesses' leaders.

The seven-time Major Champion, Arnold Palmer, received KPMG's Lifetime Achievement Award. In his address to the audience he expressed his opinion that golf businesses will be stronger after the recession and called for golf to become an Olympic sport. To find out more about the event please go to www.golfbusinessforum.com

Mr. Kiril Nedev (left), Founder and Owner of Golf Club Ibar, Mr. Paul Stringer (right) Senior Vice-President of Nicklaus Design

Arnold Palmer, world famous sportsman and iconic golfer and

May 24th celebration at Ibar

May 24th is a very important date in Bulgarian history. This is when we remember and celebrate the day of St. Cyril and Methodius, two brothers born in Thessaloniki in the 9th century, who became missionaries of Christianity among the Slavic peoples of Great Moravia and Pannonia. Through their work they influenced the cultural development of all Slavs, for which they received the title "Apostles to the Slavs". They are credited with devising the Cyrillic Alphabet. On this day we also celebrated the completion of the outside of our church on site with which we are very proud. We had about 60 guests who enjoyed the beautiful weather and practiced their golf skills on the driving range.

Announcement

We would like to inform you that a meeting of the Board of Directors of Golf Club Ibar AD was held on April 14th 2009. The Board reviewed various aspects of the work of the company for 2008. Two major areas of concern were discussed namely the ongoing and growing world economic crisis with its effect on the contractual responsibilities of the company and the total lack of administrative service on behalf of the Dolna Banya Municipality. These two circumstances unfortunately lead to delay in the performance of the company's contractual obligations.

Having seriously considered the above described circumstances, especially their accumulative effect on the work of the company, the Board of Directors unanimously agreed that this is a case of force majeure circumstances with direct effect on the investment process, resulting in delayed completion of some aspects of the project - construction of the Spa Centre, the second 9 holes of the Nicklaus Design Golf Course, some of the infrastructure and some properties.

Please note that this announcement refers only to the possible delays which the force majeure circumstances may cause. It is in no way indicative of the financial situation of the company which remains stable and profitable. For full information on the financial status of Golf Club Ibar AD please view the Official Financial Balance of the company for 2008 which is available here.