THE JEFFERSON INN
SOUTHERN PINES, N.C.

OFFERED FOR SALE

BY

SYNERGY COMMERCIAL PROPERTIES, LLC
FOR SALE
The Jefferson Inn

Unique Opportunity to Own
Recently Restored Historic Hotel

Southern Pines, North Carolina
INTRODUCTION

The Jefferson Inn is located in the Historic Downtown of Southern Pines, North Carolina, just minutes from the Village of Pinehurst and in the heart of Moore County. This region, also known as the Sandhills of North Carolina, is a mecca for golf, tennis and equestrian events. The recent multi-million dollar restoration of this 100+ year old landmark property has resulted in the unveiling of the area’s only boutique hotel.

The goal of the renovation was to recreate an environment in which guests could experience the history and lifestyle of the pristine town of Southern Pines, while basking in comfort and service rivaling the nation’s top boutique hotels. With fifteen luxury guestrooms and one-bedroom suites ranging in size up to 600 square feet, The Jefferson Inn offers such “comfort features” as cottage style furniture; plantation shutters; custom-made down-filled duvets and pillows; 600 thread count Egyptian cotton sheets; at least one flat screen LCD or plasma TV’s in every guest room; in-room safes; and free wireless internet service. The generously sized travertine-clad baths feature authentic clawfoot and garden bathtubs, and oversized showers with regular and rain shower heads. Shortly after the restoration was completed, the Jefferson Inn was recognized by Conde Nast Johansens in its 2009 Edition of Recommended Hotels, Inns, Resorts and Spas in the Americas, Caribbean, Atlantic and Pacific. This honor is shared by only nine other properties in North Carolina.

The kitchen within The Jefferson Inn is currently being utilized only to prepare tavern food to support the bar business, and to provide food service for hotel guests. The main dining room is used only occasionally for wedding receptions and other special events. The Tavern and Courtyard are popular destinations for locals and hotel guests to relax and mingle. The recipient of the Best of Moore County Live Entertainment Award for the last three years, the Jefferson Inn Courtyard is well-known for featuring local and regional musicians. In addition to these on-site amenities, there are several restaurants offering a wide range of dining choices and a few local taverns within walking distance. And with over thirty shops in Southern Pines’ Historic District, forty-three golf courses and several tennis facilities nearby, and a gym and spa within a few blocks, guests sure to find plenty to do. And the equestrian setting of the region provides the perfect backdrop for the experience.
The Jefferson Inn is currently being offered for sale, despite the under-utilization of its restaurant, potentially the largest of its three profit centers (the restaurant, bar business, and hotel room rentals). While current net operating income does not support the asking price, a seasoned operator would be able to significantly increase gross sales in all profit centers almost immediately. The transaction will include conveyance of fee simple ownership of the property, all rights to the hotel, restaurant and bar businesses, all fixtures, furniture and equipment, and any intellectual property.
AREA INFORMATION

Located in the Sandhills region of south central North Carolina, the Pinehurst, Southern Pines, Aberdeen Area is one of the state’s premier destinations with an unparalleled history of attracting and providing service to visitors. As the area carries the distinction into its second century, it has expanded its allure beyond the elite leisure market and has become a popular site for meetings, conventions, and FIT (free independent traveler) and those that travel major highways and interstates.

Established along the rail route as a halfway point between New York and Florida in the 1800’s, the area’s expanded accessibility still includes daily rail service on Amtrak. Centrally located between the state’s three largest airports - Raleigh-Durham, Charlotte and Greensboro-Triad, travelers usually make direct flight arrangements from throughout the continent to the area. Ongoing negotiations to resume the daily connecting flights are at a high priority. Interstates 95, 85 and 40 cross the state from the north, the south and the west. From these main arteries, the area has direct access to US 1, US-501, NC 2, NC 5 and NC 211. Future access will improve when I-73/74 is completed, linking the Midwest to the Carolinas.

An ideal spot for corporate retreats, reunions, social functions or mid-sized conventions, the area offers more than the standard sterile meeting environment. New state-of-the-art spa facilities exemplify the spirit of well-being encouraged in the area.

Regardless of the purpose of the visit, recreation almost always plays a part in a Pinehurst, Southern Pines, Aberdeen Area excursion. With over 40 courses in the area, the area abounds with golf enthusiasts. It is unsurpassed in preponderance and quality of golf and golfing tradition. Other activities including tennis, swimming, croquet, lawn bowling, canoeing, fishing, biking, hiking, equestrian activities, indoor bowling, and new spa facilities round out the bill to satisfy every sportsperson’s taste. Many facets of this recreation haven are highlighted by area events, festivals and contests of ability.
Events and festivals also encompass many of the area’s most prominent attractions. Historical sites host reenactments of Revolutionary War battles, rural life celebrations, pottery special openings, musical events and extensive Christmas activities.

The area built much of its early fame on the health benefits of its mild year-round climate. Today, visitors still enjoy this added bonus to the area’s many attributes. With a mean temperature of 61.6 degrees, an average snowfall of only 4.3 inches and an average rainfall of about 45 inches, there are few days lost as visitors pursue outdoor activities. With summer and winter months being comfortable and the spring and fall months being long, the area is a perfect destination twelve months of the year.

The environment for business is as comfortable as the climate. Six major sectors make up Moore County’s economy; tourism, manufacturing, health services, retail, agriculture and retirement. Although all sectors are important for revenues generated over the last several years, tourism continues to be the steam that drives the engine.

With a population approximating 78,500, Moore County operates under a Commissioner/Manager form of government with five elected County Commissioners representing specific districts. The Moore County Board of Commissioners governs areas falling outside of all city limits and agencies of the county. Each of the eleven municipalities within the county has an elected mayor and/or council.

From whatever point of view one approaches travel and tourism in the Pinehurst, Southern Pines, Aberdeen area, it cannot be denied that it is an inherent and viable part of the economy, quality of life, and the future of Moore County. The competition for leisure, meetings and motor coach destinations grows fiercer with each passing year while the area moves forward to maintain and nourish its position with the traveling population. As proven avenues for attracting travelers are honed and improved, new routes are always being tested and explored.
HISTORY OF THE JEFFERSON INN

Southern Pines, North Carolina was founded in the late 1800’s by John Tyrant Patrick, following the construction of the railroad through the town’s current location. The warm climate and clean air began attracting many Northeasterners to the area. John S. Reynolds and his wife were among those who became enamored with the region. The couple ran a guesthouse known as the Cold Springs House during the summer months in their hometown of Jefferson, New Hampshire. They eventually built a winter home on New Hampshire Avenue in Southern Pines, a half-block from the train station in the center of town.

In 1901, Mr. Reynolds enlarged their winter haven by attaching the Hayes News Depot building, one of the oldest structures in Southern Pines, and opened it to the public as The Jefferson Inn. The Hayes Building had been the center for all news and dry goods for the area, and was rolled to its current location on logs. It is now the kitchen for the Inn’s dining room. Reynolds subsequently acquired the electric shop next door, adding it to the Inn, and capped the three structures with a third floor.

Shortly after the turn of the century, the Town of Southern Pines Commissioned Donald Ross to design and build a 27-hole golf course, which became known as Southern Pines Country Club. The sport quickly became a favorite activity of guests, along with hunting and visiting local orchards.

The Reynolds’ were known for their holiday tables and the family atmosphere they created at The Jefferson Inn. They scheduled events and gatherings for the guests, many of whom were longtime residents. Their activities included card games, performing musicals, and organizing picnic outings to local lakes. They once even held a children’s theme party for adults. Recognized guests of The Jefferson Inn ranged from well-known golfers to accomplished authors, including famous female golfer Babe Zaharias, and Elise Lathrop, who wrote “Early Taverns & Inns in America”.

The restaurant at The Jefferson Inn was renowned regionally throughout the twentieth century, and spawned several outstanding chefs. The Inn’s large “Courtyard” has been a gathering place for locals and guests, and the setting for a variety of live music events, weddings, and other occasions over the years. The “Front Porch” was another popular local meeting spot. Thankfully, these traditions are as much alive today as they were in the past.
Until The Jefferson Inn closed for its 2006 renovation, it had been the oldest continually operating hotel in Southern Pines – possibly in the Southern Pines, Pinehurst, and Aberdeen area. The current owner, who purchased the Inn in late 2005, completed the historic restoration in mid-2007. While the ambiance of the 100 + year old Inn, restaurant and tavern was maintained, the size of the guestrooms and suites was dramatically increased, and the accommodations were upgraded to combine the elegance and charm of the storied institution with the comforts and amenities of a fine “Boutique Hotel.” This enables The Jefferson Inn to deliver an experience that no other in the region can boast - “Today’s Luxury” with “Yesterday’s Charm.”
CONFIDENTIALITY ACKNOWLEDGEMENT

PROSPECTIVE BUYER

This acknowledgement (herein “Acknowledgement”) shall confirm the understanding related to The Jefferson Inn, located at 150 West New Hampshire Avenue in Southern Pines, North Carolina (herein “Property”) and certain material, data and information (herein “Evaluation Material”) which the ownership of the Property (herein “Owner”) will make available to __________________________ (herein referred to as “Buyer”) for study in connection with a possible purchase of the Property.

Owner is prepared to furnish Buyer with Evaluation Material in connection with discussions and negotiations concerning a possible transaction involving the Property only on the conditions that Buyer agrees to treat such Evaluation Material confidentially and confirm certain representations to Owner. Therefore, as a prerequisite to Owner furnishing to Buyer the Evaluation Material, Buyer hereby represent and agree as follows:

1. The Evaluation Material will be used solely for evaluating a possible transaction exclusively for Buyer’s own account, as principal in the transaction. Therefore, Buyer agrees to keep all Evaluation Material strictly confidential, provided, however, that any such Evaluation Material may be disclosed by Buyer to its directors, officers or employees, as well as its legal counsel, accounting firms and financial institutions who need to know such information for the purpose of assisting Buyer with a possible purchase of the Property. Such directors, officers, employees, lawyers, accountants and financial institutions shall be informed by Buyer of the confidential nature of the Evaluation Material and shall be directed by Buyer to treat such information with strict confidence.

Buyer agrees not to copy or duplicate the Evaluation Material and to return the Evaluation Material to Owner promptly upon the decision not to go forward with discussions related to a purchase of the Property, or if requested by Owner. Buyer agrees that, in addition to any and all other remedies available to Owner upon breach of this Acknowledgement by Buyer, Owner will have the right to seek injunctive relief to restrain any further breach or threatened breach or specific enforcement of such terms.

In addition, Buyer agrees that they will not disclose and will direct Buyer’s representatives who are given access to the Evaluation Material in accordance with the terms hereof, not to disclose to any person, the fact that the Evaluation Material has been made available to Buyer, that discussions or negotiations are taking place or will take place, or any of the terms, conditions or other facts with respect to the possible acquisition of the Property.

2. Although Owner has endeavored to include in the Evaluation Material information believed to be relevant for the purpose of helping Buyer in its evaluation of the Property for possible purchase, Buyer understands and acknowledge that Owner makes no representation or warranty as to the accuracy or completeness of the Evaluation Material. Buyer agrees that Owner shall have no liability as a result of Buyer’s use of the Evaluation Material and it is understood that Buyer is expected to perform and is responsible for such due diligence investigations and inspections of the Property, including investigation of any environmental conditions, as deemed necessary or desirable and as permitted by agreement with Owner.

3. Buyer also represents that no broker or agent is acting as a buyer’s broker in any possible transaction involving the Property, and Buyer agrees to indemnify and hold harmless Owner from and against any loss, cost, liability, damage or expense (including, without limitation, attorneys fees, charges and disbursements) arising from any claim by any broker, finder or other party with whom Buyer has dealt in connection with the possible acquisition of the Property.

4. Buyer understands that this is not an agreement to sell the Property nor an offer of purchase or sale, and that no agreement binding upon either party shall be deemed to exist, at law or equity, until the Buyer and Owner execute and deliver a formal binding agreement of sale.

AGREED TO AND ACCEPTED BY BUYER:

By: _______________________________(seal)

Name: ______________________________

OWNER

Dean Ventures, LLC

By: ______________________________

Curtis D. Dean
CONFIDENTIALITY ACKNOWLEDGEMENT

BUYER’S BROKER

This acknowledgement (herein “Acknowledgement”) shall confirm the understanding related to The Jefferson Inn, located at 150 West New Hampshire Avenue in Southern Pines, North Carolina (herein “Property”) and certain material, data and information (herein “Evaluation Material”) which the ownership of the Property (herein “Owner”) will make available to ________________________________ (herein “Buyer’s Broker”) with the intent and understanding that Buyer’s Broker will deliver the Evaluation Material to ________________________________________________________ (hereinafter referred to as “Buyer”) for study in connection with a possible purchase of the Property.

Owner is prepared to furnish Buyer’s Broker with Evaluation Material in connection with discussions and negotiations concerning a possible transaction involving the Property only on the conditions that Buyer’s Broker agrees to treat such Evaluation Material confidentially and confirm certain representations to Owner. Therefore, as a prerequisite to Owner furnishing to Buyer’s Broker the Evaluation Material, Buyer’s Broker hereby represent and agree as follows:

1. The Evaluation Material is being delivered to Buyer’s Broker for the sole purpose of enabling Buyer’s Broker to share the Evaluation Material with the buyer named above as Buyer. Buyer’s Broker agrees not to copy or duplicate the Evaluation Material, or to submit the Evaluation Material to any other party for any reason. Buyer’s Broker agrees that, in addition to any and all other remedies available to Owner upon breach of this Acknowledgement Buyer’s Broker, Owner will have the right to seek injunctive relief to restrain any further breach or threatened breach or specific enforcement of such terms.

2. Buyer’s Broker agrees not to disclose to any person the fact that the Evaluation Material has been made available to Buyer or Buyer’s Broker, that discussions or negotiations are taking place or will take place, or any of the terms, conditions or other facts with respect to the possible acquisition of the Property.

3. Although Owner has endeavored to include in the Evaluation Material information believed to be relevant for the purpose of helping Buyer in its evaluation of the Property for possible purchase, Buyer’s Broker understands and agrees to convey to Buyer, that Owner makes no representation or warranty as to the accuracy or completeness of the Evaluation Material. Buyer’s Broker agrees that Owner shall have no liability as a result of Buyer’s or Buyer’s Broker’s use of the Evaluation Material and it is understood that Buyer is expected to perform and is responsible for such due diligence investigations and inspections of the Property as deemed necessary or desirable and as permitted by agreement with Owner.

4. Buyer’s Broker understands, and shall convey to Buyer, that this is not an agreement to sell the Property nor an offer of purchase or sale, and that no agreement binding upon either party shall be deemed to exist, at law or equity, until the Buyer and Owner execute and deliver a formal binding agreement of sale.

ACKNOWLEDGEMENT

BUYER’S BROKER

______________________________
By: ____________________________
Name: _________________________

OWNER

Dean Ventures, LLC

By: ____________________________
Name: Curtis D. Dean
FOR ADDITIONAL INFORMATION

CONTACT:

JANICE M. DIXON
SYNERGY COMMERCIAL PROPERTIES,

105 Magnolia Road Pinehurst, N. C. 28374
Tel: 910-295-1801/Fax: 877-255-7990
www.synergycommercialproperties.com
Email: jdixon@synergycommercialproperties.com