

RED WING MUNICIPAL GOLF CORP.

Golf Course Management Proposal
To the City of Red Wing



January 14, 2013

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I. Proposal Summary

Red Wing Municipal Golf Corporation offers to the City of Red Wing our proposal for the management and operation of the Red Wing municipal golf course.

This proposal is the culmination of months of research and thorough analysis; of numerous discussions with past employees of the golf course, past members of the golf course, community leaders, citizens, and vendors; and is the work of the Red Wing Municipal Golf Corporation board of directors.

The Red Wing Municipal Golf Corporation (RWMGC) was formed approximately two years ago by interested citizens of Red Wing seeking a clear avenue forward, a plan which would allow the formerly-named Mississippi National Golf Links to continue to be owned by the residents of Red Wing and would allow public golf to continue to be available for all Red Wing citizens for years to come.

The current structure of RWMGC has thirteen directors, with a chair, vice chair, secretary, and treasurer. A core of twenty interested persons plus numerous supporters have joined in this effort to save the municipal golf course.

Along the way, RWMGC has met frequently with individual City Council members, met with the ad hoc golf committee of the City Council on several occasions. conducted a pledge drive seeking investment by the community (\$90,000 pledged), and developed a five-year *pro forma* which clearly shows that, with careful management, the Red Wing municipal golf course can show a profit. The business plan of RWMGC is to operate the municipal golf course on a revenue/expense neutral basis, requiring no taxpayer funds to operate the course.

Red Wing's municipal golf course, with two 18-hole courses, is a unique and highly respected regional destination golf course. The future of the Red Wing municipal golf course must not be put in jeopardy. The loss of the golf course and/or its shut-down for a year

would adversely affect the Red Wing community: citizens, golfers both young and old, and businesses—not only this next golf season, but in future years. Community economic benefits from golf tourism would be severely cut. Of the 35,000 rounds of golf played in 2012, about 17,000 were played by non-members. The economic impact of this golf tourism is important to the Red Wing hospitality community. RWMGC, partnering with the business community, will aggressively market the municipal golf course for increased golf tourism.

II. The Minnesota Golf Economy

The following facts are found in the *Minnesota Golf Economy Report*, a compilation of the last survey commissioned by the Minnesota Golf Association and published in November 2007.

Findings:

A. 1,025,000 golf trips were taken in Minnesota in 2006 by residents and nonresidents.

B. In 2006, Minnesota golf-related tourism was estimated to be a \$360,500,000 industry.

C. Minnesota golf tourism spending per person per trip averaged \$352, exclusive of green fees and carts.

D. Current trends from the National Golf Foundation indicate that play in the Midwest region is up 12% from last year.

III. MNGL Statistics

A. There are estimated to be about 17,000 rounds played per year at

MNGL by non-members.

B. The golf course will employ about fifteen full-time equivalent people.

C. From a total revenue of almost \$1,000,000, it is estimated that 70% will be returned to the local economy.

D. If the Red Wing municipal golf course does not reopen for the 2013 golf season, many of the local golfers will take their money out of town. Also, the men's, women's, and seniors' leagues will move out of town. This is money that will not recirculate locally.

E. Mr. Randy Juliar, MNGL groundskeeper since its inception, has agreed to work with RWMGC. His management experience will help provide a faster, smooth transition for RWMGC in operating the municipal golf course.

IV. Red Wing Golf: Non-Economic Impact

A. RWMGC is proud of the tradition of excellence in the Red Wing High School Winger golf program. RWMGC will work with both girls' and boys' golf coaches and the athletic director to promote Winger golf.

B. RWMGC fully supports youth golf for the benefits of recreation, exercise, ethics, and discipline. RWMGC will offer a free summer program of youth golf. RWMGC will research and implement programs such as the First Tee and initiate youth exchange tournaments with other local courses.

C. Under RWMGC management, youth teams (including the high school) will definitely have a course in Red Wing on which to play. The

Red Wing municipal golf course is the home of the championship Winger golf teams.

D. The Red Wing municipal golf course is a factor in the decision of retired persons to move to Red Wing. The Red Wing municipal golf course is an attraction for employees to work in Red Wing. The Red Wing municipal golf course is an incentive for businesses to locate in Red Wing.

E. The Red Wing municipal golf course, as a public golf course and a beautiful green space, improves the quality of life for people of all ages in the Red Wing area. With the retirement of the baby boomer generation, the public golf course is a very important recreational facility for the increasing numbers of retirees living in the community.

V. Organizational Structure

The citizen-volunteer Board of Directors of RWMGC will be the policy makers for the non-profit corporation. Just as in any other business, RWMGC will hire employees to operate and maintain the municipal golf course.

RWMGC has a commitment from Randy Juliar to continue his quarter-century work as the groundskeeper of Red Wing's municipal golf course. Mr. Juliar has a life-time of experience in golf course maintenance and knows Red Wing's municipal course as no other person does. With Mr. Juliar, RWMGC guarantees the municipal golf course will be well taken care of. In addition, Mr. Juliar, with years' experience in golf course management, has agreed to serve as a temporary manager during the start-up of the golf course operation. Mr. Juliar will maintain the golf course for RWMGC.

RWMGC will be hiring a golf professional and a food and beverage manager. The golf professional will be in charge of the golf shop (including sales of green fees, clothing, and equipment.) The golf professional will also be giving golf lessons. The golf professional will be in charge of the driving range and youth golf. The golf professional will be in charge of employees in the golf shop. The food and beverage manager will be in charge of the food and beverage service, including the bar, kitchen, and employees working in the food and beverage area. RWMGC will hire a manager. The manager will operate the golf course in consultation with the groundskeeper, food and beverage manager, and golf professional. The manager will be involved in marketing and finance.

RWMGC has contacted Red Wing businesses for insurance services and financial services.

VI. FINANCIAL REVIEW

The following tables are derived from RWMGC's Profit and Loss *pro forma* Statement. See also Appendix for Projected P&L and Projected Cash Flow.

A. Golf Revenues

	2013	2014	2015	2016	2017
Golf Fees	\$741,400	\$756,228	\$771,353	\$786,780	\$802,815
Pro Shop Revenue	\$125,000	\$127,500	\$130,050	\$132,651	\$135,304
Total	\$866,400	\$883,728	\$901,403	\$919,431	\$937,819

Assumptions are based upon historical data. Also, in reviewing 2012 National Golf Foundation data, rounds played in Minnesota have

started increasing. Out-state Minnesota rounds played in 2012 show an increase of 7.7% over 2011. Baby boomers, improving economy, and aging population are anecdotal evidence.

B. Food and Beverage Revenue

	2013	2014	2015	2016	2017
Food	\$25,000	\$25,500	\$26,265	\$26,790	\$27,326
Beverage	\$75,000	\$76,500	\$78,030	\$79,591	\$81,182
Total	\$100,000	\$102,000	\$104,295	\$106,381	\$108,509

This is based on historical local data less "event" sales. Initially it is the intent of RWMGC to operate this segment of the business on a "scaled-down" basis until revenues from F&B can be reinvested to grow this segment.

C. Cost of Goods: Merchandise (Golf) and Food and Beverage (F&B)

	2013	2014	2015	2016	2017
Golf	\$81,250	\$82,875	\$84,533	\$86,223	\$87,948
F&B	\$32,750	\$33,274	\$33,806	\$34,347	\$34,897
Total COGS	\$114,000	\$116,149	\$118,339	\$120,570	\$122,845

These estimates are based on historical data without banquet and event costs.

D(1). Grounds, Payroll, and Other Expense

	2013	2014	2015	2016	2017
Grounds	\$370,000	\$381,100	\$392,533	\$404,309	\$416,438
Payroll	\$170,322	\$173,047	\$175,816	\$178,629	\$181,487
Other	\$115,060	\$116,901	\$118,771	\$120,672	\$122,602
Total	\$655,392	\$671,048	\$687,120	\$703,610	\$720,527

Payroll and other expenses are escalated at estimated inflationary rates but grounds expenses are increased faster to improve the course conditions to help grow revenue.

D(2). Net Profit Before & After Capital Expense

	2013	2014	2015	2016	2017
Net Profit Before Capital Expense	\$197,018	\$198,531	\$199,984	\$201,372	\$202,691
Cart Lease	\$83,325	\$83,325	\$83,325	\$83,325	\$83,325
Equipment Lease	\$112,000	\$112,000	\$112,000	\$112,000	\$112,000
Net Profit	\$1,693	\$3,206	\$4,659	\$6,047	\$7,366

Based on historical information and our calculations, this golf course will break even and profitability will improve during the five year time frame.

E. Banquets

The golf course facility is available to members and the public as a special place for weddings, banquets, and other events. These events would be catered, and for a fee we would provide the facility. RWMGC would expect the 2013 canceled events to return in the future. RWMGC believes aggressive marketing will show an increase in tournaments, golf outings and other events. Unlike other golf courses, the 36-hole Red Wing municipal golf course has the ability to hold tournaments and events at the same time as offering public golf. Because of the two 18-hole courses, we have an advantage no other course has.

VII. Maintenance Equipment

A. Equipment quotes for new equipment were received from Jacobson, John Deere and Toro.

B. Equipment quotes for used equipment were selected from trade magazines and by contacting specific suppliers.

C. Upon the advice of Red Wing's experienced groundskeeper, RWMGC has decided to lease good used equipment. See the Appendix for Maintenance Equipment Investment Summary.

VIII. Golf Cart Equipment

Cart quotes were requested from E-Z Go, Yamaha, and Club Car. See the Appendix. RWMGC plans daily and yearly cart rentals at a level consistent with past practices.

IX. Food and Beverage

The primary emphasis of RWMGC, upon starting operation of the municipal golf course, will be—first and foremost—on operating 36 holes of public golf.

A secondary emphasis will be on providing refreshments for the golfers, participants of various events, and visitors. We will be applying for a liquor license. The bar will be operating when the 2013 golf season commences. We will be starting the food service at a reduced and modest level. We envision a grill operation of limited menu and limited hours. As we proceed with the operation of the golf course, we will expand the food service and offerings as the need increases.

RWMGC will be marketing weddings, tournaments, banquets, meetings, and other events. Our initial business plan is to have a list of preferred Red Wing caterers to handle the food service for these events.

X. Immediate Issues

A. Start-up costs and cash flow are an issue. Due to a late start and loss of business, this topic needs further discussion.

B. Timing is an issue. Because of the stripping of the municipal course of virtually all personal property by the previous lessee, RWMGC needs time to acquire provisions and property to operate the golf course in 2013. RWMGC advises the City that a start after February 15, 2013, makes a successful operation in 2013 problematic. A minimum of two months is necessary to acquire the essential equipment and supplies to provide the course with functionality.

XI. City/Non-profit Partnership

Other cities have successfully cooperated with non-profits in partnership to manage golf courses. The City of Baltimore won a national award for innovation when it put the management of its five struggling municipal golf courses in the hands of a citizen non-profit much like RWMGC.

The best thing about **public/nonprofit partnerships**, such as the arrangement that RWMGC offers, is that the bottom line is not the

profit: the bottom line is the community. That is, the Red Wing municipal golf course will be operated as a business, but the bottom line is that RWMGC will always consider what is best for the golf course and the community.

This **public/nonprofit partnership** can change the way that the City of Red Wing interacts with the community. Our innovative plan will meet the needs of Red Wing for fiscal restraint, while providing an improved public recreational facility for our citizens. The “new normal” does not mean destroying the past—but rather, creating, enhancing and preserving programs and facilities for our citizens. Just as those are the goals of the City, so too are they the goals of RWMGC.

XII. The Vision, Beyond Golf

Building community engagement and large-scale long-term projects are an important part of the business plan of RWMGC. This proposal of RWMGC and the projects we initiate will help develop the image of the city as an innovative, progressive community.

A. Audubon Sanctuary Program

RWMGC will partner with the United States Golf Association (USGA) and Audubon International in promoting ecologically-sound land management and sustainable conservation of natural resources. The program’s positive impact extends beyond the boundaries of the golf course and helps benefit the entire community. In the program, our municipal golf course will work toward certificates of recognition in six categories: Environmental Planning, Wildlife and Habitat Management, Outreach and Education, Chemical Use Reduction and Safety, Water Conservation, and Water Quality Management. Audubon International provides each golf course with one-on-one assistance in devising an appropriate environmental plan.

B. Solar Energy

For the future, we are tremendously excited about the possibility of installing a solar electrical system for the course's irrigation, golf cart charging, lighting, and heating and cooling. Estimates show that 25-50% of a course's energy is used by pumping stations for the irrigation system. Even during the off-season, we could be generating income.

A solar electrical system could significantly reduce operational costs and generate income, while at the same time help the community gain expertise in the analysis of, and contracting for, solar utility programs.

"Golf courses provide an ideal venue for solar energy, as a significant portion of their electric expenses result during daylight hour usage, enabling them to go green on the green..." said Standard Solar President Scott Wiater.

C. Multi-Use Facility

This valuable and precious space, that the people of Minnesota and the generous citizens of Red Wing have entrusted to us all, is so much more than a golf course. True, it is a place where people play golf. But it's not just a golf course; it's not just a line in a budget; and, unlike a depreciated tractor, its useful life has not ended. RWMGC will provide for activities such as the community trails for cross-country skiing and hiking, special events, and a field classroom and laboratory.

D. Special Events

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Possibilities of special events are numerous: Spring Bird Migration Seminar, Summer Solstice Concert, Fourth of July Fireworks, Romantic Dinner on the Bluffs, Harvest Moon Highland Hayrides.

Thinking "Beyond Golf", we see RWMGC creating broad community interest, support, and participation: golf lessons to children and adults, people involved in Audubon Certification, solar energy, bluebird housing, buckthorn eradication in the bluff woodlands, trail creation and maintenance, and other projects. A number of these plans can be commenced immediately and will pay dividends to the community for many years to come.

E. Red Wing Open Space Preservation Plan

Community Initiative 11 in the Comprehensive Plan is to maintain and update the Capital Improvement Plan (CIP). An emphasis in the Comprehensive Plan is capital improvements that promote green infrastructure. Focusing on green infrastructure will be a high priority in RWMGC's own CIP.

Community Initiative 12 in the City's Comprehensive Plan seeks to pursue public/private partnerships. One of the sub-areas is an environmental stewardship program. Many non-profit and private organizations can help in the management, education, design, and acquisition of open space.

F. Green Spaces: Extremely High Priority

All lands in this category hold the highest priority by the city. The City pledges to work collaboratively with property owners to preserve portions or all of these sites.

- *East End Recreation Area.* Totaling over 600 acres in the eastern gateway into the city, Memorial Park and Mississippi National Golf Links area represent two great treasures. Some of the best views of

the entire city are seen within the parks, while providing an urbanized forest. However, some thirty percent of the slopes on the north and south sides of both parks are privately owned and unprotected. Within these slopes, three natural communities exist: Oak Woodland-Brushland, Oak Forest-Mesic subtype, and Dry Prairie-Bedrock Bluff subtype. Following are action plans for the City and RWMGC in engaging in a public-private partnership.

Action 1. City of Red Wing: Acquire lands within the city which are owned that may be disposed of by other governmental agencies. *The City of Red Wing purchased the 400-acre State Training School Farm for public golf and recreational uses in the mid-1970s.*

RWMGC: The RWMGC proposal will keep the 400 acres of municipal golf course and green space in the ownership of the City and the people of Red Wing.

Action 2. City of Red Wing: Work with land trusts, foundations, developers, utility companies, private individuals, non-profits, privately-owned companies, and others from public and private sectors by encouraging land dedications, donations, and easements for open space preservation.

RWMGC: RWMGC will work with the City of Red Wing in all aspects of preserving and enhancing green spaces.

XIII. Conclusion

In response to the intent of the City to sell the Red Wing municipal golf course, a group of citizen/volunteers gathered to formulate a plan whereby the municipal golf course would remain in the ownership of the citizens of Red Wing while at the same time addressing the concerns of the City Council about taxpayer expenditures for golf course

operations. Weeks and months of study have resulted in the proposal of the non-profit corporation, Red Wing Municipal Golf Corporation, to lease the 36 hole Red Wing public golf course from the City for five years. The non-profit will pay for maintenance, operation, and capital improvements at the course. The non-profit will operate and maintain the municipal golf course on a revenue/expense neutral basis. All revenues will go back into the golf course. The City will have no obligation to pay tax dollars for the golf course. During the five year lease, the books and records of the non-profit will be open to the City.

We have an opportunity for the City to preserve and enhance the valuable public recreational facility by a five-year lease of the municipal golf course to the non-profit corporation of citizen volunteers. This is a win/win/win for the City, for the golf course, for the community. The non-profit plan is a perfect fit for the Strategic Plan of the City: partner with a non-profit to operate a City facility, use citizen participation in helping the government, use volunteers, preserve and enhance City facilities, preserve and enhance City green space, and continue to provide to Red Wing's citizens a debt-free public golf facility and green space created and financed by the citizens of Red Wing.

The golf season is less than three months away. Red Wing golfers are ready to "hit the links" at their course. Red Wing businesses are anticipating the business derived from the golf course. Red Wing Municipal Golf Corporation is ready to begin operation and maintenance of the wonderful 36 hole Red Wing municipal golf course. We need the City to partner with Red Wing Municipal Golf Corporation by approving the proposed five-year lease of the golf course.

Red Wing Municipal Golf Corp.

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Let us, the City and the non-profit corporation, together sign the lease. We can do this for our community, for our citizens. Let us act now.

Respectfully submitted,
Red Wing Municipal Golf Corp.
Board of Directors
January 14, 2013

XIV. Appendix

A. Projected Profit and Loss

B. Projected Cash Flow

C. Maintenance Equipment Investment Summary

D. Cart Quote Comparison

E. Proposed Lease

F. Testimonials

G. Board of Directors

Red Wing Municipal Golf Corporation

IX. Appendix.

A. Projected Profit and Loss – Basic Assumptions

Total Green Fee Rounds	16,800	93	23
Total Rounds of Golf	34,800	193	48

Membership Revenue	<u>Quantity</u>	<u>Avg Price</u>	<u>Total Revenue</u>
	200	\$500.00	\$100,000.00

Green Fee Rev	# of Rounds	Avg # of Rounds Per Day	Avg # of Rounds Per Good Golfing Days	Avg # of Rounds on Prime Days	Assumed Days	Rate	Total Revenue
Out of Town Rounds 18 Holes Prime Days	6,000	33	43	100	60	\$22	\$132,000.00
Out of Town Rounds 18 Holes Non- Prime Days	4,800		40		120	\$18	\$86,400.00
City Residents 18 Holes	3,400	19	25	57		\$15	\$51,000.00
9 Hole Rate	2,600	15.00	19	43		\$15	\$39,000.00
Total Green Fee Revenue	16,800	93	122	280			\$308,400.00

Red Wing Municipal Golf Corporation

A. Projected Profit and Loss - Basic Assumptions continued.

Cart Fee Revenue	Quantity	Avg # of Rounds Per Day	Avg # of Rounds Per Good Golfing Days	Avg # of Rounds on Prime Days	Rate	Total Revenue
Season Cart Revenue	40				\$750	\$30,000.00
Daily Cart Revenue	16,176	90	117	270	\$17	\$275,000.00
Total Cart Revenue						\$305,000.00

Driving Fee Revenue	# of Tokens Sold	# of Tokens Used Per Day	# of Tokens Used Per Good Golfing Days	# of Tokens Used on Prime Days	Rate	Total Revenue
Driving Fee Revenue	5,600	31	41	93	\$5	\$28,000.00

Total Golf Revenue excluding Pro Shop Rev						\$741,400.00
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Red Wing Municipal Golf Corporation

A. Projected Profit and Loss Income Statement 1-Year

Sales Revenue							
Pro Shop Revenue							
Golf Revenues	\$741,400						
Merchandise Revenue	\$125,000						
Total Pro Shop Revenue	\$866,400						
Food & Beverage Revenue							
Food Revenue	\$25,000						
Beverage Revenue	\$75,000						
Total Food & Beverage Revenue	\$100,000						
Cost of Golf Merchandise Revenue	\$81,250						
Cost of Food Revenue	\$12,500	50.0%					
Cost of Beverage Revenue	\$20,250	27.0%					
Total Cost of Food & Beverage Revenue	\$32,750	32.8%					
Total Cost of Sales	\$114,000						
Gross Margin	\$852,400						
		Cost Per Hole					
Grounds Expenses	\$370,000	\$10,278					
						2 cart kids	
Payroll Expenses				9 months		9 months	
Golf Shop Payroll	\$130,939		4.33	weeks per month		4.33	weeks per month
Food & Beverage Payroll	\$27,279		7	days per week		7	days per week
Payroll Taxes	\$12,104		14	Hours per day		3	Hours per day
Total Payroll Expenses	\$170,322		3,819		\$114,572	818.37	\$16,367
			Pro shop hours		2 employees at \$15/ hr		
Other Expenses							
Utilities	\$27,000				\$130,939		
Insurance	\$26,650						
Property Taxes	\$-						
Payroll & Accounting Fees	\$25,503			9 months			
Advertising & Promotions	\$15,375		4.33	weeks per month			
Other	\$20,532		7	days per week			
Total Other	\$115,060		10	Hours per day			
			2,728		\$27,279		
Net Margin Before Leases & Capital Expenditures	\$197,018				1 employee at \$10/ hr		
Cart Lease	\$83,325						
Equipment Lease	\$112,000						
Net Income	\$1,693						

Red Wing Municipal Golf Corporation

A. Projected Profit and Loss Income Statement - 5 Year

Income Statement 5 Year Projected.

	2013	2014	2015	2016	2017
Sales Revenue					
Pro Shop Revenue					
Golf Revenues	\$741,400	\$756,228	\$771,353	\$786,780	\$802,515
Merchandise Revenue	\$125,000	\$127,500	\$130,050	\$132,651	\$135,304
Total Pro Shop Revenue	\$866,400	\$883,728	\$901,403	\$919,431	\$937,819
Food & Beverage Revenue					
Food Revenue	\$25,000	\$25,500	\$26,010	\$26,530	\$27,061
Beverage Revenue	\$75,000	\$76,500	\$78,030	\$79,591	\$81,182
Total Food & Beverage Revenue	\$100,000	\$102,000	\$104,040	\$106,121	\$108,243
Cost of Golf Merchandise Revenue	\$81,250	\$82,875	\$84,533	\$86,223	\$87,948
Cost of Food Revenue	\$12,500	\$12,700	\$12,903	\$13,110	\$13,319
Cost of Beverage Revenue	\$20,250	\$20,574	\$20,903	\$21,238	\$21,577
Total Cost of Food & Beverage Revenue	\$32,750	\$33,274	\$33,806	\$34,347	\$34,897
Total Cost of Sales	\$114,000	\$116,149	\$118,339	\$120,570	\$122,844
Gross Margin	\$852,400	\$869,579	\$887,104	\$904,981	\$923,218
Grounds Expenses	\$370,000	\$381,100	\$392,533	\$404,309	\$416,438
Payroll Expenses					
Golf Shop Payroll	\$130,939	\$133,034	\$135,163	\$137,325	\$139,522
Food & Beverage Payroll	\$27,279	\$27,715	\$28,159	\$28,609	\$29,067
Payroll Taxes	\$12,104	\$12,297	\$12,494	\$12,694	\$12,897
Total Payroll Expenses	\$170,322	\$173,047	\$175,816	\$178,629	\$181,487
Other Expenses					
Utilities	\$27,000	\$27,432	\$27,871	\$28,317	\$28,770
Insurance	\$26,650	\$27,076	\$27,510	\$27,950	\$28,397
Property Taxes	\$-	\$0	\$0	\$0	\$0
Payroll & Accounting Fees	\$25,503	\$25,911	\$26,326	\$26,747	\$27,175
Advertising & Promotions	\$15,375	\$15,621	\$15,871	\$16,125	\$16,383
Other	\$20,532	\$20,861	\$21,194	\$21,533	\$21,878
Total Other	\$115,060	\$116,901	\$118,771	\$120,672	\$122,602
Net Margin Before Leases & Capital Expei	\$197,018	\$198,531	\$199,984	\$201,372	\$202,691
Cart Lease	\$83,325	\$83,325	\$83,325	\$83,325	\$83,325
Equipment Lease	\$112,000	\$112,000	\$112,000	\$112,000	\$112,000
Net Income	\$1,693	\$3,206	\$4,659	\$6,047	\$7,366

	Budgeted	Apr. 2013	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2014	Feb	Mar
Season Green Fees	\$100,000	\$50,000	\$30,000	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Green Fees	\$308,400	\$15,000	\$50,000	\$60,000	\$60,000	\$55,000	\$50,000	\$18,400	\$0	\$0	\$0	\$0	\$0
Cart Revenue	\$305,000	\$35,000	\$45,000	\$55,000	\$55,000	\$45,000	\$40,000	\$30,000	\$0	\$0	\$0	\$0	\$0
Pro Shop Revenue	\$125,000	\$15,000	\$20,000	\$20,000	\$20,000	\$20,000	\$15,000	\$15,000	\$0	\$0	\$0	\$0	\$0
Food & Bev Rev.	\$100,000	\$14,286	\$14,286	\$14,286	\$14,286	\$14,286	\$14,285	\$14,285	\$0	\$0	\$0	\$0	\$0
Driving Range Rev.	\$28,000	\$4,000	\$5,000	\$5,000	\$5,000	\$4,000	\$3,000	\$2,000	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$966,400	\$133,286	\$164,286	\$174,286	\$154,286	\$138,286	\$122,285	\$79,685	\$0	\$0	\$0	\$0	\$0
Groundskeeping	\$370,000	\$50,000	\$50,000	\$45,000	\$45,000	\$45,000	\$45,000	\$40,000	\$14,000	\$7,000	\$7,000	\$7,000	\$15,000
Equipment Leases	\$112,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$0	\$0	\$0	\$0	\$0
Cart Lease	\$83,325	\$11,904	\$11,904	\$11,904	\$11,904	\$11,904	\$11,904	\$11,901	\$0	\$0	\$0	\$0	\$0
Pro Shop Merchandise	\$81,250	\$11,607	\$11,607	\$11,607	\$11,607	\$11,607	\$11,607	\$11,608	\$0	\$0	\$0	\$0	\$0
Food & Beverage	\$32,750	\$4,679	\$4,679	\$4,679	\$4,679	\$4,679	\$4,679	\$4,676	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$679,325	\$94,190	\$94,190	\$89,190	\$89,190	\$89,190	\$89,190	\$84,185	\$14,000	\$7,000	\$7,000	\$7,000	\$15,000
Gross Margin	\$287,075	\$39,096	\$70,096	\$85,096	\$65,096	\$49,096	\$33,095	-\$4,500	-\$14,000	-\$7,000	-\$7,000	-\$7,000	-\$15,000
Golf Shop Payroll	\$130,939	\$10,912	\$10,912	\$10,912	\$10,912	\$10,912	\$10,912	\$10,912	\$10,912	\$10,912	\$10,912	\$10,912	\$10,907
Food & Bev Payroll	\$27,279	\$4,000	\$4,000	\$5,000	\$5,000	\$4,000	\$3,000	\$2,279	\$0	\$0	\$0	\$0	\$0
Utilities	\$27,000	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250
Ins. W.C. & Liab.	\$26,650	\$2,221	\$2,221	\$2,221	\$2,221	\$2,221	\$2,221	\$2,221	\$2,221	\$2,221	\$2,221	\$2,221	\$2,220
Property Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payroll & Acct. Fees	\$25,503	\$2,125	\$2,125	\$2,125	\$2,125	\$2,125	\$2,125	\$2,125	\$2,125	\$2,125	\$2,125	\$2,125	\$2,128
Payroll Taxes	\$12,104	\$1,009	\$1,009	\$1,009	\$1,009	\$1,009	\$1,009	\$1,009	\$1,009	\$1,009	\$1,009	\$1,009	\$1,005
Adv. / Promotion	\$15,375	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$1,284
Other Expenses	\$20,532	\$1,711	\$1,711	\$1,711	\$1,711	\$1,711	\$1,711	\$1,711	\$1,711	\$1,711	\$1,711	\$1,711	\$1,711
Total SG&A	\$106,432	\$25,509	\$25,509	\$26,509	\$26,509	\$25,509	\$24,509	\$23,788	\$21,509	\$21,509	\$21,509	\$21,508	\$21,505
Net Income	\$1,693	\$13,587	\$44,587	\$58,587	\$38,587	\$23,587	\$8,586	-\$28,288	-\$35,509	-\$26,509	-\$28,509	-\$28,508	-\$36,505
Cash on Hand		\$13,587	\$58,174	\$116,761	\$155,348	\$178,935	\$187,521	\$159,233	\$123,724	\$95,215	\$66,706	\$38,198	\$1,693

Appendix B - Red Wing Municipal Golf Corp. Cash Flow Analysis

Red Wing Municipal Golf Corporation

C. Maintenance Equipment Investment Summary

Equipment Description	Quantity Needed @ 36 Holes	Equipment Use	Used Cost: Low Hours: <1200 Hrs.	New Cost: Budget Quoted (or High)	If the course is 27 holes: (Used)	If the course is 18 holes: (Used)
Kubota Tractors	2	Pull equipment, Misc	36,000	47,484	36,000	18,000
Bush Hogs	2	Mow roughs	24,000	26,000	24,000	12,000
72 Inch Rotary	1	Steep banks	10,000	21,100	10,000	10,000
Small Tractor w/ PTO & Blower	1	Remove snow and leaves	30,000	33,500	30,000	30,000
Tee Mowers	2	Mow Tees	24,000	59,648	24,000	12,000
Green Mowers	3	Mow greens	36,000	90,192	24,000	24,000
Spare Mowers	2	Mow sanded greens	12,000	24,000	12,000	12,000
Spare Mower for Backup	1	Verticut & rolling greens	12,000	12,000	12,000	12,000
Sets of Reels	2	Mow greens	2,000	included above	2,000	2,000
Set of Verticut Reels	1	Verticut greens	3,000	3,000	3,000	3,000
Set of Rollers	3	Roll greens	8,000	8,000	8,000	8,000
Fairway Mowers	3	Mow fairways	60,000	157,779	40,000	21,000
Approach Mower	1	Mow approaches	12,000	21,100	12,000	12,000
300 Gallon Sprayer	1	disease and insect spray	25,000	45,600	25,000	14,000
Large Workmen Carts	2	materials around course	25,000	40,778	12,000	12,000
Small Workmen Carts	2	Move workers tools around golf course	4,500	21,924	4,500	4,500
Top dresser (1800)	1	Heavy sand spreading	8,000	11,111	8,000	8,000
Pro-pass	1	Light, accurate spread	10,000	15,965	10,000	10,000
Bank Mowers	2	Mow banks (hills)	36,000	74,016	18,000	18,000
Blower Cart Motor	1	Blow leaves and debris	5,000	7,395	5,000	5,000
Sand Pros	2	Prepare sand bunkers	16,000	42,210	16,000	8,000
Turf twos	6	Move workers & equip	25,200	25,200	16,800	12,600

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Compact Track Loader	1	Move waste and mat'ls.	Rent as needed	36,516	Rent as needed	Rent as needed
Airifier	1	Airation	Rent as needed	24,350	Rent as needed	Rent as Needed
(2.5) Ton Lift	1	Lift equip. to maintain	3,720	6,200	3,720	3,720
Reel Grinder	1	Sharpen and relief grind - Could contract	12,000	27,500	12,000	12,000
Pumps	2	Move water	2,000	2,000	2,000	1,000
Compressor & Air Tools Set	1	Maintenance	1,500	1,500	1,500	1,500
Trailers	2	Move equip, material, & hose reel	1,200	2,000	1,200	1,200
Tools	1	Repair and task work	2,000	2,000	2,000	2,000
Drag Brush	1	Work turf	2,500	2,500	2,500	2,500
Chain Saws	3	Remove trees	1,000	1,000	750	750
Range Ball Dispensing Machine	1	Dispense containers of balls	3,597	5,995	3,597	3,597
Range Ball Picker, (3) Gang	1	Pick up balls on range	2,475	4,125	2,475	2,475
Range Ball Washer	1	Wash range balls	1,650	2,750	1,650	1,650
Range Cart	1	Pull ball picker	6,000	11,000	6,000	6,000
Range Balls	8000	Practice range	2,000	4,000	2,000	2,000
Beverage Cart	1	Serve players on course	Negotiate	Negotiate	Negotiate	Negotiate
Irrigation Parts	N/A	Maintain irrigation	2,000	2,000	2,000	2,000
Flag Pins	36	Identify hole locations	1,368	1,368	1,368	1,368
Flags	36	Identify hole locations	816	816	816	816
Cup Setters	4	Set cups on greens	580	580	580	580
Cups - Aluminum	36	For hole on green	720	720	720	720
Sand Trap Rakes - 60 traps	175	Golfers trap rakes	4,200	4,200	4,200	4,200

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Ball Washers & Garbage Cans	36	Golfers use	5,000	7,200	5,000	5,000
Spike Cleaners	2	Clean golfers shoes	380	380	380	380
Mat'l for Tee Blocks & Benches			2,000	2,000	2,000	2,000
Sub-Total (41-49)			17,064	19,264	17,064	17,064
Sub Total			482,406	940,702	410,756	325,556
Other Needs						
New Septic System	1	Process waste	150,000	150,000	150,000	150,000
Roof	1		60,000	60,000	60,000	60,000
Pump for old Highs	1	Serve Irrigation System	50,000	50,000	50,000	50,000
Make up air unit	1	Fresh air for clubhouse	17,000	17,000	17,000	17,000
Sub Total (54-57)			277,000	277,000		
Total			759,406	1,217,702		

D. Cart Quote Comparison

Supplier	Condition	Term=3 yrs	Term=4 yrs	Term=5 yrs
Superior Golf Cars	Used – Past MNGL Fleet	\$115.73/mo/car		
Superior Golf Cars	New			\$112.72/mo/car
Yamaha Golf and Utility	New		\$132.97/mo/car	\$118.37/mo/car

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E. Proposed Lease

This Lease is made and executed on January 27, 2013 by and between the City of Red Wing, a Minnesota municipal corporation (hereinafter referred to as "Lessor"), and Red Wing Municipal Golf Corporation, a non-profit corporation under the laws of Minnesota (hereinafter referred to as "Lessee").

WHEREAS, the Lessee desires to lease the Red Wing municipal golf course known as Mississippi National Golf Links (MNGL) in order to provide a public golf course venue for the citizens of Red Wing, its surrounding area, and tourists to Red Wing, and Lessor desires to lease said municipal golf course to Lessee to provide such municipal golf course venue for the citizens of Red Wing, its surrounding area, and tourists to Red Wing,

NOW, THEREFORE, the parties agree as follows:

I. TERM

Lessor leases to lessee real property, the Red Wing municipal golf course, known as Mississippi National Golf Links (MNGL), in the City of Red Wing, County of Goodhue, State of Minnesota, together with such easements and rights of way as are described in Exhibit A (hereinafter "Leased Premises") attached hereto and made a part hereof, to have and to hold such property for a term of five (5) years, commencing on January 27, 2013, and ending on January 27, 2018.

II. RENT

Lessee shall pay to Lessor rent as follows: Lessee shall pay to Lessor a base rental fee of \$1.00 per year during the term of this Lease. Said base Lease payment shall be made in advance annually commencing on the first day of the effective term of this Lease, and every year thereafter on the anniversary date of this Lease.

III. CAPITAL IMPROVEMENTS

Lessee may install capital improvements at the Red Wing municipal golf course at its own cost. Lessor's consent to improvement shall not be unreasonably withheld so long as the capital improvements to the Red Wing municipal golf course will enhance the use of the Leased Premises for the purposes of operating a public golf course for the citizens of Red Wing and for such other recreational uses as cross-country skiing and hiking.

IV. WARRANTIES OF TITLE AND QUIET POSSESSION

Lessor covenants that Lessor is seized of the real property on which the existing golf course is constructed in fee simple and has full right to make this Lease and that Lessee shall have quiet and peaceful possession of the leased premises during the term of this Lease. Lessor warrants it has the right to grant and maintain access and easements to the leased premises from Lehrbach Road on Highway 61, and warrants that Lessee and Lessee's guests and invitees shall have access to the leased premises at all times during the term of this Lease from Lehrbach Road, Highway 61, and all other presently existing access points to the extent the Lessor has control of these rights-of-way.

V. LESSOR'S IMPROVEMENTS

The parties agree that the following leasehold improvements, fixtures and personal property have been previously installed on the leased premises by Lessor:

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A. A 36-hole golf course, including the following:

1. Completed greens, tees, bunkers, and fairways;
2. Water supply system, including three wells, irrigation pond, and automatic sprinkler system sufficient to water the green, tee and fairway system and driving range.

B. An access from Highway 61 to the leased premises. A description of such right-of-way is referenced in Exhibit B.

C. A two (2) level clubhouse.

D. A cart shed roughly 44 x 126 feet in size.

E. One maintenance shop structure roughly 34 x 70 feet in size.

F. One green maintenance shed roughly 50 x 80 feet in size.

G. One building for the Golf Course Driving Range roughly 20 x 30 feet in size, and the Driving Range lighting system.

H. One building (comfort station) between holes 5 and 6 on the Lowlands/Tournament course, roughly 20 x 20 feet in size, used as a restroom facility and snack bar.

I. Three well-pump houses roughly 16 x 12, 30 x 14 and 14 x 25 feet in size respectively.

J. Three storm shelters, all roughly 14 x 20 feet in size.

K. Sidewalks serving the parking lot and hard-surface (asphalt) parking lot with asphalt to the points of ingress and egress to the leased premises.

L. Parking lot at clubhouse, and parking lot lighting system.

M. Gazebo.

N. Lighted street sign on Highway 61.

O. Two potable wells.

VI. OPERATION AND MAINTENANCE OF THE GOLF COURSE

Lessee shall be solely responsible for the operation and maintenance of the golf course during the term of this lease (For purposes of this Section "maintenance" shall mean that level of maintenance necessary to keep the golf course in good condition.) Lessee will be solely financially responsible for the operation and maintenance of the golf course. Lessee shall maintain and operate two eighteen hole golf courses presently known as the Lowlands/Tournament course and the Highlands course

VII. LICENSES

Upon making application and upon Lessee meeting all necessary legal requirements of the State of Minnesota and Lessor, Lessor agrees to issue to Lessee, upon payment of the necessary fees, all licenses necessary for the operation of a bar and restaurant, including an on-sale intoxicating liquor license. The location of the on-sale intoxicating liquor license premises must comply with the requirements of Minnesota statutes specifically restricting sales of intoxicating liquors within 1,000 feet of the Minnesota correctional facility known as the Minnesota Correctional Facility - Red Wing. Lessor warrants the clubhouse facility is located more than 1,000 feet from the Minnesota Correctional Facility - Red Wing.

VIII. PUBLIC USER FEES

User fees charged to the public shall be determined by Lessee, with the intent of maintaining fees competitive with golf courses serving the general public in Red Wing and the surrounding area.

Red Wing Municipal Golf Corporation

Green fees for the citizens of Red Wing and surrounding area shall be, as of January 27, 2013 in the following range:

A. Season Ticket Membership rates for 2013:

1. Regular Season Ticket Membership

Single \$ 528

Couple \$ 902

Family \$ 902

2. Senior Season Ticket Membership

Single \$ 401

Couple \$ 656

3. Young Adult Season Ticket Membership

Ages 18-22 Single \$ 401

Couple \$ 656

Ages 14-17 (Junior) \$ 250

Ages 14 and under (Youth) \$ 193

B. Daily Fees for 2013:

Green Fees

Lowlands/Tournament Course

9 holes \$ 17

18 holes \$ 25

Highlands Course

9 holes \$20

18 holes \$30

The above stated fees do not include any applicable taxes, which Lessee may charge in addition to the fees set forth above.

The above fees and limits on increases in fees will not apply to non-residents of Red Wing or the surrounding area. There shall be no limitation, under the terms of this lease agreement, on fees charged to non-residents of Red Wing or the surrounding area, nor shall any increase in fees charged to nonresidents of Red Wing be subject to review or approval by Lessor.

IX. PERMITTED USES OF THE LEASED PREMISES

Lessor and Lessee agree that the primary purpose and use of the leased premises by Lessee is that of a public 36-hole golf course facility, with practice and instructional facilities, restaurant, bar, banquet, and meeting/conference/event facilities. Lessee agrees to permit public cross-country skiing on designated trails, hunting in designated areas and winter sliding in designated areas, as may be from time to time established by Lessor and approved by Lessee (such activities hereafter collectively referred to as "Designated Activities"). Lessee's consent to Designated Activities shall not be unreasonably withheld. Lessee shall not have any responsibility to maintain any cross-country ski trails or Designated Activity areas or be responsible for the policing or regulation of any area or activity established by Lessor which occurs on the leased premises. The parties further agree that during the term of this Lease, should other public purposes such as community events in the parking lot, races and the like not inconsistent with the primary purpose of this Lease be mutually agreed upon by the parties, this Lease may be modified to include those uses. Lessor shall furnish or provide for the furnishing of insurance for Designated Activities and sponsored community events, and agrees to hold Lessee

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harmless from liability, loss or damage arising from such activities except to the extent the liability, loss or damage is asserted to be caused or contributed to by Lessee.

X. USES PROHIBITED

Lessee shall not use or permit the leased premises to be used for any purposes inconsistent with the purposes set forth in this Lease Agreement as hereinafter amended. In addition, Lessee agrees that no use will be permitted on the leased premises that could result in a cancellation of any insurance policy covering the leased premises, improvements located on the Leased Premises, or affecting the leased premises' operation and management. Lessee further agrees to maintain and operate the leased premises together with all leasehold improvements in accordance with the laws of the State of Minnesota and the ordinances of the City of Red Wing together with the provisions of this Lease.

XI. WASTE AND NUISANCE PROHIBITED

During the term of this Lease, Lessee shall not commit or suffer to be committed any waste or any nuisance on the leased premises, and further agrees to comply with all applicable laws affecting the leased premises and its operations.

XII. LESSOR'S RIGHT OF ENTRY

Lessee shall permit Lessor and the agents and employees of Lessor to enter into and upon the leased premises and for the purpose of inspecting the leased premises, fulfilling its obligations under this Lease, and posting notices of non-responsibility for alterations, additions or repairs. All of these entries shall be without rebate of rent and without liability to Lessee for any loss of occupation or quiet enjoyment of the leased premises on the part of Lessee.

XIII. ABANDONMENT OF PREMISES

Lessee shall not vacate or abandon the leased premises at any time during the term of this Lease. If Lessee shall abandon, vacate or surrender the leased premises or be dispossessed by process of law, any personal property, fixtures or other improvements belonging to Lessee and left on the leased premises shall be deemed abandoned at the option of Lessor, except for such property as may be encumbered to Lessor. Closing the leased premises for the winter months shall not be deemed a vacation or abandonment of the leased premises.

XIV. TAXES AND ASSESSMENTS

Lessee shall pay and discharge as they become due and before delinquency or penalty attaches, all taxes, assessments, rates, charges and license fees which may be levied, assessed, charged or imposed during the term of this Lease Agreement. Specifically and without in any way limiting the generality of the foregoing paragraph, Lessee shall pay all special assessments and levies or charges made by any municipal or political subdivision, including the City of Red Wing, for local improvements and shall pay the same as they fall due and before they become delinquent or subject to penalty as required by the act or proceedings under which any such assessments, levies, or charges are made by any municipal or political subdivision. Notwithstanding this provision, if Lessor extends water and sanitary sewer service to serve the Golf Course Property,

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Lessor agrees that it will not assess Lessee for said costs unless the extension was at Lessee's request. In the event of extension of said utilities, Lessee shall be responsible for connecting to the City water and sewer system(s) within two years, and shall pay all City of Red Wing charges pursuant to City of Red Wing City Code, and the cost of a service line to the clubhouse, which connection shall not exceed 15 feet in length. If water/sewer services are extended to serve the Golf Course Property, Lessee shall only be required to connect the clubhouse to the services. Lessee shall not be required to hook up any other building and/or the irrigation system to the water or sewer lines, but may do so at its option. Should Lessee elect to connect additional buildings or systems to the water/sewer lines, Lessee shall be responsible for costs and fees associated with the connection, but such connection shall not constitute a "requested extension" hereunder. Lessor shall provide five years' notice to Lessee of the planned extension of City water/sewer services to the Golf Course Property. If Lessor fails to give such notice, Lessor shall be responsible for water/sewer utility bills for that period of time for which the notice was short of the five year period.

A. In the event the levying or assessing authority provides for an election for the payment of cash or, in the alternative, installments, Lessee may elect either mode of payment and its election shall be binding on Lessor. If by making an election to pay in installments, any such installments shall be payable after the termination of this Lease or any extended term thereof, such unpaid installments shall be prorated as of the date of termination and the amounts payable after that date shall be the responsibility of Lessor.

B. If Lessee shall, in good faith, desire to contest the validity of amount of any tax, assessment, levy or any other governmental charge herein agreed to be paid by Lessee, Lessee shall be permitted to do so, provided that Lessee provides Lessor notice of its intention to contest the amount of the tax, assessment, levy or other governmental charge. Lessor agrees to assign its rights to contest taxes to Lessee upon receiving Lessee's request in writing. Such notice shall be at least sixty (60) days in advance of any delinquency that might occur because of nonpayment, and Lessor may require a sufficient security bond to protect Lessor from any cost, liability, or damage arising out of Lessee's contest of the tax, assessment, levy or governmental charge. Any rebate on account of Lessee contesting taxation, to the extent Lessor is not damaged thereby, shall be the property of Lessee and Lessor agrees to execute such documents that may be necessary to secure the recovery of any rebate by Lessee.

C. Lessee further agrees to provide necessary receipts to Lessor for all taxes, assessments, and other charges paid by Lessee pursuant to this section upon request of Lessor.

XV. UTILITIES

Except as may otherwise be specifically indicated in this Lease, Lessee shall be responsible for the payment for all utilities and services provided to the leased premises, including all water, sewer, gas, electricity, telephone, City solid waste and recycling collection and other utility services used or furnished to the leased premises during the term of this Lease. Lessee agrees that all such charges shall be paid promptly to prevent the interruption of such utility services. Should Lessor elect itself to initiate services with a utility provider for additional utility services not requested or utilized by

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Lessee (e.g. telephone line for alarm monitoring, broadband access, satellite receivers and/or remote power for security cameras), Lessor shall be responsible for payment for these services.

XVI. LIENS AND JUDGMENTS

Lessee shall keep the Leased Premises free and clear from all mechanics, materialmans and other liens for labor, services or materials furnished to the leased premises. Lessee further agrees not to allow any judgment to enter against Lessee during the term of the Lease which could, if executed upon, interfere with the primary purpose of the Lease. It shall not be considered a breach of this Lease if a mechanics lien or judgment is entered for which Lessee provides a bond for payment or which Lessee actively contests in a court of law. If final judgment is entered and appeals exhausted or not pursued by Lessee, Lessee shall have thirty (30) days to arrange for payment of such mechanics lien or judgment.

XVII. CONTESTING LIENS

If Lessee desires to contest any lien as set forth in Section XVI above, it shall notify Lessor of its intention to do so within ten (10) days after the recording of such lien. In the event Lessee desires to contest the lien and provided it gives proper notice, Lessee shall not be in default of this Lease until thirty (30) days after the final determination of the validity of the lien is made. Provided, however, that within that thirty (30) day period Lessee shall satisfy and discharge such lien together with all interest and costs in collection therewith. In the event that Lessee does not so satisfy the lien in the thirty (30) day period, Lessor may determine that Lessee's failure to do so will constitute a default of this Lease. In addition, Lessee, if it intends to contest any lien, shall protect and indemnify Lessor against all loss, expense and damages resulting therefrom.

XVIII. INSURANCE

A. Lessee shall, at all times during the term of this Lease, and at Lessee's sole expense, keep all property and improvements which are now or hereafter become a part of the leased premises or are located on the leased premises, insured against loss or damage by all risk coverage hazards for one hundred (100%) percent of the full replacement value of such improvements, such loss payable to Lessor and Lessee as their interests may appear. Any loss adjustment shall require the written consent of both Lessor and Lessee. The term "full replacement value" shall mean the actual replacement value cost of any improvement less the exclusions provided in the normal fire insurance policy. Should either party believe that the full replacement value has either increased or decreased, they shall have the right to have the full replacement value redetermined by the fire insurance company which is carrying the largest amount of fire insurance on the leased premises. Such re-determination shall only be made at five (5) year intervals or in the event an improvement is made to the leased premises during a five (5) year period, regardless of the time the last full replacement value was determined. The determination of the full replacement value shall be binding for a period of five (5) years unless superseded by an agreement by the parties hereto by a subsequent re-determination by an impartial appraiser agreed upon by the parties, or an improvement is made to the leased premises during a five (5) year

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period. The costs attributable to determining the full replacement costs attributable to determining the full replacement value shall be shared equally by and between the parties. Lessee shall pay all the premiums therefore and deliver such policies or certificates of the policies to Lessor. In the event Lessee fails to provide such insurance or to pay the premiums therefore, Lessor shall be entitled, but shall have no obligation to, effect such insurance and pay the premiums therefore, which premiums shall be repayable to Lessor with the next rent installment. Failure to repay the same shall carry with it the same consequences as failure to pay any installment of rent. If Lessee wishes Lessor to carry the insurance described in this subsection, and Lessor agrees, Lessee shall be responsible for the costs of said insurance, and will promptly reimburse Lessor upon receipt of an invoice for the same. Failure to repay the same shall carry with it the same consequences as failure to pay any installment of rent.

B. Liability Insurance. Lessee shall maintain in effect throughout the term of this Lease Agreement commercial general liability insurance covering the leased premises and its rights-of-way and easements as defined on Exhibit "B", in a minimum amount of \$500,000.00 for injury to or death of anyone person, and \$1,500,000.00 for injury to or death of any number of persons in one occurrence; and property damage liability in the amount of \$500,000.00. The minimum amount of insurance shall increase in the event there is an increase in the maximum liability for the Lessor in the tort limits currently found in Minnesota Statutes Chapter 466, and after notice by Lessor to Lessee of such change. Each such policy of insurance shall name Lessor as an additional insured. Lessee shall pay all the premiums therefore and deliver such policies or certificates of the policy to Lessor. In the event Lessee fails to provide such insurance or to pay the premiums therefore, Lessor shall be entitled, but shall have no obligation to, effect such insurance and pay the premiums therefore, which premiums shall be repayable to Lessor with the next rent installment. Failure to repay the same shall carry with it the same consequences as failure to pay any installment of rent.

C. Worker's Compensation. Lessee shall maintain worker's compensation insurance for all employees pursuant to requirements of Minnesota statutes, and auto liability insurance for all vehicles required to be licensed in a minimum amount of \$500,000.00 for injury or death of any one person, and \$1,500,000.00 for injury or death of any number of persons in one occurrence.

D. At the request of Lessee, Lessor shall obtain bids for the insurance set forth in this Article. If the costs are less than Lessee's, Lessee may request and the Lessor shall purchase such insurance, the cost of which shall be paid by Lessee.

E. Damage or Destruction of Improvements. The damage, destruction or partial destruction of any building or other improvement which is a part of the Leased Premises shall not release Lessee from any obligation hereunder, except as hereinafter expressly provided, and in case of damage to or destruction of any such building or improvement, Lessee shall, at its own expense, promptly repair and restore the same only to the condition or as good or better condition than that which existed prior to the commencement of this Lease. Without limiting such obligations of Lessee, it is agreed that the proceeds of any insurance covering such damage or destruction shall be made available to Lessee for such repair or replacement, unless otherwise agreed by the parties.

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XIX. INDEMNIFICATION OF LESSOR

Lessor shall not be liable for any loss, injury, death or damage to persons or property which at any time may be suffered or sustained by Lessee or by any person whatsoever may at any time be using, occupying, or visiting the leased premises, whether such loss, injury, death or damage shall be caused or in any way result from or arise out of any act, omission or negligence of Lessee or of any occupant, subtenant, visitor or user of the leased premises. Lessee shall defend and indemnify Lessor against all such claims of liability, loss or damage whatsoever. Lessee further agrees to waive all claims against Lessor for damages to buildings and improvements that are now on or may be hereafter placed on the leased premises and to the property of Lessee in, on or about the leased premises and for injuries to persons or property on or about the leased premises from any cause arising at any time during the term of this Lease Agreement. This section XIX shall not apply to any loss, injury, death or damage arising by reason of the negligence or misconduct of Lessor, its agents, assigns or employees.

XX. SUBLEASE, ASSIGNMENT OR SALE BY LESSEE

In the event Lessee hereunder receives an offer to assign or sell its interest in and to this Lease, or receives a bona fide third party offer for its interest under this Lease, it shall first offer to Lessor hereunder a right of first refusal to purchase and/or obtain an assignment of Lessee's interest hereunder on the same terms and conditions as the bona fide offer. Lessee shall notify Lessor in writing of its intent to assign or sell its interest under the terms of this Lease, and Lessor shall have ninety (90) days from the date of said notice to exercise its right of first refusal hereunder or to find a third-party purchaser of Lessor's choice to purchase Lessee's interest hereunder. In the event of this occurrence, Lessee shall make available to Lessor all books and records of Lessee including, but not limited to, balance sheets, current inventory, ledgers, profit and loss statement and banks of account. Lessor shall close on any such purchase within sixty (60) days of exercising its right of first refusal hereunder. If Lessor elects not to exercise its right of first refusal, it retains the right, in its sole discretion, to approve or reject the proposed sale or assignment, which shall be made in writing, also within ninety (90) days from the notice from Lessee.

XXI. ENCUMBRANCE OF LESSEE'S LEASEHOLD INTEREST.

A. For purposes of this Agreement, "Leasehold Mortgage" means any deed of trust, mortgage or lien on this Agreement and Lessee's leasehold interest in the Premises or any portion thereof; and "Leasehold Mortgagee" shall mean the beneficiary under any such deed of trust or the holder of any such mortgage or lien.

B. Notwithstanding anything in this Agreement to the contrary, Lessee shall have the right, with Lessor's written consent, to mortgage this Agreement and Lessee's leasehold interest or any portion thereof by one or more Leasehold Mortgages.

C. If Lessor shall give any notice, demand or election (collectively, "Notice") to Lessee hereunder, Lessor shall at the same time give a copy of such Notice to each Leasehold Mortgagee at the address theretofore designated by each of them in accordance with the terms of this Section. All Notices to any Leasehold Mortgagee shall not be in addition to and run successively with any notice given to Lessee but instead shall run concurrently with the applicable notice and grace periods given to Lessee. No Notice given by Lessor to Lessee shall be binding upon or affect any Leasehold Mortgagee unless a copy of said Notice shall be

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given to said Leasehold Mortgagee pursuant to this Section. In the case of any assignment of the Leasehold Mortgage or Mortgages held by it, or of any change of address of any Leasehold Mortgagee, said assignee or Leasehold Mortgagee, by written notice received by Lessor, may change the name of said Leasehold Mortgagee and the address to which such copies of Notices are to be sent to Leasehold Mortgagee.

D. The rights hereunder of Leasehold Mortgagees shall be exercisable by such Leasehold Mortgagees in the order of the priority of lien or other security interest of their respective Leasehold Mortgages. No holder of a Leasehold Mortgage shall be liable under the provisions of this Agreement unless and until such time as it takes possession of the premises or it becomes the owner of the leasehold estate in the premises, but, in such case, only for as long as it remains in possession of the premises or owns the leasehold estate in the premises.

E. Notwithstanding anything in this Agreement to the contrary, the senior Leasehold Mortgagee shall be entitled to participate in any proceedings relating to any condemnation of all or any part of the premises to the same extent as the Lessee may so participate hereunder.

F. Notwithstanding any provision of this Section apparently to the contrary, Lessor shall not be required to provide any notice to any Leasehold Mortgagee under this Section unless such Leasehold Mortgagee has provided Lessor written notice of its existence in accordance with this Section.

G. Upon request of a Leasehold Mortgagee Lessor will enter into an agreement with such Leasehold Mortgagee confirming the provisions of this Section for the benefit of such Leasehold Mortgagee and acknowledging the Leasehold Mortgage and the assignments made therein.

XXII. DISPOSITION OF IMPROVEMENTS UPON TERMINATION OF LEASE

Upon termination of this Lease Agreement for any cause, including the expiration of term, Lessor shall become the sole owner of any and all buildings and other improvements, including fixtures attached to the buildings located on the leased premises, whether furnished by Lessor or Lessee.

XXIII. NOTICE OF DEFAULT

In the event that Lessor determines that Lessee is in default of any provisions of this Lease, Lessor shall provide Lessee written notice specifically identifying the provisions of this Lease that Lessor claims are in default. Said written notice shall be served personally or sent by registered mail, return receipt requested, to Lessee. In the event Lessee fails to cure all defaults as set forth in Lessor's notice within thirty (30) days, or if a default is incapable of being cured within thirty (30) days, or in the event Lessee fails to begin necessary action to cure said default and provide assurances to Lessor, satisfactory to Lessor in its sole discretion, within the thirty (30) day period, that the default will be cured by a future date certain, acceptable to Lessor, Lessor, at its sole election, may terminate the Lease and, in addition to all remedies provided for by law, may pursue the provisions as detailed in XXIV of this Agreement. For purposes of this Section, a default with regard to payment of rent or any other financial obligation of Lessee or Lessor shall be cured within thirty (30) days, unless Lessor expressly agrees otherwise in writing.

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XXIV. LESSOR'S RIGHT TO PERFORM

In the event that Lessee by failing or neglecting to do or perform any of its requirements or obligations as provided by this Lease shall be in default of this Lease, and such default shall continue for a period in excess of thirty (30) days or in excess of such other date as the parties establish pursuant to XXII herein, after written notice from Lessor specifying the nature of the default, then Lessor may, but shall not be required to, do or perform or cause to be performed, such requirement if Lessor shall so elect. In the event Lessor shall elect to perform such requirement, Lessor shall not be held liable or in any way responsible for any loss, inconvenience, or damage resulting to Lessee on account thereof. Lessee shall immediately repay to Lessor upon demand the entire expenses of such performance, including compensation for the attorneys, agents and employees of Lessor. Any act done to fulfill the performance of any of Lessee's requirements as called for by this Lease, as performed by Lessor pursuant to the provisions of this Section, shall not be construed as a waiver of any such default by Lessee. Lessor shall retain all rights and remedies of Lessor as provided in this Lease. All amounts payable by Lessee to Lessor under any provisions of this Lease, if not paid when due as in this lease provided, shall bear interest from the date they are due until paid at the rate of three (3%) percent per annum compounded annually.

XXV. REMEDIES UPON DEFAULT

In the event of any breach of this Lease by Lessee, Lessor, in addition to all other rights or remedies it may have, shall, after requisite notices and judicial proceedings, have the right of re-entry and may remove all persons and property from the leased premises. Such property may be removed and stored in a public warehouse or elsewhere at the cost and for the account of Lessee. Should Lessor elect to re-enter as hereinafter provided, or take possession pursuant to legal proceedings or pursuant to any notice provided for by law, Lessor may either terminate this Lease or may, without terminating this Lease, re-let the leased premises or any part thereof for such term and at such rent and on such other terms and conditions as Lessor in its sole discretion may deem advisable. In addition, any indebtedness other than rent due hereunder shall be the sole responsibility of Lessee. Further, any repairs or alterations needed to re-let the leased premises shall also be the responsibility of Lessee. Such re-entry or taking possession of the leased premises by Lessor shall not be construed as an election on the part of Lessor to terminate this Lease unless a written notice of such intention is given to Lessee or unless the termination of the Lease is decreed by a court of competent jurisdiction. Should Lessor at any time terminate this Lease for any breach, in addition to any other remedy it may have, Lessor may recover from Lessee all damages incurred by reason of such breach, including the cost of recovering the Leased Premises, the amount of rent remaining on the Lease Agreement, all attorney fees rendered necessary as a consequence of the breach, and the collection of amounts of money past due by the Lessee.

XXVI. EFFECT OF EMINENT DOMAIN

A. Effect of Total Condemnation. In the event the entire leased premises shall be appropriated or taken under the power of eminent domain by any public or quasi public authority, this Lease shall terminate and expire as of the date of such taking, and Lessee shall thereupon be released from any liability thereafter occurring hereunder.

B. Effect of Partial Condemnation. In the event a portion of the leased premises shall be so appropriated or taken and the remainder of the leased premises shall

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not be suitable for the use to the extent then being made of the leased property by Lessee, or if the remainder of the Leased Property is not one undivided parcel of property, Lessee shall have the right to terminate this Lease as of the date of such taking on giving to Lessor written notice of such termination within thirty (30) days after Lessor has notified Lessee in writing that the property has been so appropriated or taken. In the event a portion of the leased premises shall be so appropriated or taken and the remainder of the property shall still be suitable for the use and to the extent then being made of the property by Lessee, this Lease Agreement shall remain in full force and effect.

C. Condemnation Award. In the event of any such total or partial taking of the leased premises by eminent domain, then in any such condemnation proceedings Lessor and Lessee shall be free to make claim against condemning or taking authority for the amount of any damage done to them, respectively, as a result thereof.

XXII. EFFECT OF LESSEE'S HOLDING OVER

Any holding over after the expiration of the term of this Lease, with consent of Lessor, shall be construed to be a tenancy from year to year, on the same terms and conditions herein specified, so far as applicable.

XXIII. QUIET SURRENDER OF LEASED PREMISES

Upon the termination of this Lease or any extension thereof, Lessee shall peaceably and quietly quit possession and surrender the leased premises and any improvements thereon in good order and condition.

XXIX. NOTICES

All notices, demands or other writings required by this Lease to be provided to either party by the other shall be deemed to have been fully given when made in writing and deposited in the United States Mail, registered, and postage prepaid and addressed as follows:

TO LESSOR:

City of Red Wing
419 Bush Street
Red Wing, Minnesota 55066

TO LESSEE:

Red Wing Municipal Golf Corporation
c/o Mr. John Kjolhaug
725 Featherstone Road
Red Wing, MN 55066

Any correction or change in either Lessor's or Lessee's legal address for the purpose of this Lease shall be made in writing as set forth herein.

XXX. REMEDIES CUMULATIVE

All remedies hereinbefore and hereinafter conferred on Lessor and/or Lessee shall be deemed cumulative and no one exclusive of the other, or of any other remedy conferred by law.

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XXXI. LESSOR MAY EXAMINE THE BOOKS AND RECORDS OF LESSEE

The books, ledgers, and records of the Lessee shall be open to inspection by Lessor at all times, subject to a reasonable time for Lessee to gather together said books, ledgers, and records of Lessee and make the same available to Lessor. Because the Lessee is operating a Red Wing Municipal Golf Course owned by the citizens of Red Wing, the Lessor may share said books, ledgers, and records with the citizens of Red Wing.

XXXII. WAIVER

Waiver by Lessor or failure of Lessor to take action with respect to any breach of any term, covenant, or any condition or requirement herein contained shall not be deemed to be a waiver of such term, covenant or condition or requirement or subsequent breach of the same of any other term, covenant, condition, or requirement therein contained. The subsequent acceptance of rent hereunder by Lessor shall not be deemed to be a waiver of a breach by Lessee of any term, covenant, condition, or requirement of this Lease other than the failure of Lessee to pay particular rent so accepted, regardless of Lessor's knowledge of such breach at the time of acceptance of such rent.

XXXIII. PARTIES BOUND

The term, covenants, conditions and requirements herein contained shall, subject to the provisions as to assignment, transfer, and subletting, apply to and bind the heirs, successors, executors, administrators, and assigns of all the parties hereto.

XXXIV. TIME OF THE ESSENCE

Time is of the essence of this Lease and of each and every covenant, term, condition, requirement and provision hereof.

XXXV. SECTION CAPTIONS

Captions appearing under the section number designations of this Lease are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions of this Lease.

XXXVI. GOVERNING LAW

This Lease shall be governed by, construed, and enforced in accordance with the laws of the State of Minnesota.

XXXVII. ENTIRE AGREEMENT

This Lease contains the entire agreement between the parties and shall supersede all prior agreements between the parties. No modification of this Lease shall be binding unless such modification shall be in writing and signed by the parties hereto.

IN TESTIMONY WHEREOF, the parties have executed this instrument in duplicate at Red Wing, Minnesota, on the day and year first above written.

LESSOR:

CITY OF RED WING, MINNESOTA

By: Dennis Egan
its Mayor

Red Wing Municipal Golf Corporation

LESSEE:
RED WING MUNICIPAL GOLF CORPORATION
By: John Kjolhaug
its President

Red Wing Municipal Golf Corporation

F. Testimonials

Why I Want To Keep Mississippi National

I want to keep Mississippi National Golf Club because it provides excellent summer recreation for kids and adults alike. Many kids play with their fathers or grandfathers on a regular basis during the summer and fall. I do this too, and it is very fun, and everyone else enjoys it, too. My friends and I spend a great deal of time there, and without the course, we will have nothing to do during summer.

I think the course should also stay because it holds many memories, for me and many people. People have shared great moments on the golf course, including weddings. I have many memories there, and I have played there since I was little. Many other people have enjoyed this course much longer than I have, and shared many memories with family and friends.

The course is also the nicest course within many miles of Red Wing. I was in Junior PGA, and I played a lot of courses in the surrounding area, and Mississippi National is by far the best. The course is very well taken care of, and the past year the course looked great. Many of the courses I played were poorly taken care of.

The clubhouse is a great place to come in to after a round of golf. It's a great place to sit back, relax, watch golf, and talk to friends.

These are the reasons why I think the course should remain open, and I hope you will take them into consideration.

Peter James Smith

Age 11

January 6, 2013

I like Mississippi National because they give free summer golf lessons. I took the lessons and liked them. I like Mississippi

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National because it is the best golf course in the area. I like Mississippi National because it has a really nice driving range. I do not want Mississippi National to close because I golf there with my grandpa, and I would be sad if it closed.

By Georgie Smith, age 9

My passion for Golf can be attributed to my introduction to Golf at Mississippi National Golf. My PaPa says I have great potential for the game of golf and I always look forward to my playing MNGL. I hope the city of Red Wing will OK Golf at MNGL for 2013 and years beyond.

Sincerely,

Sam Bellini

Age 14

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To the Red Wing City Council:

“On June 16th, 2011 the Red Wing Girls Golf Team made our mark in Minnesota history by winning the AA State Champion title. Throughout our journey, we were backed by innumerable support and cooperation from the members and staff of our home course- the Mississippi National Golf Links.

Growing up, we all seemed to have a different story on how our passion for the game of golf developed. One thing we all found to be a common factor though was that our passion stemmed from the countless hours that we devoted to practicing at Mississippi National. Having such a large facility- a range, a large putting green, and two different 18-hole courses- allowed for our team and other high school members to develop the necessary skills to play and enjoy the game, while also allowing other community members to remain on the course.

Not only would the decision to close the Mississippi National Golf Links affect the future high school golf teams, but also the community as a whole. Several community members are avid golfers who feel at home when playing at Mississippi. The course and its staff accommodate all visitors and members: seniors, teenagers, couples, families, and small children. The Lowland Course allows for easy walking and exercise for those who do not wish to take motorized carts. The Highlands Course, on the other hand, has gained a reputation around the Midwest for having incredible scenery due to the elevation on which it is located. Both are unique courses that attract people from all around Minnesota and surrounding areas. These visitors not only stop at the golf course, but several ask about and visit our downtown area. This provides our local businesses with new customers everyday.

We, as a former team, feel passionately about our home course. Five out of the six members of the 2011 Varsity Girls Golf Team have continued golfing while in college. This demonstrates the passion we have all developed for the game, our skills that allowed us to continue on with our journeys, and our knowledge of different courses around the country. We can honestly say that Mississippi is a one-of-a-kind golf course and facility. It is our home. Closing the course will result in an incredible loss to our community and to the game of golf itself. Without the presence of Mississippi National, our team never would have accomplished our state title.”

Sincerely,

The 2011 Girls Golf AA State Champions

Katie Kesti

University of Nebraska-Omaha

Division 1 Women's Golf Team Member

Ashley Brooks

Drake University

Division 1 Women's Golf Team Member

Danielle Brooks

Drake University

Division 1 Women's Golf Team Member

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Anna Busch

University of Wisconsin-Stout

Division 3 Women's Golf Team Member

Marisa Toivonen

Augustana College

Division 2 Women's Golf Team Member

Nikki Pasch

University of Wisconsin-Madison

Red Wing Municipal Golf Corporation

Levi Martinka
9530 Garrison Way
Eden Prairie, MN, 55347
1/12/2013

City of Red Wing
315 West 4th Street
Red Wing, MN 55066

Dear City Council of Red Wing,

I am writing to you about the situation with the Mississippi National Golf Course; asking you not to get rid of the course.

Every summer my grandpa and I play a couple rounds of golf there. It is one of the highlights of my summer. Sometimes we meet my uncle down there, my younger brother and dad play with us as well. It is really an awesome experience and bonding time with my grandpa. The course itself makes it a lot more enjoyable as well; the beauty of the course, along with the fact that it is two courses allows us to stay down in Red Wing to play the next day as well. It is my grandpa's favorite course and I know he has just as good of a time as I do when we play there creating memories that last a lifetime.

This course is not just a beautiful course but also a community; it brings people together, like my family, and also builds friendship. Golf is a sport that can mean so much, anything from a business outing to a family get-together, and getting rid of this course would break all those personal and interpersonal ties. I ask of you to not take away this course from the community and my family.

As I go to college in the next couple years I know that I will not see my grandpa as much as I do now, but every summer, just like the past, I know that I will make the short trek down to Mississippi National Golf course to spend time with my grandpa and of my memories of years past. And as my brother grows older I want him to be able to learn to play golf here as well, just like I have.

Thank you so much for your consideration.

Levi Martinka

Red Wing Municipal Golf Corporation

G. Board of Directors

John Kjolhaug, President, earned a Bachelor of Science in Animal Science from North Dakota State University. He has worked in Technical Services and is presently a District Sales and Marketing Manager, providing management consultation to dairy producers and computer/software training to dealer staff. He has coached Red Wing Little League baseball and chaperoned church youth groups to Texas/Mexico and to the Southeast U. S. to build houses.

Gary Fridell, Vice-President, earned a B. A. from Hamline University and a J. D. from the University of Minnesota Law School. After serving in the Peace Corps in Malaysia, he was Assistant Ramsey County Attorney and Ramsey County Juvenile Court Referee. Returning to Red Wing, he was in private law practice and was the Goodhue County Attorney. Now semiretired, he has continued as Goodhue County Examiner of Titles. He has experience in general law practice, criminal law, government law, and real estate law. He has served on the Red Wing School Board, his church's Finance Committee and Endowment Committee, and coached youth softball and basketball at the YMCA and coached girls' basketball at Red Wing High School.

Chris Crider, Treasurer, earned a B. S. in Accounting from the University of Minnesota. He has been Tax Manager for the Red Wing Shoe Company since 1995. He has over 30 years of experience in tax and financial accounting with Lend Lease Trucks, U. S. Bank, Kraft Foods, and United Health Care. He is a member of Tax Executives Institute. He played a large role in the setup of Red Wing's participation in the Minnesota Youth Soccer Association, sitting on the Board for 7 years, including one year as President. He has been a mentor in the Red Wing YMCA Y Pals program, served on his church's Council, and on a Joint Powers Board for youth recreation.

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Joan Collinge, Secretary, graduated from Red Wing High School, then earned a degree in Computer Programming/Operations from the Red Wing/Winona Technical College. She was a small business owner for 25 years, a Customer Service Professional at Jostens, and an Assistant Manager at Thrifty White Pharmacy in Red Wing. She has extensive experience with tax, payroll, accounting, bookkeeping, and business management. She is currently retired and is a volunteer for the Fairview Hospital Auxiliary and the Heart Association.

Jim Clark, Director-At-Large, earned a Bachelor of Mechanical Engineering from the University of Minnesota. He was a Manufacturing Engineer and Manager, involved with capital project sponsorship and implementation and equipment rebuilding, and was responsible for planning and plan implementation in a foundry plant of 350 to 650 employees. He served on the plant management Board of Directors for many years.

Erik C. Fridell, graduated from Red Wing High School. He has attended Minnesota State University-Moorhead and the University of Oregon for History and Creative Writing and is currently attending the University of Wisconsin Colleges for Sustainable Management. He has worked in the service industry for over 10 years as a bartender, fine dining waiter, and assistant banquet supervisor (staff training, banquet setup, large concert and event coordination, weddings, etc.). He has spent the last decade co-owning two businesses in the music production field---R.E.G. Productions and Red Banana Productions, LLC. These businesses specialized in event promotions and production, talent management and buying, and promotional graphic design. He has volunteered at a food shelf and for numerous concert and event promotions.

Judith Kjome graduated from Red Wing High School and attended Winona State College. She worked for 28 years for Sorenson Broad

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casting Corporation, responsible for accounting, advertising commercials, community events, and public relations. She has served as Treasurer for the Fairview Red Wing Auxiliary and P. E. O., a philanthropic educational organization. She was a leader in establishing a girls' competitive swim program at Red Wing High School, and has extensive community involvement: Red Wing Area Food Shelf, Red Wing Area Seniors, Faith in Action, church, fundraiser for the Mississippi Shuffle Cancer Walk.

Robert W. Tjossem earned an A. A. degree from Worthington Community College, a B. A. and a DDS from the University of Minnesota, and a Small Community Water Operator's Certificate from the University of California. After practicing dentistry in Crookston, Minnesota for 27 years, he became the Manager/Operator of a small community utility system in Idaho for 15 years. In Crookston, he was President of the Jaycees, a member and Chair of the Board of Riverside Hospital, and a School Board member. In Idaho, he was a Fire District Commissioner and a volunteer firefighter.

Jan Pinsonneault earned a B. A. in Computer Systems and a B. A. in Business Administration from the University of Wisconsin, and has completed the coursework for an MBA. She has many years of experience as Senior Database Administrator, and is currently the Senior Database Administrator for Accenture, performing computer support for Xcel Energy's large systems. She has also been the Supervisor of Information Systems at the Prairie Island Nuclear Plant. She has volunteered as a Girl Scout troop leader, Neighborhood Representative for her church, and worked with the League of Women Voters.

James D. Eng graduated from the California College of Mortuary Science and served in the U. S. Marine Corps. He was the owner of a funeral home in Clear Lake, South Dakota for 23 years, and since retire

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ment has assisted at Mahn Funeral Home in Red Wing for 15 years. He was a member and president of the Clear Lake Lions Club and the Clear Lake Commercial Club, and was the president of his church's council. He has served as the fundraising chair for many projects. A resident of Red Wing for the last 15 years, he has volunteered in the Fairview Hospital Auxiliary and the Goodhue Health Care Clinic.

Greg Turner graduated from the University of Wisconsin-Stevens Point with degrees in Resource Management and Environmental Law Enforcement. Presently retired, his career involved Natural Resources Law Enforcement, criminal and background investigation, training, and personnel supervision.

Mike Richards was born, educated, and started his insurance career in the San Francisco Bay area. He and his family moved to Minnesota in 1968, where he was vice president of insurance/risk management services for Kraus-Anderson Companies. A resident of Red Wing for 34 years, Mike liquidated two insurance agencies and formed the Musty-Barnhart agency. Later, he became vice president of Citizens Security Insurance Company. Mike was a member of the Red Wing Rotary Club for many years, and was president of his church council. Currently retired, he has served as a volunteer for the Red Wing Area Seniors and for Faith in Action. He has been a member of Mississippi National Golf Links since its inception.

Dean Lund born in South Africa, was recruited by U. S. Bank to the United States as a Computer Consultant specializing in banking software. He earned a diploma in Computer Programming in 1980. He has worked at various U. S. financial institutions since 1983.

David Hanft has an A. A. degree in business management and is presently working on A.S. degrees in law enforcement and criminal

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justice. He also has held licenses in insurance, property and casualty, life and health, and credit life. He has a license from the Securities and Exchange Commission. He has been employed as a finance manager for Red Wing Ford and Chrysler, has been the owner and agent of an insurance business, and has been a retail store manager. He has experience with financial management, website management, and data management. He is knowledgeable about marketing and sales, human resources, and inventory control.

