

**SECOND AMENDED AND RESTATED
GOLF COURSE LEASE**

This Lease is made and executed on May 13, 2008 by and between the City of Red Wing, a Minnesota municipal corporation (hereinafter referred to as "Lessor"), and Mississippi National Golf Links Inc., a corporation under the laws of Minnesota (hereinafter referred to as "Lessee").

WHEREAS, the parties hereto entered into an agreement dated December 6, 1985 for the construction, maintenance and operation of an eighteen hole public golf course in the City of Red Wing.

WHEREAS, by agreement dated May 4, 1990, the parties hereto modified the 1985 Lease to provide for the construction of an additional nine holes of golf.

WHEREAS, by agreement dated March 31, 1998, the parties hereto entered into an Amended and Restated Golf Course Lease, which provided new Lease terms sufficient to allow the construction of nine further holes at the Golf Course.

WHEREAS, Lessor and Lessee have negotiated a new Second Amended and Restated Golf Course Lease, the terms of which are reflected herein (notwithstanding replacement of the March 31, 1998 Lease by this Lease, Lessee shall retain ownership of certain fixtures which would have become the property of Lessor under Paragraph XXIV of the March 31, 1998 Lease in the event of termination).

WHEREAS, Lessor and Lessee believe that this negotiated Lease, and the terms herein, are adequate to provide for successful operation of the Golf Course, and they do not presently intend to renegotiate the Lease during the balance of the Term set forth below.

NOW, THEREFORE, the parties agree as follows:

I. TERM

Lessor leases to lessee the real property 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 30 years, commencing on May 13, 2008, and ending on May 12, 2038.

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.

Lessee shall pay additional rent in an amount equal to four percent (4%) of the cost of Lessor-constructed capital improvements made under the Mississippi National Capital Improvements Plan, as defined in paragraph III hereof. The cost of the capital improvements, for purposes of calculation of rent, shall be aggregated during the term of the Lease for a period of twenty years for each specific improvement. Rent for a given improvement shall start on January 1 following the completion of the improvement, and yearly rent will be payable in 12 equal monthly installments. For example, if Lessor spends \$100,000 on capital improvements in year one of the Lease, annual additional rent starting the following January 1 shall be \$4,000 (4% of \$100,000) (\$333.33 per month) for twenty years. If, in the second year of the Lease, Lessor spends an additional \$100,000, annual rent starting the following January 1 shall increase to \$8,000 (payable monthly at \$666.66 per month) for 19 years and drop to \$4,000 (\$333.33 per month) for the 20th year. (the additional 4% is added to the prior 4% and the prior 4% has only 19 years left).

Lessee, at its option, may prepay base or additional rent without penalty.

If this Lease is terminated for any reason, at a time when additional rent remains outstanding, all additional rent as described in this section shall come due immediately, and Lessee shall promptly remit said funds to Lessor. This provision shall not be operative if this Lease is assigned, or a sublease is entered into by Lessee and a Sublessee.

III. CAPITAL IMPROVEMENTS

For the purpose of identifying Lessor-constructed capital improvement items that will be subject to the additional rent calculation described in Section II, Lessor has created a specific Mississippi National Capital Improvements Plan for the Golf Course. The Plan is attached hereto as Exhibit B, and only those items in the Plan that are actually constructed by Lessor shall be subject to additional rent calculations. The Plan is intended to cover the first five years of the Lease term, and shall thereafter be updated annually, and the updates shall be agreed to, in writing, by Lessee. Lessee shall not unreasonably withhold its consent to the revisions to the Capital Improvement Plan, both parties being in agreement that it is their intent that the Golf Course be kept in good condition during the term of this Lease.

Lessee may, with Lessor's written consent, install improvements at its own cost, and such improvements shall not be subject to the Section II additional rent calculation. Lessor's consent to improvement shall not be unreasonably withheld provided Lessor determines in its discretion that the improvements will enhance the use of the Leased Premises for the purposes described herein.

IV. BOND ISSUE

Lessee acknowledges that a \$1,700,000 Taxable Golf Course Revenue Bond was issued in 1998, at the request of Lessee, to provide funds for costs of the expansion of the Golf Course to 36 holes. Lessee agrees that the Bond remains its sole and exclusive obligation, and the payments shall be considered additional rent.

V. 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.

VI. 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:

- 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 4 and 5 on the Lowlands 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.

VII. MAINTENANCE

Lessor shall be responsible for the following routine maintenance during the term of this Lease (For purposes of this Section "routine maintenance" shall mean that level of maintenance necessary to keep the Golf Course in good condition.)

- A. Sewage Treatment Systems;
- B. Drainage, creeks, lakes and culverts/storm pipes;
- C. Water and sewer system within the buildings;
- D. Exterior maintenance, including roofs, of all buildings and shelters;
- E. Snow removal;
- F. Paved road system, street lights, flag pole and parking lot;
- G. Cost of well replacement.
- H. Pumping equipment **INSIDE THE WELL/PUMP HOUSES**. This would include pumps, motors, wells, electrical panels, valves, sensors, etc. and/or other items required to get the water to the surface and ready for distribution.
- I. Structural portions of the improvements, including windows and doors.
- J. Heating, Cooling, ventilation, and electrical service for structures.

- K. Mandatory Code upgrades not related to operational changes or Lessee initiated improvements.
- L. Mandatory environmental protection/mitigation control.
- M. Interior maintenance to attached fixtures.
- N. Physical safety requirements for both the public and employees for all federal, state, and local laws not related to operational changes or lessee initiated improvements.
- O. Fire extinguishers and/or fire suppression equipment/alarm not related to operational changes or lessee initiated improvements.
- P. Elevator maintenance and inspections.
- Q. Exhaust hoods.
- R. Cross Country skiing trails, recreational trails, hunting designation, and any other areas of designated activities as specified in Section XI herein.
- S. Existing Cart Paths.
- T. Retaining walls.
- U. Lighted street Sign on Hwy 61.
- V. Potable water systems, Includes wells, water heaters, hot water recirculation system, water testing, treatment and pumping equipment.

Lessor's routine maintenance costs shall not be considered capital improvements for purposes of additional rent calculation in Section II above.

Lessee shall have the obligation to maintain, repair or replace any of the items listed in this Section to the extent damage to the item has been affirmatively caused by Lessee or its agents or employees.

VIII. 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 Red Wing Training School Facility. Lessor warrants the clubhouse facility is located more than 1,000 feet from the Red Wing Training School Facility.

IX. LESSEE'S MAINTENANCE, MANAGEMENT AND OPERATIONS RESPONSIBILITIES

Lessee agrees to provide the following improvements to and maintenance of the Leased Premises. Said maintenance and improvements shall be of a standard necessary to keep the Leased Premises in good condition during the term of this Lease and shall be the sole financial responsibility of the Lessee:

- A. Lessee shall provide all equipment necessary to maintain the Golf Course grounds, including but not limited to fairways, tees, greens, and the rough. The equipment provided by Lessee shall consist of, but not be limited to, mowers, tractors, small tools, vehicles and all other equipment necessary to maintain a 36-hole Golf Course.
- B. Lessee shall provide all personal property, fixtures and inventories necessary for the operation and maintenance of the clubhouse including a pro shop, bar, kitchen, and restaurant/dining area, except as otherwise specifically set forth herein as the responsibility of Lessor.
- C. Lessee shall provide all supporting equipment such as ball washers, riding carts, pull carts, and golf rental equipment, sufficient for the operation of a 36-hole golf course.
- D. Lessee shall maintain the irrigation system outside the pump houses. This includes, but is not limited to piping valves, sprinklers, controllers, wiring, and other items required to properly distribute water after it leaves the pump houses. Lessee shall replace the irrigation system, if necessary, but shall not be obligated to replace the water well. Complete replacement of the irrigation system, if necessary, may, as agreed to by the parties, be included in the Capital Improvement Plan and, if so included, shall be subject to additional rent under Section II.
- E. Lessee shall be responsible for the cost of maintaining the grass system on the Golf Course.
- F. Lessee shall operate the Golf Course and all of the facilities as a public golf course, serving all members of the public without discrimination, except as to the rates set forth in Section X.
- G. Lessee shall be responsible to provide all employees necessary for the operation of the entire facility. Said employees shall be considered employees of Lessee and not Lessor, it not being the intention of the parties that this Lease creates a joint venture.

- H. Lessee shall be responsible for all interior maintenance and upkeep of all improvements, fixtures and personal property located on the Leased Premises, unless otherwise specifically provided herein.
- I. Lessee shall be responsible for maintenance of other facilities and activities connected with the operation of the Golf Course unless specifically set forth in this Lease as being the responsibility of Lessor.

X. 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 the surrounding Red Wing area.

As of the date of this Lease, user fees are as follows:

A. Season Ticket Membership rates for 2008:

1. Regular Season Ticket Membership

Single	\$ 540
Couple	\$ 910
Family	\$ 925

2. Senior Season Ticket Membership

Single	\$ 410
Couple	\$ 660

3. Young Adult Season Ticket Membership

Ages 18-22	Single	\$ 405
	Couple	\$ 660
Ages 14-17 (Junior)		\$ 250
Ages 14 and under (Youth)		\$ 195

B. Daily Fees for 2008:

Green Fees

9 holes	\$ 17.50
18 holes	\$ 22.50

The above stated fees do not include any applicable taxes, which Lessee may charge in addition to the fees set forth above. Any increase in membership fees by Lessee that exceed ten (10%) percent of fees, not including any applicable taxes, charged during a previous twelve (12) month period or an increase in user fees of over one dollar (\$1.00) per round of golf shall be subject to the approval of Lessor.

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

XI. 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 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.

XII. 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.

XIII. 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.

XIV. 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 nonresponsibility 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.

XV. 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.

XVI. 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, 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. All taxes and assessments paid by Lessee under the terms of this Lease shall be deemed additional rent under the terms of this Lease.
- D. 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.

XVII. 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, telegraph, 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

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.

XVIII. 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.

XIX. CONTESTING LIENS

If Lessee desires to contest any lien as set forth in Section XVIII 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 connection 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.

XX. 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 redetermination 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 redetermination by an impartial appraiser agreed upon by the parties, or an improvement is made to the Leased Premises during a five (5) year 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 any one 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 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.
- 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 Tenant from any obligation hereunder, except as hereinafter expressly provided, and in case of damage to or destruction of any such building or improvement, Tenant 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 Tenant, it is agreed that the proceeds of any insurance covering such damage or destruction shall be made available to Tenant for such repair or replacement, unless otherwise agreed by the parties.

XXI. 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 whosoever 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 XXI 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.

XXII. 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.

XXIII. 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 19. 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 given to said Leasehold Mortgagee pursuant to this Section XXIII. 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 XXIII.
- 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.

XXIV. 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.

XXV. 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 XXVI 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.

XXVI. 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 XXV 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, annoyance 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 twelve (12%) percent per annum compounded annually.

XXVII. 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.

XXVIII. 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 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.

XXIX. 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.

XXX. 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.

XXXI. 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:

Mississippi National Golf Links Inc.
c/o Wendell Pittenger
526 Inwood Avenue North
Oakdale, MN 55128

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.

XXXII. 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.

XXXIII. 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.

XXXIV. 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.

XXXV. TIME OF THE ESSENCE

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

XXXVI. 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.

XXXVII. GOVERNING LAW

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

XXXVIII. ENTIRE AGREEMENT

This Lease contains the entire agreement between the parties and shall supersede all prior agreements between the parties, including that Amended and Restated Lease Agreement dated March 31, 1998 with the prior lessee, Mississippi National Golf Links, Inc. No modification of this Lease shall be binding unless such modification shall be in writing and signed by the parties hereto.

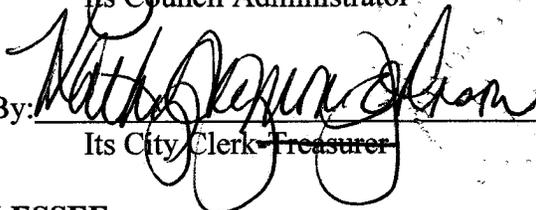
IN TESTIMONY WHEREOF, the parties have executed this instrument in duplicate at Red Wing, Minnesota, on the day and year first above written.

LESSOR:

CITY OF RED WING, MINNESOTA

By: 
Its Mayor

By: 
Its Council Administrator

By: 
Its City Clerk-Treasurer

LESSEE:

Mississippi National Golf Links, Inc.

By: 
Wendell Pittenger
Its Chief Executive Officer

EXHIBIT "A"

**LEGAL DESCRIPTION FOR EXISTING 27-HOLE GOLF COURSE, PLUS
PROPERTY FOR NEW NINE HOLES**

EXHIBIT "A"

The South Half of the Northeast Quarter of Section 33, Township 113, Range 14, Goodhue County, Minnesota; except the West 10 acres thereof;

AND

That part of the North Half of the Northeast Quarter of Section 33, Township 113, Range 14, Goodhue County, Minnesota, lying south of a line 430.00 feet north of, measured at a right angle to and parallel with, the south line of said North Half of the Northeast Quarter of Section 33;

AND

The Southwest Quarter of the Northeast Quarter of Section 34, Township 113, Range 14, Goodhue County, Minnesota;

AND

The Northwest Quarter of the Southeast Quarter of Section 34, Township 113, Range 14, Goodhue County, Minnesota;

AND

That part of the Northwest Quarter of the Northeast Quarter of Section 34, Township 113, Range 14, Goodhue County, Minnesota, lying southerly of the southerly right of way line of the Chicago, Milwaukee, St. Paul and Pacific Railroad;

AND

That part of the Northwest Quarter of Section 34, Township 113, Range 14, Goodhue County, Minnesota described as follows:

Beginning at the southwest corner of said Northwest Quarter of Section 34; thence on an assumed bearing of North, along

the west line of said Northwest Quarter of Section 34, a distance of 1750 feet, more or less, to a point 430.00 feet North of the southwest corner of the Northwest Quarter of the Northwest Quarter of said Section 34; thence on a bearing of East, a distance of 680.00 feet; thence North 33 degrees 00 minutes East, a distance of 850 feet, more or less, to the southerly right of way line of the Chicago, Milwaukee, St. Paul and Pacific Railroad, thence southeasterly along said southerly Railroad right of way line to the east line of said Northwest Quarter of Section 34; thence south to the southeast corner of said Northwest Quarter of Section 34; thence west to the point of beginning.

AND

That part of the Southwest Quarter of Section 34, Township 113 North, Range 14 West, Goodhue County, Minnesota, described as follows:

Beginning at the northwest corner of said Southwest Quarter; thence on an assumed bearing of South 01 degree 00 minutes 43 seconds West, along the west line of said Southwest Quarter, a distance of 402.23 feet; thence North 84 degrees 06 minutes 09 seconds East, a distance of 848.34 feet; thence South 81 degrees 18 minutes 35 seconds East, a distance of 1025.87 feet; thence on a bearing of East, a distance of 734.01 feet to the east line of said Southwest Quarter; thence North 00 degrees 09 minutes 27 seconds East along said east line, a distance of 470.00 feet to the northeast corner of said Southwest Quarter; thence on a bearing of West, along the north line of said Southwest Quarter, a distance of 2586.14 feet to the point of beginning. Containing 23.98 acres, more or less.

AND

That part of the Southeast Quarter of Section 33, Township 113 North, Range 14 West, Goodhue County, Minnesota, described as follows:

Commencing at the northeast corner of said Southeast Quarter of Section 33; thence on an assumed bearing of West, along the north line of said Southeast Quarter of Section 33, a distance of 332.20 feet to the point of beginning of the land to be described; thence continuing on a bearing of West, along said north line of the Southeast Quarter of Section 33, a distance of 489.20 feet; thence South 49 degrees 57 minutes 41 seconds East, a distance of 388.18 feet to the intersection with a line bearing South 37 degrees 33 minutes 25 seconds West from the point of beginning; thence North 37 degrees 33 minutes 25 seconds East, a distance of 315.00 feet to the point of beginning. Containing 1.40 acres, more or less.

AND

That part of the Southeast Quarter of Section 33, Township 113 North, Range 14 West, Goodhue County, Minnesota, described as follows:

Beginning at the northeast corner of said Southeast Quarter of Section 33; thence on an assumed bearing of West, along the north line of said Southeast Quarter of Section 33, a distance of 332.20 feet; thence South 37 degrees 33 minutes 25 seconds West, a distance of 315.00 feet; thence South 73 degrees 36 minutes 23 seconds East, a distance of 540.23 feet to the east line of the Southeast Quarter of said Section 33; thence North 00 degrees 50 minutes 48 seconds East, along said east line, a distance of 402.23 feet to the point of beginning. Containing 3.36 acres, more or less.

Subject to an easement reserved by the State of Minnesota for a 20 foot access road to maintain the State Training School water supply tanks, over, under and across that part of the North Half of the Northeast Quarter of Section 33, Township 113 North, Range 14 West lying south of a line 430.00 feet north of, measured at a right angle to and parallel with, the south line of said North Half of the Northeast Quarter.

Subject to all other easements that exist by prescription or usage, or by written document recorded in the Goodhue County Recorders Office.

LEGAL DESCRIPTION

That part of the South 40 acres of the Southwest Quarter of Section 34, Township 113 North, Range 14 West, Goodhue County, Minnesota, lying northeasterly of the following described line:

Beginning at the southeast corner of the Southwest Quarter of said Section 34; thence North 41 degrees 41 minutes 03 seconds West, based on the assumption that the east line of the Southwest Quarter of said Section 34 has a bearing of North 00 degrees 45 minutes 07 seconds West, a distance of 644.24 feet, thence North 15 degrees 30 minutes 56 seconds West, a distance of 182.02 feet, to the north line of the south 40 acres of the Southwest Quarter of said Section 34, and there terminating. Containing 4.17 acres, more or less.

PARCEL B
PROPERTY DESCRIPTION FOR LAND
ACQUIRED FROM USG ACOUSTICAL PRODUCTS COMPANY

That part of the Southwest Quarter of Section 34, Township 113 North, Range 14 West, Goodhue County, Minnesota, described as follows:

Commencing at the southeast corner of the Southwest Quarter of said Section 34; thence on an assumed bearing of North 00 degrees 45 minutes 07 seconds West, along the east line of the Southwest Quarter of said Section 34, a distance of 1610.46 feet to the point of beginning of the land to be described; thence South 13 degrees 40 minutes 37 seconds West, a distance of 140.24 feet; thence South 49 degrees 05 minutes 47 seconds West, a distance of 265.78 feet; thence South 65 degrees 54 minutes 56 seconds West, a distance of 623.54 feet; thence South 01 degrees 01 minutes 48 seconds East, a distance of 395.24 feet to the north line of the south 40 acres of the Southwest Quarter of said Section 34; thence North 88 degrees 58 minutes 12 seconds East, along said north line, a distance of 808.73 feet to the northeast corner of the south 40 acres of the Southwest Quarter of said Section 34; thence North 00 degrees 45 minutes 07 seconds West, along the east line of the Southwest Quarter of said Section 34, a distance of 945.47 feet to the point of beginning. Containing 10.87 acres, more or less.

Exhibit B

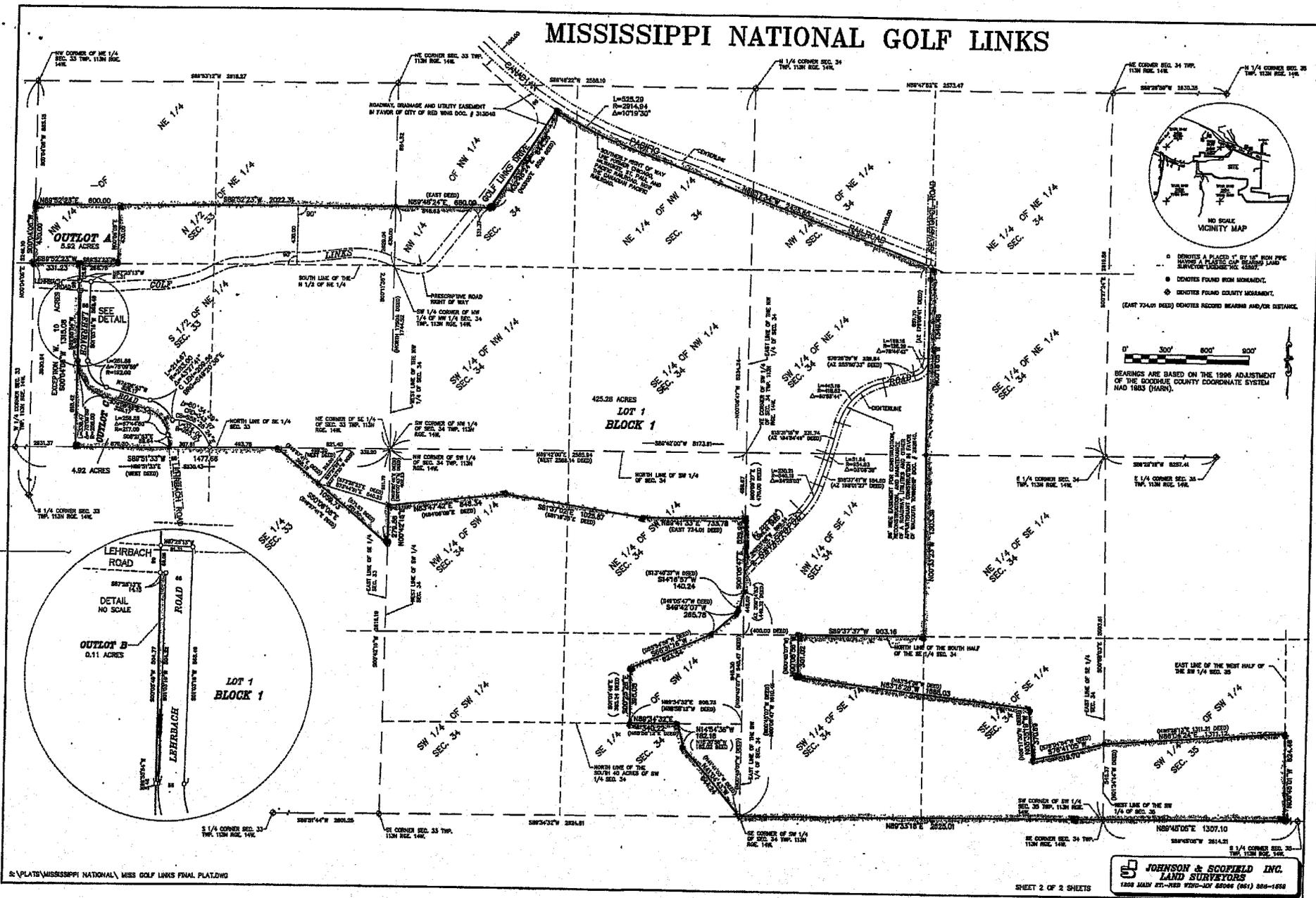
Mississippi National 20 year C.I.P.

Discription of Project	Year	Budget	Rent Payment	Annual Payment
Bridge Replacement Lowlands #6	2009	\$15,000.00	\$600.00	
Redecorating & Lighting Upgrades - Clubhouse	2009	\$65,000.00	\$2,600.00	
		<u>\$80,000.00</u>		\$3,200.00
Replace Irrigation Controller - Lowlands	2010	\$82,500.00	\$3,300.00	\$6,500.00
Replace Irrigation Controller - Highlands	2011	\$26,000.00	\$1,040.00	
Redesign #17 Highlands Cart Path	2011	\$50,000.00	\$2,000.00	
		<u>\$76,000.00</u>		\$9,540.00
Replace Irrigation Controller - Highlands	2012	\$27,500.00	\$1,100.00	
Redsign #3-#4 Highlands Cart Path	2012	\$50,000.00	\$2,000.00	
		<u>\$77,500.00</u>		\$12,640.00
Concrete Floor - Maintenance Building	2013	\$17,000.00	\$680.00	
Lighting Upgrades - Clubhouse Interior	2013	\$50,000.00	\$2,000.00	
		<u>\$67,000.00</u>		\$15,320.00
Upgrade Upstairs Kitchen	2017	\$55,000.00	\$2,813.00	\$18,133.00
Redesign #2-#3 Highlands Cart Path	2020	\$100,000.00	\$4,000.00	\$22,133.00
Interior Restrooms - Maintenance/Driving Range	2022	\$50,000.00	\$2,000.00	\$24,133.00
Fire Sprinkler System - Clubhouse	2024	\$100,000.00	\$4,000.00	\$28,133.00
Storm Shelter/Restrooms - Highlands	2026	\$75,000.00	\$3,000.00	\$31,133.00

**Mississippi National
5 year budget**

Description	Account Number	2008	2009	2010	2011	2012	2013
Bituminus Mixes	101-45125-52279	10,000.00	10,000.00	12,000.00	12,000.00	14,000.00	15,000.00
Sand	101-45125-52280			10,000.00			
Other Operating Supplies	101-45125-52299	2,500.00	2,500.00	3,000.00	3,000.00	3,000.00	3,500.00
Building Repair Supplies	101-45125-52315	5,000.00	5,000.00	6,000.00	6,000.00	7,000.00	7,000.00
Contractural Services	101-45125-53105	20,000.00	20,000.00	20,000.00	25,000.00	25,000.00	25,000.00
Public Works labor	101-45125-53165	40,000.00	45,000.00	45,000.00	45,000.00	50,000.00	50,000.00
Telephone	101-45125-53205	500.00	550.00	550.00	600.00	600.00	600.00
Insurance Premiums	101-45125-53505	2,362.00	2,500.00	2,600.00	2,750.00	2,900.00	3,000.00
Building Repair & Maintenance	101-45125-53605	5,000.00	7,500.00	7,500.00	7,500.00	8,000.00	8,000.00
Maintenance Service Agreements	101-45125-53645	1,200.00	1,200.00	1,250.00	1,300.00	1,350.00	1,400.00
Licenses & Permits	101-45125-53908	150.00	150.00	150.00	200.00	200.00	200.00
Land Improvements	101-45125-54120		15,000.00	82,500.00	76,000.00	77,500.00	
Building Improvements	101-45125-54130		65,000.00				67,000.00
		86,712.00	174,400.00	190,550.00	179,350.00	189,550.00	180,700.00

MISSISSIPPI NATIONAL GOLF LINKS



S:\PLATS\MISSISSIPPI NATIONAL MISS GOLF LINKS FINAL PLAT.DWG

JOHNSON & SCOFIELD INC.
 LAND SURVEYORS
 1458 JARD ST.-RED WING-LOV 82006 (866) 868-1658

SHEET 2 OF 2 SHEETS

ACORD**CERTIFICATE OF LIABILITY INSURANCE**DATE (MM/DD/YYYY)
03/17/2010
 PRODUCER 651.388.6716 FAX 651.388.8443
 Lawrence-Bohnbach Agency, Inc.
 620 Main Street
 Red Wing, MN 55066

 THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION
 ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE
 HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR
 ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

 INSURED Wendell Pittenger Golf Operations
 526 Inwood Avenue North
 Oakdale, MN 55128
Miss. National

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Secura Insurance Co	22543
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRC	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC	CP3121247	01/01/2010	01/01/2011	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	A3121248	01/01/2010	01/01/2011	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
A		EXCESS / UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10,000	CU3121250	01/01/2010	01/01/2011	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$ \$
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in MN) <input type="checkbox"/> Y/N If yes, describe under SPECIAL PROVISIONS below	WC3146070	01/01/2010	01/01/2011	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
A		OTHER Liquor Liability	CP3121247	01/01/2010	01/01/2011	\$1,000,000 Each Occurrence \$2,000,000 Aggregate

 DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
 Covered Locations: Mississippi National Golf Links, 409 Golf Links Drive, Red Wing, MN 55066; Willow Creek Golf Course, 1700 SW 48th Street, Rochester, MN 55903; Oak Marsh Golf Club, 526 Inwood Ave N, Dakdale, MN 55128; Lost Spur Golf Course Inc., 2750 Sibley Memorial Hwy, Eagan, MN 55121.
 Coverage is continuous until cancelled.
CERTIFICATE HOLDER**CANCELLATION**
 City of Red Wing
 315 West 4th Street
 Red Wing, MN 55066

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30* DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

 AUTHORIZED REPRESENTATIVE
 Suzanne Simonson/LAL

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
01/03/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Winona Agency, Inc. 174 Center Street P. O. Box 919 Winona, MN 55987-0919	CONTACT NAME: PHONE (A/C, No, Ext): 507.452.3366 FAX (A/C, No): 507.452.2597	
	E-MAIL ADDRESS: PRODUCER CUSTOMER ID #: 00026067	
INSURED Wendell Pittenger Golf Operations, Inc. 526 Inwood Avenue, North Oakdale, MN 55128	INSURER(S) AFFORDING COVERAGE NAIC #	
	INSURER A : Selective Insurance	
	INSURER B :	
	INSURER C :	
	INSURER D :	
	INSURER E :	

COVERAGES **CERTIFICATE NUMBER: 12/13 All Lines - Wendell** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			S1973245	01/01/2012	01/01/2013	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/POP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			S1973245	01/01/2012	01/01/2013	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DEDUCTIBLE \$ RETENTION \$			S1973245	01/01/2012	01/01/2013	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WC7980283	01/01/2012	01/01/2013	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
A	Liquor Liability			S1973245	01/01/2012	01/01/2013	\$1,000,000 Each Occurrence \$2,000,000 Aggregate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Coverage is continuous until cancelled.

Covered Locations: Mississippi National Golf Links, 409 Golf Links Drive, Red Wing, MN 55066; Willow Creek Golf Course, 1700 SW 48th Street, Rochester, MN 55903; Oak Marsh Golf Club, 526 Inwood Ave N,

CERTIFICATE HOLDER FAX: 651.388.9608 City of Red Wing Attn: City Clerk 315 West 4th Street Red Wing, MN 55066	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE  Kevin Ritz, AIC/ANNA
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ADDITIONAL REMARKS SCHEDULE

AGENCY Winona Agency, Inc.		NAMED INSURED Wendell Pittenger Golf Operations, Inc.	
POLICY NUMBER		Oakdale, MN 55128	
CARRIER	NAIC CODE	EFFECTIVE DATE:	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: 25 FORM TITLE: **ACORD Certificate of Liability Insurance**

CERTIFICATE HOLDER: **City of Red Wing**

Garage Liability

INSR ADD'L LTR INSRD	SUBR WVD	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
ANY AUTO					AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$

Automobile Liability

POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)
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Excess/Umbrella Liability

POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
			\$

Other Liability

POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
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DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES

Oakdale, MN 55128; Lost Spur Golf Course Inc., 2750 Sibley Memorial Hwy, Eagan, MN 55121.

ADDITIONAL REMARKS SCHEDULE

AGENCY Winona Agency, Inc.		NAMED INSURED Wendell Pittenger Golf Operations	
POLICY NUMBER		Oakdale, MN 55128	
CARRIER	NAIC CODE	EFFECTIVE DATE:	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
 FORM NUMBER: 25 FORM TITLE: ACORD Certificate of Liability Insurance

Garage Liability

INSR ADD'L LTR INSRD	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$

Automobile Liability

INSR ADD'L LTR INSRD	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)
A			

Excess/Umbrella Liability

INSR ADD'L LTR INSRD	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A				\$

Other Liability

INSR LTR	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A				

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

If this certificate is being prepared for a party who has an insurable interest in the property, do not use this form. Use ACORD 27 or ACORD 28.

PRODUCER Winona Agency, Inc. 174 Center Street P. O. Box 919 Winona, MN 55987-0919		CONTACT NAME: PHONE (A/C, No, Ext): 507.452.3366 FAX (A/C, No): 507.452.2597 E-MAIL ADDRESS: PRODUCER CUSTOMER ID: 00026067	
INSURED Wendell Pittenger Golf Operations, Inc. 526 Inwood Avenue, North Oakdale, MN 55128		INSURER(S) AFFORDING COVERAGE INSURER A: Selective Insurance	NAIC #
		INSURER B:	
		INSURER C:	
		INSURER D:	
		INSURER E:	
		INSURER F:	

COVERAGES **CERTIFICATE NUMBER: 12/13 Prop-Mississippi Na** **REVISION NUMBER:**

LOCATION OF PREMISES / DESCRIPTION OF PROPERTY (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

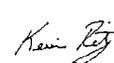
INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	COVERED PROPERTY	LIMITS	
A	<input checked="" type="checkbox"/> PROPERTY	S1973245	01/01/2012	01/01/2013	BUILDING	\$ See	
	CAUSES OF LOSS				DEDUCTIBLES	PERSONAL PROPERTY	\$ Attached
	<input type="checkbox"/> BASIC				BUILDING	BUSINESS INCOME	\$ Schedule
	<input type="checkbox"/> BROAD				CONTENTS	EXTRA EXPENSE	\$
	<input type="checkbox"/> SPECIAL					RENTAL VALUE	\$
	<input type="checkbox"/> EARTHQUAKE				BLANKET BUILDING	\$	
	<input type="checkbox"/> WIND				BLANKET PERS PROP	\$	
	<input type="checkbox"/> FLOOD				BLANKET BLDG & PP	\$	
						\$	
						\$	
	<input type="checkbox"/> INLAND MARINE	TYPE OF POLICY			\$		
	CAUSES OF LOSS				\$		
	<input type="checkbox"/> NAMED PERILS	POLICY NUMBER			\$		
					\$		
	<input type="checkbox"/> CRIME				\$		
	TYPE OF POLICY				\$		
					\$		
	<input type="checkbox"/> BOILER & MACHINERY / EQUIPMENT BREAKDOWN				\$		
					\$		

SPECIAL CONDITIONS / OTHER COVERAGES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

City of Red Wing is listed as an additiona insured under the general liability policy.

CERTIFICATE HOLDER

CANCELLATION

City of Red Wing 315 West 4th Street Red Win, MN 55066	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFOF THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Kevin Ritz, AIC/ANNA 
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Property List

Loc # Bldg #	Address, County, City, State Zip			
00001 00001	409 Golf Links Drive Red Wing, MN 55066			
Covered Property	Valuation	Causes of Loss	Limits	Deductible
Building	RC	Special	1,802,320	2,500
Loc # Bldg #	Address, County, City, State Zip			
00001 00002	409 Golf Links Drive Red Wing, MN 55066			
Covered Property	Valuation	Causes of Loss	Limits	Deductible
Building	RC	Special	105,160	2,500
Loc # Bldg #	Address, County, City, State Zip			
00001 00003	409 Golf Links Drive Red Wing, MN 55066			
Covered Property	Valuation	Causes of Loss	Limits	Deductible
Building	RC	Special	24,544	2,500
Loc # Bldg #	Address, County, City, State Zip			
00001 00004	409 Golf Links Drive Red Wing, MN 55066			
Covered Property	Valuation	Causes of Loss	Limits	Deductible
Building	2500	Special	345,862	2,500
Loc # Bldg #	Address, County, City, State Zip			
00001 00005	409 Golf Links Drive Red Wing, MN 55066			
Covered Property	Valuation	Causes of Loss	Limits	Deductible
Building	RC	Special	54,678	2,500
Loc # Bldg #	Address, County, City, State Zip			
00001 00006	409 Golf Links Drive Red Wing, MN 55066			
Covered Property	Valuation	Causes of Loss	Limits	Deductible
Building	RC	Special	56,592	2,500
Loc # Bldg #	Address, County, City, State Zip			
00001 00007	409 Golf Links Drive Red Wing, MN 55066			
Covered Property	Valuation	Causes of Loss	Limits	Deductible
Building				

Property List **(Continued)**

Building	RC	Special	56,524	2,500
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Loc # Bldg #
 00001 00008 **Address, County, City, State Zip**
 409 Golf Links Drive
 Red Wing, MN 55066

Covered Property	Valuation	Causes of Loss	Limits	Deductible	Coins. %
Building	RC	Special	119,621	2,500	

Loc # Bldg #
 00001 00009 **Address, County, City, State Zip**
 409 Golf Links Drive
 Red Wing, MN 55066

Covered Property	Valuation	Causes of Loss	Limits	Deductible	Coins. %
Building	RC	Special	52,582	2,500	

Loc # Bldg #
 00001 00010 **Address, County, City, State Zip**
 409 Golf Links Drive
 Red Wing, MN 55066

Covered Property	Valuation	Causes of Loss	Limits	Deductible	Coins. %
Building	RC	Special	48,615	2,500	