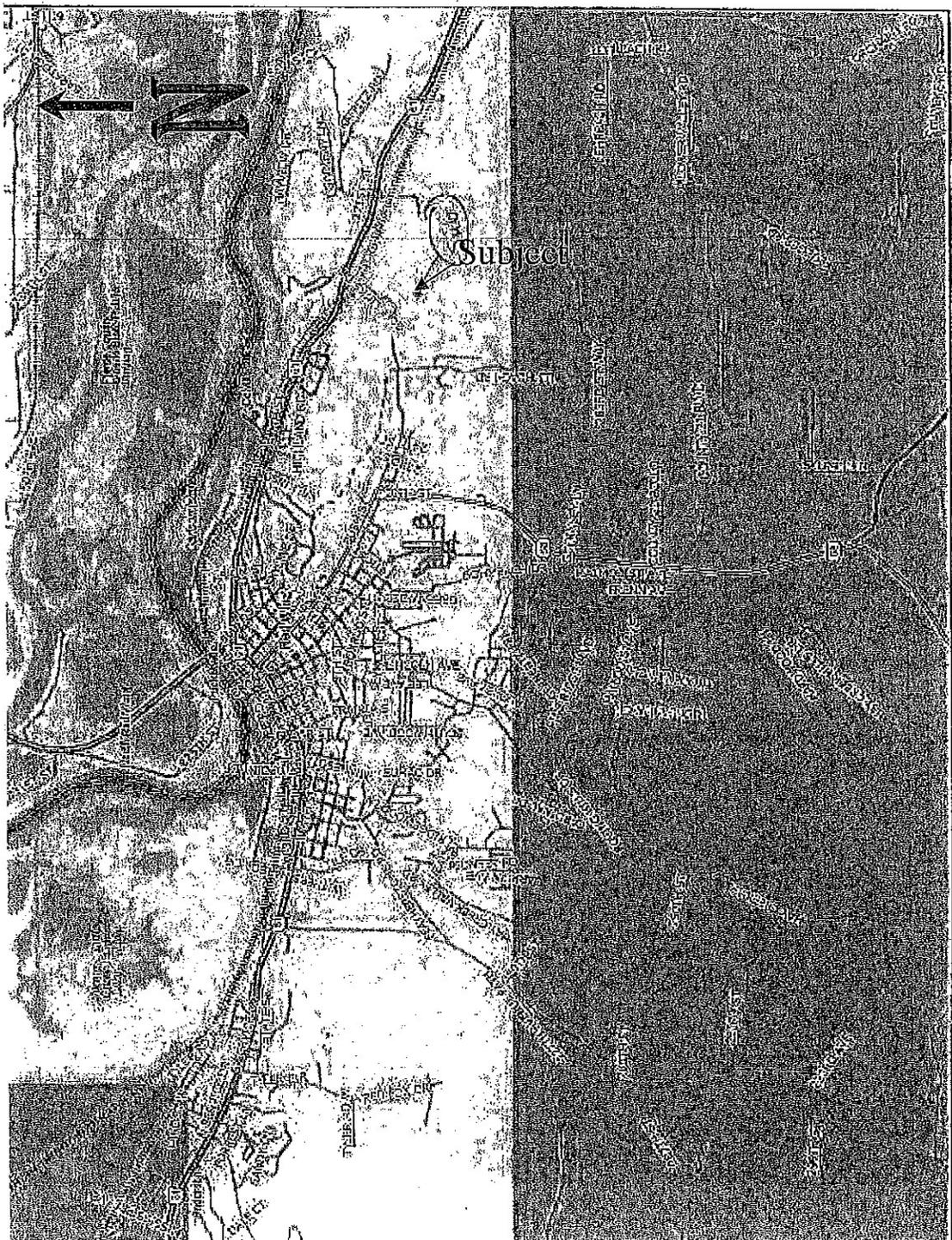


CITY MAP



City of Red Wing, MN GIS Online Mapping

Find Select Advanced Settings

Map Layers & Legend

Update the Map!

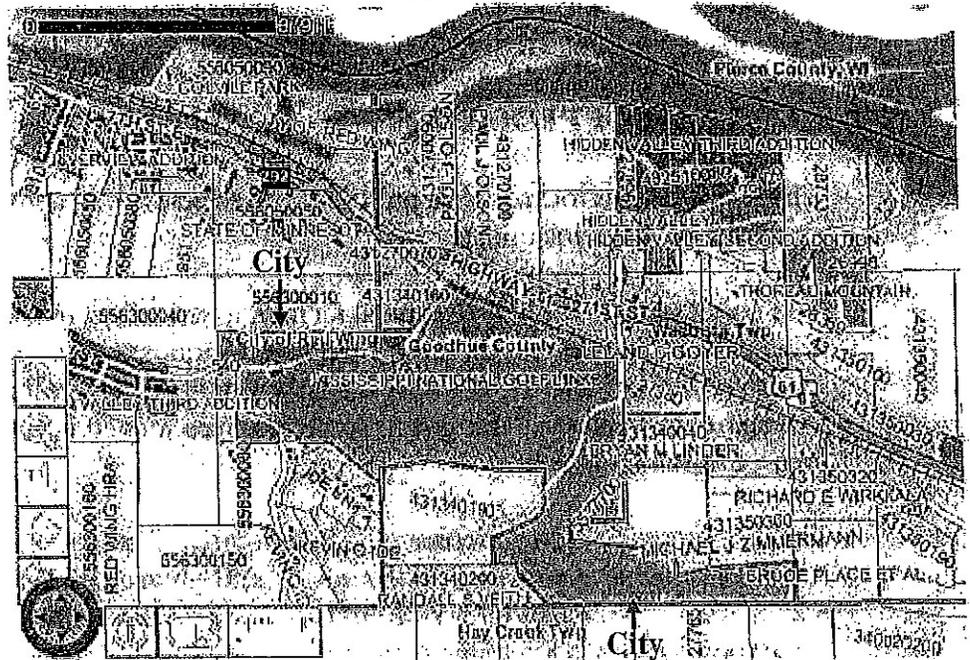
Update Map Automatically
Images and Overlays
 Base Map

Some layers may only be visible at certain scales!
(like Aerial Photography)
 Zoom in on the map if you cannot see a layer you have turned on.

Optional Layers

- County Trails
- FEMA
- Municipal
- PLS - Sections
- PLS - Township-Range

Current Selection
Printable Maps
About This Website



INTENDED USE OF REPORT:

This appraisal is intended to assist the client, Associated Banc-Corp, in underwriting a real estate loan on the property. The intended user of this report includes the client only. This report is not intended for any other use or user.

TYPE AND CLASS OF PROPERTY:

The golf course is located on approximately 425 acres. The above amount was provided by the real estate tax documents.

The golf course is a Class III typical facility, as described by Marshall Valuation Service, which is a national cost estimating provider for various types of improvements including golf courses. It is described as "... a course on undulating terrain, bunkers at most greens, average elevated tees and green, some large trees moved in or clearing of some wooded areas, driving range."

The property includes two separate 18-hole courses. The Tournament (formerly Lowlands) is a par 71 course measuring 6,489 yards. The Highlands is also a par 71 course measuring 6,282 yards. The design for both courses is a combination core style and double fairway. A core type facility has a rounding effect, where the first hole begins as the clubhouse and the last hole ends at the clubhouse. It is different from a double fairway style where the fairways are back to back. Both courses also feature a full irrigation system and all other amenities necessary for the operation of the golf course.

The facility has several buildings. The clubhouse, which serves both the Tournament and Highlands course, is a one story building that has an exposed lower level on the north (front) side facing the parking lot. The clubhouse also includes banquet room facilities. A large covered pavilion area is attached to the main level banquet facility. The clubhouse is an attractive facility that includes bars, two commercial grade kitchens, pro shop, and banquet/eating rooms. A large golf cart storage building is located near the clubhouse. Other buildings include an older maintenance building and newer equipment storage facility, as well as, a driving range building that serves the driving range area. The Tee House building, which is located on the course, includes a restroom and vending area.

DATE OF INSPECTION:

The subject property was observed by James C. Norby, MAI, SRA, on October 8, 2010. This is also the date of valuation.

LEGAL DESCRIPTION:

Lot 1, Block 1, Document #571260 recorded November 5, 2009, Mississippi Golf Links, City of Red Wing, Goodhue County, Minnesota.

COMPETING COURSES:

In the area of the subject are five additional golf course facilities that compete directly with the subject. The subject property is a public course. The golf courses identified are ones that are similar in location or is a public facility available to the same clientele. Information pertaining to the courses is as follows:

COMPETING COURSES							
COURSE #	Name	Location	# Holes	Par	Rating/Slope	Back Tee Yardage	Price 9/18-holes
1	Red Wing GC	Red Wing	18	71	70.7/133	6,169	\$22/39
2	Mt. Frontenac GC	Frontenac	18	71	68.8/114	6,160	\$15-17/ \$22-25
3	The Jewel GC	Lake City	18	71	73.8/131	7,050	Not Listed/ \$70
4	Lake City CC	Lake City	18	71	70.9/128	6,411	\$17-18/ \$25-27
5	Lake Pepin GC	Lake City	18	72	72.0/131	6,752	\$16-18/ \$23-25

Competing Course # 1:

The Red Wing Golf Club is located in the City of Red Wing, Minnesota about two miles west of the subject property. This is an 18-hole, par 71 course constructed in 1915. It has Bluegrass fairways and tees. The greens are Bentgrass. It is a mature course featuring elevated tees overlooking tree-lined, rolling fairways.

This course would be slightly more difficult, having a slope of 133 and a course rating of 70.7. This is a core style golf course, with both nines circling through the property and ending at the clubhouse.

Competing Course # 2:

The Mount Frontenac Golf Course is located in Frontenac, Minnesota, about seven miles southeast of the subject property. This is an 18-hole, par 71 facility constructed in 1984. This course is located on top of a bluff that was a former ski resort and

overlooks the Mississippi River Valley below. This course has Bentgrass greens and Bluegrass fairways and tees.

This is a full service facility that includes a clubhouse with bar/restaurant, banquet facilities, and a pro shop. The course rating on this facility is 68.8 with a slope of 114. For the non-scratch golfer, this course should be less difficult to play than either of the subject's courses. It is interesting to note, however, that this course is rated as being more difficult when compared to the subject for a scratch golfer.

Competing Course #3:

The Jewel Golf Course is located in Lake City, Minnesota approximately 13 miles southeast of the subject. This is an 18-hole, par 71 course designed by PGA golfer Hale Irwin. This is a residential subdivision course that opened in the summer of 2005. This core style course is spread out somewhat, winding throughout 800 acres of the Mississippi River Valley.

The clubhouse includes a bar/restaurant, banquet facility, and pro shop. The golf cart storage area is located in the basement of the clubhouse. It also has an equipment maintenance facility and driving range. The course has Bentgrass greens, fairways, and tee boxes. This course has a rating of 73.8 with a slope of 131. It is considerably longer than the other courses in the area. Difficulty-wise, it is more difficult than either of the subject courses. In my opinion, this is a result of it being considerably longer. It is noted that the green fees for this course are considerably higher than any other course in the market.

Competing Course #4:

The Lake City Golf Course is also located in Lake City, about 13 miles southeast of the subject. This is an older course which opened in 1928. This 18-hole course has a par of 71. It has Bentgrass greens and Bluegrass fairways and tees.

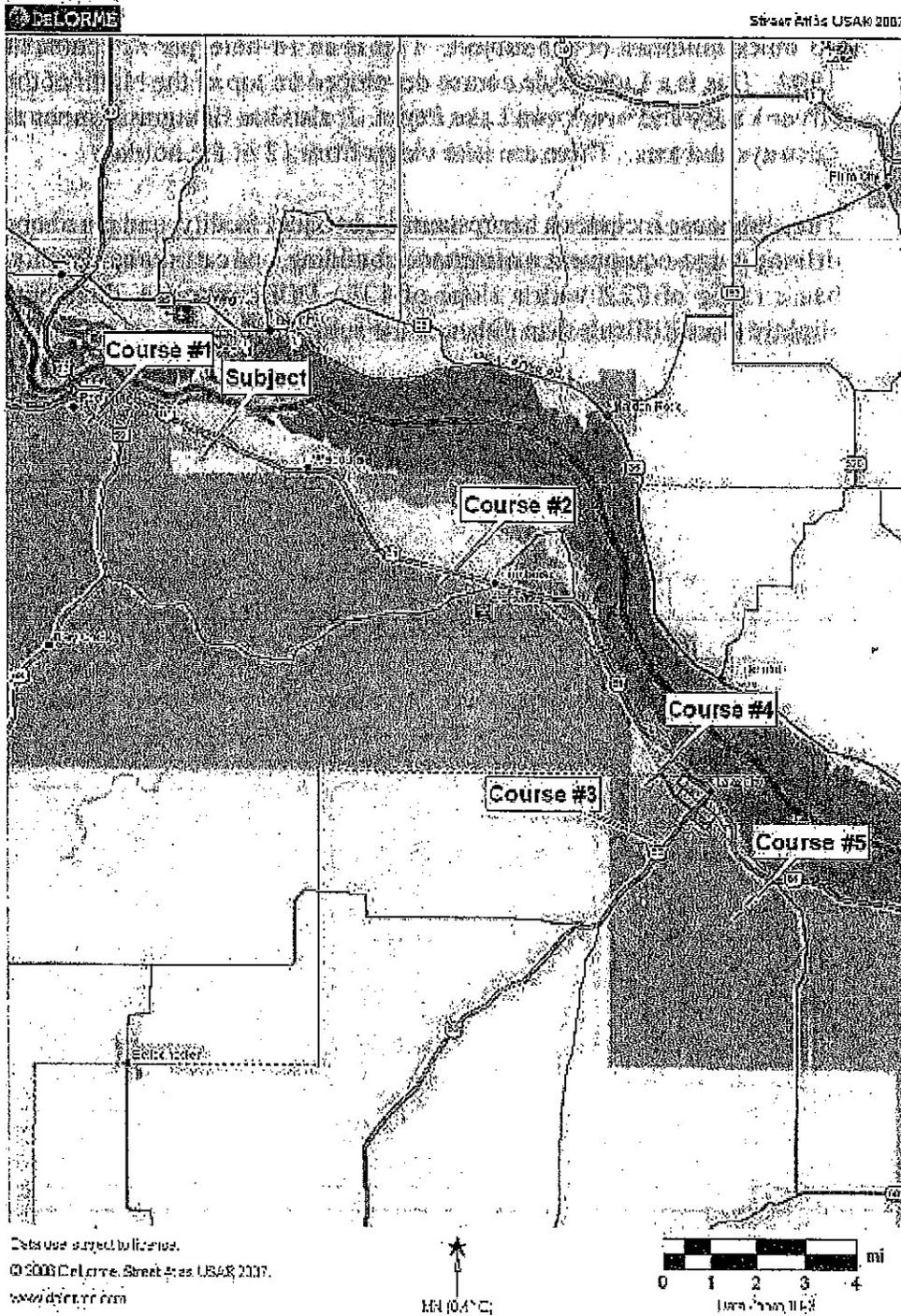
This facility includes a full service clubhouse that has a bar/restaurant, banquet facility, and pro shop. It also includes a driving range and equipment maintenance building and cart storage facility. The course rating on this facility is 70.9 with a slope of 128. Difficulty-wise, it would appear to be slightly harder than either of the subject courses.

Competing Course #5:

The Lake Pepin Golf Course is also located just outside of Lake City, approximately 13 miles southeast of the subject. This is an 18-hole, par 72 course that opened in 1997. This is a Links style course developed on top of the bluffs of the Mississippi River Valley and overlooks Lake Pepin. It also has Bentgrass greens and Bluegrass fairways and tees. There are lake views from 12 of the holes.

The clubhouse includes a bar/restaurant, banquet facility, and pro shop. It also has a driving range, equipment maintenance building, and cart storage facility. This course has a rating of 72.0 with a slope of 131. Difficulty-wise, this course should be slightly more difficult than either of the subject courses.

LOCATION MAP OF COMPETING GOLF COURSES



NEIGHBORHOOD DATA:

The subject property is located on the southern edge of the City of Red Wing, Minnesota which is the county seat of Goodhue County. Red Wing is located along the Mississippi River bordering Wisconsin in southeastern Minnesota. Red Wing is located about 45 miles southeast of the Minneapolis/St. Paul, Minnesota metropolitan area. According to the 2000 Census Data, Red Wing has a population of 16,116, which represents about 37% of the population of Goodhue County. The 2010 estimated population is 15,681 or a decrease of about 2.7%.

Major employers in the City of Red Wing are as follows:

MAJOR EMPLOYERS	PRODUCT/SERVICE	EMPLOYEES
Treasure Island Resort/Casino	Coin Operated Amusement	1590
Red Wing Shoe Company	Footwear	900
Xcel Energy	Electric Service	640
Fairview Red Wing Health Services	General Medical/Surgical	450
Norwood Promotional Products	Promotional Products	300
SB Foot Tanning Company	Leather Tanning	260
Capital Safety	Fabricated Textile Products	220
St. James Hotel	Hotels, Motels	141
Fairview Seminary Home	Skilled Nursing Facility	130
Riedell Shoes, Inc.	Sporting Goods	82
Bic Company	Showers, lighters	250 (proposed)

Land use in the immediate vicinity of the subject property is mixed. A large minimum security correctional facility is adjacent to the northwest of the subject property. Also, a USG Masonry Batch plant is located adjacent to the north of the subject. A rail line borders the north property line. There are single-family residential properties scattered throughout the area to the west of the subject. Area to the south of the subject includes a mixture of single-family residential dwellings. Some commercial development is located along US Highway 61/US Highway 63, and larger acreage used for agricultural purposes. The Mississippi River is located just to the north of the subject property.

SITE DATA:

The Mississippi National Golf Course is located about two miles southeast of the downtown business district of Red Wing. The property is located within the city limits of Red Wing.

Mississippi National Golf Links features two 18-hole public golf courses. The Tournament course is more of a traditional style course with rolling fairways and spacious greens. This

course is located at the bottom of the Hiawatha Valley and has played host to the US Senior Open qualifying, US Amateur qualifying, and has held the Minnesota Section PGA Championship.

The other 18-hole course, known as the Highlands 18, is constructed primarily on top of two river bluffs and features views from high above the Hiawatha Valley overlooking the Mississippi River bottoms and surrounding valleys.

The subject property is located just south of US Highway 61/US Highway 63. Golf Links Drive provides direct access to the highway. According to the Minnesota Department of Transportation, as of 2009, there were approximately 8,000 vehicles per day that travel past the subject property along US Highway 61/US Highway 63.

The subject property, in its entirety, contains approximately 425 acres. The property has an irregular shape. The topography varies considerably from a moderate rolling terrain to steeply sloping bluff hillsides. The area on top of the bluff has a more level topography to gradual rolling terrain. There are several terrain changes located throughout the golf course. This is a mature golf course development with tree-lined fairways and several areas of untouched, natural wooded bluff top ridges.

The bearing qualities of the soils appear to be adequate. The clubhouse and other buildings have been located on the property for several years and do not show signs of significant settlement. The property is served with private wells and sanitary septic systems. There is electricity and telephone service to the property.

Golf Links Drive is a two lane, bituminous paved neighborhood street. Other public roads that border the subject property include Lehrbach Road, which is located along the west boundary of the course and Sevastopol Road, which is located at the east end of the course. Both of these roads are two-lane, unfinished, gravel-based roadways.

An aerial photograph outlining the subject property is included on the following page:

MISSISSIPPI NATIONAL

Golf Links

