

# Attachment A

## ENGER PARK AND LESTER PARK GOLF COURSES MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT (“Agreement”) is made as of this 1st day of January, 2023 (the “Effective Date”) by and between the City of Duluth (“City”), a municipal corporation of the State of Minnesota, and Indigo Sports, LLC (“Indigo Sports”), a Virginia limited liability company, having an address at 15044 N. Scottsdale Road, Suite 300. Scottsdale, AZ 85254.

WHEREAS, City is a municipal corporation located in St. Louis County with an address of 411 West 1<sup>st</sup> Street; and

WHEREAS, City is the owner of public parks containing public municipal golf courses known as Enger Park Golf Course and Lester Park Golf Course, a 27-hole course and 18-hole course respectively; and

WHEREAS, both courses have been operated by a private management company since 2015; and

WHEREAS, City will undertake significant capital improvements at the Enger Park Golf Course over the next several years; and

WHEREAS, City has determined that to offer the best public golfing experience it must consolidate all municipally-owned public golfing within Duluth to the Enger Park Golf Course; and

WHEREAS, Lester Park Golf Course may be utilized during some of the period of improvement to Enger Park Golf Course and will thereafter be permanently closed for use as a golf course; and

WHEREAS, City issued Request for Proposal 22-AA08, Request for Proposal for Golf Course Operator, attached and incorporated as **Exhibit A**. Indigo Sports was selected through the proposal process. Indigo Sports’ Response is attached and incorporated as **Exhibit B**.

WHEREAS, City desires to utilize the services and experience of Indigo Sports in the management of both Enger and Lester Park Golf Courses and Indigo Sports desires to render such services under the terms and conditions set forth in this Agreement; and

WHEREAS, both parties acknowledge that operations of each golf course during the term of this Agreement, including timing of seasonal course openings and closures and number of holes available for play, is uncertain and will be dictated by the timing for completion of various stages of the capital improvements to Enger Park Golf Course and at the discretion of the City, and have accounted for each of the possible operating models for both courses as outlined by the Amended Pro Forma Assumptions, attached and incorporated as **Exhibit C**;

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein, the parties agree as follows:

- I. DEFINITIONS.** The following terms, as used in this Agreement, shall have the following meaning, unless otherwise set out in this Agreement.
- A. Affiliate: Any corporation or other entity controlled by, controlling or under common control with Troon Golf, LLC (“Troon”) or Indigo, as applicable. The words “control”, “controlled” and “controlling” mean ownership, directly or indirectly, of 50% or more of the legal or beneficial ownership interest of such corporation or other entity
  - B. Annual Budget and Program: Documents presented by Indigo Sports for the operation of the Golf Course(s) to the City as part of the City’s annual budget process, including but not limited to the following: Annual Business Plan and Operating Budget, Agronomic Plan and Marketing Plan.
  - C. Centralized Services: Services provided to the Golf Course(s) pursuant to this Agreement, which in Indigo Sports’ experience are able to be furnished in a more cost effective and efficient manner on a central or regional basis to golf facilities managed by Indigo Sports. Centralized Services shall be approved as part of the Annual Budget and Program.
  - D. City: The City of Duluth, Minnesota, a Minnesota Municipal Corporation. The City of Duluth owns both the Enger Park and Lester Park Golf Course.
  - E. Fiscal Year: January 1<sup>st</sup> to December 31<sup>st</sup>.
  - F. Golf Course(s): Two Public golf course(s) commonly known as Enger Park Golf Course and Lester Park Golf Course.
  - G. Gross Revenue: All revenues and income of any nature derived directly or indirectly from the Golf Course(s) or from the use or operation thereof, including green fees, gross sales proceeds from the sale of green fees, memberships or annual passes to the Golf Course(s), monthly dues from annual pass holders of the Golf Course(s), rental fees for golf carts, golf clubs and other rental items, net lesson fees, range balls, food and beverage revenues (including mandatory service charges, revenue generated from space rentals and from meetings, banquets, parties, receptions, tournaments and other group gatherings) merchandise sales, and the proceeds paid for any business interruption, use, occupancy or similar insurance policy claim. Excluded from “Gross Revenue” are any credits or refunds made to customers, guests or patrons; any sums and credits received by Golf Course(s) for lost or damaged merchandise; any sales taxes, excise taxes, gross receipt taxes, admission taxes, entertainment taxes, amusement taxes, tourist taxes or charges; any proceeds from the sale or other disposition of the Golf Course(s), Furniture, Fixtures &

Equipment (FF&E), or other capital assets; any property and/or liability insurance proceeds; any proceeds of financing or refinancing of the Golf Course(s); amounts contributed by City pursuant to the terms of this Agreement and Income or interest derived from the Courses bank account. Gross Revenues shall be determined on an accrual basis and in accordance with generally acceptable accounting principles (“GAAP”).

- H. Indigo Sports: Indigo Sports, LLC. a wholly owned subsidiary of Troon.
- I. Minimum Funds Balance: The minimum dollar amount of the budget for all Operating Expenses for each month for the Golf Course(s), as set forth in the Annual Budget and Program approved by the Owner. At no time shall the Minimum Funds Balance be less than fifty thousand dollars (\$50,000).
- J. Net Operating Income: Gross Revenue from the Golf Course(s), minus all operating expenses which are attributable (in accordance with generally accepted accounting principles) to the use and operation of the Golf Course(s), including, without limitation: employee costs, operating expenses, centralized services, the Base Management Fees, expense reimbursements, all insurance costs related to the operation of the Golf Course(s), personal property taxes (limited to an amount allocable to the Club), and golf cart leases and operating costs; provided, however, such expenses shall not include any charges for amortization, depreciation, capital expenditures, debt service, and State and Federal income taxes, City distributions or overhead allocations, or any Incentive Management Fees paid to Indigo Sports hereunder.
- K. Operating Expense: All of the costs attributable to the operation of the Golf Course(s), including but not limited to: Base Management Fees, Incentive Management Fees, payroll, payroll taxes, benefits, employee related costs, insurance, supplies, marketing materials, services, utilities, merchandise and food and beverage procured for resale, maintenance and repair, service agreements, and real and personal property taxes levied on the Golf Course(s).
- L. Working Capital: Funds utilized to pay Operating Expenses of the Golf Course(s).

**II. APPOINTMENT OF INDIGO AS MANAGER.** From and after the Effective Date, City hereby grants to Indigo Sports the right, at City’s direction, to supervise and direct the management and operation of the Golf Course(s) for and on the account of City. Indigo hereby accepts said grant and agrees that it shall supervise and direct the management and operation of the Golf Course(s), all pursuant to and in accordance with the terms of this Agreement, and City shall reasonably cooperate so as to permit Indigo Sports to carry out its duties hereunder.

### III. SERVICES

- A. Indigo Sports shall provide management services of the Golf Course(s) as detailed in **Exhibit F** and highlighted in response to request for proposal, **Exhibit B**. Indigo Sports agrees that it will provide its services at the direction of the City's Parks and Recreation Manager. In the event of a conflict between the Proposal and this Agreement, the terms and conditions of this Agreement shall be deemed controlling.
- B. Indigo Sports shall be responsible for all aspects of course operations, including but not limited to the following: scheduling of tee times; point of sale systems management; pace of play; opening and closing determinations based upon weather; setting and maintaining hours of operation after consultation with the City; accounting; collection of fees; bag, cart, and equipment rentals; special events; merchandise sales; lessons and instruction; administration of golf leagues, tournaments, and associations; maintenance of practice facilities, including driving range; provision of food and beverage service at the clubhouse, snack bars, and on-course beverage carts, and all licensing, including for liquor, required therefore; marketing and advertising; customer service; and maintenance of all grounds, buildings, water features, and equipment.
- C. The level of services necessary for each course will vary over the term of this Agreement and will be dictated by which operating model, as described in **Exhibit C**, the City determines is necessary and appropriate for each year.
- D. Indigo Sports shall consult with the City prior to the start of each season and throughout season when significant departures from agreed upon operations are anticipated.
- E. For Enger Park Golf Course, Indigo Sports shall implement the agronomic, operating, and maintenance standards as set forth in **Exhibit D**.
- F. For Lester Park Golf Course, Indigo Sports shall implement the agronomic, operating, and maintenance standards as set forth in **Exhibit E**, to the extent necessary for the then-current operating model as described in **Exhibit C**.
- G. Indigo Sports shall provide sufficient staffing to perform the operations as identified herein and described in **Exhibit A**, **Exhibit B**, **Exhibit C**, **Exhibit D**, **Exhibit E**, and **Exhibit F** for the entire term of this Agreement.
- H. Indigo Sports shall consult with the City prior to the start of each season and throughout season when significant departures from agreed upon operations are anticipated.
- I. Indigo Sports shall propose the hours of operation and beginning and ending dates of each season of play annually, no later than 60 (sixty) days before the proposed

start date of the season. Such hours and season lengths are subject to final approval by the City's Parks and Recreation Manager.

- J. Indigo Sports shall propose the fee schedule for all rates for review and approval by the City annually.
- K. Indigo Sports shall propose the operations budget for both Enger Park Golf Course and Lester Park Golf Course annually for review and approval by the City.

#### IV. DIRECTION OF OPERATIONS

- A. The City will determine which course and portions thereof will be open for play during each season covered by this Agreement under any of the operating models as described in **Exhibit C**, Scenarios 1, 3, 4, or 5. The parties agree that the Golf Course(s) will not be open for play simultaneously.
- B. The City will notify Indigo Sports which of the operating models described in **Exhibit C**, will be in place for the 2023 golf season no later than December 31, 2022. The City will notify Indigo Sports which of the operating models described in **Exhibit C**, will be in place for the 2024 golf season no later than August 31, 2023.
- C. Indigo Sports' operations will be directed and overseen by a Regional Team with additional support from its Virginia office.

#### V. FEES

##### A. Management Fees

Management fees, inclusive of accounting services, shall be as follows:

##### 1. 2023

##### a. Lester Park Golf Course:

- i. If the course is minimally maintained for anticipated use during the 2024 season, as described in **Exhibit C**, Scenario 1 (one): one-thousand, five hundred dollars (\$1,500) per month.
- ii. If the City notifies Indigo Sports by December 31, 2022 that Lester Park Golf Course will not be opened for play in 2023, and that no maintenance or management of that course is needed, no management fee will be paid and Indigo Sports shall not be in any way liable or responsible for Lester Park Golf Course, the buildings, or the grounds thereof.

- b. Enger Park Golf Course, with 27 (twenty-seven) holes open for play, as described in **Exhibit C**, Scenario 1 (one): seven-thousand dollars (\$7,000) per month.

2. 2024

a. Lester Park Golf Course:

- i. If the course is operational for the season, with 18 holes of golf and with sufficient grounds maintenance for use of the golf course, as described in Exhibit C, Scenario 4 (four): four-thousand, five-hundred dollars (\$4,500) per month.
- ii. If the City notifies Indigo Sports by August 31, 2023 that Lester Park Golf Course will not be opened in 2024 and that no maintenance or management of that course is needed, as described in Exhibit C, Scenario 3 (three), no management fee will be paid and Indigo Sports shall not be in any way liable or responsible for Lester Park Golf Course, the buildings, or the grounds thereof.

- b. Enger Park Golf Course, with up to 18 (eighteen) holes open for play, dependent upon course construction, as described in Exhibit C, Scenarios 3 (three) and 4 (four): seven-thousand, one-hundred and forty dollars (\$7,140) per month.

3. 2025

- a. Lester Park Golf Course: permanently closed, no management fees will be paid.
- b. Enger Park Golf Course, 27 (twenty-seven) holes open for play, as described in Exhibit C, Scenario 5 (five): seven-thousand, two-hundred, eighty-three dollars (\$7,283) per month.

B. Travel Expenses

Indigo Sports shall be reimbursed for usual and customary travel expenses incurred in connection with oversight of the facilities, not to exceed seven-thousand dollars (\$7,000) annually. Payment of expenses is subject to the City's receipt of reasonable substantiation supporting such expenses.

C. It is agreed between the parties that Indigo Sports' maximum fee under Section III A and B shall not exceed the sum of three-hundred and fifty thousand, seventy-six dollars (\$350,076), inclusive of all travel and other expenses associated with the management of Enger Park Golf Course and Lester Park Golf Course, payable from City Fund 503-400-5310 (Golf, Parks and Recreation, Contract Services). No Part of the compensation to Indigo Sports shall be based on the profits or losses of the managed properties. All invoices for services rendered shall be submitted monthly to the attention of the Finance Department.

D. All proceeds from the Golf Course(s) shall be deposited into City Fund 503-400 (Golf, Parks, and Recreation).

- E. The fees described in Section III A and B are exclusive of operating costs for the Golf Course(s). All costs of operation, including labor costs, shall be the responsibility of the City.
- F. Indigo Sports agrees that it is not entitled to and will not take any tax position that is inconsistent with Indigo Sports being a service provider to the City with respect to the managed properties.

## **VI. GENERAL TERMS AND CONDITIONS**

### **A. Amendments**

Any alterations, variations, modifications or waivers of terms of this Agreement shall be binding upon the City and Indigo Sports only upon being reduced to writing and signed by a duly authorized representative of each party.

### **B. Assignment**

Indigo Sports represents that it will utilize only its own personnel or an Affiliate of Indigo Sports in the performance of the services set forth herein; and further agrees that it will neither assign, transfer nor subcontract any rights or obligations under this Agreement without prior written consent of the City.

### **C. Data, Records, and Inspection**

1. Indigo Sports shall maintain records in accordance with requirements of Minnesota Statutes Chapter 16C with respect to all matters covered by this Agreement. Such records shall be maintained for a period of six (6) years after receipt of final payment under this Agreement.
2. Indigo Sports shall be responsible for furnishing to the City records, data and information as the City may require pertaining to matters covered by this Agreement. Indigo Sports shall ensure that at any time during normal business hours and as often as the City may deem necessary, there shall be made available to the City for examination, all of its records with respect to all matters covered by this Agreement. Indigo Sports will also permit the City to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by this Agreement.

### **D. Indigo Sports' Representation and Warranties**

Indigo Sports represents and warrants that:

1. Indigo Sports and all personnel to be provided by it hereunder have sufficient training and experience to perform the duties set forth herein and are in good standing with all applicable licensing requirements.
2. Indigo Sports and all personnel provided by it hereunder shall perform their respective duties in a professional and diligent manner in the best interests of the

City and in accordance with the then current, generally accepted standards of the profession for the provisions of services of this type.

3. Indigo Sports has complied or will comply with all legal requirements applicable to it with respect to this Agreement. Indigo Sports will observe all applicable laws, regulations, ordinances and orders of the United States, State of Minnesota and agencies and political subdivisions thereof.
4. The execution and delivery of this Agreement and the consummation of the transactions herein contemplated do not and will not conflict with, or constitute a breach of or a default under, any agreement to which Indigo Sports is a party or by which it is bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature upon any of the property or assets of Indigo Sports contrary to the terms of any instrument or agreement.
5. There is no litigation pending or, to the best of Indigo Sports' knowledge, threatened against Indigo Sports affecting its ability to carry out the terms of this Agreement or to carry out the terms and conditions of any other matter materially affecting the ability of Indigo Sports to perform its obligations hereunder.
6. Indigo Sports will not, without the prior written consent of the City, enter into any agreement or other commitment the performance of which would constitute a breach of any of the terms, conditions, provisions, representations, warranties and/or covenants contained in this Agreement.
7. Indigo Sports accepts the buildings, grounds, and equipment at Lester Park Golf Course and Enger Park Golf Course as is, with the understanding that improvements to Enger Park Golf Course will be made during the term of this Agreement.

E. Agreement Period

The term of this Agreement shall commence on the Effective Date and performance shall end on December 31, 2025, unless terminated earlier as provided for herein. This Agreement may be extended until December 31, 2027 upon mutual agreement of the parties. Parties shall meet and confer 90 (ninety) days before the end of the term.

F. Default

1. The following shall constitute an event of default by City:
  - a. Failure to timely pay Indigo Sports any fees, compensation, or reimbursement due Indigo Sports pursuant to this Agreement;
  - b. Failure to timely maintain Minimum Funds Balance and/or Working Capital; or
  - c. Failure by City to perform any material obligation set out in this Agreement, including, but not limited to, failing to consult with Indigo Sports regarding

budgets or capital improvements and failing to cooperate in good faith with Indigo regarding budgets or capital improvements.

2. The following shall constitute an event of default by Indigo Sports:
  - a. Failure to maintain the amenities of the Club in an objectively reasonably good condition, not including failures resulting from abnormal weather conditions, acts of God, or other events or conditions beyond the reasonable control of Indigo;
  - b. Failure to operate the Golf Course(s) in accordance with the approved Annual Budget and Program;
  - c. Failure of Indigo Sports to perform any material obligations set forth in this Agreement; or
  - d. Assignment for the benefit of its creditors, or becoming a party for more than thirty (30) days to any voluntary or involuntary insolvency proceedings or bankruptcy proceedings or reorganization.
3. Notice and Cure. When either party to this Agreement believes that the other party (the “Defaulting Party”) has committed an Event of Default, it shall give written notice thereof to the Defaulting Party. The written notice must clearly state that it is a notice of default and provide a detailed description of the alleged default. The written notice will not be deemed a proper notice until sufficient detail to clearly and fully inform the Defaulting Party of the alleged default is provided. The Defaulting Party shall have ten (10) calendar days from the date of the proper notice to cure the default unless the default is a non-monetary default and, due to weather, growing conditions or other factors beyond the reasonable control of the Defaulting party, requires more time to cure. In order to qualify for a longer cure period, the Defaulting Party must earnestly begin to cure within thirty (30) calendar days from the date of the notice to cure and diligently pursue such cure. In no event will the Defaulting Party have more than sixty (60) days from the date of the notice in the aggregate to cure a non-monetary default. Notwithstanding anything to the contrary, neither City nor Indigo Sports shall be entitled to any further notice and cure period for a default in the event (i) that same default occurs more than two (2) times in any twelve (12) month period and (ii) two (2) previous proper notices and cure periods were provided to the Defaulting Party for that same default.
4. Rights upon Default. If the Defaulting Party does not cure the default within the grace period provided in Paragraph above, the party complaining of the default (the “Complaining Party”) may terminate this Agreement. To terminate this Agreement for default, the Complaining Party must issue a written notice of termination to the Defaulting Party clearly stating the basis for the termination and the Defaulting Party’s failure to cure the alleged default (the “Default Termination Notice”). The termination shall be effective thirty (30) days after the date of the Default Termination Notice, provided such notice was properly delivered (the “Default Termination Effective Date”). At any time after the Default Termination Effective

Date and within the applicable statute of limitations, the parties may pursue all rights and remedies available in law or equity, including payment of accrued amounts

G. Termination

The City may, by giving 180 (one-hundred eighty) days written notice, specifying the effective date thereof, terminate this Agreement in whole or in part without cause. In the event of termination, Indigo Sports shall be entitled to compensation for services properly performed by it to the date of termination of this Agreement. In the event of termination due to breach by Indigo Sports, the City shall retain all other remedies available to it, and the City shall be relieved from payment of any fees in respect of the services of Indigo Sports which gave rise to such breach.

H. Capital Expenditures.

The cost of all Capital Improvements shall be deemed to include any item purchased in connection with the operation of the Golf Course(s) which has an economic useful life in excess of one (1) year, and has a cost in excess of five thousand dollars (\$5,000). All Capital Expenditures for Capital Improvements shall be the responsibility of City and all decisions as to whether or not to undertake any capital improvements projects or otherwise in respect of any capital improvements shall be made by City in consultation with Indigo Sports.

I. Independent Contractor

1. It is agreed that nothing herein contained is intended or should be construed in any manner as creating or establishing the relationship of copartners between the parties hereto or as constituting Indigo Sports as an agent, representative or employee of the City for any purpose or in any manner whatsoever. The parties do not intend to create any third-party beneficiary of this Agreement. Indigo Sports and its employees shall not be considered employees of the City, and any and all claims that may or might arise under the Worker's Compensation Act of the State of Minnesota on behalf of Indigo Sports' employees while so engaged, and any and all claims whatsoever on behalf of Indigo Sports' employees arising out of employment shall in no way be the responsibility of City, except to the extent caused by the City's negligence or willful misconduct. Except for compensation provided in Section III of this Agreement, Indigo Sports' employees shall not be entitled to any compensation or rights or benefits of any kind whatsoever from City, including without limitation, tenure rights, medical and hospital care, sick and vacation leave, Worker's Compensation, Unemployment Insurance, disability or severance pay and P.E.R.A. Further, City shall in no way be responsible to defend, indemnify or save harmless Indigo Sports or its employees from liability or judgments arising out of intentional or negligent acts or omissions of Indigo Sports or its employees while performing the work specified by this Agreement.
2. The parties do not intend by this Agreement to create a joint venture or joint enterprise, and expressly waive any right to claim such status in any dispute arising out of this Agreement.

3. Indigo Sports, as an independent contractor, understands it is not afforded the protections or immunities provided for in Minnesota Statutes Chapter 466, the official immunity doctrine, or other liability doctrines applicable only to municipalities under Minnesota law. In disputes between Indigo Sports and the City, Indigo Sports expressly waives any right to claim any immunity provided for in Minnesota Statutes Chapter 466 or pursuant to the official immunity doctrine.

J. Indemnity

1. To the extent allowed by law, Indigo Sports shall defend, indemnify and hold City and its employees, officers, and agents harmless from and against any and all cost or expenses, claims or liabilities, including but not limited to, reasonable attorneys' fees and expenses in connection with any claims resulting from Indigo Sports' a) breach of this agreement or b) its negligence or misconduct or that of its agents or contractors in performing the services hereunder or c) any claims arising in connection with Indigo Sports' employees or contractors, or d) the use of any materials supplied by Indigo Sports to the City unless such material was modified by City and such modification is the cause of such claim. This Section shall survive the termination of this Agreement for any reason.
2. To the extent allowed by law, City will defend, indemnify and hold Indigo Sports and Troon harmless from and against any and all , non-Indigo Sports liability, loss, cost, damage or penalties, claims, causes of action, proceedings, and expenses incurred by Indigo or Troon, or imposed on Indigo or Troon by any person related to: a) the performance of duties under this Agreement, b) the Golf Course(s) prior to February 15, 2015, c) any environmental claims pertaining to the Golf Course(s) and arising from conditions that existed prior to February 15, 2015, and d) late payments or lack of payments to vendors or other payees who supply labor, services, or materials to the Golf Course(s) who have not been timely paid or paid at all as the direct result of City action, including the City failing to provide funding, resulting in late fees or any other penalties against Indigo Sports or Troon. This Section shall survive the termination of this Agreement for any reason.

K. Insurance

Indigo Sports shall obtain and maintain for the Term of this Agreement the following minimum amounts of insurance from insurance companies authorized to do business in the State of Minnesota.

1. Commercial General and Automobile Liability Insurance with limits not less than \$1,500,000 Single Limit, shall be in a company approved by the city of Duluth; and shall provide for the following: Liability for Premises, Operations, Completed Operations, and Contractual Liability. City of Duluth shall be named as Additional Insured by endorsement under the Commercial General and Automobile Liability, or as an alternate, Indigo Sports may provide Owners-Contractors Protective policy, naming itself and City of Duluth. Upon execution of this Agreement, Indigo Sports shall provide a Certificate of Insurance evidencing such coverage with 30-days' notice of cancellation, non-renewal or material change provisions included.

2. Professional Liability Insurance in an amount not less than \$1,500,000 Single Limit; provided further that in the event the professional malpractice insurance is in the form of “claims made,” insurance, 60 days’ notice prior to any cancellation or modification shall be required; and in such event, Indigo Sports agrees to provide the City with either evidence of new insurance coverage conforming to the provisions of this paragraph which will provide unbroken protection to the City, or, in the alternative, to purchase at its cost, extended coverage under the old policy for the period the state of repose runs; the protection to be provided by said “claims made” insurance shall remain in place until the running of the statute of repose for claims related to this Agreement.
3. Indigo Sports shall also provide evidence of Statutory Minnesota Workers’ Compensation Insurance. A certificate showing continued maintenance of such insurance shall be on file with the City during the term of this Agreement. The City of Duluth does not represent or guarantee that these types or limits of coverage are adequate to protect Indigo Sports’ interests and liabilities.
4. In connection with all significant construction at the Course(s), the City shall require the general contractor to maintain, with a reputable insurer, Commercial General Liability insurance with products, completed operations, and independent contractors’ coverage, with limits not less than \$2,000,000, with City, Troon, and Indigo Sports named as additional insureds.

L. Notices

Unless otherwise expressly provided herein, any notice or other communication required or given shall be in writing and shall be effective for any purpose if served, with delivery or postage costs prepaid, by nationally recognized commercial overnight delivery service or by registered or certified mail, return receipt requested, to the following addresses:

**City:** City of Duluth  
 411 W First Street  
 City Hall Room G40  
 Duluth MN 55802  
 Attn: Jessica Peterson

**Indigo Sports:** Indigo Sports, LLC.  
 15044 N. Scottsdale Rd  
 Suite 300  
 Scottsdale, AZ 85254  
 Attn: Jeff Hansen (jhansen@troon.com)

M. Civil Rights Assurances

Indigo Sports, as part of the consideration under this Agreement, does hereby covenant and agree that:

1. No person on the grounds of race, color, creed, religion, national origin, ancestry, age, sex, marital status, status with respect to public assistance, sexual orientation, and/or disability shall be excluded from any participation in, denied any benefits of, or otherwise subjected to discrimination with regard to the work to be done pursuant to this Agreement.
2. That all activities to be conducted pursuant to this Agreement shall be conducted in accordance with the Minnesota Human Rights Act of 1974, as amended (Chapter 363), Title 7 of the U.S. Code, and any regulations and executive orders which may be affected with regard thereto.

N. Laws, Rules and Regulations

Indigo Sports agrees to observe and comply with all laws, ordinances, rules and regulations of the United States of America, the State of Minnesota and the City with respect to their respective agencies which are applicable to its activities under this Agreement.

O. Applicable Law

This Agreement, together with all of its paragraphs, terms and provisions is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota.

P. Force Majeure

Neither party shall be liable for any failure of or delay in performance of its obligations under this Agreement to the extent such failure or delay is due to circumstances beyond its reasonable control, including, without limitation, acts of God, acts of a public enemy, fires, floods, wars, civil disturbances, sabotage, accidents, insurrections, blockades, embargoes, storms, explosions, labor disputes, acts of any governmental body (whether civil or military, foreign or domestic), failure or delay of third parties or governmental bodies from whom a party is obtaining or must obtain approvals, franchises or permits, or inability to obtain labor, materials, equipment, or transportation. Any such delays shall not be a breach of or failure to perform this Agreement or any part thereof and the date on which the party's obligations hereunder are due to be fulfilled shall be extended for a period equal to the time lost as a result of such delays.

Q. Severability

In the event any provision herein shall be deemed invalid or unenforceable, the remaining provision shall continue in full force and effect and shall be binding upon the parties to this Agreement.

R. Entire Agreement

It is understood and agreed that the entire agreement of the parties including all exhibits is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof. Any amendment

to this Agreement shall be in writing and shall be executed by the same parties who executed the original agreement or their successors in office.

S. Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, but all of which together shall constitute but one and the same instrument. Signatures to this Agreement transmitted by facsimile, by electronic mail in “portable document format” (“.pdf”), or by any other electronic means which preserves the original graphic and pictorial appearance of the Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature.

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the date of attestation shown below.

**CITY OF DULUTH**

**INDIGO SPORTS, LLC**

By:

By:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Jeff Hansen, Secretary

Attest:

Its:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Title of Representative

Date Attested: \_\_\_\_\_

Date:

Countersigned:

\_\_\_\_\_  
City Auditor

Approved as to form:

\_\_\_\_\_  
City Attorney

**Exhibit A**



**CITY OF DULUTH  
REQUEST FOR PROPOSALS FOR**

**GOLF COURSE OPERATOR**

**RFP NUMBER 22-AA08**

**ISSUED FEBRUARY 23, 2022**

**PROPOSALS DUE FRIDAY, APRIL 1, 2022 AT 4:30 PM**

**SUBMIT TO**

**CITY OF DULUTH  
ATTN: PURCHASING DIVISION  
CITY HALL, ROOM 120  
411 WEST 1ST STREET  
DULUTH, MN 55802  
[Purchasing@DuluthMN.gov](mailto:Purchasing@DuluthMN.gov)**

**PART I - GENERAL INFORMATION**

**I-1. Project Overview.**

The City of Duluth (“City”) is seeking proposals for golf course operation and management services for two golf courses -- Enger Park Golf Course (27 holes plus 18 holes of disc golf) and Lester Park Golf Course (18 holes).

The City is progressing towards substantial capital improvements at Enger Park Golf Course, to include replacement of an aging irrigation system, repair and improvement to fairways and bunkers, and replacement of the degrading and non-ADA compliant clubhouse. To achieve these improvements at Enger Park Golf Course, consolidation of public golf in Duluth must occur. The following timeline shows the anticipated course operations by season through the Enger renovation process:

	<b>Enger Park Golf Course</b>	<b>Lester Park Golf Course</b>
<b>2022</b>	27 holes and driving range open for play, construction commences post-season	Minimally maintained, not open for play
<b>2023</b>	Closed during construction, maintenance by course management	18 holes and driving range open for play
<b>2024-Beyond</b>	27 holes and driving range reopen for play	Permanently closed, no maintenance by course management

The Operator will be responsible for all operating expenses, including building and course maintenance, and for a defined amount of small scale identified and evolving capital improvements as budget allows during the course of the management term for the Enger Park Golf Course. For the Lester Park Golf Course, the operator would only be responsible for operating and routine maintenance expenses for the season that Lester is open. The Operator will also be responsible for maintaining all operating equipment, including golf carts, kitchen equipment and course maintenance equipment.

The City is preparing to invest more than \$4 million into Enger Park Golf Course; however, total course improvement needs total more than \$6 million. Preference will be given to proposers willing to co-invest in Enger improvements.

Should sale of a portion of the Lester Park Golf Course be successful, proceeds shall be reinvested in Enger Park Golf Course improvements. While this process is underway, it shall not inhibit operation of Lester Park Golf Course for the 2023 season.

Additional detail is provided in **Part IV** of this RFP.

**I-2. Calendar of Events.** The City will make every effort to adhere to the following schedule (all times are local):

<b>Activity</b>	<b>Date</b>
Pre-proposal Conference	March 4, 2022 at 2 p.m.

Deadline to submit Questions via email to purchasing@duluthmn.gov	March 15, 2022
Answers to questions will be posted to the City website by 4:30 PM on this date.	March 22, 2022
Proposals must be received in the Purchasing Office by 4:30 PM on this date.	April 1, 2022
In-person interviews with finalists	April 14-15, 2022
Notification of Selection	April 27, 2022

**I-3. Rejection of Proposals.** The City reserves the right, in its sole and complete discretion, to reject any and all proposals or cancel the request for proposals, at any time prior to the time a contract is fully executed, when it is in its best interests. The City is not liable for any costs the Bidder incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of the contract.

**I-4. Pre-proposal Conference.** The City will hold an OPTIONAL pre-proposal conference as specified in the Calendar of Events. Interested Bidders can attend via Webex with the link provided at <https://www.duluthmn.gov/purchasing/bids-request-for-proposals/>. If requested, an in-person site visit beginning at Enger Park Golf Course will follow the conference. Bidders should be aware that the grounds will likely still be snow-covered. Submit site visit requests to [jpeterston@duluthmn.gov](mailto:jpeterston@duluthmn.gov) by 2:00 pm on Thursday, March 3, 2022.

**I-5. Questions & Answers.** Any questions regarding this RFP must be submitted by e-mail to the Purchasing Office at [purchasing@duluthmn.gov](mailto:purchasing@duluthmn.gov) **no later than** the date indicated on the Calendar of Events. Answers to the questions will be posted as an Addendum to the RFP.

**I-6. Addenda to the RFP.** If the City deems it necessary to revise any part of this RFP before the proposal response date, the City will post an addendum to its website at <https://www.duluthmn.gov/purchasing/bids-request-for-proposals/>. Although an e-mail notification will be sent, it is the Bidder's responsibility to periodically check the website for any new information

**I-7. Proposals.** To be considered, proposals must be in Microsoft Office-compatible or pdf format and emailed to [Purchasing@DuluthMN.gov](mailto:Purchasing@DuluthMN.gov) before the time and date specified in the RFP Calendar of Events. The City email server will not accept files larger than 25MB. If your file is larger than that, please send a large file access email or request a large file drop box from [purchasing@duluthmn.gov](mailto:purchasing@duluthmn.gov). The City will not accept proposals via facsimile transmission. The City reserves the right to reject or to deduct evaluation points for late proposals.

Proposals must be signed by an authorized official. If the official signs the Proposal Cover Sheet attached as Appendix A, this requirement will be met. Proposals must remain valid for 90 days or until a contract is fully executed.

All materials submitted in response to this RFP will become property of the City and will become public record after the evaluation process is completed and an award decision made.

**I-8.Small Diverse Business Information.** The City encourages participation by minority, women, and veteran-owned businesses as prime contractors, and encourages all prime contractors to make a significant commitment to use minority, women, veteran-owned and other disadvantaged business entities as subcontractors and suppliers. A list of certified Disadvantaged Business Enterprises is maintained by the Minnesota Unified Certification Program at <http://mnuccp.metc.state.mn.us/> .

**I-9. Award.** The service agreement will be awarded based on the highest scoring proposal, which shall satisfy the operations and financial needs of the City.

**I-10. Term of Contract.** The term of the contract is anticipated to begin October 1, 2022 for a minimal operations and budgetary transition, with full service provision commencing January 1, 2023 continuing through December 31, 2025. An additional two-year extension shall be possible, should both parties agree in writing by September 1, 2025. The selected Bidder shall not start the performance of any work nor shall the City be liable to pay the selected Bidder for any service or work performed or expenses incurred before the contract is executed.

Year 1: Anticipated October 1, 2022 – December 31, 2023

Year 2: January 1, 2024 – December 31, 2024

Year 3: January 1, 2025 – December 31, 2025

If extension is agreeable:

Year 4: January 1, 2026 – December 31, 2026

Year 5: January 1, 2027 – December 31, 2027

Payment to the City shall occur in one lump sum on or before February 15 each year, with the first payment occurring on or before February 15, 2024.

Prompt Payment of Subconsultants.

**I-11. Prompt Payment of Subconsultants.** Per MN Statute 471.425, Subd. 4a., Each contract of a municipality must require the prime contractor to pay any subcontractor within ten days of the prime contractor's receipt of payment from the municipality for undisputed services provided by the subcontractor. The contract must require the prime contractor to pay interest of 1-1/2 percent per month or any part of a month to the subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid balance of \$100 or more is \$10. For an unpaid balance of less than \$100, the prime contractor

shall pay the actual penalty due to the subcontractor. A subcontractor who prevails in a civil action to collect interest penalties from a prime contractor must be awarded its costs and disbursements, including attorney's fees, incurred in bringing the action.

**I-12. Mandatory Disclosures.** By submitting a proposal, each Bidder understands, represents, and acknowledges that:

- A. Their proposal has been developed by the Bidder independently and has been submitted without collusion with and without agreement, understanding, or planned common course of action with any other vendor or suppliers of materials, supplies, equipment, or services described in the Request for Proposals, designed to limit independent bidding or competition, and that the contents of the proposal have not been communicated by the Bidder or its employees or agents to any person not an employee or agent of the Bidder.
- B. There is no conflict of interest. A conflict of interest exists if a Bidder has any interest that would actually conflict, or has the appearance of conflicting, in any manner or degree with the performance of work on the project. If there are potential conflicts, identify the municipalities, developers, and other public or private entities with whom your company is currently, or have been, employed and which may be affected.
- C. It is not currently under suspension or debarment by the State of Minnesota, any other state or the federal government.
- D. The company is either organized under Minnesota law or has a Certificate of Authority from the Minnesota Secretary of State to do business in Minnesota, in accordance with the requirements in M.S. 303.03.

**I-13. Notification of Selection.** Bidders whose proposals are not selected will be notified via email.

## **PART II - PROPOSAL REQUIREMENTS**

Proposal submission should include cover letter, background of the company and any applicable sub-contractors, resumes of key personnel, examples of similar work, references and information beneficial and necessary to clearly assess scoring as described in Part III – Criteria for Selection. Proposals should be limited to 25 pages, not including the cover letter or any addenda included as acknowledgment of receipt, if any.

### **PART III - CRITERIA FOR SELECTION**

The proposals will be reviewed by City Staff. The intent of the selection process is to review proposals and make an award based upon qualifications as described therein. A 100-point scale will be used to create the final evaluation recommendations. The factors and weighting on which proposals will be judged are:

- |   |            |
|---|------------|
| <b>1. Qualifications of the Bidder and Personnel</b>    | <b>30%</b> |
| a. Personnel, experience, industry portfolio            |            |
| <b>2. Prior experience with similar work</b>            | <b>30%</b> |
| a. Course operations, volunteer groups, leagues, events |            |
| b. Marketing and sponsorships                           |            |
| <b>3. Financial Modeling to meet City terms</b>         | <b>30%</b> |
| <b>4. Grounds/Maintenance Plan</b>                      | <b>10%</b> |

### **PART IV – PROJECT DETAIL**

The City is seeking an experienced golf management firm interested in maximizing the use and enjoyment of Enger Park Golf Course in order to realize mutually beneficial annual profits to support renovation and ongoing capital improvements at the course.

While the City embarks on major capital improvements to Enger Park Golf Course, the selected golf management firm will support continuity of available public golf by temporarily relocating operations to Lester Park Golf Course for one season. Thus, the City is seeking proposals to manage Enger Park Golf Course for a three-year term with the possibility of an additional two-year extension, and Lester Park Golf Course for an anticipated one year of minimal maintenance and one year of full course operations. The selected course manager will be diligent in the operation, maintenance, and capital improvements of Enger Park Golf Course along with short-term maintenance and operation of Lester Park Golf Course. The selected course manager will provide an enjoyable golfing experience with adequate and proper service at a price that balances affordable public access to golf with annual net profits sufficient to support debt financing of long-term capital improvements at Enger Park Golf Course.

To achieve course renovations necessary for successful financial operation and long-term sustainability of Enger Park Golf Course, the course manager will provide the City with annual minimum net proceeds of \$300,000. Respondents may supply rationale for an alternate term length and payment structure that still satisfies the annual minimum net profit threshold of \$300,000 to the City.

## IV-1. Description of Courses and Facilities

### Enger Park Golf Course

Enger Park Golf Course (“Enger”) was built as a Depression-era project. It opened in 1936 as an 18-hole facility. A third nine, designed by golf course architect Dick Phelps, ASGCA, was added in 1988. At that time, nine of the original 18 holes were also renovated, and a new irrigation system installed. Currently, nine of the greens at Enger are original and are now 80 years old.

Enger averages 40,000 rounds annually. However, at one time it hosted over 53,000 rounds.



The Enger Park Golf Course is a scenic golf layout with exciting topography and numerous mature trees bounded in many areas by natural woodlands. The facility is in a park-like setting, with no surrounding homes. The golf course is devoid of any development visible from the golf course, creating a true “oasis” atmosphere for golfers despite proximity to the busy city life that surrounds it.

The three nines at Enger Park are descriptively named “Front,” “Middle,” and “Back.” They all start and finish proximate to back of the clubhouse. The three nines are roughly equivalent (although the one nine with older greens is a bit less popular), allowing the facility to operate as a true 27-hole layout. The three nines are played in rotation. Because of the high demand for nine-hole play, usually, two nines are set up for 18-hole play, and one nine is dedicated to nine-hole play.

There are approximately 42 bunkers over the 27 holes, with the Front nine having the most (18) and the other two nines having twelve each. Water comes into play on ten holes. There are some slight elevation changes on all three nines.

The three nines all have four sets of tees to accommodate golfers of all abilities. Yardages range from 5,159 to 6,573 yards. The course is scenic with some beautiful views of Lake Superior. The location is convenient to downtown, I-35, area hotels, and the popular Lake Superior waterfront.

In 2018, an 18-hole disc golf course was added at Enger. Disc golf is open year-round, with in-season play run through the clubhouse just like ball golf, and off-season play via a money drop-box. The Lake Superior Disc Golf Community has strongly supported this new amenity and is actively involved in promoting it. Future golf course management will be expected to continue disc golf at Enger.

The driving range is located on the other side of the parking lot from the clubhouse and is not convenient to any of the starting holes or clubhouse. The range has stations for about 20 golfers. There is a ball machine that takes tokens located in a small building adjacent to the range. In addition to containing the ball machine, the 1,200 square foot range building has about 400 square feet of interior space that is currently used for storage. The range itself is rather narrow, bordered on the left by trees, the parking lot, and Skyline drive and on the right by a cliff.

**Current Clubhouse:** The clubhouse is approximately 8,000 square feet in size. It first opened in 1938. The building has three levels, including a basement, main floor and an apartment upstairs. The main floor hosts the pro shop, grill, and offices. The clubhouse is severely outdated, and a new clubhouse was identified as a priority within course renovations. The building suffers from numerous structural problems and has an inferior layout for golf. Current concerns about the Enger Park clubhouse include:

- **Not ADA Accessible:** The building is not handicap accessible nor in compliance with Americans with Disabilities Act (ADA) regulations. Any renovation of the facility will likely require significant ADA improvements.
- **No Air Conditioning:** This is a detriment to clubhouse sales, especially food and beverage, as people do not want to sit around in an uncomfortable setting. It also has an adverse effect on employee morale, especially kitchen workers, where it can become uncomfortable.
- **Parking:** The parking lot is located on the other side of Skyline Drive. As there is no bag-drop area, golfers are thus required to carry their bags across a fairly busy street in order to access the clubhouse and course.
- **Men's Restroom:** Another significant issue is that the men's restroom is located in the basement, rather than on the main floor. There is no elevator connecting the floors.
- **Insulation:** The clubhouse has inferior insulation, making it unnecessarily hot in the summer and cold in the spring and fall. Like the AC, this affects both revenue and employee efficiency.
- **Electrical:** The clubhouse has some significant electrical problems. There is a definite problem with running too many appliances at one time, which can short the circuit.

**Enger Park Grill:** The basic snack bar at Enger Park, the grill area, serves the day-to-day needs of golfers and others. The space has seating for up to 50 and includes a counter bar area. The grill occupies the most space on the main floor and is the area golfers would walk into from the front door. The dining area is L-shaped, with some of the tables out-of-sight from the grill bar. There is a beautiful deck area outside the pro shop that would appear to have the ability to seat 30-40 people. A three-season

outbuilding with significant additional seating accommodates numerous corporate and nonprofit events throughout the season.

A 2021 public engagement process, supported by golf industry consultants, led to the completion of the Enger Park Golf Course Renovation Plan, which was approved by City Council in October 2021 and is available at this link: <https://duluthmn.gov/media/12116/enger-park-golf-course-renovation-plan-final.pdf>

The City of Duluth is actively pursuing design and funding packages to implement Phases 1 and 2 from the Renovation Plan. This includes irrigation system replacement and associated course improvements as well as replacement of the outdated, non-ADA compliant clubhouse with a modern, efficient new building.

### Lester Park Golf Course

Lester Park Golf Course (“Lester”) offers 18 holes remaining for play during 2023. Lester also shares most of the same operational concerns and facility issues, including an aging golf course and clubhouse.

Lester Park is located at the northeastern corner of the City (on the border), much further away from the population center. However, it is located less than a mile from Lake Superior, and it offers spectacular views of the Lake from a large percentage of the holes. There is no residential development along the course. Access to Lester Park Golf Course is convenient for tourists, located just off the main interstate, which is a gateway to Northeastern Minnesota.



The course was expanded from its original 18 to 27 holes in 1988 by Dick Phelps, ASGCA, with the creation of the Lake 9 and partial renovation of the original 18. The Lake 9 was permanently closed following the 2019 season and is no longer being maintained.

The remaining 18 holes at Lester Park Golf Course feature exciting elevation changes and dramatic vistas. Both the Front and Back nines have ten sand bunkers each. The Front has three holes where water comes into play, while the Back has two. While the irrigation system for all 27 holes was installed in 1988, seventeen of the greens are original and date back to 1939.

Yardage from the back tees for the Front and Back 18 total only 6,371, making it a relatively short course by modern standards. Because of its shorter length, lack of traps,

older greens, and lower difficulty level, the Front/Back 18 holes are not very appealing to lower handicap golfers or tourists.

The driving range is located down the hill from the clubhouse, convenient to both the parking lot and clubhouse, but on the opposite side to the first holes. There is an unoccupied range attendant building that houses the ball machine.

The Lester Park clubhouse was constructed in 1942 and consists of three levels, including a basement, and has about 4,000 square feet and is ADA accessible. The concerns about the Lester Park clubhouse noted include:

- **No Air Conditioning:** This is a detriment to clubhouse sales, especially food and beverage, as people do not want to sit around in an uncomfortable setting. It also hurts employee morale.
- **Men’s Restroom:** The men’s restroom is located in the basement, rather than on the main floor. There is no elevator connecting the floors. However, there is a unisex restroom on the main floor.
- **Insulation:** The clubhouse has inferior insulation, making it unnecessarily hot in the summer and cold in the spring and fall. Like the AC, this affects both revenue and employee efficiency.

The City currently holds a lease for golf carts and maintenance carts which continues through the 2023 season. The course operator will assist the City with determining the future direction of our cart fleet and assisting in cart recommendations and negotiations.

Supplemental information about the facilities is listed with links in Appendix B.

## **IV-2. Financial Performance**

The overall Financial performance of the City’s public golf courses has been poor. An increase in the number of publicly available holes of golf in the region, coupled with a decline in rounds played nationally, and capital borrowing have led to more than \$2.5 million in debt in the Golf Enterprise Fund. Multiple studies and research have supplied recommendations for how to reverse this financial course and are listed with links in Appendix B.

Recent Financial Performance:

<b>Rounds of Golf</b>	<b>Total Revenue</b>	<b>Labor &amp; Expenses</b>	<b>Net Income</b>
2015 – 81,059	2015 – \$1,931,016	2015 – \$1,873,249	2015 – (\$180,370)
2016 – 76,127	2016 – \$1,822,936	2016 – \$1,716,265	2016 – (\$141,314)
2017 – 67,657	2017 – \$1,730,447	2017 – \$1,584,087	2017 – (\$105,627)
2018 – 61,004	2018 – \$1,692,368	2018 – \$1,520,405	2018 – (\$66,444)

2019 – 51,308	2019 – \$1,481,714	2019 – \$1,477,342	2019 – (\$191,490)
2020 – 39,337	2020 – \$1,083,095	2020 – \$1,063,304	2020 – (\$100,294)
<b>2021 -- 41,063</b>	<b>2021 -- \$1,363,704</b>	<b>2021 -- \$1,041,169</b>	<b>2021 -- \$186,415</b>

NOTE: Cost of Goods is not listed above, but is calculated to arrive at Net Income

### **IV-3. Capital Improvements – Enger Park Golf Course**

Numerous studies and public input processes, followed by City Council action, have contributed to the current Enger Park Golf Course Renovation Plan, used as the concept now guiding the design and funding phases of this critical capital improvement project. The full plan is listed with a link in Appendix B for reference.

### **IV-4. Dates/Hours of Operation**

The golfing season in Duluth generally runs from April through October. Weather is highly variable and a successful operator will maximize course operations in relation to the weather and available daylight.

Available for consideration are complementary off-season activities at the course, likely most practical once a new clubhouse is completed. In the off-season, the courses are currently enjoyed by the general public for walking, running, skiing, snowshoeing, and disc golfing.

Public input has emphasized the desire to maximize use of the grounds and facilities, which nonetheless must still ensure positive financial performance. A desire for golf simulators has been expressed by the golf community and is reflected in the Enger Park Golf Course Renovation Plan as well.

### **IV-5. Maintenance Standards**

Applicants shall supply an overview of their proposed maintenance standards as they align with both industry standards, financial performance, weather, geography, and conditions of Duluth Golf.

Two maintenance levels shall be described:

1. Minimal maintenance necessary for asset preservation at Lester Park Golf Course prior to its single season reopening and at Enger Park Golf Course while it is closed for play and undergoing capital improvements.

Standard maintenance of the courses while they are open for full operation and play.

**APPENDIX A - PROPOSAL COVER SHEET  
CITY OF DULUTH  
RFP# 22-AA08**

<b>Bidder Information:</b>	
Bidder Name	
Mailing Address	
Contact Person	
Contact Person's Phone Number	
Contact Person's E-Mail Address	
Federal ID Number	
Authorized Signature	
Name of Authorized Signer	
Title of Authorized Signer	
Email of Authorized Signer	

**APPENDIX B: REFERENCE DOCUMENTS**  
**CITY OF DULUTH**  
**RFP 22-AA08**

1. Duluth Public Golf webpage: <https://duluthmn.gov/parks/golf/duluth-public-golf/>.  
Materials included are listed below and accessible by clicking on each link:
  - a) [Proposed Changes to Ownership and Use of Public Green Space in the Lester Park and Enger Park Areas](#)
  - b) [Lester Area Future Protection Designation Map](#)
  - c) [Golf Study Citizen Advisory Findings](#)
  - d) [Duluth Golf Course Facility Assessment](#)
  - e) [Facility Assessment Supplement - Enger Course](#)
  - f) [Facility Assessment Supplement - Enger Irrigation](#)
  - g) [Duluth Golf Public Opinion Research](#)
  - h) [2019 Fund 503 Budget Summary](#)
  - i) [JJ Keegan Financial Review](#)
  - j) [Golf Facility Strategies](#)
  - k) [Golf Model](#)
  - l) [Lester Park Golf Course Market Analysis](#)
  - m) [Enger Area Development Master Plan Concept](#)
  - n) [Golf Citizen Advisory Committee Charge](#)
  
2. Progress in the Park – Enger Golf Course Renovation webpage:  
<https://duluthmn.gov/parks/parks-planning/progress-in-the-park/enger-golf-course-renovation/>
  
3. Enger Golf Course Renovation Plan:  
<https://duluthmn.gov/media/12707/enger-park-golf-course-renovation-plan-final.pdf>

Exhibit B

# indigo<sup>TM</sup> SPORTS<sup>B</sup>

A Troon Company

## Indigo Sports

*Response to RFP 22-AA08: Golf Course Operator*

*Prepared For: City of Duluth, MN*

---

*Mike Cutler  
Senior Vice President  
mcutler@indigogolf.com*



**APPENDIX A - PROPOSAL COVER SHEET  
CITY OF DULUTH  
RFP# 22-AA08**

<b>Bidder Information:</b>	
Bidder Name	INDIGO SPORTS, LLC
Mailing Address	12700 SUNRISE VALLEY DR, SUITE 300 RESTON, VA 20191
Contact Person	MIKE CUTLER
Contact Person's Phone Number	703.891.3387
Contact Person's E-Mail Address	MCUTLER@INDIGOGOLF.COM
Federal ID Number	86-1092316
Authorized Signature	
Name of Authorized Signer	JEFF HANSEN
Title of Authorized Signer	SECRETARY
Email of Authorized Signer	JHANSEN@TROON.COM

# Introduction & Executive Summary

## Why Indigo?

Indigo Sports (“Indigo” formerly Billy Casper Golf) has proudly operated the Enger Park and Lester Park for the City of Duluth (“City”) since 2015. Indigo values the collaborative approach developed with the City as together we have addressed infrastructure challenges to provide a golf amenity for residents. Our close working relationship has led to a keen appreciation and understanding of the City’s goals and future needs in a golf partner. Our entire team is confident that a renovated Enger Park will achieve the City’s mission of promoting the health and well-being of community, environment and economy while enhancing the facility in the future.

Indigo currently manages over 120+ Municipal golf courses nationwide. There are several recurring themes within municipal golf – Duluth is no different. Municipal golf needs to provide an affordable recreational amenity for residents, maximize every dollar spent, create a value laden experience and achieve long-term sustainability while fully engaging the community.

To this end, we provide the following examples that will be expanded upon at Enger Park:

## Engaging the community

Since 2017, over 100 juniors have participated in our junior golf program with over 100 juniors are expected in 2022. Furthermore, our General Manager has been the golf coach of Duluth Marshall’s golf team.

In an effort to expand the visibility of the Courses, Indigo hosted Minnesota PGA Junior Events in 2018 and 2019. In 2019 the 16-19 year old boys & girls end of season championship was also held at Lester Park in August. Enger Park in 2020 & 2021 hosted an extra Players Tour Event and will host one event in 2022.



6th ANNUAL JUNIOR GOLF SCHOOL SUMMER

Helping Boys & Girls Ages 5-15 Grow Into Golfers!

Group 1 on Monday  
June 20th & 27th, July 11th & 18th 9 AM - 11:30 AM  
Group 2 on Tuesday  
June 21st & 28th, July 12th & 19th 9 AM - 11:30 AM

**\$125 Junior** 50 Juniors Per Group  
Register by June 15th

Questions | Mike Bender | PGA | 218 728 3451 | www.golfduluth.com

In March 2022, social media and local marketing have expanded reach with 16% increase in activity and 27% increase in engagement. In March 2022, over 4,000 people were reached and Enger Park is not open for play.

## The Guest Experience

No revenue initiative proves successful without a well-trained, high-performing team. Indigo utilizes its proprietary guest-centric staff training program, ACE the GUEST Experience, that is focused on consistently exceeding expectations during golfers' journeys at the courses. The staff will be carefully curated and re-oriented to a purpose-over-task approach to gain a high level of guest satisfaction. The onsite teams' commitment to providing a value laden experience is evidenced the facilities winning the ACE Award in 2017 and 2018 based on guest feedback and mystery shop results.

## Agronomic Efforts – Maximizing available dollars

Enger Park is an active steward of the Environment and is a certified member of the Audubon Sanctuary Program. Our Team has been active in-house addressing deteriorating course conditions as evidenced by the smoothing, seeding and grow-in of three fairways in 2020. Water restrictions prevented the planned resurfacing of three fairways in 2021.

**Hole 13 – July 23<sup>rd</sup>, 2020 (Before)**



**August 10<sup>th</sup>, 2020 (After)**



**Hole 16 – July 23<sup>rd</sup>, 2020 (Before)**



**August 10<sup>th</sup>, 2020 (After)**



## Working with the Community

Indigo looks forward to continued collaboration with the City Staff and the Golf Committee Advisory Board to provide an affordable, vastly improved golf amenity for the residents of Duluth. In 2021, Enger Park hosted over 3,000 outing rounds and 5,500 League rounds which represents 12 unique leagues and 44 unique event coordinators.

The newly renovated Enger Park will provide an opportunity to leverage amenities with increased sponsorships similar to a charity tournament. To this end, Indigo works with our owners to identify potential sponsorship opportunities, to include potential naming rights, advertising on driving range balls, etc. Prior to engaging the community and local businesses, Indigo builds a plan that identifies goals, objectives, strategies and timelines, and assigns outreach responsibility to individuals in these arenas. Generally, this will involve coordination from our regional and corporate team to provide support and in-kind support from vendors to assist with potential sponsorships.

## Operational Excellence

Our collective vision is “To be the best operators in the history of golf.” This vision is driven by a culture of excellence throughout every level of the organization. The direct oversight by our professional team ensures that each department expenses are “right-sized”, course presentation is optimized, integrity and market position is uncompromised, and profitability is maximized.

- **Agronomy** – Environmental best practices are woven into the framework of our agronomic plan. This is in concert with a reasonable budget required to provide golfers with quality playing conditions and earn positive word of mouth. Commitments to excellence from the golf course superintendent and others on the maintenance crew lead to efficiencies in staffing and a high-quality, enviable end-product.
- **Operations** - Indigo is excited to continue managing all facets in a manner that separates them from the competition, creates a positive “buzz”, and attracts and retains guests. From sunrise to sunset we schedule tee times, collect fees, provide starter, marshal, bag, and cart services, maintain pace of play, sell merchandise and rent golf equipment. Our operations teams are experts in promoting and producing outings, tournaments, leagues and golf learning programs.
- **Marketing** - Indigo blends art and science (rooted in data) to efficiently connect with the golfers at the right time with engaging content that prompts action. The bedrock of this work is to attract new guests at a low cost of acquisition and promote frequent utilization for greater lifetime value.

## Summary

Moving forward, Indigo will continue to provide expertise and partner with the City to achieve future operational goals, provide outstanding service, and implement successful marketing and community outreach programs focused on increased usage by the local population.

# Company Overview

Our parent company, Troon Golf is headquartered in Scottsdale, Arizona with regional offices and teams in **Chicago Illinois**, Reston Virginia, Palm Beach Gardens Florida, and Honolulu Hawaii. Indigo Sports, is Troon's daily fee and municipal golf brand.

Indigo's municipal client base spans 125+ golf courses, operating 9-hole facilities to entire municipal portfolios with over 160 holes of golf. We efficiently manage golf facilities with effective programming and systems alongside custom touches unique to each operation. This structure and operating philosophy – combined with relatability and complete transparency – earn us frequent praise from clients for outworking other companies while building longstanding, trusted relationships.

In addition to a #GolfForEveryone purpose, part of what distinguishes Indigo is across-the-board adherence to a "G.R.I.T." value system focused on **Growth, Responsibility, Innovation** and **Team**.

Additional qualifications and credentials we offer are summarized below:

- Indigo has successfully operated golf course facilities for more than 30 years, with a distinct reputation for providing superior quality in all facets of golf course operations. We currently operate over 120 municipal golf facilities nationwide.
- Indigo has extensive knowledge of the local golf market and understands the motivations of its golfers, having served as the City's golf course management partner for the past 7 years.
- Indigo offers an extensive Corporate and Regional management and support structure to meet the needs of each course. A team of experienced managers from each discipline, will continue to oversee the management of the Courses.
- Indigo utilizes the latest technology and generally accepted accounting principles to provide the clients of our managed courses full operations accountability through standard golf industry financial statements and reports.
- Indigo has grown to become one of the largest and most successful golf management companies in the U.S. and has accomplished this growth organically, without the assistance of external institutional ownership or financial influence.

Our commitment to the City and the community, coupled with our intimate knowledge of the market, innovative marketing techniques, sizable resources, and proven track record is unmatched. Indigo is confident that together we will continue to evolve and improve the experience for all stakeholders and achieve our shared goals.



## Growth

We carefully develop our team, advance our businesses and elevate the industry



## Responsibility

We own a culture of safety, accountability and sustainability



## Innovation

We lead with entrepreneurial spirit fueled by data, creativity and collaboration



## Team

We ACE experiences together

# Relevant Experience

## Managed Facilities

Indigo manages more than 150 facilities throughout the United States, including several multi-course portfolios, and all sizes and types of golf courses – 9, 18, 27, and 36 holes – public, daily-fee, semi-private, private, practice, and resort. Unless otherwise noted, the golf facility is 18 holes. More information about any of our courses is available upon request. **All Municipal facilities are bolded.** For more information please see [www.indigogolf.com](http://www.indigogolf.com).

## MID-WEST / CENTRAL REGION (43)

### Illinois (23)

- **Chicago Park District of Cook County (7 Courses)**
- **Forest Preserve District of Cook County (11 Courses)**
- **Orchard Valley Golf Course, Aurora, IL**
- **University Park Golf Club, University Park, IL**
- **Waters Edge Golf Course, Worth, IL**
- Whisper Creek Golf Club, Huntley, IL
- White Mountain Golf Park, Orland Park, IL

### Indiana (4)

- **Centennial Park Golf Course, Munster, IN**
- **Crawfordsville Municipal GC**
- Purgatory Golf Club, Noblesville, IN
- The Course at Aberdeen, Valparaiso, IN

### Michigan (4)

- **City of Troy (2 Courses)**
- **Currie Municipal Golf Course, Midland, MI**
- **Fellows Creek Golf Club, Canton, MI**

### Minnesota (2)

- **Giants Ridge Golf Courses**
- **Enger Park Golf Course, Duluth, MN**

### West Virginia (1)

- **Oglebay Resort, Wheeling, WV**

# Renovation

Indigo has extensive experience with capital projects and oversees capital spending typically exceeding \$10 million annually at Indigo-managed facilities nationwide. Indigo places significant emphasis on planning and executing projects to ensure the physical integrity and competitive position of its courses are enhanced and maintained and will do the same for The Courses.

## A sampling of recent capital projects includes:

- **Blue Cypress Golf Course (Jacksonville, FL)** – Indigo managed the redesign, construction, grow-in, and re-opening of the formerly closed 9-hole golf course owned by the City of Jacksonville, FL. Re-opened in April of 2021, plans are underway to build an additional 3 holes to create two six-hole routings.
- **Rock Manor Golf Course (Wilmington, DE)** – Indigo oversaw the facility enhancements which included new tee boxes, bunkers and fairways, in addition to a state-of-the-art irrigation system for top playing conditions all season. A circa 1921 building was restored to retain the flavor of its original structure and serves as Rock Manor’s clubhouse. A grill room and separate pub provide comfortable dining for golfers and non-golfers. For golf tournaments, weddings and other social engagements, a new outing pavilion makes Rock Manor a premium events destination.
- **The Preserve at Eisenhower Golf Course (Crownsville, MD)** – Indigo managed a \$6 million renovation completed by accomplished architect, Andrew Green, including removal of all bunkers replaced by strategic grassy knolls, new A1/A4 Bent USGA spec greens, new Latitude Bermuda fairways and tees, new tall fescue rough, new double row irrigation, and new cart paths in addition to extensive drainage work, stream restoration, and the addition of 17 boardwalks.
- **Ka’anapali Golf Resort (Maui, HI)** – Indigo managed a complete make-over of this resort destination by renovating two 18-hole courses, clubhouse and dining facilities. Golf course improvements included new bunkers, renovation of existing bunkers, cart path resurfacing and expansion. Facility improvements included re-design of the restaurant and clubhouse (exterior & interior). The \$13M project culminated in a grand re-opening of a world class golf resort.
- **Lyman Orchards (Middlefield, CT)** – Indigo managed a \$2 million renovation to the Robert Trent Jones design course including rebuilding of all bunkers, a full irrigation system replacement, and extensive drainage improvements. Indigo also managed the construction of a 9-hole short course player development facility at the same site.
- **St. Johns Golf & Country Club (St. Augustine, FL)** – In 2019, Indigo began a two-phase renovation at the 18-hole, semi-private property. Phase 1 (concluded in 2019) included a complete renovation of all 76 bunkers, expansion of existing practice putting green, and addition of short game complex for a total cost of \$250,000. For Phase 2 (under construction) Indigo invested \$2.5M to expand the banquet/event space, create an outdoor F&B space, and enhance the ceremony site, making St. Johns a premier golf and F&B facility in Northern Florida.



# Rock Manor Golf Course

## Background

Rock Manor Golf Course was once the pride of Wilmington, Delaware. Golfers had been playing “The Rock” since 1921. What was a beloved favorite fell into a state of disrepair. City officials wanted better for their golfers who relied on public facilities for recreation. They created The Rock Manor Golf Corporation, an agency charged with renovating the course and revitalizing its image. The corporation sought the expertise of a golf management company to design and oversee a complete facelift.

## Implementation

Troon, under the Indigo Sports brand (Indigo) welcomed the opportunity to work on the much larger Blue Ball Master Plan that included road construction, waste water treatment plant and creation of recreational parkland. In a true public-private partnership, Indigo worked with multiple agencies:

- The Delaware Department of Transportation
- The Department of Natural Resources and Environmental Control
- The New Castle Conservation District
- New Castle County & City of Wilmington

Indigo provided full oversight of the pre-opening process, including grow-in of the golf course and construction of a maintenance facility and cart storage building. We coordinated weekly meetings with architects, engineers, construction companies and the municipal agencies; purchase analysis and variance management to budget; operational input on design and schematics; ongoing concept development; and activities timelines.

## Results

The Lester George-re-designed championship layout is extremely playable and features bentgrass tee boxes, fairways and greens, wall-to-wall cart paths and a state-of-the-art irrigation system. Best-in-class playing conditions continue to impress existing and new community golfers who are playing with great frequency and inviting friends along. James M. Baker, Mayor of Wilmington, says it best:

***“Rock Manor has become a favorite among golfers. To provide citizens with an award-winning layout and positive, affordable experiences with a game that so many people enjoy makes us proud that we moved forward to preserve this great public asset.”***



THE PRESERVE  
AT EISENHOWER GOLF COURSE

# The Preserve at Eisenhower Golf Course

## Background

When Anne Arundel County purchased Eisenhower Golf Course in 2017, the plan was to create an environmentally friendly, first class facility enjoyable for golfers of all skill levels. After interviewing many accomplished architects, Andrew Green, president and principal at A.H. Green Design/Green Golf & Turf, was tasked to bring our vision to life. Operating the facility since 1998 along with the County's sister property, Compass Pointe Golf Course, Indigo Golf Partners was retained to assist with renovation oversight, grow-in and management of the property.

## Implementation

In tandem with Andrew Green and Indigo, Anne Arundel County's Department of Public Works and Watershed Protection and Restoration Program set out on a **30-month long, \$6 million** renovation and restoration project that included both the golf course and the wildlife sanctuaries and streams that intertwine the property. To minimize water usage, a state-of-the-art efficient irrigation system was installed while fairways and tees were replaced with drought tolerant Bermuda grasses. Improving course playability and pace-of-play, while still maintaining a level of challenge, traditional sand bunkers were removed, and replaced with strategic knolls (also called hummocks) and low-cut approaches / mounding to protect the larger reshaped greens. Meanwhile, Indigo's marketing and design team got to work, re-branding the course as "The Preserve" reflecting not only the Eisenhower serving local players as a championship golf course, but its goal to become a sanctuary for local wildlife.



## Results

Much to the excitement of the local golfing community, The Preserve at Eisenhower Golf Course officially re-opened on May 1<sup>st</sup>, 2021.

### Renovation Highlights Include:

- new A1/A4 Bent USGA spec greens
- new Latitude Bermuda fairways and tees
- new tall fescue rough
- new double row irrigation
- new cart paths
- new putting green
- lengthened driving range and newly installed tee line
- removal of sand bunkers, replaced with strategic hummocks

### Conservation Highlights Include:

- 6,255 ft of stream restoration
- 13.23 acres of wetland creation
- 1,343 ft of boardwalk installed
- 1,352 lbs/year of prevented total suspended solids to Broad Creek
- Eradication of existing invasive plant species on the site
- Planted over 20 different species of pollinator plan



2<sup>nd</sup> Hole Green



Stream Restoration



Modular Clubhouse



Course Construction



Pro Shop



10<sup>th</sup> Hole Green

# Regional Support

Indigo's Regional Team will continue to serve as the primary personnel to oversee the management and operation of the Courses. This team has developed an exceptional working relationship with the City to ensure goals are achieved.



## **Joel Gohlmann, PGA**

Executive Vice President of Operations

Overseeing operations for Indigo's portfolio is a big job and Joel continues to be up to the task. He is ultimately responsible for financial performance of golf courses and associated amenities, including clubhouse operations, food and beverage and other on-site functions. Over his 30 years in the golf business, Joel served other management companies – directing courses in Colorado, Iowa, Michigan, Minnesota and Virginia – before joining Indigo 16 years ago.



## **Bill Colgan**

Regional Director of Operations

Mr. Colgan has over 10 years of experience with Indigo, overseeing a variety of daily fee & semi-private courses throughout the Midwest. Bill is based out of the Midwest Office and oversees the Chicago Region, working directly with a team of General Managers/Superintendents to ensure excellent operations at all facilities in his region. A former General Manager himself, Bill specializes in daily-fee golf and large-scale F&B operations.



## **Bryan Bielecki, GCSAA**

Vice President of Agronomy

Bryan holds strong command of how golf course and property maintenance coincides with business needs. He has led Indigo's agronomy initiatives for more than 20 years, developing and directing high-performing teams which consistently and cost-efficiently deliver outstanding course conditions. Bryan also oversees building new golf courses and multi-million-dollar course renovation projects, many highly ranked by Golf Digest. Golf and landscape trade media often feature Bryan in its coverage.



## **Abigail Marrinan**

Regional Director of Sales and Marketing

Based in Chicago, Abby manages, with aplomb, development and implementation of marketing plans, including advertising, direct marketing, promotions and sales – all held to strict key performance metrics standards. Her positive attitude and results-orientation is infectious and leads to revenue generation exceeding budget. Abby started with Indigo nine years ago in Jacksonville and has been twice promoted. She is all about Florida State University.

# Human Resources

Hospitality and recreation is a “people” business. Furthermore, guests’ demands and service expectations are at all-time highs. As such, Indigo has expended considerable resources recruiting, training and developing top talent.

We call this “human capital.” It is driven by our proprietary performance management system that monitors and assesses job performance, with constructive feedback and goals, to create meaningful ways for employees to reach their potential and grow professionally.

## Training and Development

There are many reasons – notably cultural and career development – Indigo attracts and retains the best talent in the industry. Facilitating the ability to develop great people are our leading training programs under the “IndiGrow” banner:



Our online university features more than 50 comprehensive training modules for career development. The platform is integrated with our performance management system so that managers can assign training to match goals established during the annual review process.



Our mentorship program was established to identify and support “rising stars” within our organization. Selected mentees are paired with company executives for a six-month program to network, grow, and develop for their next steps with Indigo Sports.



Change is constant, which is why Indigo Sports supports the continued education of our employees through national and regional meetings. Our meetings allow employees to share best practices and hear from subject matter experts from the PGA, USGA, GCSAA, etc.

*"At Indigo Golf, our people are our greatest asset which is why we strive to 'ACE the Employee Experience' each and every day. We hire the best candidates who share our core values and provide them with training and development resources to support their current role and career aspirations. To summarize, our clients' success is because of our people, leaders and values."*



Tom Reilly  
VP of Human Resources

## ACEing the Experience

Led by a professional “employee trainer,” our series of teaching-learning modules illustrate how to carry out Indigo Sports’ guest vision statement. Guidelines for acceptable and unacceptable behaviors are demonstrated and discussed, as is role playing, for daily execution of best service practices during each interaction – from parking cars to drive away.

We promote empathizing with each guest’s personal situation, anticipating and servicing their needs, and then introducing guests to the next portions of their safe and fun journeys, creating positive, seamless experiences throughout.

Formal training sessions are augmented by regular reviews of the Indigo Sports guest vision statement, as well as service and behavior standards, in department and all-staff meetings. Timely feedback on observed positive and negative interactions is provided – these are teaching moments, not indictments.



The Courses will be subject to Mystery Shopping exercises (as well as guest surveys) anonymously conducted by professional, independent evaluators. Reports are used to further train, incentivize and reward employees.



## Service Recovery

The occasional dissatisfied customer – whether expressed or largely unknown – needs to be converted into a loyalist. Staff will be taught to subscribe to our “LAST” techniques for appropriate service recovery responses.



### LISTEN

- Don't interrupt
- Make eye contact
- Show Respect
- Calm and clarify



### ACKNOWLEDGE

- Recognize problem
- Apologize
- Empathize



### SOLVE

- 100% attention
- Immediate action
- Timely follow-up



### THANK THE GUEST

- Appreciation
- Patience
- Positivity
- Helpfulness

# Golf Operations



## The Golfer's Journey

1



The golfer's journey begins with the tee time reservation process. Attentively managing the point-of-sale and tee time systems encourages easy booking via online (mobile, desktop, tablet) telephone, golf shop and third-party affiliates.

Upon arrival, guests will enter the expertly merchandised golf shop offering high quality, competitively priced items. Welcoming attendants will greet each guest, collect contact information, process payments, and politely usher guests to the next stage of their journey.



2

3



Starters will maintain punctuality on the first tee and provide guests with pertinent course information prior to their round. "Starter Scripts" inform guests of pin positions, golf cart rules, pace of play, restroom locations, and beverage cart availability.

Course marshals and beverage cart attendants will serve to enhance guests' experience while on the golf course. Marshals assist groups by maintaining the expected pace of play, while beverage cart attendants quench thirsts.



4

5



At the conclusion of each round, cart attendants will thank guests for visiting and invite them to book their next round. If available, guests are directed to the club restaurant to eat, drink, and relive the shots that could have been.

ace

*"Our ACE the Guest Experience training program is the foundation of our company culture. We help employees 'see the forest for the trees' with a task versus purpose re-orientation.*

*Using a holistic view of the guest journey, we teach employees the impact of every interaction. Employees learn to empathize with each guest's personal situation, anticipate and service needs, and then introduce the guest to the next portion of their journey, creating a positive, seamless experience."*



Joel Gohlmann  
Executive Vice President

# Player Development

We intend to continue to deliver golfer development programs to meet the learning needs of men, women, seniors, juniors, beginners, avid players, low handicappers and those with disadvantages and special needs. As a pioneer in this area, we are laser focused – in fun, non-threatening and affordable ways – to introduce new players to the game. Indigo also prompts those on a golf hiatus to return and others to play more frequently by scoring better.

PGA Golf Professionals will conduct individual and group lessons and clinics in sync with golfers of all abilities – for a fee and free – throughout the year. We target specialized programs for women and millennials which comprise 24% and 28% of the golf population, respectively.



## Junior Golf



**75,000** gofutures  
GROWING THE GAME

Indigo-managed golf courses host over 75,000 Junior rounds annually, including 20,000+ free of cost as part of our GoFutures initiative.

**first tee 6,000**

Indigo manages twenty-eight (28) courses that serve as the “headquarters” for their local First Tee chapter, hosting more than 6,000 first tee golfers annually.

**1,300** PGA jr.league

Forty-two Indigo-managed courses hosted a PGA Jr. League team last year with over 1,300 participants nationwide.

# Outings & Events

It's one thing to aggressively sell group golf events, it's another when outstanding service levels differentiate each facility and generates market share growth and guest loyalty. Keen attention to detail centers on professional tournament services, including player pairing, customized rules and administration, personalized scorecards and cart signs, online and in-person registration, contest hole signage and set-up, professional scoring, merchandise giveaways and special bells and whistles.

## In-House Events

Our blue-sky thinking includes adding fun programming and events to the golf and social rotation. Indigo will establish a golf and non-golf social calendar that promotes fun experiences for golfers and non-golfers alike. These examples are poised to add community excitement and incremental revenue:



# Innovation

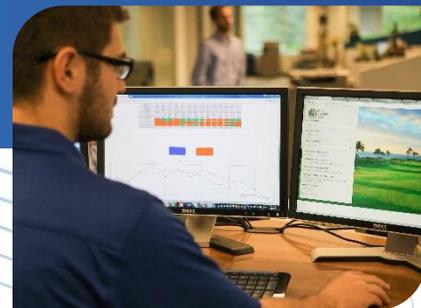
**Gamification:** Indigo has installed “gamification” technology on driving ranges at several strategic locations. Top Tracer, InRange, and a variety of other companies, use radar tracking technology to “gamify” traditional driving ranges. The social and entertainment appeal of these technologies attracts millennial participants that traditional golf struggles to retain.

**Simulators:** Many golf courses have evaluated indoor golf simulators in search of alternative revenue streams during the off-season. In 2019, Indigo partnered with the leading golf simulator manufacturer, GolfZon, to open a golf simulator café (“ZStrict”) in Chelsea Piers, CT.

**Touch-free / Mobile:** Indigo will continue leveraging our strategic partnership with G1 to provide input on POS functionality and improvements. Our current priorities center on enhancing contact-less payment and pre-payment technologies to improve the guest experience and further differentiate the Courses from their competitors.



# Marketing Overview



In today's hyper-competitive world, prioritizing a professional marketing and sales culture is essential. "Build-it-and-they-shall-come" reliance should not apply.

Indigo Sports blends art and science (rooted in data) to efficiently connect with golfers at the right time with engaging content that prompts action. The bedrock of this work is to attract new guests to the Courses at a low cost of acquisition and promote frequent utilization for greater lifetime value. Simply lowering greens fees isn't a strategy and presenting a pristine golf course alone doesn't automatically translate to revenue.

On behalf of the Courses, we will proactively manage the marketing process, identifying specific revenue levers to meet the desired goals and objectives.

## Strategy and Plan

A well-organized roadmap prevents ineffective reactionary marketing. Our marketing team will reduce to writing what is crucial, at a high level, to meet one or more business objectives for the Courses and a time frame for achievement. Our plan – a.k.a. "Duluth Revenue Playbook" – details how the Courses' brand is positioned and strategy is executed. Following analysis of historical and competitive set data, we will schedule activities and tasks, roles and responsibilities, and budget. The strategy and plan are discussed with and approved by the City. As the plan is undertaken, we constantly measure campaign effectiveness against key performance indicators.



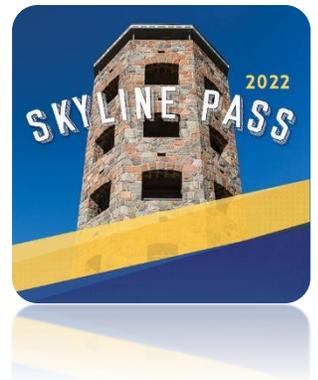
 Sales Fundamentals	<ul style="list-style-type: none"><li>• Training</li><li>• Guest Acquisition</li><li>• Guest Retention</li></ul>	<ul style="list-style-type: none"><li>• CRM</li><li>• Quality Assurance</li><li>• Professional Design</li></ul>
 Revenue Management	<ul style="list-style-type: none"><li>• Yield Optimization</li><li>• Dynamic Pricing</li></ul>	<ul style="list-style-type: none"><li>• Third-Party Wholesalers</li><li>• Performance Monitoring</li></ul>
 Digital Marketing	<ul style="list-style-type: none"><li>• Responsive Website</li><li>• SEO</li><li>• SEM</li></ul>	<ul style="list-style-type: none"><li>• Organic Social Media</li><li>• Paid Social Media</li><li>• Targeted Email</li></ul>

# Sales Fundamentals

## Growth Focus

Without new customers, nurtured for extended periods of time, business is poised to be flat. That's why we proactively operate under a "4 MORE" thesis – leveraging people-, behavior- and technology-driven stimuli to grow repeat rounds as well as introduce beginners and inspire lapsed golfers to return to the game.

- **Guest Acquisition** – Indigo's Marketing Team will establish measurable, effective, and guest-focused Acquisition Programs that attract NEW guests for the Courses. Acquisition tactics serve the same goal – to attract NEW guests via focused strategies that best target the message to appropriate guest segments by product/service, geography, and guest type. These programs and efforts will be tracked in the Courses' revenue playbook, which includes the details and effectiveness of promotion, event, and campaign.
- **Guest Retention** – Acquiring new guests is only half the equation. Keeping them coming back is the key to growth and sustainability. For the Courses, Indigo Sports will design, execute and measure several programs to inspire and lock-in longtime loyalties, including:
  - Our data scientists utilize our proprietary "Tap In" app to analyze the Courses individual guest behavior trends, unique purchasing habits, play history and anticipated "steady state" future value.
  - We analyze potential marketing strategies designed to create loyalty programs which encourage guests to play the Courses with increased frequency. One option is to establish accounts for guests (e.g. reward card or frequent player program) whereby value-added benefits are achieved as play frequency and / or spend amount increase. Typically, this reward system is automated and purchasing data derived is used to identify upsell opportunities. Revenue is often generated up front and guests feel appreciated and special.



## Technology and Touch

A well-organized sales process will attract the Courses new customers, win their business, provide upsell opportunities and, ultimately, generate previously untapped and incremental revenue.

- **Point of Sale** – Indigo's preferred Point of Sale (POS) technologies G1 / EZSuites, enable the full capabilities of our sales/marketing teams, however Indigo has expansive experience with many different POS systems. Indigo will work with LA County and use best judgment in procuring POS systems for the Courses.
- **Process** – Indigo has heavily invested in a business development system to manage relationships and interactions with current and potential guests. Our advanced Salesforce customer relationship management platform is easy to use in helping the Courses stay connected to guests throughout their lifecycles, streamline productivity and

improve profitability. Guest contact information, as well as their behaviors, interests and buyer status are stored in one central location.

- **Training** – We blend technology with a personal touch based on “people-buy-from-people” reality. Support will be provided to the team (top to bottom) about how to interact with guests, gain their trust and confidence, and translate those connections into revenue. Online learning modules, including video enactments, and consistent role playing contribute to best practices and allow personalities to shine so marketing doesn’t feel like marketing to guests.



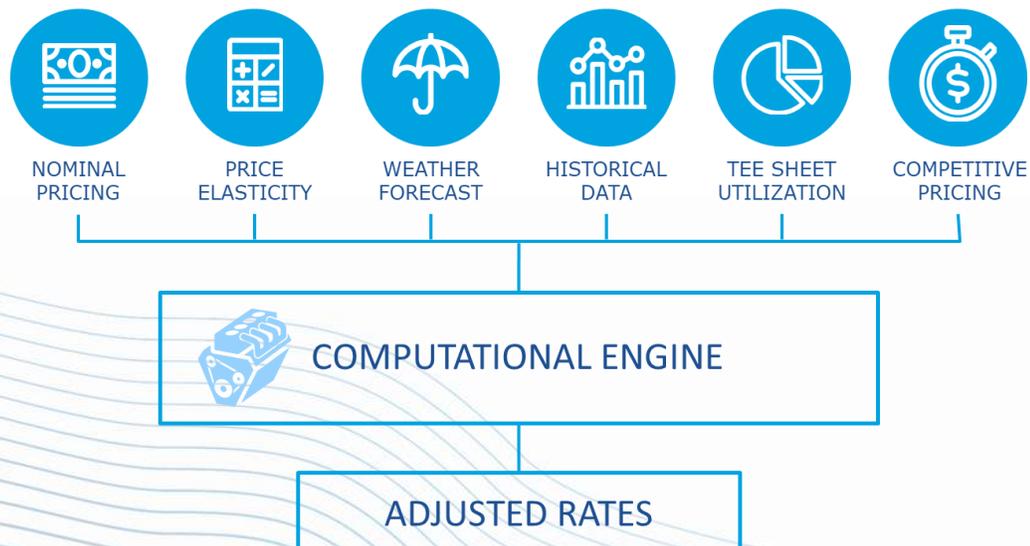
### Campaigns/Communications

Amazing content – subjective and objective – is the ultimate connector between brands and buyers. Indigo specializes in marrying strategic objectives with visual assets to create eye-catching, unique campaigns and collateral for the Courses. Templates are catalogued on our proprietary Design on Demand platform for easy access and customization. Material formats include flyers, e-mail templates, postcards, table tents, digital ads, social posts and more. We often utilize the power the video, as well.

### Dynamic Pricing and Yield Optimization

Golf course managers have long fixated on the metric Average Price per Round (“APR”), evaluating revenue per round played. This metric is important for tracking rate integrity; however, it is not a great indicator of overall pricing performance. Instead, Indigo has shifted focus to tracking Average Price per Opening (“APO”), evaluating revenue per available round.

Indigo’s proprietary analytics software, “Tap In,” creates and executes detailed yield optimization, pricing, and loyalty strategies tailored to the Courses and driven by the combination of facility data and in-market knowledge designed to gain market share from other competitors.



# Course Maintenance



Indigo Sports' agronomy team is highly educated, skilled and determined to deliver outstanding playing experiences to each guest daily. Our guest-centric approach is more than simply growing grass. Focus is also on healthy turf, eco-sustainability and keen attention to detail across the total acreage. This is in concert with a reasonable budget required to impress golfers time and time again and earn their positive word of mouth. Commitments to excellence from the golf course superintendent and others on the maintenance crew lead to efficiencies in staffing, healthy turfgrass, exceptional playability, an aesthetic "wow" and, most important, guest satisfaction - all with "bang-for-the-buck" efficiency.

## Strategy & Plan

For the Courses, a written agronomic plan will establish short-term and long-term goals, taking into account the maintenance and business needs of the facility. They will align with course upkeep tactics along a clear schedule (e.g. over-seeding, aeration, etc.) for quality assurance measures. The conditioning blueprint accounts for seasonality yet is flexible to meet nuances in weather conditions, golfer traffic, potential capital expenditures and other variables. We will strictly adhere to an approved budget consistent with standards and metrics within the Courses agronomic plans.

"Man-in-Motion" labor analysis aids our superintendents in creating efficient and effective budgets. Indigo benchmarks each agronomic plan against similar facilities in our portfolio to identify areas of opportunity.

In addition to labor analysis, the Indigo agronomic plan includes a chemical and fertilization schedule with integrated budget calculators based upon application frequency, product cost, and treated acreage.

Task	# of Workers	Per Worker	Per Day	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Change Cups/Set-up	2	4	8	235.2	235.2	235.2	235.2	235.2	35.2	235.2	235.2	235.2	235.2	235.2	235.2	2832
Mow Greens	2	2.5	5	147.0	147.0	147.0	147.0	147.0	47.0	147.0	147.0	147.0	147.0	147.0	147.0	1764
Mow Collars/Approach	1	3.5	3.5	44.1	44.1	44.1	44.1	44.1	14.1	44.1	44.1	44.1	44.1	44.1	44.1	529
Mow Tees	1	3.5	3.5	44.1	44.1	44.1	44.1	44.1	14.1	44.1	44.1	44.1	44.1	44.1	44.1	529
Mow Fairways	2	5	10	126.0	126.0	126.0	126.0	126.0	26.0	126.0	126.0	126.0	126.0	126.0	126.0	1512
Roll Greens	1	3.5	3.5	44.1	44.1	44.1	44.1	44.1	14.1	44.1	44.1	44.1	44.1	44.1	44.1	529
Mow Rough	2	5	10	126.0	126.0	126.0	126.0	126.0	26.0	126.0	126.0	126.0	126.0	126.0	126.0	1512
Mow Surrounds	1	4	4	50.4	50.4	50.4	50.4	50.4	50.4	50.4	50.4	50.4	50.4	50.4	50.4	605
Trim Patrol	2	5	10	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	504
Coolers/Trash	1	1	1	29.4	29.4	29.4	29.4	29.4	29.4	29.4	29.4	29.4	29.4	29.4	29.4	353
Topdress Greens	2	4	8	168	168	168	168	168	33.6	168	168	168	168	168	168	370
Topdress Tees	1	5	5	0.0	0.0	0.0	0.0	21.0	21.0	21.0	21.0	21.0	21.0	0.0	0.0	105
Chemical Application	1	3.5	3.5	73.5	73.5	73.5	102.9	102.9	102.9	102.9	102.9	102.9	102.9	73.5	73.5	1088
Fertilizer Application	1	3	3	126	126	126	126	37.8	37.8	37.8	37.8	37.8	12.6	12.6	12.6	277
Pin Bunkers	2	3	6	176.4	176.4	176.4	176.4	176.4	176.4	176.4	176.4	176.4	176.4	176.4	176.4	2117
Pin Bunkers	1	8	8	33.6	33.6	33.6	50.4	67.2	67.2	67.2	67.2	67.2	50.4	33.6	33.6	605
Pin Repair	1	4	4	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	504
Pin Scaping	2	3	6	25.2	25.2	25.2	25.2	25.2	25.2	25.2	25.2	25.2	25.2	25.2	25.2	302
Pin Divots	1	1	1	29.4	29.4	29.4	29.4	29.4	29.4	29.4	29.4	29.4	29.4	29.4	29.4	353
Pin Watering	2	3	6	50.4	50.4	75.6	100.8	100.8	0.0	0.0	0.0	100.8	100.8	50.4	50.4	630
Pin Aeration	1	6	6	25.2	25.2	25.2	25.2	75.6	0.0	75.6	0.0	75.6	25.2	25.2	25.2	403
Pin Cutting	2	4	8	168	168	168	33.6	33.6	33.6	33.6	33.6	33.6	16.8	16.8	16.8	302
Pin Mowing	1	8	8	0.0	0.0	33.6	0.0	67.2	33.6	0.0	67.2	67.2	0.0	0.0	0.0	336
Pin Removal	1	1	1	4.2	4.2	0.0	0.0	0.0	0.0	4.2	4.2	4.2	4.2	4.2	4.2	29
Pin Equipment Repair	1	8	8	235.2	235.2	235.2	235.2	235.2	235.2	235.2	235.2	235.2	235.2	235.2	235.2	2832
labor Hours				1629.6	1629.6	1701.0	1755.6	1936.2	1726.2	1768.2	1764.0	1839.6	1810.2	1696.0	1646.4	20903
Total Employees				9.7	9.7	10.1	10.5	11.5	10.3	10.5	10.5	11.0	10.8	10.1	9.8	

Task	# of Workers	Hrs/Day	Hrs Per Worker	Jan	Feb	Mar	Apr	May
Change Cups/Set-up	2	4	8	235.2	235.2	235.2	235.2	235.2
Mow Greens	2	2.5	5	147.0	147.0	147.0	147.0	147.0
Mow Collars/Approach	1	3.5	3.5	44.1	44.1	44.1	44.1	44.1
Mow Tees	1	3.5	3.5	44.1	44.1	44.1	44.1	44.1
Mow Fairways	2	5	10	126.0	126.0	126.0	126.0	126.0
Roll Greens	1	3.5	3.5	44.1	44.1	44.1	44.1	44.1
Mow Rough	2	5	10	126.0	126.0	126.0	126.0	126.0

## Core Cultural Practices

Indigo Sports will leverage its talent and resources to properly care and produce impressive playing conditions at the Courses. Obtaining a healthy strand of turfgrass is accomplished through a myriad of strategies and tactics governing common surface and sub-surface (growing medium) variables.



## Maintenance Expectations for 2023

**Lester Park** - The golf course maintenance standards will be similar to those prior to closure. Current staff will prepare the course in 2022 to be ready to open when weather permits in 2023. This will include:

- routine chemical and fertilizer treatments to preserve the existing turfgrass stands.
- Thin and bare areas will be overseeded to maximize aesthetics and playability.
- The bunkers will be edged and raked.
- Freshen up all golf course accessories such as signage, tee markers, etc.

**Enger Park** - The maintenance standards will be similar, but not as intense as when the golf course is open for play. Mowing frequencies can be decreased on all surfaces as playability isn't a concern. Basic chemical and fertilizer treatments will continue to maintain turfgrass health but pest thresholds and treatment intervals will be higher and wider respectively. Indigo recommends and has budgeted additional dollars to re-grass tees and fairways that have not been nor are planned for renovation. Similar to Lester Park prior to opening, we expect to be aggressive in the fall of 2023 addressing thin and bare turf areas, bunkers, etc., to be ready to open when weather permits in 2024.

## Maintenance Expectations for 2024

The maintenance standards at Enger Park in 2024 will be increased as expectations will be higher. In addition to previous maintenance levels, we anticipate the following:

- Replacement of the golf course accessories to improve presentation and perception
- The new irrigation system will allow for:
  - Enhanced moisture management
  - Improved turfgrass density, i.e better playing surfaces.
  - Improved Weed control
  - Continue our turf conversion strategy on the fairways.
  - Recommend turf conversion strategy on select tee boxes

# Assumptions

## ENGER PARK GC 2024 - Pro Forma Assumptions

### Overview

- Utilized 2021 Actuals as baseline in the golf revenue categories (GF, CF, Annual Passes).
- Model is driven by Average \$ per Round (APR) as well as round counts. Comparison is below:

	2021 Actuals	2022 Budget	2024 – Year 1 Post-Reno
<b>Total Rounds</b>	41,440	43,500	41,790
<b>Outings/Events</b>			
<b>Passholders</b>			
<b>Golf Revenue Ave. \$ per Round (APR)</b>	\$24.60	\$25.16	\$30.57
<b>Range APR</b>	\$2.57	\$2.67	\$2.68
<b>Merchandise APR</b>	\$2.77	\$2.11	\$2.75
<b>F&amp;B Contribution per Round</b>	\$1.67	\$1.48	\$1.94

- COVID tailwinds likely subside, but reduction of golf inventory with closure of Lester Park offset potential declining interest
- Assume rate increases to reflect renovation and improved conditions

### Rates - 2022

	Rack	Senior	Junior	Skyline Card	Skyline Snr
<b>18 Holes</b>	\$30	\$26	\$13	\$24	\$20
<b>9 Holes</b>	\$23	\$21	\$7	\$20	\$16
<b>Twilight</b>	\$24				
<b>Cart 18</b>	\$18			\$16	
<b>Cart 9</b>	\$12			\$11	
<b>Skyline Pass</b>	\$55	\$55			

### Newly renovated Enger Park assumptions variance to baseline

#### Revenues

- Rate increases of \$5.00 of Rack Rate Greens Fees in Year 1
- Passholders revision of program – Passholders pay \$1.50 Capital Improvement Plan (CIP) for 9 holes, \$3.00 CIP for 18 holes for each round of golf paid.
- Total Rounds Total relatively flat -assume 10% decrease in member rounds and corresponding increase in Outings and A la Carte golf

## Proposed Rates – 2024\*

	<b>Rack</b>	<b>Senior</b>	<b>Junior</b>	<b>Skyline Rack</b>	<b>Skyline Snr</b>
<b>18 Holes</b>	\$38	\$30	\$14	\$31	\$23
<b>9 Holes</b>	\$25	\$22	\$8	\$21	\$17
<b>Twilight</b>	\$27				
<b>Cart 18</b>	\$18			\$16	
<b>Cart 9</b>	\$12			\$11	
<b>Skyline Pass</b>	\$60	\$60			

\*Indigo would recommend reevaluating pass program due to increased demand – we are happy to discuss thoughts further

### Expenses

- Golf assumptions:
  - o Increased Labor to reflect improved experience as well as Staff performance bonuses
- Maintenance assumptions:
  - o Increased labor to reflect improved conditions, with reset to 2019 as trailing 12 reflects staffing savings due to COVID
- F&B assumptions
  - o Labor function of revenues – clubhouse layout will provide additional savings – contribution has been increased to reflect as such
- G&A assumptions
  - o Includes management fee
  - o Increased credit card fees due to increased usages
  - o Utilities need to be reviewed with new vertical
- Cart Lease – Reflects new cat fleet of 90 carts for Enger upon re-opening
- Equipment Needs – have budgeted lease for new/supplemental equipment at Enger Park, albeit, unsure of financing mechanism that City intends to utilize

## LESTER PARK GC 2023 - Pro Forma Assumptions

### Revenues

- 28,000 Rounds @ blended golf APR of \$21.00. In 2019, blended APR was \$18.50
- Golf Shop Contribution and F&B Contribution mimic historical APR

### Expenses

- Golf assumptions:
  - o Included GM salary at Lester
- Maintenance assumptions:
  - o Labor reflect historical budget, albeit, historically we have spent less than budget
  - o Expenses in line with 2019 actual spend
- G&A assumptions
  - o Includes management fee
- Cart Lease – Assumes Enger Park Carts are relocated to Lester Park and lease is extended

# Expectations

ANNUAL SUMMARY ANALYSIS											
Enger Park											
CLUB SUMMARY											
YEAR	2019	2020	2021	Budget 2022	Closed 2023	New EP Only 2024	2025	2026	2027	2028	2024-28 TOTAL
<b>ROUNDS</b>	26,832	39,337	41,440	43,500	0	41,494	42,509	43,688	44,935	46,222	218,858
<b>REVENUES</b>											
Greens Fees	\$ 208,585	\$ 366,131	\$ 475,815	\$ 512,310	\$ -	\$ 731,982	\$ 778,094	\$ 817,310	\$ 858,502	\$ 901,771	\$ 4,087,670
Cart Fees	\$ 139,612	\$ 207,955	\$ 254,918	\$ 264,691	\$ -	\$ 278,851	\$ 288,527	\$ 299,567	\$ 311,128	\$ 323,237	\$ 1,501,310
Driving Range	\$ 56,025	\$ 90,230	\$ 106,669	\$ 116,045	\$ -	\$ 110,800	\$ 114,645	\$ 119,032	\$ 123,626	\$ 128,437	\$ 596,539
Activity or Pass Card Sales	\$ 31,496	\$ 35,664	\$ 36,511	\$ 40,000	\$ -	\$ 47,300	\$ 48,246	\$ 48,728	\$ 49,216	\$ 49,216	\$ 242,706
Pro Shop Sales	\$ 80,734	\$ 93,453	\$ 114,984	\$ 91,785	\$ -	\$ 114,109	\$ 119,238	\$ 125,026	\$ 129,851	\$ 134,904	\$ 623,127
Food (Food & Soft Drinks)	\$ 76,335	\$ 48,438	\$ 83,912	\$ 73,525	\$ -	\$ 103,391	\$ 108,038	\$ 113,282	\$ 117,654	\$ 122,233	\$ 564,598
Beverages (Alcohol)	\$ 107,352	\$ 93,689	\$ 135,786	\$ 126,820	\$ -	\$ 153,976	\$ 160,897	\$ 168,707	\$ 175,218	\$ 182,037	\$ 840,836
Other Food & Beverage Revenue	\$ 133	\$ 370	\$ 579	\$ 700	\$ -	\$ 6,250	\$ 6,531	\$ 6,848	\$ 7,112	\$ 7,389	\$ 34,130
Other Golf Revenues (Club rental, handicap, locker, bt	\$ 1,264	\$ 811	\$ 2,489	\$ 2,700	\$ -	\$ 10,000	\$ 10,200	\$ 10,302	\$ 10,405	\$ 10,405	\$ 51,312
Clinic / School Revenue	\$ 6,050	\$ 7,765	\$ 11,310	\$ 8,225	\$ -	\$ 12,015	\$ 12,255	\$ 12,378	\$ 12,502	\$ 12,502	\$ 61,651
Dues Income - Monthly Dues	\$ 145,724	\$ 107,931	\$ 145,707	\$ 159,000	\$ -	\$ 157,075	\$ 160,217	\$ 161,819	\$ 163,437	\$ 163,437	\$ 805,984
Miscellaneous Income - (Does not feed to split Summ	\$ 921	\$ 658	\$ 6,163	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUE</b>	\$ 854,233	\$ 1,083,095	\$ 1,374,843	\$ 1,395,801	\$ -	\$ 1,725,758	\$ 1,806,888	\$ 1,882,999	\$ 1,958,651	\$ 2,035,567	\$ 9,409,863
<b>COST OF SALES</b>											
COGS - Pro Shop Merch.	\$ 46,826	\$ 65,892	\$ 71,345	\$ 50,291	\$ -	\$ 60,478	\$ 65,333	\$ 68,504	\$ 71,148	\$ 73,917	\$ 339,380
COGS - Food (food and soft drinks)	\$ 35,632	\$ 29,191	\$ 34,859	\$ 28,747	\$ -	\$ 41,356	\$ 42,241	\$ 44,291	\$ 46,001	\$ 47,791	\$ 221,680
COGS - Beverage (alcohol)	\$ 25,116	\$ 28,002	\$ 39,883	\$ 34,511	\$ -	\$ 40,226	\$ 43,784	\$ 45,910	\$ 47,681	\$ 49,537	\$ 227,139
<b>TOTAL COST OF SALES</b>	\$ 107,574	\$ 123,085	\$ 146,092	\$ 113,549	\$ -	\$ 142,060	\$ 151,358	\$ 158,705	\$ 164,830	\$ 171,245	\$ 788,199
<b>GROSS INCOME</b>	\$ 746,659	\$ 963,010	\$ 1,228,751	\$ 1,282,252	\$ -	\$ 1,583,698	\$ 1,655,530	\$ 1,724,294	\$ 1,793,821	\$ 1,864,322	\$ 8,621,664
<b>LABOR</b>											
Golf Operations Labor	\$ 88,472	\$ 103,428	\$ 104,698	\$ 102,030	\$ -	\$ 158,042	\$ 161,203	\$ 164,427	\$ 167,716	\$ 171,070	\$ 822,457
General and Administrative Labor	\$ 83,242	\$ 92,342	\$ 107,045	\$ 93,010	\$ -	\$ 103,500	\$ 105,570	\$ 107,681	\$ 109,835	\$ 112,032	\$ 538,618
Golf Course Maintenance Labor	\$ 235,556	\$ 194,670	\$ 176,616	\$ 221,950	\$ 190,000	\$ 272,983	\$ 278,442	\$ 284,011	\$ 289,691	\$ 295,485	\$ 1,420,613
Food and Beverage Labor	\$ 56,348	\$ 32,705	\$ 47,078	\$ 46,850	\$ -	\$ 74,772	\$ 76,268	\$ 77,793	\$ 79,349	\$ 80,936	\$ 389,113
Sales and Marketing Labor	\$ 27,181	\$ 27,966	\$ 28,883	\$ 28,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Direct Labor</b>	\$ 490,800	\$ 451,111	\$ 464,220	\$ 492,340	\$ 190,000	\$ 609,297	\$ 621,483	\$ 633,913	\$ 646,591	\$ 659,523	\$ 3,170,806
Total Payroll Taxes	\$ 61,117	\$ 62,352	\$ 64,472	\$ 63,215	\$ 20,900	\$ 66,363	\$ 68,363	\$ 69,730	\$ 71,125	\$ 72,547	\$ 348,129
Total Medical/Health Benefits	\$ 13,779	\$ 17,463	\$ 11,229	\$ 17,400	\$ 4,750	\$ 18,060	\$ 15,537	\$ 15,848	\$ 16,165	\$ 16,488	\$ 82,098
Insurance - Workers Comp	\$ 12,794	\$ 12,132	\$ 9,562	\$ 12,720	\$ 4,909	\$ 15,082	\$ 15,384	\$ 15,682	\$ 16,006	\$ 16,326	\$ 78,490
<b>TOTAL LABOR</b>	\$ 578,489	\$ 543,058	\$ 549,883	\$ 585,675	\$ 220,559	\$ 708,802	\$ 720,767	\$ 735,183	\$ 749,886	\$ 764,884	\$ 3,679,522
Labor as % of Rvnu	68%	50%	40%	42%	#DIV/0!	41%	40%	39%	38%	38%	39%
Labor Burden %	17.9%	20.4%	18.5%	19%	#DIV/0!	16%	16%	16%	16%	16%	16%
<b>OTHER OPERATIONAL EXPENSES</b>											
Golf Operations Expense	\$ 35,267	\$ 24,522	\$ 27,049	\$ 28,150	\$ -	\$ 37,795	\$ 38,351	\$ 39,322	\$ 40,108	\$ 40,911	\$ 196,687
General & Administrative Expense	\$ 154,177	\$ 133,214	\$ 171,611	\$ 169,804	\$ -	\$ 184,940	\$ 188,639	\$ 192,412	\$ 196,260	\$ 200,185	\$ 962,436
Golf Course Maintenance Expense	\$ 91,746	\$ 79,251	\$ 110,385	\$ 126,370	\$ 160,370	\$ 150,275	\$ 153,281	\$ 156,346	\$ 159,473	\$ 162,662	\$ 782,037
Food and Beverage Expense	\$ 16,515	\$ 11,092	\$ 20,713	\$ 17,750	\$ -	\$ 21,050	\$ 21,471	\$ 21,900	\$ 22,338	\$ 22,785	\$ 109,545
Sales and Marketing Expense	\$ 17,522	\$ 14,303	\$ 17,006	\$ 13,170	\$ -	\$ 19,516	\$ 19,906	\$ 20,304	\$ 20,711	\$ 21,125	\$ 101,562
Golf Cart Lease (Feeds from Lease Tab)	\$ 43,056	\$ 81,989	\$ 57,453	\$ 58,333	\$ -	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 342,000
<b>EXISTING - Equipment Leases (Feeds from Lease Ta</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 600,000
Insurance - P and C	\$ 17,275	\$ 16,328	\$ 20,290	\$ 18,000	\$ 18,000	\$ 20,400	\$ 20,808	\$ 21,224	\$ 21,649	\$ 22,082	\$ 106,162
<b>TOTAL OTHER OPERATIONAL EXPENSES</b>	\$ 375,560	\$ 360,699	\$ 424,507	\$ 431,577	\$ 178,370	\$ 619,976	\$ 628,656	\$ 637,509	\$ 652,539	\$ 661,750	\$ 3,200,429
<b>TOTAL EXPENSES</b>	\$ 954,049	\$ 903,757	\$ 974,390	\$ 1,017,252	\$ 398,929	\$ 1,328,778	\$ 1,349,423	\$ 1,372,691	\$ 1,402,425	\$ 1,426,634	\$ 6,879,951
<b>EBITDA</b>	\$ (207,390)	\$ 59,253	\$ 254,361	\$ 265,000	\$ (398,929)	\$ 254,920	\$ 306,107	\$ 351,602	\$ 391,395	\$ 437,689	\$ 1,741,713
<b>CUMULATIVE EBITDA</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 254,920	\$ 561,027	\$ 912,629	\$ 1,304,025	\$ 1,741,713	\$ -
<b>OPERATING MARGIN</b>	-24%	5%	19%	19%	#DIV/0!	15%	17%	19%	20%	20%	22%

Lester Park  
Duluth, MN  
CALENDAR  
CLUB SUMMARY

ROUNDS	0	0	0	422	3,982	4,890	6,155	5,973	4,646	1,931	0	0	28,000
	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	TOTAL
<b>REVENUES</b>													
Greens Fees	\$ -	\$ -	\$ -	\$ 5,129	\$ 48,357	\$ 59,384	\$ 74,733	\$ 72,535	\$ 56,416	\$ 23,446	\$ -	\$ -	\$ 340,000
Cart Fees	\$ -	\$ -	\$ -	\$ 2,124	\$ 20,025	\$ 24,592	\$ 30,948	\$ 30,038	\$ 23,363	\$ 9,709	\$ -	\$ -	\$ 140,800
Driving Range	\$ -	\$ -	\$ -	\$ 10,700	\$ 12,900	\$ 6,600	\$ 6,600	\$ 6,600	\$ 6,600	\$ 4,400	\$ -	\$ -	\$ 54,400
Golf Cards/Passes	\$ 275	\$ 275	\$ 2,750	\$ 4,125	\$ 11,000	\$ 9,625	\$ 2,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,800
Pro Shop Sales	\$ -	\$ -	\$ -	\$ 845	\$ 7,965	\$ 9,781	\$ 12,309	\$ 11,947	\$ 9,292	\$ 3,862	\$ -	\$ -	\$ 56,000
Food Sales	\$ -	\$ -	\$ -	\$ 845	\$ 9,956	\$ 13,449	\$ 16,925	\$ 16,427	\$ 12,777	\$ 4,827	\$ -	\$ -	\$ 75,205
Beverage Sales	\$ -	\$ -	\$ -	\$ 1,162	\$ 10,951	\$ 13,449	\$ 16,925	\$ 16,427	\$ 12,777	\$ 5,310	\$ -	\$ -	\$ 77,000
Other Food & Beverage Revenue	\$ -	\$ -	\$ -	\$ 600	\$ 675	\$ 150	\$ 225	\$ 225	\$ 75	\$ 75	\$ -	\$ -	\$ 2,625
Other Golf Revenues (club rental, handicap)	\$ -	\$ -	\$ -	\$ -	\$ 890	\$ 1,780	\$ 1,780	\$ 445	\$ -	\$ -	\$ -	\$ -	\$ 4,895
Clinic / School Revenue	\$ -	\$ -	\$ -	\$ 8,715	\$ 8,715	\$ 8,715	\$ 8,715	\$ 8,715	\$ 8,715	\$ 8,715	\$ 8,715	\$ 8,715	\$ 104,585
Dues Income - Monthly Dues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Initiation Fee Income / Annual Membership Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amenities Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUE</b>	\$ 8,990	\$ 8,990	\$ 12,065	\$ 34,244	\$ 131,435	\$ 147,524	\$ 171,911	\$ 163,360	\$ 130,015	\$ 60,344	\$ 8,715	\$ 8,715	\$ 886,310
<b>COST OF SALES</b>													
COGS - Pro Shop Merch.	\$ -	\$ -	\$ -	\$ 490	\$ 4,620	\$ 5,673	\$ 7,139	\$ 6,929	\$ 5,389	\$ 2,240	\$ -	\$ -	\$ 32,480
COGS - Food	\$ -	\$ -	\$ -	\$ 338	\$ 3,982	\$ 5,379	\$ 6,770	\$ 6,571	\$ 5,111	\$ 1,931	\$ -	\$ -	\$ 30,082
COGS - Beverage	\$ -	\$ -	\$ -	\$ 284	\$ 2,678	\$ 3,289	\$ 4,139	\$ 4,017	\$ 3,124	\$ 1,298	\$ -	\$ -	\$ 18,830
<b>TOTAL COST OF SALES</b>	\$ -	\$ -	\$ -	\$ 1,112	\$ 11,280	\$ 14,341	\$ 18,048	\$ 17,517	\$ 13,625	\$ 5,469	\$ -	\$ -	\$ 81,392
<b>GROSS INCOME</b>	\$ 8,990	\$ 8,990	\$ 12,065	\$ 33,132	\$ 120,155	\$ 133,183	\$ 153,863	\$ 145,843	\$ 116,391	\$ 54,875	\$ 8,715	\$ 8,715	\$ 804,918
<b>LABOR</b>													
Golf Operations Labor	\$ 4,671	\$ 4,219	\$ 4,671	\$ 10,521	\$ 19,241	\$ 21,141	\$ 22,279	\$ 22,279	\$ 18,621	\$ 10,437	\$ 4,521	\$ 4,671	\$ 147,272
General and Administrative Labor	\$ 7,899	\$ 7,899	\$ 7,644	\$ 7,899	\$ 7,644	\$ 7,899	\$ 7,899	\$ 7,134	\$ 7,899	\$ 7,644	\$ 7,899	\$ 7,644	\$ 93,000
Golf Course Maintenance Labor	\$ -	\$ -	\$ 8,486	\$ 8,213	\$ 21,735	\$ 25,137	\$ 25,975	\$ 25,975	\$ 21,034	\$ 8,486	\$ -	\$ -	\$ 145,043
Food and Beverage Labor	\$ -	\$ -	\$ -	\$ 2,790	\$ 8,184	\$ 10,200	\$ 11,656	\$ 11,656	\$ 10,440	\$ 7,130	\$ -	\$ -	\$ 62,056
Amenities Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and Marketing Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Direct Labor</b>	\$ 12,570	\$ 12,118	\$ 20,801	\$ 29,422	\$ 56,805	\$ 64,376	\$ 67,809	\$ 67,045	\$ 57,993	\$ 33,697	\$ 12,419	\$ 12,315	\$ 447,371
Total Payroll Taxes	\$ 1,383	\$ 1,333	\$ 2,288	\$ 3,236	\$ 6,248	\$ 7,081	\$ 7,459	\$ 7,375	\$ 6,379	\$ 3,707	\$ 1,366	\$ 1,355	\$ 49,211
Total Medical/Health Benefits	\$ 1,505	\$ 1,505	\$ 1,505	\$ 1,505	\$ 1,505	\$ 1,505	\$ 1,505	\$ 1,505	\$ 1,505	\$ 1,505	\$ 1,505	\$ 1,505	\$ 18,060
Insurance - Workers Comp	\$ 932	\$ 932	\$ 932	\$ 932	\$ 932	\$ 932	\$ 932	\$ 932	\$ 932	\$ 932	\$ 932	\$ 932	\$ 11,184
<b>Total Labor Burden</b>	\$ 3,820	\$ 3,770	\$ 4,725	\$ 5,673	\$ 8,686	\$ 9,518	\$ 9,896	\$ 9,812	\$ 8,816	\$ 6,144	\$ 3,803	\$ 3,792	\$ 78,455
<b>TOTAL LABOR EXPENSE</b>	\$ 16,390	\$ 15,888	\$ 25,527	\$ 35,095	\$ 65,490	\$ 73,895	\$ 77,705	\$ 76,857	\$ 66,810	\$ 39,841	\$ 16,222	\$ 16,107	\$ 525,826
<b>OTHER OPERATIONAL EXPENSES</b>													
Golf Operations Expense	\$ -	\$ -	\$ 540	\$ 10,940	\$ 3,165	\$ 3,515	\$ 3,515	\$ 3,465	\$ 3,115	\$ 1,290	\$ -	\$ -	\$ 29,545
General & Administrative Expense	\$ 9,860	\$ 9,960	\$ 11,096	\$ 12,915	\$ 14,509	\$ 15,055	\$ 15,268	\$ 15,847	\$ 14,430	\$ 12,487	\$ 10,989	\$ 7,600	\$ 150,017
Golf Course Maintenance Expense	\$ 500	\$ 500	\$ 1,225	\$ 11,175	\$ 25,850	\$ 9,775	\$ 11,075	\$ 10,525	\$ 6,675	\$ 3,575	\$ -	\$ -	\$ 80,875
Food and Beverage Expense	\$ -	\$ -	\$ -	\$ 800	\$ 1,450	\$ 5,950	\$ 2,200	\$ 2,100	\$ 1,950	\$ 700	\$ 650	\$ -	\$ 15,800
Sales and Marketing Expense	\$ 1,975	\$ 1,325	\$ 1,175	\$ 2,475	\$ 500	\$ 1,091	\$ 1,975	\$ 1,000	\$ 500	\$ 1,900	\$ 200	\$ 200	\$ 14,316
Golf Cart Lease	\$ -	\$ -	\$ -	\$ 9,722	\$ 9,722	\$ 9,722	\$ 9,722	\$ 9,722	\$ 9,722	\$ -	\$ -	\$ -	\$ 58,333
Insurance - P and C	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ -	\$ 13,750
<b>TOTAL OTHER OPERATIONAL EXPENSES</b>	\$ 13,585	\$ 13,035	\$ 15,286	\$ 49,277	\$ 56,446	\$ 46,359	\$ 45,005	\$ 43,909	\$ 37,642	\$ 21,202	\$ 13,089	\$ 7,800	\$ 362,635
<b>TOTAL EXPENSES</b>	\$ 29,974	\$ 28,923	\$ 40,813	\$ 84,372	\$ 121,936	\$ 120,253	\$ 122,710	\$ 120,766	\$ 104,452	\$ 61,043	\$ 29,312	\$ 23,907	\$ 888,461
<b>EBITDAR / OPERATING INCOME</b>	\$ (20,984)	\$ (19,932)	\$ (28,747)	\$ (51,240)	\$ (1,781)	\$ 12,929	\$ 31,152	\$ 25,077	\$ 11,938	\$ (6,168)	\$ (20,596)	\$ (15,191)	\$ (83,543)
<b>CUMULATIVE EBITDAR</b>	\$ (20,984)	\$ (40,916)	\$ (69,664)	\$ (120,904)	\$ (122,625)	\$ (109,755)	\$ (78,603)	\$ (53,526)	\$ (41,588)	\$ (47,756)	\$ (68,352)	\$ (83,543)	\$ (83,543)
<b>OPERATING MARGIN</b>	-233%	-222%	-238%	-150%	-1%	9%	18%	15%	9%	-10%	-236%	-174%	-9%

58%  
40%

\$ 11,184

\$ 15,000 Annual Amount

# Considerations

Indigo submits the following proposal for third-party management. Indigo will provide complete turn-key management of the courses including, golf operations, golf course maintenance, marketing and promotion, general and administrative functions, operating and capital budgeting, employee hiring and training, financial management, accounting services to include accounts payable and reporting.

**Proposed Term:** Five (5) years, with a renewal option, upon mutual consent.

**Structure:** Indigo shall remain solely responsible for all obligations of the agreement and the City shall have full recourse to Indigo for any liabilities caused by this entity. This entity will employ all of the staff. Club-level financial statements will be prepared in the name of this single-purpose entity and Indigo will coordinate accounting interface with the City.

**Club Operation:** Indigo shall operate each facility pursuant to an annual budget, marketing and agronomic plan agreed to and approved by the City. All rates, fees, and expenses shall be defined in advance as part of the budget process. Indigo shall not deviate from this plan without the City's consent. All expenses of operating shall be the responsibility of the City. All employees at the facility shall be Indigo employees and will work exclusively for the benefit of the facility. All employee costs shall be part of the operating expense of the facility. Indigo will retain exclusive right to hire and terminate employees.

**Indigo Oversight:** Indigo's operation will be directed and overseen by our Midwest Office as well as extensive corporate support in all areas of the operation.

**Management Fees:** For management and oversight, Indigo would earn a base monthly fee of Seven Thousand Dollars per month (\$7,000). The management fees are net to Indigo and include accounting services.

**Travel Allowance:** Indigo would be reimbursed for usual and customary travel expenses incurred in connection with oversight of the facilities.

**Indigo Oversight:** Indigo's operation of the facilities will be directed and overseen by a Vice President based in the Chicago office, as well as additional support from personnel based at East Coast office in Reston, Virginia.



**Purchasing Division**  
Finance Department  
Room 120  
411 West First Street  
Duluth, Minnesota 55802

218-730-5340  
purchasing@duluthmn.gov

**Addendum 1**  
**Solicitation 22-AA08**  
**RFP for Golf Course Operator**

This addendum serves to notify all bidders of the following changes to the solicitation documents:

Questions asked are answered in *italics* below.

1. The RFP references Phases 1 and 2 of capital improvements to be concluded at Enger Park. Can you clarify the exact improvements to be expected as the final renovation plan references Phase 1a, 1b, 2, and 3?

***Answer:** The priority improvements amongst all Phases of capital improvements at Enger Park Golf course are those listed as Phase 1a and 1b, which specifically focus on replacing the irrigation system and the clubhouse. Quality of play and experience will be improved with the implementation of Phases 2 and 3. The City will continue to pursue completion of Phases 2 and 3 as expeditiously as funding is available to do so.*

*At this time, the City anticipates funding sufficient to accomplish Phases 1a and 1b during the term of this agreement. Should additional funding be available, the City expects to work closely with the operator to continue to make course improvements in a way that maximizes course use and minimizes disruptions and additional revenue loss.*

2. What type of kitchen is contemplated in the new structure as the renovation plan references two different size kitchens?

***Answer:** For study purposes, the Enger Park Golf Course Renovation Plan evaluated both basic and full kitchen options. The financial projections in this plan are based upon a full kitchen option, which expands food/beverage service and anticipates higher revenue generation as a result of the full kitchen design. A full kitchen option is the City's preferred option.*

*Final kitchen design, including layout, appliance selection, etc. is not yet complete, and the City anticipates soliciting input from the selected operator during the design process.*

3. How will the setting of rates and annual passholder fees occur?

***Answer:** In 2021, the City of Duluth's Parks and Recreation Commission recommended,*

*and the City Council approved, changes to our City code that amended the process and authority for rate setting on our public golf course(s). A complete set of ordinances related to public golf are found in Chapter 35 – Parks and Recreation, Article III. Public Golf Courses. Most applicable is Sec. 35-15. Council to establish oversight of green fees, season ticket fees, etc.*

***Sec. 35-15. Council to establish oversight of green fees, season ticket fees, etc.***

*The green fees, season ticket fees and other special fees to be paid for the use of the golf course in the city shall be set by the golf course supervisor under the direction of the parks and recreation director as described in the applicable Council-approved service agreement. Fees shall represent a reasonable price point for financially accessible and sustainable public golf.*

*Thus, the process for rate setting will be incorporated into the negotiated agreement between the City and the operator prior to the agreement being approved by City Council.*

4. Where is the City at in regards to progress towards construction?

***Answer:*** *Irrigation Consulting Inc. is designing the irrigation system documents tracking towards the City putting the irrigation system project work to bid in late Spring with the possibility for ground-breaking in Fall 2022 at the end of the season. If that timeline is too tight, then construction would begin in Spring 2023.*

5. The RFP reads as a long-term lease type of arrangement, how does that align with the State of Minnesota in regards to property taxes.

***Answer:*** *A long-term lease arrangement is not an arrangement the City intends to pursue with this RFP process.*

6. Would the City entertain an unsolicited public-private partnership? For example, an outside proposal where the private entity invests in the site as a partner wherein the City is not in charge of funding the capital improvements in exchange for a long-term lease, concession, or management contract.

***Answer:*** *A long-term lease arrangement is not an arrangement the City intends to pursue with this RFP process. Responses to the RFP must achieve Phase 1a and 1b capital improvements, at a minimum, and propose a financial arrangement that ensures the City can finance any debt incurred from the course improvements or operations over the proposed duration of the agreement.*

Please acknowledge receipt of this Addendum by including a copy of it with your proposal. The pages included will not count toward any page limitation, if any, identified in the RFP.

Posted: **3/25/22**



# SCENARIO 1 – ENGER PARK 27 THRU 9/1/23

## LESTER PARK REMAINS CLOSED W/INTENT TO OPEN

### Overview

- Utilized Historical average for Prior 3 Years as baseline at Enger.
- Assumed usage of ~75% of historical average with rates remaining at 2022 levels
- Weighted historical split of round counts to 18 hole round counts versus 9 holes
- Have assumed that 18 holes will remain open through July.
- Model is driven by Golf Average \$ per Round (APR) which is budgeted at \$24.93 during renovation versus \$24.60 in 2021 and round counts of 33,152.

### Revenues

- Assume Range revenue adjusts in direct correlation to round counts and 2021 'APR
- Assume reduction in pass program and card sales due to reduction of inventory
- Profit Centers assume revenue adjustment in direct correlation to round counts and 2021 'APR

### Expenses

- Golf assumptions:
  - o Labor adjusted to reflect revised staffing model due to Mike Bender leaving
- Maintenance assumptions:
  - o Increased labor to reflect 2022 budget with slight increase
  - o Increased expenses to reflect costs of grow-in (fertilizers, etc) during construction
- F&B assumptions
  - o Labor function of revenues, contribution has been increased to reflect as such
- G&A assumptions
  - o Includes adjusted management fee
  - o Reduced credit card fees due to decreased revenues
- Cart Lease – Reflects current cart lease
- Equipment Needs – equipment leases are budgeted starting in 2024
- Have assumed \$160,000 in expenses at Lester Park to bring course back to playable condition for 2024

## SCENARIO 3 – ENGER PARK 9 OPEN IN 2024 LESTER PARK PERMANENTLY CLOSED

### ENGER PARK PRO FORMA

#### Overview

- Utilized Historical average for Prior 3 Years as baseline at Enger.
- Assumed usage of ~80% of historical average with rates remaining at 2022 levels
- Model is driven by Golf Average \$ per Round (APR) which is budgeted at \$24.83 during renovation versus \$24.60 in 2021 and round counts of 23,315.

#### Revenues

- Assume Range revenue remains constant during construction as range will be fully operational
- Assume reduction in pass program and card sales due to reduction of inventory
- Profit Centers assume revenue adjustment in direct correlation to round counts and 2021 'APR

#### Expenses

- Golf assumptions:
  - o Labor adjusted to reflect revised staffing model due to Mike Bender leaving
- Maintenance assumptions:
  - o Increased labor to reflect 2022 budget with slight increase
  - o Increased expenses to reflect costs of grow-in (fertilizers, etc) during construction
- F&B assumptions
  - o Labor function of revenues, contribution has been increased to reflect as such
- G&A assumptions
  - o Includes adjusted management fee
  - o Reduced credit card fees due to decreased revenues
- Cart Lease – Reflects current cart lease
- Equipment Needs – have budgeted lease for new/supplemental equipment at Enger Park

## SCENARIO 4 – ENGER PARK CLOSED LESTER PARK – 18 HOLES OPEN FOR 2024

### LESTER PARK PRO FORMA

#### Overview

- Assumes providing reasonable product
- Utilized historical performance in 2019 as baseline
- Assumes \$24 Rack Rate, tiered price breaks by daypart

#### Revenues

- Assume reduction in pass program and small increase in card sales due to reduction of inventory and “wait and see” approach by clientele
- Profit Centers assume revenue adjustment to reflect minimal approach
  - o Merchandise limited to balls, tees, gloves, few hats, etc
  - o F&B – Pre-packaged goods, grab and go’s, and drinks in cooler

#### Expenses

- Golf assumptions:
  - o Labor adjusted to one key individual for four months
  - o 12 hours of golf shop coverage, 12 hours of starters/rangers and 10 hours of outside coverage per day
- Maintenance assumptions:
  - o Labor adjusted to one key individual for six months
  - o 8 people full time for 5 months to get course ready and maintain
  - o Increased expenses to reflect costs of readying for play – fertilizers, course supplies, etc
- F&B assumptions
  - o Labor function of revenues, contribution has been increased to reflect as such – assuming beverage cart on busy days
- G&A assumptions
  - o Includes adjusted Fees for Management
- Cart Lease – Assumes renting cart fleet of 40 carts

#### Additional Expense not included

- POS – will need POS solution
- Equipment Needs – w/need additional equipment to maintain Lester

Enger Park costs are based on expectation of growing in renovations and maintaining remainder of golf course during renovation.

# EXHIBIT 1

## ANNUAL SUMMARY ANALYSIS

Enger Park

YEAR	ROUNDS	35,870	26,832	39,337	41,440	33,152	23,315	35,758
	AVG	Actuals 2019	Actuals 2020	Actuals 2021	Budget 2023	9 Open Only 2024	New EP Only 2025	
<b>REVENUES</b>								
Greens Fees	\$ 461,419	\$ 208,585	\$ 396,131	\$ 475,815	\$ 380,652	\$ 249,166	\$ 729,698	
Cart Fees	\$ 242,521	\$ 139,612	\$ 207,955	\$ 254,918	\$ 203,934	\$ 130,962	\$ 238,699	
Driving Range	\$ 104,315	\$ 56,025	\$ 90,230	\$ 106,669	\$ 96,002	\$ 104,315	\$ 110,800	
Activity or Pass Card Sales	\$ 37,392	\$ 31,496	\$ 35,664	\$ 36,511	\$ 29,209	\$ 20,192	\$ 47,300	
Pro Shop Sales	\$ 100,074	\$ 80,734	\$ 93,453	\$ 114,984	\$ 91,987	\$ 54,040	\$ 98,335	
Food (Food & Soft Drinks)	\$ 68,625	\$ 76,335	\$ 48,438	\$ 83,912	\$ 67,130	\$ 37,058	\$ 87,837	
Beverages (Alcohol)	\$ 118,765	\$ 107,352	\$ 93,689	\$ 135,786	\$ 108,629	\$ 64,133	\$ 131,032	
Other Food & Beverage Revenue	\$ 550	\$ 133	\$ 370	\$ 579	\$ 463	\$ 297	\$ 6,250	
Other Golf Revenues (club rental, handicap, locker, bag storage)	\$ 2,000	\$ 1,264	\$ 811	\$ 2,489	\$ 1,991	\$ 1,080	\$ 10,000	
Clinic / School Revenue	\$ 9,100	\$ 6,050	\$ 7,765	\$ 11,310	\$ 9,048	\$ 4,914	\$ 12,015	
Dues Income - Monthly Dues	\$ 137,546	\$ 145,724	\$ 107,931	\$ 145,707	\$ 116,566	\$ 74,275	\$ 157,075	
Miscellaneous Income - (Does not feed to split Summary pages)	\$ 2,274	\$ 921	\$ 658	\$ 6,163	\$ 4,930	\$ 1,228	\$ -	
<b>TOTAL REVENUE</b>	<b>\$ 1,284,580</b>	<b>\$ 854,233</b>	<b>\$ 1,083,095</b>	<b>\$ 1,374,843</b>	<b>\$ 1,110,541</b>	<b>\$ 741,658</b>	<b>\$ 1,629,041</b>	
<b>COST OF SALES</b>								
COGS - Pro Shop Merch.	\$ 62,509	\$ 46,826	\$ 65,892	\$ 71,345	\$ 57,076	\$ 33,531	\$ 52,117	62%
COGS - Food (food and soft drinks)	\$ 30,932	\$ 35,632	\$ 29,191	\$ 34,859	\$ 27,887	\$ 15,395	\$ 35,135	42%
COGS - Beverage (alcohol)	\$ 33,134	\$ 25,116	\$ 25,002	\$ 39,888	\$ 31,910	\$ 18,840	\$ 34,232	29%
<b>TOTAL COST OF SALES</b>	<b>\$ 126,575</b>	<b>\$ 107,574</b>	<b>\$ 120,085</b>	<b>\$ 146,092</b>	<b>\$ 116,874</b>	<b>\$ 67,765</b>	<b>\$ 121,484</b>	
<b>GROSS INCOME</b>	<b>\$ 1,158,004</b>	<b>\$ 746,659</b>	<b>\$ 963,010</b>	<b>\$ 1,228,751</b>	<b>\$ 993,668</b>	<b>\$ 673,893</b>	<b>\$ 1,507,557</b>	
<b>LABOR</b>								
Golf Operations Labor	\$ 103,352	\$ 88,472	\$ 103,428	\$ 104,598	\$ 190,000	\$ 140,000	\$ 158,042	Increase >>
General and Administrative Labor	\$ 97,466	\$ 83,242	\$ 92,342	\$ 107,045	\$ -	\$ -	\$ 103,500	
Golf Course Maintenance Labor	\$ 197,745	\$ 235,556	\$ 194,670	\$ 176,616	\$ 225,000	\$ 230,000	\$ 266,983	
Food and Beverage Labor	\$ 42,211	\$ 56,348	\$ 32,705	\$ 47,078	\$ 46,850	\$ 46,850	\$ 74,772	
Sales and Marketing Labor	\$ 28,450	\$ 27,181	\$ 27,966	\$ 28,883	\$ -	\$ -	\$ -	
<b>Total Direct Labor</b>	<b>\$ 468,710</b>	<b>\$ 490,800</b>	<b>\$ 451,111</b>	<b>\$ 464,220</b>	<b>\$ 461,850</b>	<b>\$ 416,850</b>	<b>\$ 603,297</b>	
Total Payroll Taxes	\$ 63,346	\$ 61,117	\$ 62,352	\$ 64,472	\$ 50,804	\$ 45,854	\$ 66,363	
Total Medical/Health Benefits	\$ 15,364	\$ 13,779	\$ 17,463	\$ 11,229	\$ 11,546	\$ 10,421	\$ 18,060	
Insurance - Workers Comp	\$ 11,605	\$ 12,794	\$ 12,132	\$ 9,962	\$ 11,911	\$ 10,751	\$ 15,082	
<b>TOTAL LABOR</b>	<b>\$ 559,025</b>	<b>\$ 578,489</b>	<b>\$ 543,058</b>	<b>\$ 549,883</b>	<b>\$ 536,111</b>	<b>\$ 483,875</b>	<b>\$ 702,802</b>	
Labor as % of Rvnue	44%	68%	50%	40%	48%	65%	43%	
Labor Burden %	19%	17.9%	20.4%	18.5%	16%	16%	16%	
<b>OTHER OPERATIONAL EXPENSES</b>								
Golf Operations Expense	\$ 26,574	\$ 35,267	\$ 24,522	\$ 27,049	\$ 28,150	\$ 15,201	\$ 37,795	Increase >>
General & Administrative Expense	\$ 158,210	\$ 154,177	\$ 133,214	\$ 171,611	\$ 169,804	\$ 164,710	\$ 164,312	
Golf Course Maintenance Expense	\$ 105,335	\$ 91,746	\$ 79,251	\$ 110,385	\$ 126,370	\$ 160,370	\$ 150,275	
Food and Beverage Expense	\$ 16,518	\$ 16,515	\$ 11,092	\$ 20,713	\$ 17,750	\$ 9,585	\$ 21,050	
Sales and Marketing Expense	\$ 14,826	\$ 17,522	\$ 14,303	\$ 17,006	\$ 13,170	\$ 13,829	\$ 19,516	
Golf Cart Lease (Feeds from Lease Tab)	\$ 65,925	\$ 43,056	\$ 81,989	\$ 57,453	\$ 58,333	\$ 60,000	\$ 66,000	
EXISTING - Equipment Leases (Feeds from Lease Tab)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000	\$ 120,000	
Insurance - P and C	\$ 18,206	\$ 17,275	\$ 16,328	\$ 20,290	\$ 18,000	\$ 18,000	\$ 20,400	
<b>TOTAL OTHER OPERATIONAL EXPENSES</b>	<b>\$ 405,594</b>	<b>\$ 375,560</b>	<b>\$ 360,699</b>	<b>\$ 424,507</b>	<b>\$ 431,577</b>	<b>\$ 501,694</b>	<b>\$ 599,348</b>	
<b>TOTAL EXPENSES</b>	<b>\$ 964,619</b>	<b>\$ 954,049</b>	<b>\$ 903,757</b>	<b>\$ 974,390</b>	<b>\$ 967,687</b>	<b>\$ 985,570</b>	<b>\$ 1,302,150</b>	
<b>EBITDA</b>	<b>\$ 193,385</b>	<b>\$ (207,390)</b>	<b>\$ 59,253</b>	<b>\$ 254,361</b>	<b>\$ 25,980</b>	<b>\$ (311,677)</b>	<b>\$ 205,407</b>	
<b>CUMULATIVE EBITDA</b>	<b>\$ -</b>	<b>\$ 205,407</b>						
<b>OPERATING MARGIN</b>	<b>15%</b>	<b>-24%</b>	<b>5%</b>	<b>19%</b>	<b>2%</b>	<b>-42%</b>	<b>13%</b>	

# EXHIBIT 2

## ANNUAL SUMMARY ANALYSIS

Enger Park

YEAR	ROUNDS	37,976	26,832	39,337	41,440	33,152	0	35,758
	AVG	Actuals 2019	Actuals 2020	Actuals 2021	Budget 2023	Closed 2024	New EP Only 2025	
<b>REVENUES</b>								
Greens Fees	\$ 461,419	\$ 208,585	\$ 396,131	\$ 475,815	\$ 380,652	\$ -	\$ 729,698	
Cart Fees	\$ 242,521	\$ 139,612	\$ 207,955	\$ 254,918	\$ 203,934	\$ -	\$ 238,699	
Driving Range	\$ 104,315	\$ 56,025	\$ 90,230	\$ 106,669	\$ 96,002	\$ -	\$ 110,800	
Activity or Pass Card Sales	\$ 37,392	\$ 31,496	\$ 35,664	\$ 36,511	\$ 29,209	\$ -	\$ 47,300	
Pro Shop Sales	\$ 100,074	\$ 80,734	\$ 93,453	\$ 114,984	\$ 91,987	\$ -	\$ 98,335	
Food (Food & Soft Drinks)	\$ 68,625	\$ 76,335	\$ 48,438	\$ 83,912	\$ 67,130	\$ -	\$ 87,837	
Beverages (Alcohol)	\$ 118,765	\$ 107,352	\$ 93,689	\$ 135,786	\$ 108,629	\$ -	\$ 131,032	
Other Food & Beverage Revenue	\$ 550	\$ 133	\$ 370	\$ 579	\$ 463	\$ -	\$ 6,250	
Other Golf Revenues (club rental, handicap, locker, bag storage)	\$ 2,000	\$ 1,264	\$ 811	\$ 2,489	\$ 1,991	\$ -	\$ 10,000	
Clinic / School Revenue	\$ 9,100	\$ 6,050	\$ 7,765	\$ 11,310	\$ 9,048	\$ -	\$ 12,015	
Dues Income - Monthly Dues	\$ 137,546	\$ 145,724	\$ 107,931	\$ 145,707	\$ 116,566	\$ -	\$ 157,075	
Miscellaneous Income - (Does not feed to split Summary pages)	\$ 2,274	\$ 921	\$ 658	\$ 6,163	\$ 4,930	\$ -	\$ -	
<b>TOTAL REVENUE</b>	<b>\$ 1,284,580</b>	<b>\$ 854,233</b>	<b>\$ 1,083,095</b>	<b>\$ 1,374,843</b>	<b>\$ 1,110,541</b>	<b>\$ -</b>	<b>\$ 1,629,041</b>	
<b>COST OF SALES</b>								
COGS - Pro Shop Merch.	\$ 62,509	\$ 46,826	\$ 65,892	\$ 71,345	\$ 57,076	\$ -	\$ 52,117	62%
COGS - Food (food and soft drinks)	\$ 30,932	\$ 35,632	\$ 29,191	\$ 34,859	\$ 27,887	\$ -	\$ 35,135	42%
COGS - Beverage (alcohol)	\$ 33,134	\$ 25,116	\$ 25,002	\$ 39,888	\$ 31,910	\$ -	\$ 34,232	29%
<b>TOTAL COST OF SALES</b>	<b>\$ 126,575</b>	<b>\$ 107,574</b>	<b>\$ 120,085</b>	<b>\$ 146,092</b>	<b>\$ 116,874</b>	<b>\$ -</b>	<b>\$ 121,484</b>	
<b>GROSS INCOME</b>	<b>\$ 1,158,004</b>	<b>\$ 746,659</b>	<b>\$ 963,010</b>	<b>\$ 1,228,751</b>	<b>\$ 993,668</b>	<b>\$ -</b>	<b>\$ 1,507,557</b>	
<b>LABOR</b>								
Golf Operations Labor	\$ 103,352	\$ 88,472	\$ 103,428	\$ 104,598	\$ 190,000	\$ 25,000	\$ 158,042	Increase >>
General and Administrative Labor	\$ 97,466	\$ 83,242	\$ 92,342	\$ 107,045	\$ -	\$ -	\$ 103,500	
Golf Course Maintenance Labor	\$ 197,745	\$ 235,556	\$ 194,670	\$ 176,616	\$ 225,000	\$ 160,000	\$ 266,983	
Food and Beverage Labor	\$ 42,211	\$ 56,348	\$ 32,705	\$ 47,078	\$ 46,850	\$ -	\$ 74,772	
Sales and Marketing Labor	\$ 28,450	\$ 27,181	\$ 27,966	\$ 28,883	\$ -	\$ -	\$ -	
<b>Total Direct Labor</b>	<b>\$ 468,710</b>	<b>\$ 490,800</b>	<b>\$ 451,111</b>	<b>\$ 464,220</b>	<b>\$ 461,850</b>	<b>\$ 185,000</b>	<b>\$ 603,297</b>	
Total Payroll Taxes	\$ 63,346	\$ 61,117	\$ 62,352	\$ 64,472	\$ 50,804	\$ 20,350	\$ 66,363	
Total Medical/Health Benefits	\$ 15,364	\$ 13,779	\$ 17,463	\$ 11,229	\$ 11,546	\$ 4,625	\$ 18,060	
Insurance - Workers Comp	\$ 11,605	\$ 12,794	\$ 12,132	\$ 9,962	\$ 11,911	\$ 4,771	\$ 15,082	
<b>TOTAL LABOR</b>	<b>\$ 559,025</b>	<b>\$ 578,489</b>	<b>\$ 543,058</b>	<b>\$ 549,883</b>	<b>\$ 536,111</b>	<b>\$ 214,746</b>	<b>\$ 702,802</b>	
Labor as % of Rvnu	44%	68%	50%	40%	48%	#DIV/0!	43%	
Labor Burden %	19%	17.9%	20.4%	18.5%	16%	16%	16%	
<b>OTHER OPERATIONAL EXPENSES</b>								
Golf Operations Expense	\$ 26,574	\$ 35,267	\$ 24,522	\$ 27,049	\$ 28,150	\$ -	\$ 37,795	Increase >>
General & Administrative Expense	\$ 158,210	\$ 154,177	\$ 133,214	\$ 171,611	\$ 169,804	\$ 101,882	\$ 164,312	
Golf Course Maintenance Expense	\$ 105,335	\$ 91,746	\$ 79,251	\$ 110,385	\$ 126,370	\$ 160,370	\$ 150,275	
Food and Beverage Expense	\$ 16,518	\$ 16,515	\$ 11,092	\$ 20,713	\$ 17,750	\$ -	\$ 21,050	
Sales and Marketing Expense	\$ 14,826	\$ 17,522	\$ 14,303	\$ 17,006	\$ 13,170	\$ -	\$ 19,516	
Golf Cart Lease (Feeds from Lease Tab)	\$ 65,925	\$ 43,056	\$ 81,989	\$ 57,453	\$ 58,333	\$ -	\$ 66,000	
<b>EXISTING - Equipment Leases (Feeds from Lease Tab)</b>	<b>\$ -</b>	<b>\$ 120,000</b>	<b>\$ 120,000</b>					
Insurance - P and C	\$ 18,206	\$ 17,275	\$ 16,328	\$ 20,290	\$ 18,000	\$ 18,000	\$ 20,400	
<b>TOTAL OTHER OPERATIONAL EXPENSES</b>	<b>\$ 405,594</b>	<b>\$ 375,560</b>	<b>\$ 360,699</b>	<b>\$ 424,507</b>	<b>\$ 431,577</b>	<b>\$ 400,252</b>	<b>\$ 599,348</b>	
<b>TOTAL EXPENSES</b>	<b>\$ 964,619</b>	<b>\$ 954,049</b>	<b>\$ 903,757</b>	<b>\$ 974,390</b>	<b>\$ 967,687</b>	<b>\$ 614,999</b>	<b>\$ 1,302,150</b>	
<b>EBITDA</b>	<b>\$ 193,385</b>	<b>\$ (207,390)</b>	<b>\$ 59,253</b>	<b>\$ 254,361</b>	<b>\$ 25,980</b>	<b>\$ (614,999)</b>	<b>\$ 205,407</b>	
<b>CUMULATIVE EBITDA</b>		<b>\$ -</b>	<b>\$ 205,407</b>					
<b>OPERATING MARGIN</b>	<b>15%</b>	<b>-24%</b>	<b>5%</b>	<b>19%</b>	<b>2%</b>	<b>#DIV/0!</b>	<b>13%</b>	

# EXHIBIT 3

## ANNUAL SUMMARY

### LESTER PARK

YEAR	ROUNDS	32,683	28,395	27,361	25,383
	Actuals	Actuals	Actuals	Lester Only	
	2017	2018	2019	2024	
<b>REVENUES</b>					
Greens Fees	\$ 166,217	\$ 193,365	\$ 214,264	\$ 233,250	
Cart Fees	\$ 176,287	\$ 127,582	\$ 133,656	\$ 128,185	
Driving Range	\$ 26,279	\$ 24,936	\$ 28,728	\$ 28,000	
Activity or Pass Card Sales	\$ 22,602	\$ 23,742	\$ 22,741	\$ 30,800	
Pro Shop Sales	\$ 65,793	\$ 67,212	\$ 69,013	\$ 50,766	
Food (Food & Soft Drinks)	\$ 71,997	\$ 59,450	\$ 67,076	\$ 38,075	
Beverages (Alcohol)	\$ 89,379	\$ 80,164	\$ 77,776	\$ 57,112	
Other Golf Revenues (club rental, handicap, locker, bag s	\$ 2,177	\$ 697	\$ 1,249	\$ 2,625	
Clinic / School Revenue	\$ 1,903	\$ 1,404	\$ 946	\$ 4,895	
Dues Income - Monthly Dues	\$ 85,767	\$ 101,243	\$ 104,798	\$ 44,735	
Miscellaneous Income - (Does not feed to split Summary	\$ (945)	\$ 1,070	\$ 470	\$ -	
<b>TOTAL REVENUE</b>	<b>\$ 707,549</b>	<b>\$ 684,190</b>	<b>\$ 722,460</b>	<b>\$ 618,442</b>	
<b>COST OF SALES</b>					
COGS - Pro Shop Merch.	58%	\$ 40,430	\$ 31,401	\$ 44,222	\$ 29,444
COGS - Food (food and soft drinks)	40%	\$ 36,598	\$ 31,763	\$ 33,408	\$ 15,230
COGS - Beverage (alcohol)	24%	\$ 30,476	\$ 26,370	\$ 22,530	\$ 13,897
<b>TOTAL COST OF SALES</b>		<b>\$ 107,504</b>	<b>\$ 89,534</b>	<b>\$ 100,160</b>	<b>\$ 58,571</b>
<b>GROSS INCOME</b>		<b>\$ 600,045</b>	<b>\$ 594,656</b>	<b>\$ 622,301</b>	<b>\$ 559,871</b>
<b>LABOR</b>					
Golf Operations Labor	\$ 121,430	\$ 98,100	\$ 92,223	\$ 152,771	
Golf Course Maintenance Labor	\$ 154,311	\$ 104,817	\$ 120,719	\$ 151,755	
Food and Beverage Labor	\$ 52,190	\$ 39,704	\$ 34,563	\$ 47,470	
<b>Total Direct Labor</b>	<b>\$ 327,930</b>	<b>\$ 242,621</b>	<b>\$ 247,506</b>	<b>\$ 351,996</b>	
Total Payroll Taxes	\$ 32,691	\$ 25,147	\$ 27,174	\$ 38,720	
Total Medical/Health Benefits	\$ 5,312	\$ 6,502	\$ 6,413	\$ 6,180	
Insurance - Workers Comp	\$ 9,789	\$ 8,257	\$ 6,969	\$ 8,800	
<b>TOTAL LABOR</b>	<b>\$ 375,722</b>	<b>\$ 282,526</b>	<b>\$ 288,062</b>	<b>\$ 405,695</b>	
<b>Labor as % of Rvnu</b>	53%	41%	40%	66%	
<b>Labor Burden %</b>	14.6%	16.4%	16.4%	15%	
<b>OTHER OPERATIONAL EXPENSES</b>					
Golf Operations Expense	\$ 22,999	\$ 15,845	\$ 24,703	\$ 29,545	
General & Administrative Expense	\$ 162,445	\$ 147,545	\$ 148,430	\$ 114,759	
Golf Course Maintenance Expense	\$ 89,651	\$ 72,677	\$ 76,690	\$ 95,875	
Food and Beverage Expense	\$ 5,920	\$ 8,128	\$ 14,101	\$ 15,800	
Sales and Marketing Expense	\$ 12,248	\$ 12,188	\$ 11,645	\$ 14,316	
Golf Cart Lease (Feeds from Lease Tab)	\$ 43,056	\$ 43,056	\$ 43,056	\$ 58,333	
EXISTING - Equipment Leases (Feeds from Lease Tab)	\$ -	\$ -	\$ -	\$ 45,000	
Insurance - P and C	\$ 11,435	\$ 10,453	\$ 10,124	\$ 13,750	
<b>TOTAL OTHER OPERATIONAL EXPENSES</b>	<b>\$ 347,754</b>	<b>\$ 309,892</b>	<b>\$ 328,749</b>	<b>\$ 387,378</b>	
<b>TOTAL EXPENSES</b>	<b>\$ 723,477</b>	<b>\$ 592,418</b>	<b>\$ 616,811</b>	<b>\$ 793,073</b>	
<b>EBITDA</b>	<b>\$ (123,432)</b>	<b>\$ 2,238</b>	<b>\$ 5,490</b>	<b>\$ (233,202)</b>	
<b>CUMULATIVE EBITDA</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (233,202)</b>	
<b>OPERATING MARGIN</b>	<b>-17%</b>	<b>0%</b>	<b>1%</b>	<b>-38%</b>	

# Exhibit D

## ENGER PARK

### Clubhouse Statement of Work

The contractor shall manage, operate, and staff the golf shop operations at the Enger Park Golf Course Clubhouse with the charge of increasing rounds, revenues, and service levels. Specific requirements of the are contained in the following paragraphs.

**Management of Golf and the Food and Beverage Operations** - In its management approach, the contractor shall demonstrate a commitment to quality and customer satisfaction. Metrics are key ingredients in assessing quality and demonstrating successful performance.

The contractor shall provide a monthly management report that is a summary of the monthly and year-to-date golf shop operations and services. The monthly report shall contain the agreed to specific golf related performance and quality metrics. The monthly and year-to-date metric data compared against a baseline or benchmark value shall be included in the monthly report. The report shall also include a summary of and recommended actions on any golf issues or problems and the contractor's action plan for resolution.

In particular, this includes providing reports and briefings related to the day-to-day, monthly, and annual operations of the golf shop operation.

The contractor shall provide a Management Plan that shall outline the company's general concepts and philosophy regarding the following areas.

- Management of golf shop merchandise inventories on a monthly basis
- Golf course marshalling;
- Starting times and intervals;
- Starters;
- Tee time reservations and procedures;
- Golf instruction;
- On course incidences;
- Pace of Play management; and
- Handicap system.
- Cart service and repair
- Staff hiring and training
- Increasing rounds played by type – daily fee, member, resident, and outings to include tactics and strategies by segment;
- Membership sales;
- Loyalty programs;

**Operations** - The contractor shall provide sufficient staff to successfully accomplish the daily operations and satisfaction of the objectives identified in the approved Annual Business and Marketing Plan. This includes staff for the golf shop operations.

The contractor shall submit monthly finance profit and loss statements of gross sales and expenses categorized by golf shop areas such as, but not limited to, greens fees, guest fees, outing and tournament revenues, memberships, annual passes, cart fees, trail fees, range ball sales, lesson income(if applicable)

and golf shop merchandise sales. The consolidated and separate category statements will be available on a monthly basis. Additionally, the metrics in these reports shall identify the actual performance against the targets established in the Annual Business and Marketing Plan and periodically include quality performance metrics as proposed by the contractor and negotiated with the Club.

The contractor shall manage and supervise all day-to-day operations of Golf Shop operations. The contractor shall provide all staff necessary to fully execute this Statement of Work including an On-site Manager. The On-site Manager shall be responsible and accountable for the contractor's daily performance and shall be the focal point for interaction with the Club.

The contractor shall hire, train, and supervise all employees that will carry out the contractor's responsibilities. Additionally, the contractor's On-site Manager, or designated representative, shall attend Club monthly and annual meetings and provide assistance to its representatives as appropriate in the preparation and conduct of these meetings.

**Policies and Standards** - The contractor shall provide and enforce all policies and standards of the golf shop operation. Examples include dress codes and operating hours. The contractor may make recommendations for enhancements and improvements.

**Budgets** - The contractor shall be responsible for preparing an Annual Golf Budget and submitting it to the Club. The budget request shall be subdivided between an operating budget and a capital expenditure budget. The budget shall be prepared with the advice and counsel of the City and reflect the contractor's reasonable assumptions, projections, and commercial best practices to achieve City's goals and objectives.

**Marketing** - The Management Plan shall provide a description of the contractor's sales and marketing approach that is sufficiently detailed for the Club to be assured that on-going golf operations and services can be sustained throughout the period of this contract.

The contractor shall supervise, manage, and perform all sales, marketing, advertising, promotion and publicity activities that are necessary to successfully accomplish the Annual Business and Marketing Plan for golf operations and services. At a minimum, the plan shall address:

- Specific goals and objectives for the year for the golf club's operations;
- The market analysis of comparable clubs in the immediate area;
- Business trends that will affect the golf operations;
- A marketing plan and strategies that will achieve the revenue objectives for sustaining and growing golf functions; specific areas to be addressed are golf outings and other outside revenue producing functions, growth of golf membership and course utilization;
- Resident and member specific events designed to enhance golf club participation;
- Planned promotional events to achieve community, local, and regional recognition;
- Staffing plans;
- The opportunities for exceeding and the threats to not achieving the stated goals and objectives; and
- Critical risks to the successful operations.

**Automated Systems** - The Management Plan shall include a description of how the contractor will use automated systems for conducting Point of Sales transactions. The Club has installed G1 systems and contractor is expected to utilize said POS. Export files should be in the traditional export formats.

The contractor shall be responsible for employee training, proficiency, and operation of the automated systems. This includes prompt action to return any system downtime to appropriate functionality.

**Food & Beverage Operations** - The contractor shall manage and supervise all day-to-day operations of Food and Beverage operations. The contractor shall provide sufficient staff to successfully accomplish the daily operations and satisfaction of the objectives identified in the approved Annual Business and Marketing Plan. This includes staff for the F&B outlets, to include on course food service, and snack bar (if applicable).

## Golf Course Maintenance – Statement of Work

### AREA 1 - Greens

**Objective:** Provide a consistent, healthy, and aesthetically pleasing playing surface day after day.

**Guidelines:**

- Greens shall be mowed seven (7) days per week during the growing season (April thru October) with the use of a triplex mower, unless the Golf Course Supervisor or the Assistant Golf Course Supervisor determines the necessity of utilizing a walk-behind greens mower.
- The direction of cut shall vary day to day. Clean-up passes shall be determined by the GCS or AGCS and is dependent on rate of growth and mechanical wear and tear.
- The height of cut shall be determined by surface speed parameters once established by the GCS, Golf Pro, client input, and the AGCS. During times of severe environmental stress these parameters are to be modified to ensure the protection of the health of our greens.
- All personnel shall be trained by the GCS or AGCS in the operation and methods used to care for the greens. Training shall include, but not be limited to:
  - Thorough understanding of how a mower functions
  - Proper hand position and walking speed
  - Theory behind cut direction rotation
- New Greens keepers shall remain under the direct supervision of the AGCS or Foreman until they have proven to be competent with the task.
- All clippings shall be harvested from greens and fringe surface following mowing unless it is determined by the GCS or the AGCS otherwise. This may be due to factors such as sand accumulation from top-dressing or granular fertilizer applications, etc.
- The greens shall be rolled instead of mown or in conjunction with mowing, as needed, to maintain surface smoothness.
- Cultural practices shall continue to be made unless there is standing water or it is determined by the GCS or the AGCS that surface is too soft for these practices. Monitoring of drainage patterns are to be made as part of Best Management Practices and Integrated Pest Management processes.
- The Golf Course Superintendent, Assistant Golf Course Superintendent and green keepers shall be assigned to observe course conditions at all times.

- Scouting shall be used before any process is done on the greens in an effort to reduce the occurrences of mechanical damage due to debris, spreading of disease by mechanical means, and to make observations of overall daily plant health.
- All ball marks shall be repaired daily, prior to any operation on the greens. Ball mark repair shall be a regular part of the morning routine. Emphasis shall be made to promote proper ball mark repair by the customer. Potential seminars and workshops for the members and clients shall be arranged to give rudimentary training and information on golf maintenance operations in an effort to reduce season long wear and tear and help improve course conditions.
- The top-dressing of greens shall be performed during spring and fall aeration and periodically during the growing season, the amount and frequency to be determined by budget and equipment availability. During aeration, top-dressing shall be groomed to thoroughly fill core holes. Sand shall be groomed in either by hand push brooms or drags dependent on which is most efficient or as time and labor allow.
- Coring of the greens shall be achieved once in the spring and once in the fall. Additional aerations shall be as needed to maintain turf grass health.
- Any and all debris shall be cleared from the greens prior to any operation.
- A greens fertility program shall be determined by the GCS based upon BMP, IPM, soil tests and general observation.
- Fungicides shall be applied on a preventative basis according to specified label rates. Fungicides are to be rotated according to mode of action and as part of an effort to prevent disease resistance to fungicides. The chemical program shall be a part of the overall IPM program and all efforts shall be made to establish economic and aesthetic thresholds before any applications are made.
- Weeds shall be controlled through applications of pre-emergent herbicides. Applications are timed to control a broad number of intrusive plants. Generally applications shall be made at desirable intervals to control fall and winter weeds and an application to prevent emergence during the summer months. Any unwanted plants shall be further controlled through the use of selective spot treatments. Additionally, in an effort to reduce the use of herbicides and reduce our environmental footprint, weeds shall be hand removed as part of the daily scouting process.
- Soil tests shall be taken as appropriate
- Green keepers shall be trained by the GCS, AGCS, and Foreman in the procedure for pin placement. Hole locations shall be rotated daily unless determined by the GCS or the AGCS. Locations shall be rotated front to back and care shall be taken to prevent holes from being placed near ball marks, surface disruptions, and severe wear areas. Locations shall be placed no closer than one flag length from collars, mounds, or slopes. Flags shall be straight and cups shall be placed the regulation 1-

1.25” below the putting surface. A 3-pin position system shall be used, which may be modified due to specific greens area concerns and/or golf events.

- Green keepers shall be responsible for ensuring the cutter is sharp and depth is within parameters set above. Any cutter defects shall be addressed to the GCS, AGCS, or the mechanic. Cup edges should be crisp not rolled to ensure a fair pin. This shall also assist when cup edges are painted for events.
- The GCS or the AGCS shall determine irrigation frequency, timing and technique based upon environmental conditions such as rain fall or temperature. All green keeping personnel shall be trained to properly syringe and hand-water greens. Daily record keeping of precipitation amounts shall be kept by the GCS and the AGCS.

## **AREA 2 – Tees, Collars and Approaches**

**Objective:** Maintain a healthy, fair and aesthetically pleasing surface year round.

### **Guidelines:**

- Mowing shall be done two to three times per week during the growing season. Debris shall be removed from the tee surface prior to mowing.
- Tee and approach mowing height may be varied from .350 to .650 dependent upon GCS or AGCS. Due to the severity of the slope on most approaches and bailouts, the Height of Cut may be different for these areas. The goal of the mowing program is to maintain healthy turf and ensure that pace of play suffer from excessive ball roll.
- The direction of cut shall be rotated as it is with greens. The primary direction of cut shall be front to back.
- The GCS and AGCS shall be responsible for observing teeing ground conditions. Tees, approaches, and bailouts shall be free of all debris prior to mowing and ball marks shall be repaired.
- Tee markers shall be rotated front to back to minimize golfers from teeing through old divots. Markers shall be spaced approximately 5-6 paces apart and aimed to the middle of the fairway or green. All markers shall be checked for damage or misplacement. The markers shall be moved on wider tee boxes in a manner that prevents the middle of the tee from becoming too worn. Tee markers shall be moved to alternate tees in the event that tee is showing signs of excessive wear in order to encourage healing. Care shall be taken to observe signs of traffic wear to tee entrance positions and rotated when possible. Tee positions shall be modified for golf events or to promote pace of play, if needed.
- Divot buckets shall be checked and filled every day during the course set-up process. Inspect the bucket for damage. Buckets shall be placed on the side nearest the cart-path to the side of the tee

marker no closer than one full step. Divot buckets shall be placed in a manner that shall not interfere with a golfer's swing and shall accommodate both right and left handed golfers.

- Coring of the tees shall be achieved once in the spring and once in the fall. Additional aerations shall be as needed to maintain turf grass health.
- Fertility program for tees, approaches, and bailouts shall be different than that of the greens due to varying degree of soil content and properties. Soil tests shall be taken to determine fertility management as well as daily scouting to determine level of management. BMP, IPM, and scouting shall be utilized to monitor the overall condition of the turf and provide a foundation for the overall agronomic program.
- Chemicals to control pests, disease, and weeds shall be performed on a preventative basis as part of the overall IPM program. Daily scouting during set-up and mowing shall be utilized to both remove unwanted plants unaffected by herbicide application, and to note general turf health.
- Applications of fungicides and nutrients shall be made on a bi-weekly basis during the growing season. Stress and other environmental factors shall determine if additional applications are necessary.
- Soil tests shall be taken once a year. Provisions shall be made for tissue tests to determine a pest or disease not recognized or proven to be resilient to chemicals.
- All debris shall be removed from tee, approach, and bailout surfaces daily. Broken tees, cigarette butts, etc., shall be removed and thrown in trash bins.
- GCS and AGCS shall determine frequency of overhead watering based upon rainfall and turf conditions. Scouting shall be used to determine any additional irrigation needs. Whenever possible, preemptive syringing during the morning hours shall be used in lieu of overhead irrigation on isolated stressed or known hydrophobic areas.
- Rainfall amounts shall be logged after all rain events. GCS and AGCS shall scout all areas to adjust any cultural and agronomic practices immediately after rain event. Teeing areas shall be adjusted to provide an acceptable playing area free of standing water. Only at the discretion of the GCS shall mechanical methods be used to remove standing water from these areas. This shall be done to prepare course for special golf events.

### **AREA 3 – Fairways**

**Objective:** Provide a premier playing surface on all fairway areas.

**Guidelines:**

- Fairways shall be mowed based upon growth rate, surface moisture, and time of year. During periods of vigorous growth, fairways may need to be mowed twice per week or at the discretion of the GCS and AGCS.
- The direction of cut shall be rotated whenever possible however, the upright nature of celebration allows multiple mowing in the same direction. Contour, cross-cut, or straight shall be used.
- Monitoring of the fairway areas shall be regularly used as a preventative measure for pests, check course conditions, and assess fertility program.
- Fairway fertility program shall be determined by the GCS based upon BMP, IPM, soil tests, and general observation.
- Soil tests shall be made at least once a year in the spring to monitor progression of soil amending.
- Overhead irrigation shall be scheduled by the GCS and the AGCS dependent upon natural rainfall, temperature and available water supply. Fairway conditions shall be monitored to assess soil moisture levels. An audit of the irrigation system shall be done to verify coverage, operation, and nozzle type.
- Rainfall shall be monitored and recorded as a part of the historical data for the property. The compacting nature of the soil has shown that rainfall, unless very prolonged, has a very limited effect during late spring and summer. The ability to hold and harvest rain water in the fairways shall improve as the soil is amended. Cart traffic shall be confined to paths until sufficient surface moisture is gone. Low areas that hold water for prolonged periods shall be guarded from cart traffic. All drains and cart paths shall be free of debris prior to any rain event to prevent puddles and long term standing water.

#### **AREA 4 – Roughs**

**Objective:** Establish uniform, healthy, and bluegrass rough.

**Guidelines:**

- Rough shall be maintained at a height of cut of 1.5” to 2”, to be determined by the GCS. This will be determined by time of year, turf health and pace of play.
- Rough areas shall be mowed dependent upon rate of growth. Impact on pace of play, weather conditions, and course fairness shall determine if rough is to be mowed more frequently. Native grasses in outlying areas as well as on some bunker faces shall be maintained and promoted where applicable. These grasses are used for aesthetic purposes to provide fall color and foliage and to help integrate the course with its native surroundings. Native grasses shall be mowed during the early parts of the spring to promote summer growth and fall seeding.

- Scouting shall be used to prevent unwanted weeds and grass from impinging upon other turf areas. This shall also promote more ethical and conservative use of herbicides, pesticides, and fertilizer.
- Fertility shall be assessed based upon BMP, turf research and general observation. Lime shall be applied to improve soil pH. Fertility shall be applied based upon turf species.
- IPM is the method to be utilized to assess and determine any pest and weed issues. When applicable, preventive herbicides shall be applied to control a broad spectrum of weeds and unwanted grasses.
- Soil tests shall be performed in conjunction with fairways on a yearly basis.
- Clippings, leaf and other debris shall be removed from the playing areas and disposed of by either blowing into forested areas or policed and hauled to designated dump site.
- Aeration, slicing and other procedures shall be done as frequently during the growing season as equipment availability determines.
- Cart traffic shall be diverted from rough and fairways based upon weather, rainfall, and any events where carts may prove to be damaging to the course. Stakes and ropes shall be used to mark and cordon off areas of high traffic wear and shall be rotated to prevent excessive cart traffic in any one area.
- Roughs shall be watered only when rainfall or drought stress is affecting the playing conditions.

#### **AREA 5 – Bunkers**

**Objective:** Maintain the appearance and playability of all bunkers as the course designer intended, as well as, provide a challenging yet fair surface not impeding pace of play.

#### **Guidelines:**

- Raking shall be performed on an as needed basis during the growing season. Frequency of raking shall parallel frequency of play. Bunkers shall be scouted during each raking to remove debris and to remove all grass or weeds from the sand. Bunker faces shall also be scouted to prevent weed establishment in surrounding grasses.
- Edging of bunkers shall be done once a month and shall only be done to bunker edges of warm season grass. Care shall be taken when edging. All debris shall be removed from the bunker after edging and bunker shall be raked back to course standards. Excess sand shall be raked away from bunker edges prior to edging. Sand shall be moved uniformly back to the bunker edge. No edging of cool season borders shall be done. Cool season areas shall be “flashed”.

- Sand depth shall be monitored throughout the season to ensure surface depth does not migrate and effect playing conditions.
- Cool season grasses shall be mowed once in the spring and once in the fall. Zoysia grass shall be mowed with either the string trimmer or hover mower. Chemical and fertilization applications shall be made according to grass type. Most fine fescue areas shall be fertilized and have a pre-emergent herbicide applied in the spring.
- Rain events which affects the structure of the bunkers, shall be repaired the following day.
- All debris shall be removed before each raking and following any bunker maintenance such as edging or mowing.

#### **AREA 6 – Clubhouse Grounds/Entrance Road/Parking Lot**

**Objective:** Maintain facility grounds in a manner that sets a high standard for the course.

**Guidelines:**

- Debris shall be policed from parking area and grounds daily.
- Grounds shall be mowed a minimum of once per week and more frequently as necessary to maintain well groomed grounds. Trimming of the grass areas shall be done concurrently.
- Grass bordering lots and sidewalks shall be trimmed. GCS and ACGS shall provide a working agronomic plan to ensure the overall turf health and appearance of the grounds area.
- The dumpster area shall be free of debris inside the fence and out.
- The drop area shall be clean and organized for player convenience. The grounds staff shall assist golf shop with any reorganization and maintenance.
- The staging area shall be maintained to the same standards as the remaining lot.
- Course signage shall be free from defect and placed within clear view of players. Signage shall be placed to direct players toward tees and shall reflect course conditions set for the day. Signs shall state if chemical applications have been made, pin placement, and cart rules. Temporary signs are to be made if route changes or special course directions are needed.

#### **AREA 7 – On-Course Landscaping**

**Objective:** Enhance the aesthetic pleasure of the golf course. Add to the value of the experience by increasing the amount of color throughout the golf course and throughout the season.

## **AREA 8 – Driving Range**

**Objective:** Create a more practice friendly facility that shall enhance the overall course experience and provide a further means to reach financial goals.

### **Guidelines:**

- Practice greens shall be maintained along with the main course.
- Golf ball retrieval shall remain a function of the Golf Pro Shop, with Golf maintenance coordinating with golf pro shop on a weekly basis, the mowing schedule for the Driving Range.
- Tees shall be mowed and top-dressed as part of the normal course routine.
- maintenance of the landing area is the same as with the main course. Special markings shall be used to designate yardage etc.
- Watering procedures shall be the same as on the main course.

## **AREA 9 – Golf Course Accessories**

**Objective:** Maintain an inventory of accessories that enhance the customer experience.

### **Guidelines:**

- As part of the course set up, trash shall be emptied; ball washers shall be checked and filled if necessary. Ropes and posts shall be moved, straightened or replaced.
- Posts shall be clean and straight. GCM shall routinely walk course to straighten boundary markers and ensure that they are properly placed. Any broken or marred posts shall be replaced promptly. When ropes and stakes are used, they shall be uniform in length and placed for adequate golfer access. Golf Maintenance and GCM shall mark boundary areas with either stakes or paint and should evaluate boundaries and remark when necessary.
- White posts with black caps shall be used to divert traffic from wear areas, mark worn and washed cart path edges and be used to supplement cart traffic signs in fairways. Areas that are deemed to have no cart traffic are to be roped off with black rope and stakes. GCS and ACGS shall monitor these areas and rotate posts as needed. Traffic patterns around bunkers and fairway entrances shall be marked and rotated regularly.

## **AREA 10 – Irrigation**

**Objective:** Operate and maintain all irrigation equipment to ensure the best turf health and playing conditions, most effective use of our water supply, and as an effective supplement to nature.

**Guidelines:**

- The pump station is operated through a generator. Before pumps are to be brought on-line, generator shall be up to operational temperature, main breaker to “on”. Pump station circuit breaker shall be moved to the “on” position, pump switch to the “VFD” position followed by pump #1 and pump #2 selectors to “on”. Pump station shall be cleared in the winter at a time designated by the GCS.
- Initial Audit shall be done in the spring before the first agronomic procedure is to be done. Quarterly audits shall be planned to verify proper operation of system components. The initial audit shall be used to determine any changes that are necessary to enhance the effectiveness and distribution of irrigation.
- During the growing season heads and valves shall be edged no less than every other week and more frequently as needed. Irrigation head yardage symbols shall be easily viewed by the clients.
- The pump house shall be kept clean and inspected monthly. Copies of written inspection reports shall be submitted to LMOA Staff Representative at time of inspection.
- GCS and ACGS shall be responsible for programming and assessing the irrigation needs of the golf course. All efforts shall be made to ensure irrigation values match the daily evapotranspiration rate (ET) in an effort to more efficiently use water.

**AREA 11 – Equipment**

**Objective:** Keep equipment operational through preventive maintenance, regular service and training.

**Guidelines:**

- Logs for each piece of equipment shall be made to track user, service record and hours of use. Log shall include any repair work done and the associated cost of parts and labor. Part numbers shall be recorded on the list.
- Each maintenance employee shall be trained by the GCS and ACGS in the operation and start-up of any and all equipment. Mechanic shall assist in the instruction of basic preventive maintenance and shall address any operator issues. All training shall be conducted to ensure that proper OSHA safety standards are met and that the operation of the equipment is done so in a manner that benefits the golf course.

**AREA 12 – Golf Maintenance Shop**

**Objective:** Provide a safe, productive, presentable, and organized shop area to instill pride, streamline operation, and maintain equipment and accessories.

**Guidelines:**

- All contents shall be organized and easily accessed. Parts shall be labeled and inventoried.
- All equipment shall have keys removed and placed in the mechanics area at the end of each day. When possible all equipment shall be stored under roof and out of exposure from the elements. Any accessories stored outside shall be done so in an organized fashion and placed where it can be free of incidental damage.
- All safety equipment shall be stored in a locked cabinet. As equipment is issued it shall be signed for and inventoried. Helmets, chaps, earplugs, gloves, glasses and dust/chemical masks shall be available for all users and they shall be responsible for its care and replacement if lost.
- Hand tools shall be stored in the maintenance facility. All items shall be inventoried and organized each day.
- All chemicals and fertilizers shall be stored in a locked trailer. Applicators, GCS and ACGS are allowed access to and distribution of chemicals. All chemicals and fertilizers shall be inventoried monthly but shall be accounted for after each use.
- Shop and shop area shall be signed according to current OSHA standards.

**AREA 13 – Staffing**

**Objective:** To build a team of professional greens keepers and organize a hierarchy of management to support the year round operation and function of the golf facility.

**Guidelines:**

- Staff structure shall be of the following hierarchy: Superintendent, Assistant superintendent, foreman, mechanic, full-time green keepers, season/part-time green keepers.
- All maintenance employees shall be trained by the GCS and the ACGS initially. Training shall be in golf course structure, maintenance, equipment operation, safety, and A.C.E.
- Part-time employees shall be scheduled to replace overtime hours for full-time employees.
- Prospective employees shall be expected to complete application packet and have all documentation determining full eligibility for employment. GCS and ACGS shall hire candidate based upon documentation and interview. When hired, employee shall complete employment packet, issued employee handbook, and shall be A.C.E. trained by GCS.

- An employee shall only be terminated if they are seasonal/part-time and it is the end of the agreed term, or has violated company policy which dictates immediate termination, or employee has been formally reprimanded for a violation three times. A formal reprimand shall be signed by the employee after the first offense. If a second offense occurs the employee shall be given a specific amount of time off course and without pay to be determined by the GCS. If a third offense occurs then employee may be terminated at the discretion of the Superintendent.

#### **AREA 14 – Recordkeeping**

**Objective:** Maintain all records according to company, state, and federal standards in order to provide an accurate historical and legal representation of course operations.

**Guidelines:**

- All applications shall be logged. Records shall include, method, chemical common name, fertilizer components, if restricted use, amount used, amount per square feet, amount per tank, area covered, weather conditions, speed, calibration, applicator name, and irrigation amount if needed. Any additional information shall be amended per GCS and/or ACGS. Complete records shall be kept for all applications and shall be filled out by the applicator following application. A copy of records shall be given to GCS and/or GCS.
- Mechanic shall maintain a record of inventory for all equipment. The mechanic shall also maintain records for all equipment which shall contain machine hours, operator, service work to be done, preventive maintenance which shall assist in prevention of turf loss and comply with BCGreen Initiative.
- GCS and ACGS shall utilize BCG budget forecaster to track and predict expenses.
- Conditions and records of conditions shall be maintained daily and recorded with GCS to provide a long term historical account of climate.
- An area shall be assigned to contain all OSHA and WC forms and postings.

#### **AREA 15 – Management – Scheduling/Delegation/Follow Up**

**Objective:** Leadership developed formula to achieve a consistent, reliable, comprehensible, and flexible means of completing and documenting course tasks and operation.

**Guidelines:**

- Maintain daily work logs, chemical logs, and preventive maintenance logs. Post weekly agronomic procedures which have been scheduled following the 2012 Agronomic Plan. This provides a means to learn the seasonal progression of scheduled maintenance as well as prepare operators for daily operations ahead of time.

- A chain of command shall be posted for all employees to see. This shall help establish a hierarchy of knowledge and assist in keeping GCS and ACGS focused on major course related items and goals. This shall also provide a means to observe and determine who has leadership potential and skill.
- Follow up chart shall be organized in the same fashion as the delegation chart.
- All employees shall be trained in course safety requirements. All new employees shall be trained in Indigo course safety requirements. Quarterly meetings shall be held to reinforce current safety standards and may be scheduled for special requirement through OSHA.
- The GCS, and ACGS shall be responsible for the daily monitoring of course safety. Violations issued shall be recorded in the daily log.

### **AREA 16 – Communication/Informing**

**Objective:** Maintain a thorough communication with staff regarding course conditions, operation, rules, and safety. Extend a professional courtesy to guests and fellow employees through company sponsored training and general staff training exercises.

**Guidelines:**

- Maintenance staff shall be informed through the use of the weekly work chart, daily assignment sheets and once a week meeting by the GCS or ACGS. All cell phone use on the course shall be for work related purposes only and shall not be done in front of clients in a manner which could interfere with proper course etiquette.
- All employees shall be required to be Customer service trained and will follow guidelines and procedures.

### **AREA 18 – Cart Paths**

**Objectives:** Keep cart trails free of debris and defects.

**Guidelines:**

- Clean/blow each day or after wind/rain event. Cart paths shall be presentable at all times.
- During the growing season cart paths shall be edged weekly or bi-weekly dependent on growth. Edges shall be visible and uniform to cart path.
- Other than soil erosion along cart path edges, all repair work shall be communicated to and done by contractor.

- Posts, rope and signs shall be placed along cart paths as a means to control wear and inform players of any on area specific rules.

**I. AREA 19 – Environmental**

**Objectives:** Become Audubon certified and implement as many of the elements possible in order to create a sustainable and economically viable facility.

## Exhibit E

### **Basic maintenance operations for Lester Park Golf Course while closed for play**

1. Employ and supervise necessary personnel for the maintenance of the golf course to include the administration and maintenance of payroll procedures and systems
2. Mow greens twice per week
3. Mow tees and fairways once per week
4. Mow rough two to three times per month
5. Irrigate turf as needed to maintain greens surfaces, tees and fairways
6. Provide routine upkeep of maintenance of mowing equipment and irrigation system as needed
7. Apply essential chemical and fertilizer applications to avoid large-scale turf loss
8. Provide workman's compensation insurance coverage
9. Provide monthly accounting reports for all costs incurred
10. Indigo shall receive Owner approval for any unbudgeted cost incurred in excess of one-thousand dollars (\$1,000).
11. The months of August & September the year prior to opening Lester Park for opening, Indigo will implement the following
  - i. Increase chemical & fertility program on greens, tees, and fairways to promote monostand of turf and reasonable playing conditions for similar facility
  - ii. Implement appropriate cultural practices on greens, tees, and fairways to promote monostand of turf and reasonable playing conditions. Anticipated practices could include aerification, slit-seeding, and topdressing.
  - iii. Spray out and remove vegetative growth in sand bunkers

### **Maintenance operations for Lester Park Golf Course while operational for the golf season**

Greens. Greens shall be maintained in a manner so as to furnish a true putting condition of live green virile grass that is sufficiently resilient to cushion the impact of a ball as it lands on the surface

- a. Fertilization Program. The greens shall be fertilized on a regular schedule in a manner sufficient to produce continuous growth during the growing season.
- b. Mowing. Greens shall be mowed to a maximum height of 3/16". Greens shall be mowed a minimum of five (5) times per week during the growing season or more often if required so as to maintain an optimal putting surface.

- c. Fungus, Insect and Weed Control. The application of fungicide, insecticide and herbicide shall be done as necessary under an integrated pesticide management (IPM) program. For ecological reasons a curative rather than preventive pesticide program is preferred so long as the problems are cured. accomplished with the use of an approved pre-emergence herbicide.
- d. Cups shall be rotated daily, and locations coordinated to provide maximum distribution of traffic over the entire area.

Tee Boxes. Tee boxes shall be fertilized, mowed and watered to keep continuous growth and cut at a height to provide a closely clipped surface for the teeing of the ball and to provide a firm stance location. Approaches to the tee boxes should be maintained in an attractive manner.

- a. Fertilization. Tee boxes shall be fertilized on a regular basis per the approved agronomic plan.
- b. Mowing. Tee boxes shall be maintained at a height of 1/2" to 3/4" and cut a minimum of twice weekly or more often as required.
- c. Management. Tee markers shall be moved daily to minimize damage and use the entire tee area.

Fairways. Fairways shall be mowed, fertilized, watered, and treated with herbicides, insecticides and lime as needed to keep continuous growth in keeping with the best turf grass maintenance practices.

- a. Fertilization Fairways shall be fertilized on a regular basis per the approved agronomic plan.
- b. Mowing. Fairways shall be cut and kept between 5/8" to 7/8" in height. Such cuttings shall take place a minimum of two times weekly and more often if required.
- c. Watering. Fairways shall be sufficiently watered to keep a continuous growth of grass and to prevent drying out or burning of grass.

Roughs. Roughs between holes and around greens shall be kept at a 2" height of cut and shall be considered all remaining areas of the cleared golf course property not including the greens, tees and fairways.

Bunkers. The Manager shall put sand in the bunker and completely rake bunkers a minimum of two times weekly and, on a daily basis, rake areas of footprints or washes to maintain them satisfactorily for play. An herbicide shall be used to prevent the growth of grass and weeds in the bunkers.

## Exhibit F

1. **INDIGO SPORTS SCOPE OF SERVICES.** Services rendered by Indigo Sports to City shall be as follows: Subject to the terms of this Agreement, Indigo Sports, as an independent contractor, shall have the sole and exclusive right to operate and manage the Golf Course(s), at the direction of the City. City and Indigo Sports agree that they shall cooperate reasonably with each other to permit Indigo Sports to carry out its duties under this Agreement. Indigo Sports shall have the responsibility and authority to provide general operational management services for the Golf Course(s), including, without limitation, the following services:

A. Employees. All personnel employed at the Golf Course(s) shall at all times be employees of Indigo Sports. Indigo Sports shall, as an Operating Expense of the Golf Course(s), hire, promote, supervise, direct and train all Indigo Sports employees at the Golf Course(s), fix their compensation and fringe benefits, and, generally, establish and maintain all policies relating to employment and employment benefits. Employees wishing to participate in the benefits program shall adhere to the requirements of the Indigo Sports benefits program with respect to required contributions, deductibles and eligibility based upon position classification and employee tenure. Indigo Sports employee files shall always be the sole property of Indigo Sports. All costs of every kind and nature pertaining to all employees at the Golf Course(s) arising out of the employer-employee relationship, including, without limitation, salaries, fringe benefits, bonuses, recruitment, background processing, relocation costs, training, performance management, employment-related legal costs, and costs incurred in connection with governmental laws and regulations and insurance rules, including those relating to post employment costs for benefits, health insurance, cobra payments, and any payouts of unused vacation at termination of employment, shall be an Operating Expense paid from the Operating Account (as defined in Paragraph 5 below). If an employee of Indigo Sports or an affiliate of Indigo Sports that is not employed at the Golf Course(s) is assigned temporarily or on a part-time basis to perform services at the Golf Course(s), such employee's salary (including employee benefits and taxes) in proportion to the period of time such employee dedicates to the Golf Course(s), and actual expenses incurred traveling to and from the Golf Course(s) shall be reimbursed to Indigo Sports by the Golf Course(s).

City shall not, without the written consent of Indigo Sports, offer employment to, hire or employ any Indigo Sports employee or individual who has been an Indigo Sports corporate employee at any time during the six (6) month period prior to the proposed offer of employment or hiring by City. The obligations under this Paragraph shall remain effective from the Effective Date through a period of one (1) year after the termination of this Agreement. The limitations in this paragraph shall not apply to Indigo Sports corporate employees that respond of their own accord, without suggestion or request from the City, to publicly available job postings made by the City. The obligations under this Paragraph shall survive the termination of this Agreement.

- B. Inventory – Merchandise and Items for Re-sale. Indigo Sports shall, as an Operating Expense of the Golf Course(s), obtain merchandise for the pro shop at the Golf Course(s) and food and beverage items, all in accordance with the Annual Budget and Program.
- C. Supervision. Indigo Sports shall supervise and manage the Golf Course(s) operations to include golf pro shop, maintenance, food and beverage, membership sales efforts, practice facilities, administration, and other ancillary services (such as pool, tennis and fitness, if applicable) at the Golf Course(s).
- D. Equipment. Indigo Sports shall, in preparation of the Annual Budget and Program as set forth in Paragraph G, develop a list of required equipment and a purchase/lease schedule and maintain in good working condition and order the physical plant and equipment at the Golf Course(s), including the golf course and all physical structures which are part of the Golf Course(s), and all vehicles and other maintenance equipment necessary to the maintenance and operation of the Golf Course(s) in the normal course of business.
- E. Purchasing and Procurement. With respect to the duties and responsibilities of Indigo Sports as set forth in this Paragraph, Indigo Sports shall arrange for the procurement, on behalf of the City and as an Operating Expense of the Golf Course(s), all operating supplies, operating equipment, inventories and services as are deemed necessary by Indigo Sports and/or City to the normal and ordinary course of operation of the Golf Course(s) and to operate the Golf Course(s) in accordance with the Annual Budget and Program. In purchasing operating supplies, operating equipment, inventories (including merchandise to be sold in the golf shop) and services for the Golf Course(s), Indigo Sports shall make available Troon's centralized purchasing programs and/or other group buying techniques in connection with the Golf Course(s)'s purchase of operating supplies, operating equipment, inventories and services. Troon may receive and retain a fee or other compensation from vendors and service providers in exchange for Troon's services in making the benefit of volume purchases available to the Golf Course(s) or negotiating and implementing the arrangements with such vendors or providers, provided the total cost thereof to the Golf Course(s) is competitive with that which would be charged by non-affiliated third party vendors in an arms-length transaction. Notwithstanding the foregoing, in accordance with its approval of the Annual Business Plan, the City shall notify Contractor in writing whether it elects to opt out of Troon's purchasing procurement services and/or other group buying techniques and, if the City elects not to participate, whether in whole or in part, the City shall be solely responsible for directing Indigo Sports to which vendors and service providers shall be used for the purchase of all operating supplies, operating equipment, inventories and services used at the Golf Course(s).

F. Marketing. Indigo Sports shall create, direct, and implement an annual marketing plan for the Golf Course(s) as part of the Annual Budget and Program. The marketing plan for the Golf Course(s) will include a market analysis, a summary of golf programs to include rates, membership structure (if applicable), and strategies for increasing acquisition, engagement and yield with the purpose of achieving the budgeted financial goals and other marketing-related goals for all Golf Course(s)' departments. Indigo Sports shall, as an Operating Expense of the Golf Course(s), as part of its standard marketing operation, obtain and manage:

1. Marketing systems, including internet (web site, e-mail, e-commerce); electronic tee sheet program (reservation system, customer database, POS); credit card processing; and branding materials (graphic design, collateral, photography);
2. Customer acquisition programs, including advertising (print, electronic, display); direct marketing (direct mail, broadcast e-mail); promotional offers; and community and vendor partnerships and sponsorships;
3. Customer retention programs, including special events and programs; promotional offers; and membership events and programs;
4. Sales programs, including outing, membership, and event sales management; and
5. Quality assurance programs, including customer surveying; 'secret shopper' on-site visits and telephone sales calls.
6. Web site development, management and hosting (via a proprietary web hosting and content management system)
7. Social media and online reputation management (via various third party and proprietary tools.
8. Creative design services

Certain of these programs in items 6, 7 and 8 above will result in incremental charges that will be designated as Centralized Services. In accordance with Indigo Sports policy, these charges will a) be approved as part of the annual budgeting process and b) without markup and profit to Indigo Sports.

Indigo Sports shall coordinate and oversee all third-party contractors' work in connection with the production and implementation of these programs. Indigo Sports shall also include, as appropriate, the Course(s) as a participant in Indigo Sports-shared marketing programs, including regional and national advertising and promotions, round sharing and referrals through the reservation system, and use of the name and mark 'Managed by Indigo Sports Golf.'

Furthermore, the Course(s) shall be included in Troon's shared marketing database. This database is an aggregated customer database for all participating clubs and other Troon owned marketing efforts. Participating clubs can target customers in

the database based on a variety of demographic attributes (location, age, behaviors, etc.). To participate, the Course(s) must “share” their own databases with the larger cooperative. All customer information will remain “blind” to other clubs. The Course(s) may opt Out of the shared marketing database by initialing here \_\_\_\_\_.

All advertising fees and promotional fees paid by third parties to the Course(s) shall belong to and constitute Gross Revenues (defined below) of the Course(s).

G. Accounting. Indigo Sports, as appropriate under separate agreements, shall pay all vendors of the Course(s) subject to the availability of funds in the Accounts after payment of the Management Fee and, when applicable in accordance with the terms of the Agreement, the Management Incentive Fee. Indigo Sports shall provide separate budgeting, bookkeeping and reporting services to City for the Course(s). Copies of all books and records shall be kept at the Course(s). All books, records, software, data, programs, manuals and the like shall remain the property of City and Indigo Sports shall be entitled, but not obligated, to keep a copy of said books, records, software, data, programs, manuals and the like for its own records as it desires.

1. Reporting. Indigo Sports shall prepare and deliver to City, in accordance with Indigo Sports standard procedures and format, on an accrual basis and generally accepted accounting principles (GAAP) for the Course(s), regular monthly and annual financial statements which shall include an operating level balance sheet (bank account balances, inventory, accounts payable, accounts receivable if applicable, accrued payables, gift certificate balances and paid in capital from City), a profit and loss statement for the current month and year to date activity, accounts payable listing, general ledger activity and comments regarding monthly activity and variances to the Annual Budget. Upon City’s request, Indigo Sports shall provide all accounting data and reports in electronic form. Indigo Sports shall not be responsible for the accounting or tax reporting requirements of the City, including but not limited to, the depreciation, amortization or addition of assets and equipment, City’s equity, debt service principal, loan amortization, accounting treatment relating to any full or partially refundable membership initiation fees or deposits, or payment of any invoices which relate to a period prior to the Effective Date. City shall provide Indigo Sports opening entry data for the balance sheet within 15 days of the Effective Date.

Final monthly operating statements shall be furnished to City by the 20<sup>th</sup> day following the last day of each month, and annual operating statements shall be furnished by the 45<sup>th</sup> day following the last day of each fiscal year. At City’s discretion, the annual operating statement shall be audited and prepared by a certified public accountant chosen by City, the cost of which shall be an Operating Expense of the Course(s). This audit shall be

performed at the Course(s) sites, and Indigo Sports shall make every reasonable effort to comply with the auditor's requests.

2. Annual Budget and Program. Indigo Sports shall prepare and deliver to City no later than November 1<sup>st</sup> of each year (except for the first full or partial fiscal year when Indigo Sports shall prepare and deliver to City no later than thirty (30) days after the Effective Date) for the following fiscal year: (a) an Annual Operating Budget, including revenues and operating expenses and labor burden (to include rates of pay, incentive or commission structures) for each department of the Course(s); a merchandise buying plan for the pro shop; a comparison to the annual operating budget for the immediately preceding year and a projection of anticipated monthly revenues and expenses and cash flows for the Course(s) for the following fiscal year, including, without limitation, a reasonable contingency and anticipated Working Capital requirements for the Course(s) for the year; (b) a recommended capital expenditures budget for the next fiscal year; (c) a Policies and Procedures Outline for the Course(s), including, without limitation, operating policies, proposed hours of operation, policies related to complimentary golf course and Course(s) use by City's representatives and employees, standards for operations and quality of service standards; (d) an Agronomic Plan including staffing assumptions, chemical and fertilization applications including planned agronomic practices; (e) Marketing Plan as described in Paragraph 1F (collectively, the "Annual Budget and Program"). Indigo Sports and City shall use their mutual best efforts to agree upon the Annual Budget and Program for the following year on or before fiscal year end. **City shall have the final approval and final decision-making authority over the Annual Budget and Program.** City shall provide Indigo Sports written confirmation of its approval of the Annual Budget and Program within sixty (60) days of Indigo Sports' submission of the Annual Budget and Program to City. If the City does not provide the written approval or rejection within the aforementioned sixty (60) day period, the Annual Budget and Program shall be deemed approved.

City acknowledges that the financial and operational performance of the Course(s) could be affected by circumstances or events beyond Indigo Sports' control. Indigo Sports shall not be deemed to have made any guarantee, warranty, or representation with the Annual Budget and Program. Under no circumstances shall City have any claim or cause of action against Indigo Sports in the event that the financial goals, targets, and benchmarks established in the Annual Budget and Program are not met or achieved.

Each party may, from time to time, propose to the other party, in writing, during the course of the year, such changes or amendments to the Annual Budget and Program as such party may consider necessary or appropriate, and Indigo Sports and City shall use their mutual best efforts to act upon

such proposal. Indigo Sports shall secure the prior approval of City for total expenditures which exceed the total expenditure amount approved in the Annual Budget and Program, however, as necessary, (i) Indigo Sports has the ability to allocate funds from individual expense line item to another expense line item within the Annual Budget and Program, and (ii) expenditures which will exceed any line item in the Annual Budget and Program by Ten Thousand Dollars (\$10,000), so long as all such expenditures do not exceed in the aggregate the entire Annual Budget and Program, except for expenditures necessary in the event of emergencies for which prompt notice will be given to City.

3. Payroll and Benefits. Indigo Sports, on behalf of Indigo Sports, shall establish, administer, and maintain the payroll procedure and systems for the Indigo Sports employees at the Course(s) and shall be responsible for overseeing the benefits to, and handling the appropriate payroll deductions for, individual employees. Benefits will be limited to vacations, sick leave, medical insurance coverage, and 401(k) plan, as approved by City pursuant to the Annual Budget and Program. All employees of the Course(s) shall be employees of Indigo Sports, and Indigo Sports shall comply with applicable Federal and State employment laws.
4. Vendor Accounts. Indigo Sports shall utilize existing vendor accounts which are in the name of City whenever possible. If necessary, Indigo Sports shall coordinate with City and appropriate vendors to establish any new vendor accounts with appropriate credit limits applied for on behalf of and in the name of the City. Indigo Sports shall act as Agent for the City with regard to payment of vendors, and City accepts full responsibility to pay all vendors who provide goods and/or services to or on behalf of the Course(s).

- H. Bank Accounts. City and/or Indigo Sports shall establish some or all of the following business checking accounts for the Course(s) as appropriate: (a) a "Deposit Account," (b) an "Operating Account" and (c) an "On Site Account," (collectively, the "Accounts"), for use in its management and operation of the Course(s). Indigo shall be authorized to access and use the Accounts in compliance with the Annual Budget and Program and the terms of this Agreement. All revenues, receipts, and funds deposited into the Accounts from time to time by City, Indigo shall be defined as and constitute Working Capital herein. Indigo shall cause all revenues and receipts to be deposited into the Deposit Account or, if no Deposit Account exists, into the Operating Account, on a daily basis. Indigo shall use the Operating Account to pay all expenses and costs, including but not limited to Operating Expenses, of the Course(s) and shall transfer funds from the Deposit Account to the Operating Account (if a Deposit Account exists) as necessary to pay such expenses and costs. Indigo shall maintain in the On-Site Account, if such an account exists, an amount not to exceed \$10,000, to be used for minor Course(s) expenses and costs. Nothing in this Agreement shall be construed to require Indigo to provide any Working Capital or any sums into any of the Accounts out of its own funds.

Upon cancellation or termination of this Agreement for any reason, Indigo shall continue to have the right to access and use the Accounts to satisfy all Operating Expenses, starting with the Base Management Fee and Incentive Management Fee, incurred through the applicable termination effective date, as well as all applicable fees, including any Cancellation Fee, Termination Fee or Sale Termination Fee. Indigo's right to access and use the Accounts shall continue for forty-five (45) days after the applicable termination effective date, at which time Indigo Sports' rights to access and use the Accounts shall be immediately revoked and all funds in the Accounts shall be immediately paid over to City. Upon direction from City from time to time, Indigo shall invest or deposit funds in the Accounts in accordance with City's direction provided that the City's direction is compliant with the Annual Budget and Program and the terms of this Agreement and does not prohibit or impede Indigo's ability to pay all Operating Expenses and applicable fees. Indigo shall establish, administer and maintain the point of sale and credit card procedures and systems for the depositing of revenues into such Accounts on a daily basis.

I. IT Services. Indigo Sports shall create, direct, and implement activities IT functionality, in a safe and stable manner, for the Course(s). Indigo Sports shall, as an Operating Expense of the Course(s), obtain and manage:

1. Networking infrastructure. The hardware and software resources of an entire network that enable network connectivity, communication, operations and management of a computer environment. The entire network infrastructure is interconnected, and can be used for internal communications, external communications or both. The entire network infrastructure may include routers, switches, wireless routers, cables, network operations and management software, operating systems, firewall and network security applications, network connectivity (cable, T-1 Lines, DSL, satellite, wireless, IP addressing, etc.)
2. Telephone Systems. The electronic transmission of voice, fax, or other information between parties including the use of **VoIP (voice over Internet Protocol)** for the delivery of voice communications over the Internet. This includes voice, fax, SMS, and/or voice-messaging applications that are transported via a network.
3. Hardware and Software to include the physical components that make up a computer system and then the software that runs on those physical components.

4. Virus and Malware Protection software designed to prevent viruses, worms and Trojan horses from getting onto a computer as well as remove any malicious software code that has already infected a computer.
5. Network Intrusion Protection software application that monitors network or system activities for malicious activities. Intrusion detection and prevention systems are primarily focused on identifying possible malicious incidents, logging information about them, and reporting attempts.
6. Network Monitoring is the use of a system that constantly monitors the computer network for slow or failing components and notifies the network administrator (via email, SMS or other alarms) in case of outages.
  - i. PCI Compliance. Indigo Sports will review the network and work with City as part of the start-up and transition process in order to determine necessary steps to achieve compliance with the Payment Card Industry Data Security Standards (“PCI DSS”) at the Course(s). PCI DSS is a set of requirements designed to ensure that all companies that process, store or transmit credit card information maintain a secure environment with focus on improving payment account security throughout the transaction process.
7. IT Service Reimbursement As part of the Annual Business Plan there shall be a monthly support fee for the remote support of the IT services as referenced. If the issue cannot be resolved remotely and requires Indigo Sports corporate based personnel to be onsite at the Course(s). Indigo Sports IT Services shall be paid an amount equal to One hundred dollars (\$100.00) per hour and necessary hardware upgrades/software installation without mark-up or profit to Indigo Sports.

Indigo Sports shall coordinate and oversee all third-party contractors’ work, if cost effective and appropriate, in connection with the implementation of these programs.

J. Operating Expenses and City’s Remittance.

1. Minimum Funds Balance. At the end of each calendar month, after paying the Operating Expenses of the Course(s), beginning with the Management Fees (including Base Management Fees and Incentive Management Fees), and other expenses authorized by City, Indigo Sports shall remit directly to City all amounts (if any) then in the Operating Account (as hereinafter described) in excess of the Minimum Funds Balance (as hereinafter described) by wire transfer or on line transfer to an account as City may from time to time designate by written notice to Indigo Sports (the “City’s Remittance”).

As used herein, the Minimum Funds Balance for the Course(s) shall be defined as the dollar amount of the total budget for all Operating Expenses (as set forth in the Annual Budget and Program) for the month following the current month within the Term of the Agreement. At no time shall the Minimum Funds Balance be less than fifty thousand dollars (\$50,000).

2. Operating Expenses. Indigo Sports shall pay all Operating Expenses for the Course(s) on behalf of City from the Operating Account which expenses shall include, but not be limited to, Management Fees (including Base Management Fees and Incentive Management Fees), payroll, payroll taxes, benefits, employee related costs, insurance, supplies, marketing materials, services, utilities, maintenance and repair, service agreements, and real and personal property taxes levied on the Course(s). Indigo Sports will collect from and remit on behalf of City, sales, use, value-included and excise taxes on sales and rentals at the Course(s). City is required to ensure that sufficient Working Capital is present in the Operating Account to enable Indigo Sports to pay, on behalf of City, all Operating Expenses. In all events, City is responsible to pay all Operating Expenses in the event Indigo Sports is unable to pay all or any part of the Operating Expenses for any reason. Indigo Sports will not pay Federal or State income taxes levied on City. Under no circumstances shall Indigo Sports be liable for Federal, State, or local taxes of any kind whatsoever levied against City or the Property in relation to Course(s) Ownership, leasing, or operations.
- K. City's Meeting. Indigo Sports shall, periodically, consult with the City regarding the Course(s) and its operations at a reasonable time, date and place designated by City.
- L. Limitations. Indigo Sports shall obtain City's prior written approval for (i) contracts in excess of ten thousand dollars (\$10,000), (ii) contracts in excess of twelve (12) months in duration unless the same can be terminated upon thirty (30) days written notice without cost or fee to City, and (iii) contracts with affiliates of Indigo Sports.
- A. Assignment of Operations. Forty five (45) days after the applicable termination effective date of this Agreement, Indigo Sports, as appropriate, shall assign to City or City's designee, and City or City's designee shall accept said assignment of, all operating accounts, vendor accounts, inventory, accounts receivable, and accounts payable, which transfer shall be completed upon Indigo Sports receiving all fees due pursuant to this Agreement.
- B. Centralized Services. Indigo Sports may cause to be furnished to the Course(s) certain services ("Centralized Services") which, in Indigo's experience, are able to be furnished in a more cost effective and efficient manner on a central or regional

basis to golf facilities managed by Indigo. The costs to provide such services shall be aggregated and billed to the clubs by Indigo rather than via a third-party vendor. Centralized Services shall be approved as part of the Annual Budget and Program. Indigo represents that this reimbursement amount shall consist of an amount not exceeding the actual cost of the services without mark-up or profit to Indigo including salary and employee benefit costs, cost of equipment used in performing such services, and overhead costs of the home office or any regional or other local office providing such services.