

Assumptions													
Scenarios	FOD	A	B	1A	1B	2A	2B	2C	2D	2E	2F		
	As Is	Critical Improvements	Selling 9 at Each	\$5 Million Enger	Close Lester	9 Holes Operated	\$2.5 M Clubhouse	\$5.0 M Clubhouse	Pre-Fab	Pre-Fab			
Holes	45	54	54	36	36	27	27	27	27	18	27	0%	0%
Round Positive Impact for Hole Reduction		0	0	0	0	20%	0%	20%	20%	0%	0%	0%	0%
Capital Improvements: Critical Only	3,940,000	0	3,940,000	2,547,560	2,547,560	4,440,000	4,440,000	4,440,000	4,440,000	2,400,000	2,750,000	0	0
Capital Improvements: Critical Only	200,000	0	3,612,000	2,722,000	2,722,000	0	0	0	0	0	0	0	0
Course - Lester	750,000	0	750,000	750,000	750,000	5,000,000	750,000	2,500,000	5,000,000	500,000	500,000	0	0
Clubhouse - Enger	0	0	750,000	750,000	750,000	0	0	0	0	0	0	0	0
Clubhouse - Lester	375,000	375,000	375,000	375,000	375,000	500,000	500,000	500,000	500,000	500,000	500,000	0	0
Equipment - Enger	375,000	375,000	375,000	375,000	375,000	0	0	0	0	0	0	0	0
Equipment - Lester	375,000	375,000	375,000	375,000	375,000	0	0	0	0	0	0	0	0
Subtotal Debt Enger	5,065,000	375,000	5,065,000	3,672,560	7,922,560	5,690,000	5,690,000	7,440,000	9,940,000	3,400,000	3,750,000	0	0
Subtotal Debt Lester	575,000	375,000	4,737,000	3,847,000	3,847,000	0	0	0	0	0	0	0	0
Sales Proceeds - Enger	0	0	0	800,000	800,000	0	0	0	0	0	0	0	0
Sales Proceeds - Lester	600,000	0	0	800,000	800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	2,200,000	0	0
Net Capital Requirements - Enger	5,065,000	375,000	5,065,000	2,872,560	7,122,560	3,890,000	3,890,000	5,640,000	8,140,000	1,600,000	1,550,000	0	0
Net Capital Requirements - Lester	-25,000	375,000	4,737,000	3,047,000	3,047,000	0	0	0	0	0	0	0	0
TOTAL DEBT REQUIRED	5,040,000	750,000	9,802,000	5,919,560	10,169,560	3,890,000	3,890,000	5,640,000	8,140,000	1,600,000	1,550,000		
Capital Reserves - Enger	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Reserves - Lester	0	0	0	0	0	0	0	0	0	0	0	0	0
General Fund Debt Satisfaction	0	0	0	0	0	0	0	0	0	0	0	0	0
Funding Gap	5,040,000	750,000	9,802,000	5,919,560	10,169,560	3,890,000	3,890,000	5,640,000	8,140,000	1,600,000	1,550,000		

Funding GAP Implications: 25 Year Amortization at 5.7% Without Origination or Issuance Costs Exclusive of General Fund Debt Repayment													
	A	B	1A	1B	2A	2B	2C	2D	2E	2F			
Principal (First Year)	0	93,804	14,176	182,433	110,174	189,274	72,400	104,971	151,501	63,280	63,280		
Interest (First Year)	0	572,535	34,205	553,997	334,566	574,771	219,858	318,766	460,063	192,164	192,164		
Annual Debt Obligation	0	666,339	48,381	736,430	444,740	764,045	292,258	423,737	611,563	255,444	255,444		

Projections													
	Historical	FOD	A	B	1A	1B	2A	2B	2C	2D	2E	2F	
	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	
Rounds Total	67,708	73,000	59,000	67,000	56,000	60,000	42,000	38,000	44,000	46,000	30,000	42,000	
Rounds Enger	39,299	42,000	33,000	39,000	32,000	36,000	42,000	38,000	44,000	46,000	30,000	42,000	
Green Fees - Enger	26	26	26	26	26	26	26	26	26	26	26	26	
Yield Enger	50.00%	45.00%	45.00%	45.00%	50.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%	
Rounds Lester	28,409	31,000	26,000	28,000	24,000	24,000	0	0	0	0	0	0	
Yield Lester	50.00%	45.00%	45.00%	45.00%	50.00%	50.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Revenue													
Green Fees	804,168	816,317	642,313	792,169	674,347	758,189	748,961	641,246	814,947	883,133	508,790	719,990	
Carts	318,396	379,075	319,680	384,570	304,000	326,400	265,260	240,060	277,860	290,660	189,276	265,060	
Merchandise	168,547	177,755	143,665	179,225	117,600	231,000	126,000	114,000	264,000	414,000	90,000	126,000	
Food and Beverage	347,290	365,000	295,000	402,000	336,000	480,000	252,000	228,000	396,000	552,000	180,000	252,000	
Other	92,047	98,750	77,250	105,005	78,500	118,500	81,690	79,500	113,500	118,500	78,500	96,500	
Total Revenue	1,730,448	1,832,897	1,477,908	1,862,969	1,555,847	2,173,089	1,473,911	1,302,806	1,966,307	2,458,093	1,046,556	1,471,550	
Cost of Sales													
Merchandise	106,525	124,429	100,566	125,458	117,600	231,000	88,200	79,800	184,800	289,800	63,000	89,964	
Food and Beverage	145,463	160,600	123,900	168,840	141,120	285,600	110,880	100,320	218,240	330,880	79,200	113,098	
Total Costs of Goods Sold	251,988	285,029	224,466	294,298	258,720	516,600	199,080	180,120	403,040	620,680	142,200	199,080	
Net Operating Income	1,478,460	1,547,869	1,253,442	1,568,672	1,297,127	1,656,489	1,274,831	1,122,686	1,563,267	1,837,413	904,356	1,272,470	
Expenses													
Administration	375,885	415,674	390,674	390,674	390,674	390,674	321,485	321,485	334,970	334,970	246,485	246,485	
Food and Beverage	136,405	97,567	142,387	142,387	142,387	249,138	133,811	133,811	256,600	306,802	133,811	133,811	
Golf Shop	360,748	342,016	342,016	365,459	342,016	342,016	354,835	329,835	378,431	427,027	354,835	354,835	
Maintenance	587,383	665,823	603,367	656,458	596,367	596,367	522,334	522,334	649,425	649,425	410,698	522,334	
Total Expenses	1,460,421	1,521,080	1,478,444	1,554,978	1,471,444	1,578,195	1,332,465	1,307,465	1,619,426	1,718,224	1,145,828	1,257,465	
EBITDA	18,039	26,789	-225,002	13,693	-174,318	78,294	-57,633	-184,779	-56,159	119,188	-241,462	15,005	
Capital Reserves	0	0	0	0	0	0	0	0	0	0	0	0	
Contingency Reserve	0	0	0	0	0	0	0	0	0	0	0	0	
Escrow	0	0	0	0	0	0	0	0	0	0	0	0	
Gain on Deposition of Assets	0	0	0	0	0	0	0	0	0	0	0	0	
Principal Amortization	0	93,804	14,176	182,433	110,174	189,274	72,400	104,971	151,501	66,982	66,982	32,323	
Interest	0	284,855	34,205	553,997	334,566	574,771	219,858	318,766	460,063	188,462	188,462	82,238	
Total Other	0	378,658	48,381	736,430	444,740	764,045	292,258	423,737	611,563	255,444	255,444	116,452	
Management Company Fees: Base	124,848	125,000	125,000	125,000	125,000	125,000	90,000	90,000	90,000	90,000	90,000	90,000	
Management Company Fees: Incentive	0	0	0	0	0	0	0	0	0	0	0	0	
Cash Flow													
Cash Flow	-106,809	-476,869	-398,383	-847,737	-744,058	-810,751	-439,891	-567,037	-569,895	-582,375	-586,906	-191,447	
Accumulated Cash Flow	-534,046	-2,611,355	-2,276,741	-4,349,852	-3,540,953	-3,968,181	-1,810,574	-2,301,350	-2,655,375	-3,174,721	-2,978,716	-939,961	
Amortization of General Fund Debt (10 years)	0	0	0	0	0	0	0	0	0	0	0	0	
Annual Cash Flow After General Fund Repayment	-106,809	-476,869	-398,383	-847,737	-744,058	-810,751	-439,891	-567,037	-569,895	-582,375	-586,906	-191,447	

	Revenues	Cost of Goods	Net Operating Income	Total Expenses	EBITDA	Debt Service	Management Fees	Cash Flow	5 Year Cash Flow
Historical - 2017	1,730,448	251,988	1,478,460	1,460,421	18,039	0	124,848	106,809	534,046
Friends of Duluth	1,832,897	285,029	1,547,869	1,521,080	26,789	378,658	125,000	476,869	2,611,355
A - Continue to Operate As Is	1,477,908	224,466	1,253,442	1,478,444	225,002	48,381	125,000	398,383	2,276,741
B - Critical Improvements Only as Both Courses	1,862,969	294,298	1,568,672	1,554,978	13,693	736,430	125,000	847,737	4,349,852
1A - Sell 9 Holes at Each Golf Course	1,555,847	258,720	1,297,127	1,471,444	174,318	444,740	125,000	744,058	3,540,953
1B - Critical Improvements + \$5 Million Enger Clubhouse	2,173,089	516,600	1,656,489	1,578,195	78,294	764,045	125,000	810,751	3,968,181
2A - Close Lester Completely	1,473,911	199,080	1,274,831	1,332,465	57,633	292,258	90,000	439,891	1,810,574
2B - Independent Entity Operates 9 Holes at Lester	1,302,806	180,120	1,122,686	1,307,465	184,779	292,258	90,000	567,037	2,301,350
2C - Critical Improvements at Enger + \$2.5 Million Clubhouse	1,966,307	403,040	1,563,267	1,619,426	36,458	423,737	90,000	569,895	2,655,375
2D - Critical Improvements at Enger + \$5.0 Million Clubhouse	2,458,093	620,680	1,837,413	1,718,224	119,188	511,563	90,000	582,375	3,174,721
2E - 18 Holes With Essential Improvements at Enger - Pre Fab Clubhouse	1,046,556	142,200	904,356	1,145,828	241,462	255			

	Historical Data		FOD		A		B		1A		1B		2A		2B		2C		2D		2E		2F		
	Enger	Lester	Enger	Lester	Enger	Lester	Enger	Lester	Enger	Lester	Enger	Lester	Enger	Lester	Enger	Lester	Enger	Lester	Enger	Lester	Enger	Lester	Enger	Lester	
Rounds Capacity	80,596	80,596	80,596	80,596	80,596	80,596	80,596	80,596	53,731	53,731	53,731	53,731	80,596	80,596	80,596	80,596	80,596	80,596	80,596	80,596	53,731	53,731	80,596	80,596	
Rounds	39,298	28,459	42,000	31,000	35,000	26,000	39,000	28,000	32,000	24,000	36,000	24,000	42,000	38,000	44,000	34,000	44,000	44,000	44,000	44,000	30,000	30,000	42,000	42,000	
Capacity	48.76%	35.32%	52.11%	38.46%	43.94%	32.26%	48.39%	34.74%	59.56%	44.67%	67.00%	44.67%	52.11%	0.00%	47.15%	0.00%	54.55%	0.00%	57.07%	0.00%	53.83%	0.00%	52.11%	0.00%	
Green Fee Rate	26	26	29	29	28	28	28	28	32	32	36	36	24	24	22	22	25	25	26	26	26	26	32	32	
Yield Utilization	50.00%	50.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	50.00%	50.00%	55.00%	50.00%	55.00%	0.00%	55.00%	0.00%	55.00%	0.00%	55.00%	0.00%	55.00%	0.00%	55.00%	0.00%	
Skyline Cart Rate	\$45.00	\$45.00	49.00	49.00	45.00	\$45.00	\$49.00	\$49.00	\$36.00	\$36.00	\$36.00	\$36.00	\$36.00	\$36.00	\$39.00	\$39.00	\$39.00	\$39.00	\$39.00	\$39.00	\$39.00	\$39.00	\$39.00	\$39.00	
Skyline Card Senior Rate	\$49.00	\$35.98	\$49.00	\$49.00	\$45.00	\$35.98	\$49.00	\$35.98	\$49.00	\$35.98	\$49.00	\$35.98	\$49.00	\$35.98	\$199.00	\$0.00	\$199.00	\$0.00	\$199.00	\$0.00	\$199.00	\$0.00	\$199.00	\$0.00	
Season Passes - Annual - Regular	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00	\$1,000.00	\$0.00	\$1,000.00	\$0.00	\$1,000.00	\$0.00	\$1,000.00	\$0.00	\$1,000.00	\$0.00	
Season Passes - Annual - Senior	\$575.00	\$575.00	\$800.00	\$800.00	\$575.00	\$575.00	\$575.00	\$575.00	\$575.00	\$575.00	\$575.00	\$575.00	\$575.00	\$575.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Season Passes - Junior	\$275.00	\$275.00	\$250.00	\$250.00	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00	\$0.00	\$275.00	\$0.00	\$275.00	\$0.00	\$275.00	\$0.00	\$275.00	\$0.00	
Season Passes - Family	\$1,100.00	\$1,100.00	\$0.00	\$0.00	\$1,100.00	\$1,100.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,300.00	\$1,100.00	\$0.00	\$1,500.00	\$0.00	\$1,800.00	\$0.00	\$1,800.00	\$0.00	\$1,800.00	\$0.00	
Cart Fee	\$16.00	\$16.00	\$15.00	\$15.00	\$16.00	\$16.00	\$17.00	\$17.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$18.00	\$0.00	\$18.00	\$0.00	\$18.00	\$0.00	\$18.00	\$0.00	\$18.00	\$0.00	
Yield Factor	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	0.00%	70.00%	0.00%	70.00%	0.00%	70.00%	0.00%	70.00%	0.00%	
Merchandise	2.50	2.37	2.50	2.37	2.50	2.37	2.75	2.60	3.00	3.00	8.00	3.00	3.00	0.00	3.00	0.00	6.00	0.00	9.00	0.00	3.00	0.00	3.00	0.00	
Food and Beverage	5.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00	10.00	6.00	6.00	0.00	6.00	0.00	12.00	0.00	6.00	0.00	6.00	0.00	6.00	0.00	
Sponsorships	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Range	1.25	0.88	1.25	0.88	1.25	0.88	1.35	1.35	1.25	0.88	1.25	0.88	1.50	0.88	1.50	0.88	1.75	0.88	2.00	0.88	1.50	0.88	1.50	0.88	
Lessons, Schools, Other	0.25	0.25	0.25	0.12	0.25	0.12	0.18	0.12	0.25	0.12	0.25	0.12	0.32	0.12	0.50	0.12	0.75	0.12	1.00	0.12	1.00	0.12	1.00	0.12	
Merchandise COGS %	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	0.00%	70.00%	0.00%	70.00%	0.00%	70.00%	0.00%	70.00%	0.00%	
Food and Beverage COGS %	44.00%	40.00%	44.00%	44.00%	44.00%	40.00%	44.00%	40.00%	44.00%	40.00%	44.00%	40.00%	44.00%	40.00%	44.00%	0.00%	44.00%	0.00%	44.00%	0.00%	44.00%	0.00%	44.00%	0.00%	
Administration	2	0	2	0	2	0	2	0	2	0	2	0	2	0	2	0	2	0	2	0	1	0	1	0	
Staff - Full Time (GM + Sales and Marketing)	52,542	52,542	52,542	52,542	52,542	52,542	52,542	52,542	52,542	52,542	52,542	52,542	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	
Base Wage	17,98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	
Benefits	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	
Seasonal (# Personnel + Hrs. Per Yr.)	6	4	6	4	6	4	6	4	6	4	6	4	7	0	7	0	16	0	20	0	7	0	7	0	
Food and Beverage	1	1	1	1	1	1	1	1	1	1	2	1	1	0	1	0	2	0	2	0	1	0	1	0	
Staff - Full Time	22,000	15,000	22,000	15,000	22,000	15,000	22,000	15,000	22,000	15,000	30,000	15,000	22,000	0	22,000	0	30,000	0	30,000	0	22,000	0	22,000	0	
Base Wage	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	
Benefits	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	
Seasonal (# Personnel + Hrs. Per Yr.)	6	4	6	4	6	4	6	4	6	4	20	0	20	0	7	0	16	0	20	0	7	0	7	0	
Golf Shop	0	1	0	1	0	1	0	1	0	1	0	1	0	1	2	0	2	0	2	0	2	0	2	0	
Staff - Full Time	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	
Base Wage	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	
Benefits	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	
Seasonal (# Personnel + Hrs. Per Yr.)	7	7	7	7	7	7	7	8	7	7	7	8	7	8	0	8	0	10	0	12	0	8	0	8	0
Maintenance	2	1	3	1	2	1	2	1	2	1	2	1	2	0	2	0	2	0	2	0	2	0	2	0	
Staff - Full Time	47,500	27,500	47,500	27,500	47,500	27,500	47,500	27,500	47,500	27,500	47,500	27,500	52,500	0	52,500	0	52,500	0	52,500	0	52,500	0	52,500	0	
Base Wage	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	
Benefits	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	16.45%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	17.98%	0.00%	
Seasonal (# Personnel)	7	4	8	4	7	4	7	5	7	4	7	4	7	0	10	0	12	0	12	0	7	0	10	0	

