CITY OF PALATKA WORKSHOP
Palatka Municipal Golf Course Management Proposals

AGENDA

January 26, 2010; 4:00 p.m.

Price-Martin Community Center; 220 N. 11th Street

I. Call to Order: Mayor Karl N. Flagg 4:00 p.m.
   a. Reading of Special Meeting Call
   b. Invocation
   c. Pledge of Allegiance

II. Introduction: Woody Boynton, Jonathan Griffith, Matt Reynolds
   a. Current Conditions at Golf Course
      1. Economic
      2. Staff
      3. Course
   b. Request For Proposals Process

III. Presentation: Bobby Weed Golf

IV. Other Speakers:
   a. Billy Casper Golf
   b. Review Committee Remarks

V. Question and Answer; Open Discussion

VI. Closing Remarks

VII. Adjourn

PERSONS WITH DISABILITIES REQUIRING ACCOMMODATIONS IN ORDER TO PARTICIPATE IN THIS MEETING SHOULD CONTACT THE CITY CLERK'S OFFICE AT 329-0100 AT LEAST 24 HOURS IN ADVANCE TO REQUEST ACCOMMODATIONS.

Palatka Golf Club

Response to Request For Proposal

November 25, 2009

WEED GOLF DESIGN

T2 Golf SOLUTIONS

CITY OF PALATKA
REQUEST FOR PROPOSALS
Golf Course Management for
Palatka Golf Course

Submission Form (S-I)

Proposals To Be Received by 11:00 AM, Eastern Time, November 25, 2009
City Hall, 201 N. 2nd Street, Palatka, Florida, 32177

IMPORTANT: An Original and six (6) copies are to be submitted.

Please complete the following:

Legal Name of Proposer: ROBERT CARL WEED, JR.
BOBBY WEED GOLF DESIGN, INC.

Address: P.O. BOX 328
PONTE VEDRA BEACH, FL 32004

Telephone Number: 904.910.2876

Fax Number: —Contact Person: 904.249.0019

Signature: _____

Name of Signer: CHRISTOPHER MONTI
V.P.

Note: Failure to use these response sheets may disqualify your submission.

Non-Collusion Affidavit

State of ALABAMA County of JEFFERSON

CHRISTOPHER MONTI, being first duly sworn, deposes and says that:

(1) He/She is the VICE PRESIDENT of BOBBY WEED GOLF DESIGN, the firm that has submitted the attached Proposal;

(2) He/She is fully informed respecting the preparation and contents of the attached Proposal and of all pertinent circumstances respecting such Proposal;

(3) Such Proposal is genuine and is not a collusive or sham Proposal;

(4) Neither the said firm nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly, with any other vendor, firm or person to submit a collusive or sham proposal in connection with the contract or agreement for which the attached Proposal has been submitted or to refrain from making a proposal in connection with such contract or agreement, or collusion or communication or conference with any other firm, or, to fix any overhead, profit, or cost element of the proposal price or the proposal price of any other firm, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against the City of Palatka or any person interested in the proposed contract or agreement; and

(5) The proposal of service outlined in the Proposal is fair and proper and is not tainted by collusion, conspiracy, connivance, or unlawful agreement on the part of the firm or any of its agents, representatives, owners, employees, or parties including this affiant.

(Signed): _____

Title:

Subscribed and sworn to before me this 24th day of Nov 2009

_____

Notary Public

My Commission expires:

DIRK D. FORBES
NOTARY
My Comm. Expires
Nov. 13, 2011
PUBLIC
STATE OF ALABAMA

BOBBY WEED GOLF DESIGN

T2 Golf SOLUTIONS

November 25, 2009

Elwin C. "Woody" Boynton, Jr.
City Manager
City of Palatka
201 N. 2nd St.
Palatka, FL 32117

RE: City of Palatka RFP, Palatka Golf Club

Dear Woody:

Please find enclosed our response to the City's Request for Proposal for Palatka Golf Club.

It is with great enthusiasm that we make this submittal. As the waters of the golf business grow more difficult to navigate, the lines between operations, agronomy, marketing and capital improvements grow more blurred.

Today, a business plan that synthesizes all of these elements is necessary for success, and a team that offers proficiency in each is necessary to formulate such a plan.

Our ability to assemble this expertise and bring it to bear on the City's golf course was the motivation behind our submittal. We believe that great potential exists at Palatka Golf Club.

The detail and professionalism of the enclosed information will be indicative of our approach. We hope this submittal will be viewed favorably and we welcome any questions that you may have.

Sincerely,

BOBBY WEED GOLF DESIGN, INC.

Bobby Weed

Bobby Weed, ASGCA

T2 GOLF SOLUTIONS, LLC

Ty Day

Ty Day, PGA

Enc.

TABLE OF CONTENTS

I. Executive Summary

II. Principals of the Company

III. Values, Vision and Strategy

IV. Scope of Work

V. Economic Assessment

VI. General Schedule and Pro Forma

VII. Marketing

VIII. Terms and Conditions

IX. Miscellaneous

PART I: EXECUTIVE SUMMARY

1. Palatka Golf Club ("Golf Course") is a historically significant layout owned by the City of Palatka ("City") that has succumbed to a number of negative market forces. The Golf Course has consistently lost money over the last five years, and its current physical and financial position severely limits the City's viable operation and/or exit strategies. The City has issued a Request for Proposal ("RFP") seeking submittals for third party management of the Golf Course.

2. The Golf Course also enjoys an excellent design pedigree and a number of unique competitive strengths which can be leveraged to reverse the current operational trend.

3. Bobby Weed Golf Design, Inc. and T2 Golf Solutions, LLC, propose to join forces as a new entity, **BWGD PALATKA, LLC** ("Company") that partners with the City to devise and oversee the implementation of a 5-year turnaround plan ("Plan") for the Golf Course.

4. The Company offers a novel combination of extensive experience, broad expertise, and proven results that can address the Golf Course's operations, agronomics, sales, marketing, F & B, and capital improvements.

5. The Plan proposes an intensive focus on the core asset: the golf course and the experience it provides to golfers. The plan would involve improving agronomic conditions and driving revenue growth through the following core strategies:

    i. Maintaining and then raising the enthusiasm and participation levels of local golfers through specific community outreach efforts and retention programs.

    ii. Developing new revenue streams from non-local golfers through specific golf course improvements and a fresh marketing effort.

    iii. Improving agronomic conditions through a significant and capitalized supplement to annual maintenance spending and implementing an ongoing 2-year capital improvement program.

    iv. Maximizing the financial performance of the business by implementing industry best practices to guide its operation and management.

    v. Re-branding and re-marketing the Golf Course with a focus on the historical Donald Ross pedigree and the fun experience it provides.

    vi. Maintaining the Golf Course's position as an economical and high-value alternative to its competition within the marketplace.

6. Implementation of the Plan by the Company will comprise two phases. First, a 9-month first phase ("Initial Phase") which involves the following scope of work:

   i. Management of the facility,

   ii. Intensive assessment, measurement and benchmarking of each aspect of the operation,

   iii. Compilation of detailed reports, long-range goals and performance standards for each department of the entire operation,

   iv. Oversight and management of as many fundamental operational changes and capital improvements as can be prudently accomplished, with a particular focus on obvious items with immediate impact.

7. Following completion of the Initial Phase, the Parties may, upon mutual agreement, proceed into a 4-year second phase ("Second Phase"). The Second Phase aligns with the City's fiscal year and involves the following general scope of work:

   i. Management of the facility,

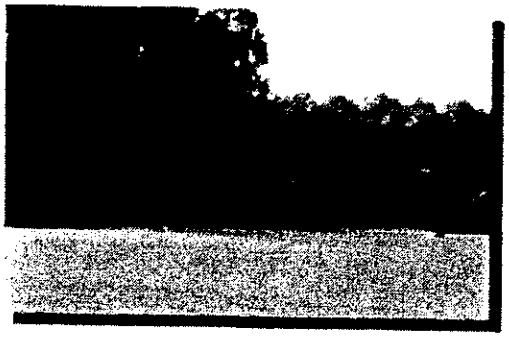
   ii. Oversight and management of an extensive capital improvement plan, and other departmental plans as compiled in the Initial Period,

   iii. Oversight and management of the facility's re-branding and marketing,

   iv. Tracking and adjustment of the facility's operational performance to meet performance goals and optimize financial results.

8. It is the opinion of the Company that upon completion of the Plan, Net Operating Income can be grown from its existing level to one which will not only fully offset both the expiring capitalized maintenance budget supplement and the debt service level, but also be positioned for future growth with a solidly established upward trend.

9. Achievement of such a position would vastly increase the City's viable exit strategies for the facility and enhance its ability to lease the Golf Course, sell the Golf Course, or continue to own and operate the Golf Course.



PART II: PRINCIPALS OF THE COMPANY

BOBBY WEED, American Society of Golf Course Architects

Member, Historical Committee, Donald Ross Society
Member, Golf Course Superintendents Association of America
Member, Florida Turfgrass Association

Weed's professional career began with an apprenticeship under Pete Dye, an association that stretched for over 17 years. In 1983, Weed was hired by the PGA TOUR, where he advanced to become their in-house architect in 1987. From that post, Weed was responsible for the design of many of today's best known TPC venues, which continue as host sites for prominent TOUR events. Weed was instrumental in developing management guidelines and performance standards for the maintenance and operation of the TPC branded facilities.

Weed was also able to collaborate with many of the TOUR's most familiar names, including Sam Snead, Gene Sarazen, Arnold Palmer, Jack Nicklaus, Raymond Floyd and Chi Chi Rodriguez; a cross section of experience unavailable to most.

In 1994, Weed's career and experience reached an apex with the formation of his own design firm, where he continues to "hand-craft" golf courses. Today, Bobby Weed Golf Design has amassed an impressive list of accomplished courses that are consistently ranked at the top of their respective categories.

TY DAY, PGA

Ty is a 25-year member of the PGA of America and the principal of T2 Golf Solutions, LLC. He previously served as Director of Operations for Tartan Golf Management, where he oversaw the management of more than 10 golf facilities and specialized in the turn-around of underperforming assets. Prior to Tartan, Ty led successful new construction projects at Wetherington Golf & Country Club, The Greens at Deerfield, and The Golf Club of Dublin. At these facilities, Ty was responsible for development and implementation of all start-up golf operations including hiring and training of all service staff, merchandising, junior golf programs, and tournament, golf car and range operations.

The principals of the Company will provide the City of Palatka several unique points of differentiation that can be leveraged to bolster the long term operational success of the golf course:

1. The principals of the Company have a significant and visible presence in the local marketplace, with broad brand recognition and credibility.

2. The principals of the Company have a proven track record of managing value-added capital improvements to First Coast golf facilities. Under the terms of this proposal, the City will receive the benefit of this expertise at cost, without having to employ additional third party consultants. (See Miscellaneous)

3. The principals of the Company have a proven track record of managing well run, sustainable and profitable golf operations. (See Miscellaneous)

4. The principals of the Company will be present, accessible and visible. Palatka Golf Club will not become part of a multi-course management portfolio. Our main office is 40 minutes from the property.

5. The principals of the Company have an extensive local contact network with superintendents, professionals, vendors and suppliers that can be exploited to find the most knowledgeable personnel and the most competitive pricing.

6. The principals of the Company have an extensive local and national contact network with industry press, golf writers (Stephen Trendler) and publications that can be exploited to bring superior attention to the revitalization of Palatka Golf Club.

7. The principals of the Company represent a comprehensive and unique blend of expertise that encompasses operations, sales, marketing, agronomics and capital improvements.

PART III: VALUES, VISION AND STRATEGY

In order to properly formulate a turnaround strategy for Palatka Golf Club, it is imperative to properly articulate the Strengths, Weaknesses, Opportunities and Threats (SWOT) that are currently impacting the facility's operation and performance. Once these factors are identified and appropriately weighted, a reasonable and realistic long term strategy can be formulated.

The Company allowed the following observations to inform its thinking:

STRENGTHS AND OPPORTUNITIES	WEAKNESSES AND THREATS
• A rare asset in North Florida golf: a core, non-residential golf course with a historical design pedigree and reputation.	• Consistent and significant operational losses over the last 5 years.
• A very solid infrastructural foundation: the sandy soil and the new irrigation system represent a head start that many courses do not enjoy.	• Agronomic conditions are poor and current maintenance and capital commitments are insufficient to reverse this trend. Conditions of some the critical infrastructure is poor and will require remediation.
• Existing effluent service is in place and functioning with no lack of water.	• The local market has a lower level of per capita household income as compared to surrounding counties.
• The City's ownership of the property provides significant expense-side advantages, including exemption from property taxes, as well as opportunities to secure capital funding under attractive terms.	• A number of competing facilities have been introduced to the marketplace over the years, especially St. Johns Golf & Country Club, which enjoys the same operational advantages from being owned by a public entity.
• City management has reduced expenses to match revenue – a solid starting point for reversing the decline of the operations.	• Current financial statements are inadequate relative to industry best practices. The available information prevents a clear assessment and benchmarking of the operation's rounds, revenue, and expenses, which in turn impacts the value of the immediate recommendations that can made.

• Passionate and committed support of the golf course exists from the local community. Gross revenue has been consistent - albeit low - over the last five years due largely to their patronage.	• Gross revenue is very low relative to competing golf operations.
• The Azalea Invitational provides an annual portal to expose the golf course to national notoriety. The addition of the Senior Azalea expands this impact.	• Access to the golf course from routes into Palatka is not easy to discern for a non-local golfer. There is no clear signage.
• Maintaining the City's involvement could offer the ability to access purchasing power and resources to accomplish capital improvements under competitive terms.	• Golf course yardage is less than 6,000 yards and may result in a perception of lower quality.
• Significant synergies exist with other aspects of Palatka's redevelopment. The golf course could become a flagship amenity that attracts outside media attention to Palatka and assists in driving additional local re-development to the City.	

Based on this review, the Company generated the following logic sequence to form the basis of its overall strategy:

1. Operational expenses have been lowered to meet revenue, but stabilized operations at such a low revenue number will result in the continued deterioration of golf course conditions, which in turn will reduce revenue even further. The result will be a net annual loss in an amount roughly equal to or greater than the current debt service payment ($170,000).

2. The current financial condition of the facility severely restricts the City's exit strategy options for lease or sale of the facility. The Company does not believe that any intelligent third party will pursue either strategy in the current context. Without a fundamentally different operational strategy, the Company believes the City will be faced with (i) continuing to absorb losses equal to or greater than the annual debt service or (ii) closing the golf course.

3. The turnaround at Palatka must be gradual and fiscally sound. It must also involve an integrated solution that changes and addresses all aspects of:

    a. Golf, F&B and agronomic operations,

    b. Golf course design and capital improvements, and

    c. Sales & marketing.

4. The competitive operational advantages that the City's ownership of the property offers must be maintained. The Company does not believe that a private enterprise subject to expenses from property taxes and property insurance premiums could stabilize and improve the financial performance of the facility. The Company views its involvement with Palatka Golf Club as a true partnership with the City.

5. The turnaround must involve an intensive focus on the core asset: the golf course and the experience it provides to golfers. All other considerations are secondary.

6. The Company would propose a five-year plan that concentrates on improving agronomic conditions and driving revenue growth through the following core strategies:

    a. The facility's operation will be adequately benchmarked with the establishment of new performance standards for all departments.

    b. Revenue growth would occur initially by first maintaining and then raising participation levels from local golfers. The target population is the residents of the City of Palatka and Putnam County and who make up 85% of the immediate market. Non-local golfers from new markets would be mobilized as capital improvements are completed and marketed. This secondary market will make up the remaining 15% of the golfers/rounds needed in order to meet financial goals. Together, these two markets comprise 100% of the golfers and rounds needed to drive the revenue equation for this facility's financial success.

    c. Agronomic conditions would improve through a capitalized 4-year supplement to annual maintenance spending. <u>In conjunction with this supplement would be the capitalized funding of an in-house crew to implement an ongoing 2-year capital improvement program "at cost"</u>. Funding for this combined $1.1M effort would be achieved mainly through the re-financing of the existing bank note held against the golf operation. Alternative sources of capital would also be researched and identified.

    d. The course and completed improvements would be appropriately re-branded and re-marketed with a historical focus on the Donald Ross pedigree.

e. The Golf Course would maintain its position as an economical alternative to market competition. Patrons would see great value in the fees and experience available at the Golf Course.

7. It is the Company's opinion that upon completion of the five-year Plan, Net Operating Income can be grown from its existing level to a level that can adequately support both the expiring maintenance budget supplement being proposed and the new debt service. The Golf Course would be financially and physically sustainable. Achievement of such would vastly increase the viability of the City's operation and exit strategies for the Golf Course, including its possible lease or sale.

PART IV: SCOPE OF WORK

Over the course of the five year term, the below scope of work will guide the Company's efforts and become part of an executable agreement with the City.

Generally, the Company will use its resources to make significant and fundamental operational changes in the Initial Phase and prepare the various Plans to guide the future operation of all departments. These changes will allow us to improve operational efficiencies, benchmark the property to identify areas for improvement and improve the physical plant to provide a solid foundation that supports future financial growth.

During the Second Phase, the Company will facilitate a significant improvement in maintenance standards as well as oversee value-added, "at-cost" capital investments. Funding for these efforts will be facilitated by utilizing the City of Palatka's efficient access to capital. These improvements will focus on the golf course's critical infrastructure and will ultimately enhance and restore the original Donald Ross design.

Agronomic Operations

Task 1 Operational Assessment
Prepare a comprehensive and detailed assessment of the agronomy department, including practices, staff and equipment, which becomes the basis for the Agronomic Plan.

Task 2 Job Descriptions
Draft job descriptions and hiring guidelines that will be used to evaluate and gauge existing staff in the re-hiring process.

Task 3 Agronomic Plan & Performance Standards
Prepare a comprehensive and detailed agronomic plan which guides the improvement of the golf course's conditions and establishes minimum goals for all areas of the golf course.

Task 4 Conditioning
Implement the Agronomic Plan through a prioritized focus on the in-play areas critical to a golfer's perception of the course (i) greens, (ii) tees, and (iii) fairway. Coordinate improved conditioning in conjunction with the Capital Improvement Plan.

Golf Operations

Task 1 Operational Assessment
Prepare a comprehensive and detailed assessment of the golf operations that becomes the basis of the Golf Operations Plan.

Task 2 Job Descriptions
Draft job descriptions and hiring guidelines that will be used to evaluate and gauge existing staff in the re-hiring process.

Task 3 Golf Operations Plan
Prepare a comprehensive and detailed plan which guides the improvement of the up front operations and establishes performance goals for staff.

Task 4 Point of Sale (POS)
Install Fore Reservations as the Golf Course's comprehensive reservation and marketing system (e-mail marketing, e-mail confirmations, database management, direct marketing tools), point of sale (POS) system (purchasing, receiving, inventory control, accounts receivable), and a world wide web booking engine.

Task 5 Policies & Procedures
Develop and implement a global policies and procedures manual for Golf Operations.

Task 6 Inventory Control
Institute a retail merchandise and inventory control program to avoid shrinkage in the operation.

Task 7 Golf Car Management
Assess, develop and implement a comprehensive golf car management program and coordinate the solicitation of competitive pricing proposals upon expiration of the current lease. These steps will protect one of the Golf Course's highest valued assets and contributor of more than 30% of annual revenues.

Task 8 Play Management
Develop and implement standard operating policies and procedures for outing, tournament and general play.

Task 9 Player Development
Develop and implement programmed teaching and player development programs with a specific focus on juniors, women, and community league play. These programs will be designed to further broaden and enhance the golf course's perception in the local community as an accessible and desirable amenity.

Food & Beverage Operations

Task 1 Operational Assessment
Prepare a comprehensive and detailed assessment of the F & B operations that becomes the basis of the F& B Operations Plan.

Task 2 Job Descriptions
Draft job descriptions and hiring guidelines that will be used to evaluate and gauge existing staff in the re-hiring process.

Task 3 F & B Operations Plan
Prepare a comprehensive and detailed operations plan which guides the improvement of the F&B operations and establishes performance goals for staff.

Task 4 Point of Sale (POS)
Utilize and synthesize the Fore Reservations software to run and operate the entire food and beverage operations. Every item will be tracked, easy access touch screen ordering, multiple checks opened at one time, and orders can be sent back to a kitchen printer.

Task 5 Policies & Procedures
Develop and implement a global policies and procedures manual for F&B Operations.

Task 6 Menu Concept & Pricing
Develop and implement theoretical menu concept and pricing to ensure a profitable F & B operation.

Task 7 Inventory Management
Inventory management standards will be instituted to protect from shrinkage and will be monitored through the POS system, theoretical menu costing and inventory controls.

Task 8 Safety Program
A safety and sanitation program will be put into place will utilizing the ServSafe Program for safe food and alcohol service.

Sales & Marketing Operations

Task 1 Operational Assessment
Develop a comprehensive and detailed sales and marketing plan for the years 2011 – 2014. This plan will be an integral a part of the overall business plan going forward as revenue is driven upwards by increased awareness of the Golf Course.

Task 2 Website Development
Implement a new, professionally created website that will make announcements, book online tee times (integrated with the tee sheet), send out newsletters and assist in new customer acquisition.

Task 3 E-Mail Management
Send out weekly emails with a particular focus on promoting synergy between the Palatka Golf Club and City of Palatka events, generating more leads and participation in the city's venues.

Task 4 Loyalty Program
Develop and implement a new customer loyalty program that will track each customer's purchases and reward that customer based on dollars spent at the facility.

Task 5 Branding & Image
Implement a new brand and image development program focusing on a more professional approach to business. New logo and byline development will be implemented.

Task 6 Collateral Management
Develop and implement standardized marketing collateral based on the Branding and Image program.

Task 7 Publicity/Media Relations
Develop and implement a publicity and media relations plan that focus on the new direction of Palatka Golf Club.

Task 8 Marketing Relationships
Establish strategic marketing relationships within the immediate market and surrounding markets to bring greater awareness of, rounds and revenue to the facility

Task 9 Database Management
Develop and implement a comprehensive database management program that can filter and identify a specific segment of the Golf Course's customer base.

Golf Course Improvement Plan

Task 1 Capital Needs Assessment
Conduct a complete and comprehensive assessment of the golf course's infrastructure, including the golf course, maintenance equipment, and clubhouse.

Task 2 Golf Course Improvement Plan & Schedule
Devise a long-range plan to improve any identified infrastructural deficiencies. Improvements shall be conducted with a focus on the appropriate and sympathetic restoration of the original Donald Ross golf course design.

Task 3 Capital Needs and Sources
Identify the extent of capital requirements to complete the Golf Course Improvement Plan and work with the City to identify the most appropriate sources of funding that fit within the Golf Course's projected pro forma. Potential capital sources to be examined include but are not limited to general obligation bonds, bank notes, grants, TARP funding, grant donations from the Donald Ross Society, and/or other novel sources of funding.

Human Resources

Task 1 Recruiting & Hiring
Develop and implement recruiting and hiring procedures that are consistent with and in compliance with the City of Palatka's ordinances.

Task 2 Employee Training
Develop and institute a new employee training and development program.

Task 3 Benefits Management
Conduct an employee benefits management program consistent and in compliance with the City of Palatka ordinances.

Task 4 Employee Performance
Conduct performance reviews in a timely manner and develop a counseling program to improve performance.

Task 5 Payroll Management
Implement a payroll management system to track, verify and submit payroll hours according to policy and procedure.

Task 6 Compliance
Follow local, state and national employment compliance for the entire facility.

Accounting

Task 1 Reporting
Set-up standard formatting for and conduct daily, monthly and annual reporting to the City of Palatka.

Task 2 Payables/Receivables
Coordinate and oversee the management of all accounts payable and receivable.

Task 3 Cash Management
Implement cash management and forecasting to better inform the City of Palatka on the performance of the property during each month of operation.

Task 4 Cash Controls
Establish cash controls and reconciliation programs in order to enhance the security of cash handling. Establish variance standards and reporting methods.

Task 5 Inventory Control
Install inventory controls and security cameras within the facility to protect its assets.

Task 6 Income/Expense Analysis
Conduct income and expense analyses on a bi-weekly basis to better ensure that financial goals are met.

Task 7 Budgeting/Forecasting
Conduct annual budgeting and forecasting for submission to the City of Palatka.

PART V: ECONOMIC ASSESSMENT

The location of the Palatka Golf Club sets up to have two markets, (i) the "Local Market" and (ii) the "Outside Market", both of which will need to be acquired for the overall success of the Golf Course. The combined market opportunity represents 1,102,145 people within a one hour drive of the Golf Course. The golfing market is generally considered to be 10% of any market population, resulting in a possible 110,214 golfers within the Golf Course's market area.

The immediate county of Putnam is specified as the Local Market and will generate 100% of the projected 2010 play and 85% of the projected play 2011-2014. Putnam County has a population base of 73,459 (2008), which has increased 4.3% since 2000 - significantly behind the Florida average of 14.7% (See table below).

	Putnam County	Florida
Population, 2008 estimate	73,459	18,328,340
Population, percent change, April 1, 2000 to July 1, 2008	4.3%	14.7%
Population estimates base (April 1) 2000	70,423	15,982,813

The surrounding counties of Clay, St. Johns, Flagler, Marion, and Alachua comprise the secondary Outside Market. This market will become 15% of the play mix in 2011 and will grow to approximately 20% of the rounds by 2014. These counties have a population base of 1,028,686 (2008), which has increased an average of 39.94% since 2000 - significantly ahead of the Florida average of 14.7% (See tables below)

Jacksonville MSA	Clay County	Florida
Population, 2008 estimate	184,727	18,328,340
Population, percent change, April 1, 2000 to July 1, 2008	31.2%	14.7%
Population estimates base (April 1) 2000	140,814	15,982,813

Jacksonville MSA	St. Johns County	Florida
Population, 2008 estimate	181,540	18,328,340
Population, percent change, April 1, 2000 to July 1, 2008	47.4%	14.7%
Population estimates base (April 1) 2000	123,148	15,982,813

Palm Coast MSA	Flagler County	Florida
Population, 2008 estimate	91,427	18,328,340
Population, percent change, April 1, 2000 to July 1, 2008	83.1%	14.7%
Population estimates base (April 1) 2000	49,832	15,982,813

Ocala MSA	Marion County	Florida
Population, 2008 estimate	329,628	18,328,340
Population, percent change, April 1, 2000 to July 1, 2008	27.3%	14.7%
Population estimates base (April 1) 2000	258,914	15,982,813

Gainesville MSA	Alachua County	Florida
Population, 2008 estimate	241,364	18,328,340
Population, percent change, April 1, 2000 to July 1, 2008	10.7%	14.7%
Population estimates base (April 1) 2000	217,955	15,982,813

Income Characteristics

Income characteristics for the Local Market will be very challenging. Any escalation in fees must be on an economical scale of no more than 7-8% a year. The Outside Market income characteristics are approximately 47% higher than the Local Market Income characteristics. Therefore, the Outside Market would allow a greens fee rate structure 23-25% higher than the Local Market rate structure.

Household Income Characteristics

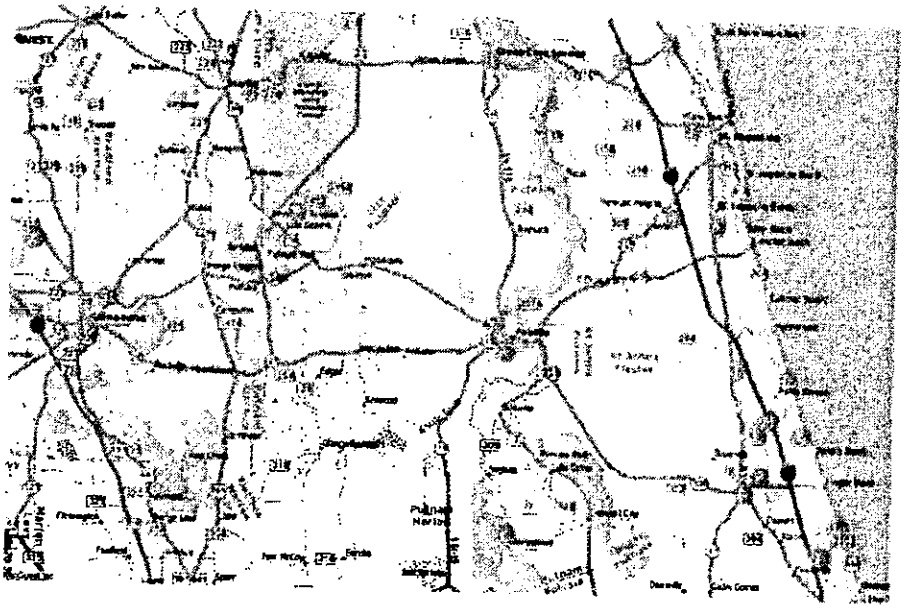
County Name	Description	County	Florida
Putnam County	Median household income, 2007	$33,282	$47,804
Clay County	Median household income, 2007	$58,696	$47,804
St. Johns County	Median household income, 2007	$63,728	$47,804
Flagler County	Median household income, 2007	$45,639	$47,804
Marion County	Median household income, 2007	$39,354	$47,804
Alachua County	Median household income, 2007	$38,075	$47,804

Local Market Average Median Household Income $33,282
Outside Market Average Median Household Income $49,098

Lastly, at some point in the future, post-recession, the local area should expect to see an increase in market employment, economic activity and discretionary spending. The Company believes that by the beginning of the Second Phase the local market income characteristics will increase, thus accepting a higher rate structure for greens fees.

Comparing Palatka Golf Club to the Competition

	Palatka GC	Live Oak G & CC	St. Johns GC	St Aug. Shores	Keystone GC
Greens Fee 18 R	$32	$28	$47	$30	$34
Greens Fee 18 W	$22	$12	-	$17	$18
Miles from PGC	0 Miles	17 Miles	19 Miles	22 miles	23 Miles



PART VI: GENERAL SCHEDULE AND PRO FORMA

The Company's assumptions for revitalizing and re-branding the club to this new concept involve the following general schedule:

Year 1 – Initial Phase

1. Increase operational effectiveness by hiring or rehiring of new staff, instituting job descriptions, training programs and customer service programs.

2. Add rounds by basic marketing efforts and better tee sheet utilization (i.e. including directional signage to the Golf Course from access routes into Palatka).

3. Increase marketing expenditures and work with the City of Palatka to synergistically market the city and the golf club.

4. Increase maintenance expenditures to improve course conditions and become the base for future round/revenue growth.

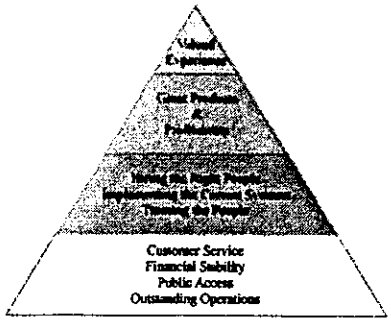
5. Establish industry wide best practices standards and benchmark operations to ensure the legitimacy of pro forma.

6. Improve the cleanliness and the operation of the physical plant through limited and immediate capital improvements. Undertake obvious and effective projects that synergize with operation changes, i.e. add parking lot lighting to facilitate after work league play.

7. Implement our "Golf Car Management" program.

8. Develop and implement player development programming.

9. Implement our proprietary "Valued Experience" model (See Below)



Year 2 – Second Phase

1. Continue the operational effectiveness by enhancing training programs and customer service programs.

2. Add rounds/revenue by effective marketing, improved course conditions, tee sheet utilization and added value as rates increase.

3. Increase marketing expenditures and work with the City of Palatka to synergistically market the City and the golf club in the Outside Markets.

4. Increase maintenance expenditures to improve course conditions and establish the base for future round/revenue growth.

5. Initiate capital improvements on the golf course that return it to the original design. These improvements will be completed at cost through the Company's oversight.

6. Add new maintenance equipment through appropriate capital leases.

7. Continue the improvement of the physical plant/common areas.

8. Continue to establish industry wide best practices standards and benchmark operations to ensure the legitimacy of pro forma.

9. Continue our "Golf Car Management" program.

10. Continue to enhance player development programming.

11. Continue to adapt and perfect the "Valued Experience" model.

Years 3 – 4

1. Continue operational effectiveness by enhancing training programs and customer service programs.

2. Add rounds/revenue by effective marketing, improved course conditions, tee sheet utilization and adding value as rates increase.

3. Increase marketing expenditures and work with the City of Palatka to synergistically market the City and the Golf Course in our new Outside Markets.

4. Continue increased maintenance expenditures to improve course conditions and become the base for future round/revenue growth.

5. Complete capital improvements on the golf course returning it to the original design.

6. Maintain new maintenance equipment obtained through appropriate capital leases.

7. Continue the improvement of the physical plant/common areas.

8. Continue to establish industry wide best practices standards and benchmark operations to ensure the legitimacy of pro forma.

9. Continue our "Golf Car Management" program.

10. Continue to enhance player development programming.

11. Continue to adapt and perfect the "Valued Experience" model.

Year 5

1. Achieve operational effectiveness by successfully executing training and customer service programs.

2. Achieve or exceed rounds and revenue benchmarks set forth in pro forma.

3. Successfully market to Local and Outside Markets and achieve target play levels.

4. Sustain maintenance expenditures towards the continued improvement of course conditions and become the contributor for future round/revenue growth.

5. Return the golf course to the original Ross design.

6. Maintain appropriate maintenance equipment to produce improved agronomic conditions.

7. Sustain the improvement of the physical plant/common areas.

8. Continue to establish industry wide best practices standards and benchmarks.

9. Sustain "Golf Car Management" program.

10. Model the player development programming for future facilities.

11. Perfect the "Valued Experience" model.

Capital Expenditures

From our investigation of the Golf Course, generating the revenue targets within the pro forma projections will require capital improvements that raise the standard and consistency of the conditions and experience on the Golf Course. These improvements will initiate with obvious and visible projects in Year 1 and ramp up to more substantial improvements in Years 2-3.

Based on our experience, we have made a conservative assumption of $1,100,000 in additional capital expenditures added to the existing note, which is then refinanced to $2,800,000 over 30 years @ 6%. The Company expects to seek alternative sources of funding in conjunction with the City that represent more attractive terms.

The capital dollars will fund both actual improvements to the Golf Course as well as a 4-year capital supplement to annual maintenance expenditures. The Company also expects to utilize its expertise in golf course improvements to manage the improvements in a highly efficient manner that provides exceptional value for the dollars spent. The Company expects to form an in-house "capital improvement crew" to work within the Golf Course's payroll structure and complete improvements at cost. The slow pace of golf course construction in North Florida has created a surplus of qualified individuals. Vendors and suppliers are offering very attractive pricing. Further, the Company anticipates adding further value by utilizing the City's resources for labor, equipment and material procurement.

It is anticipated that the funds will be distributed roughly as follows:

	Year 1	Year 2	Year 3	Year 4	Year 5
Agronomy Costs	$25,000	$150,000	$150,000	$150,000	$150,000
GC Improvements	$25,000	$182,500	$182,500		
Common Areas	$5,000				
Parking Lot	$5,000				
Parking Lighting	$5,000				
Equip Cap Leases		$30,000	$30,000		
Totals	**$75,000**	**$362,500**	**$362,500**	**$150,000**	**$150,000**

"Baseline" Case Operational Scenario

Based on the outlined capital expenditures and the operational strategies outlined herein, the Company believes that it can drive meaningful revenue growth over the term of its engagement.

The goal of the Company will be to grow Net Operating Income by the completion of its engagement such that generated income will fully offset both the capitalized maintenance expenditures and debt service. In condensed format, the Company would establish the below figures as its baseline revenue and expense targets over the term of its engagement:

Baseline Pro Forma	2009	2010	2011	2012	2013	2014
	Actual	Year 1	Year 2	Year 3	Year 4	Year 5
Local Market Rounds	18,914	22,500	22,500	22,500	23,500	23,500
Outside Market Rounds		-	2,500	3,500	4,500	4,500
GROSS PROFIT	613,174.16	665,582.10	789,161.05	876,192.00	978,634.11	1,043,426.90
TOTAL EXPENSES	603,323.66	678,831.76	740,094.15	766,332.60	794,482.64	778,280.88
NET OPERATING INCOME	9,958.50	(13,249.65)	49,066.90	109,759.40	184,151.47	265,146.02
DEBT SERVICE (Est.)	180,000.00	180,000.00	201,000.00	201,000.00	201,000.00	201,000.00
NET INCOME/LOSS	(170,049.50)	(193,249.65)	(151,933.10)	(91,240.60)	(16,848.53)	64,146.02
Capitalized Costs:						
Maintenance		25,000.00	150,000.00	150,000.00	150,000.00	150,000.00
Capital Improvements		50,000.00	212,500.00	212,500.00		

$1,100,000 Capitalized Cost added to Bank Note and Refinance a $2,800,000 note over 30 years @ 6%

Please note that the Company's proposed fees have been included in these pro forma projections as part of the Total Expenses line. In the more detailed Pro Formas included in Part VIII, these fees are listed in the Gen Administration line under Other Expenses.

"Best" Case Operational Scenario

The Company believes that the revenue assumptions shown in the base line proforma are a normative-case scenario for the reconstruction and rebranding of the Golf Course, and may not represent the best-case scenario in terms of revenue/ EBITDA potential.

If the re-branding takes hold more strongly than we anticipate, it is reasonable assuming that annual rounds and revenue could be higher than projected herein. In addition, we believe our estimates for merchandise (no increase over present day average sale per person) and food and beverage (5% increases in sales each year) are on the conservative. With synergistic collaboration with the City of Palatka, these areas have a stronger revenue-generating potential.

We believe our assumption for an effective weighted-average green fee and market mix in our baseline pro forma of $28 in year 5 may be low, given the anticipated increased quality/condition of the course. Consequently, in a Best-Case analysis we believe that fees would increase by 10% vs. 8% and the "Outside Market" rounds could be as high as 25% of the play. This is detailed in Year 5 of our Best-Case Scenario.

We have also assumed that after two years of reconstruction and rebranded operations, corporate memberships could be higher than originally budgeted as would daily-fee rounds.

Best Case Pro Forma

	2009	2010	2011	2012	2013	2014
	Actual	Year 1	Year 2	Year 3	Year 4	Year 5
Local Market Rounds	19,914	22,500	22,500	22,500	23,500	19,600
Outside Market Rounds	-	-	2,500	3,500	4,500	8,400
GROSS PROFIT	613,274.16	665,582.10	789,161.05	876,292.00	978,634.11	1,112,963.53
TOTAL EXPENSES	603,323.66	678,831.76	740,094.15	766,532.60	794,482.64	780,366.93
NET OPERATING INCOME	9,950.50	(13,249.65)	49,066.90	109,759.40	184,151.47	332,596.60
DEBT SERVICE	180,000.00	180,000.00	201,000.00	201,000.00	201,000.00	201,000.00
NET INCOME/LOSS	(170,049.50)	(193,249.65)	(151,933.10)	(91,240.60)	(16,848.53)	131,596.60
Capitalized Costs:						
Maintenance		25,000.00	150,000.00	150,000.00	150,000.00	150,000.00
Capital Improvements		50,000.00	212,500.00	212,500.00		

$1,100,000 Capitalized Cost added to Bank Note and Refinance a $2,800,000 note over 30 years @ 6%

"Worst" Case Scenario

Based on its experience, the Company believes that strong revenue growth on the heels of capital improvements is a very likely scenario in the short term (years 2-4). However, it is also possible that following these improvements, the market will not accept the Company's strategies over the long term.

Therefore, we present the following projections of cash flow from operations, assuming in Year 5 after the reconstruction/redesign is completed that the Golf Course attracts:

- lower-than-expected annual rounds
- lower-than-expected effective annual green fee
- lower-than-expected outside market mix
- lower-than-expected food and beverage revenue

Under these assumptions EBITDA will remain higher after year 2 than would be the case if the current operating structure and course conditions were maintained. In year 6, the Company would likely cease its involvement with the Golf Course, which would further reduce expenses by approximately $100,000 to the bottom line.

Worst Cast Pro Forma	2009	2010	2011	2012	2013	2014
	Actual	Year 1	Year 2	Year 3	Year 4	Year 5
Local Market Rounds	19,914	22,500	22,500	22,500	23,500	28,000
Outside Market Rounds	[illegible]	[illegible]	2,500	3,500	4,500	2,000
GROSS PROFIT	613,274.16	665,582.10	789,161.05	876,292.00	978,634.11	870,247.35
TOTAL EXPENSES	608,323.66	678,831.75	740,094.15	766,532.60	794,482.64	771,986.04
NET OPERATING INCOME	9,950.50	(13,249.65)	49,066.90	109,759.40	184,151.47	98,261.35
DEBT SERVICE	180,000.00	180,000.00	201,000.00	201,000.00	201,000.00	201,000.00
NET INCOME/LOSS	(170,049.50)	(193,249.65)	(151,933.10)	(91,240.60)	(16,848.53)	(102,738.65)
Capitalized Costs:						
Maintenance		25,000.00	150,000.00	150,000.00	150,000.00	150,000.00
Capital Improvements		50,000.00	212,500.00	212,500.00		

$1,100,000 Capitalized Cost added to Bank Note and Refinance a $2,800,000 note over 30 years @ 6%

PART VII: MARKETING

The mutually beneficial partnership between the City of Palatka and the Company should be exploited with a clever marketing campaign that drives business to both entities. A reconstruction and re-branding of the Golf Course will produce a flagship amenity that can attract attention to the City for years.

The new branding of the Golf Course will be capable of drawing new players from Outside Markets like Gainesville, Palm Coast and even St. Augustine/Jacksonville. In turn, the presence of these Outside Market patrons in Palatka provides the City an opportunity to introduce them to other offerings that might be available, attracting them to stay an extra night, to make a return trip with their families, to come for a long weekend, etc. With proper marketing, the Golf Course can serve as a flagship amenity that helps establish the City as a progressive, authentic and enjoyable place to visit.

The Company will operate a clean, efficient and profitable facility that will capitalize on its history, the notoriety of the "Florida Azalea Amateur", and the reconstruction of the Golf Course back to the original Donald Ross design. The Company will further leverage its unique partnership with the City of Palatka and the regional reputation of Bobby Weed.

To help establish this identity in the minds of consumers, we have generated the following list of possible marketing angles, any or all of which may be exploited:

- Establish consistent signage throughout the property
- Develop a new logo with a more historical appeal
- Purchase unique tee markers, flags, etc. with the logo prominent
- Ensure the logo is on all direction signage
- Acquire and display the original Donald Ross routing plan for the golf course and have an electronic image of it feature prominently in all collateral material.
- Leverage the Bobby Weed brand name and his success at other Ross courses (University of Florida GC, Linville GC, Timuquana Country Club, New Smyrna Beach Municipal Golf Club).
- Engage the Donald Ross Society to closely track and publicize the revitalization of the course.
- Align with notable charities to ensure that their golf fundraisers and dinners are hosted at the facility.
- Ensure that the City of Palatka and various community events are driving awareness and potential business in the form of golfers, leagues, tournament and banquets.
- Facilitate banquet events at the club for large groups such as school functions, senior groups, city events, rotary, etc.

- Market the activities of the City of Palatka throughout the golf course and utilize the Golf Course's marketing infrastructure, including its website, e-mail blasts, newsletters and golf carts. These mechanisms can provide synergistic exposure to the existing 25,000 rounds played at the Golf Course each year.

- Undertake regional advertising that publicizes the "Donald Ross Course" and the "Florida Azalea Amateur" to touch untapped markets in attracting business travelers, golfers and groups that come to Palatka. The legacy and heritage of this event is unparalled. Consider possible marketing efforts in conjunction with the Sally, a women's event held each year in Ormond Beach, FL.

- Partner with the City of Palatka to create packages to include golf, lodging, and dining to City sponsored events (Blue Crab Festival, etc).

- Past winners of the "Florida Azalea Amateur" will be honorary members of the Club. They will not pay guest fees and are encouraged to play often and will promote the new direction of the Palatka Golf Club. Consider markers along the golf course that provide unique insight into the illustrious championship and prominent players who created this historical event.

- Ensure that "Florida Azalea Amateur" logo merchandise is for sale in golf shop and on website at all times.

- Assist in the marketing of the Florida Senior Azalea.

- Drive business to City of Palatka community events via Golf Course website.

- Utilize off-peak times on the course by offering special junior golf rates and junior golf events at the course.

- Utilize off-peak times on the course offering special nine hole leagues for area businesses and targeted player segments (women, juniors, etc)

- Incorporate local schools into any Junior Program.

- Establish a Direct Mail database

- Distribute regular E-Mail & Newsletter marketing

- Target Regional Newspapers (Gainesville, Palm Coast, St. Augustine, Jacksonville) throughout the improvement of the course.

- Place Strategic Billboards announcing the Golf Course along highway 207 and in other Outside Markets.

- Establish an Online Golf Shop.

- Utilize Bobby Weed industry contacts to inform them about the project and keep them engaged throughout the process.

- Leverage the unique entry of a golf course architect into the management arena to drive publicity of the Golf Course.

- Enlist Friends in the Media and Florida members of the PGA Tour to play or comment on the golf course. Leverage Bobby Weed's 13 year tenure with the TOUR.

Synergistic Operational Programs

In conjunction with the Marketing programs, the Company would consider implementing additional operational initiatives that may include, but are not limited to:

LITTLE AZALEA CLUB

Our concept is to take the off peak time and create the "Little Azalea Club". This concept would be a family oriented 9-hole course and program that stresses teaching the game to the kids and promotes a family golf experience.

- Ideas for aligning with local schools
- Camps and clinics for Little Azalea's
- New golfer introduction series
- Little Azalea golf tournaments and league
- Ticket vouchers on special days for "Take your child to the golf course day".
- Special "Little Azalea" tees

DEVELOPING WOMEN'S GOLF

In today's challenging economic climate, where growth in the game of golf is stagnant, the potential to grow the women's market is a higher priority than ever before, and efforts to cultivate and expand this segment are being considered and executed widely across the industry. While women's golf presents a major growth opportunity for the industry, several roadblocks must be overcome to consistently increase women's participation in the game. There are many factors that continue to challenge the growth of Women's golf. In a recent Golf Datatech survey, one in three female respondents considered the average golf course to be "a very male oriented place," which inhibits more frequent play. While over 50% of the U.S. population is female, less than 25% of total golfers are women. Combine the cost, time and family pressures with their overall perception of the male orientation at the golf course, and it's not surprising that women leave the game as often as they enter. This is ultimately the basis for the women's golf population to be at a near standstill.

The Company believes that the "Women's Azalea Club" at Palatka Golf Club will allow for the development of Women's golf promoting specific tee times for women, clinics, and leagues. Combined with the plans for "The Little Azaleas Club", we believe that working to develop women's golf will benefit the Palatka Golf Club in the years to come.

9–HOLE GOLF LEAGUES

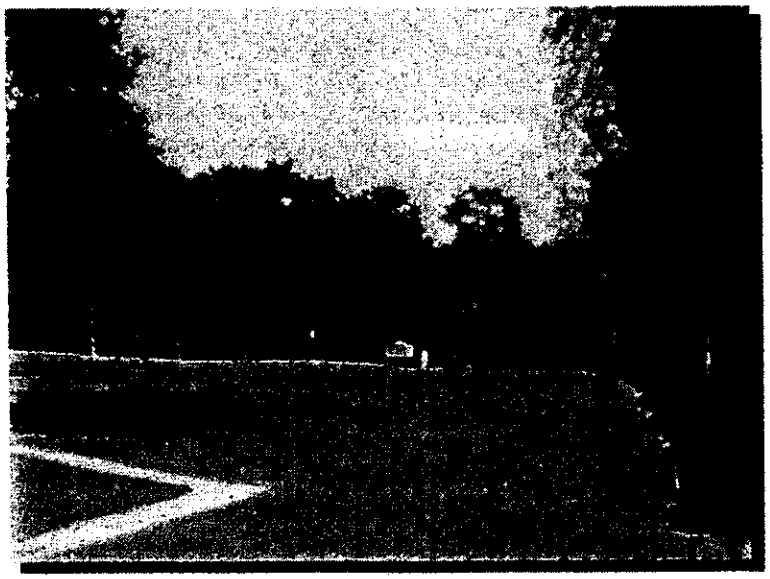
There is an opportunity to develop a strong 9-hole, "after-work", golf league program at Palatka Golf Club. This group of individuals is often of local proximity to the course. These individuals want the camaraderie of their friends and are not necessarily interested in paying top dollar for a golf course each week. We feel we can give this group a great golf course at a great value. Plans of having a golf league that consists of area businesses, Chamber of Commerce, and other organizations is a positive and provides a great opportunity of the Palatka Golf Club experience.9-Hole Golf Leagues full of local patrons that want a great course to enjoy on a weekly basis. Food, drink, golf and camaraderie...Palatka style!

LAKE CITY COMMUNITY COLLEGE TURF INTERN PROGRAM

There is an opportunity to develop a strong turf intern program with the Lake City Community College Turf program, of which Bobby Weed and a number of area superintendents are prominent alumni. The program would create positions on the maintenance or capital improvement crew that would offer the student real world experience while providing the Golf Course with highly enthusiastic and energetic labor at a low cost.

COMMUNITY OUTREACH VOLUNTEER STAFFING PROGRAM

There is an opportunity to strengthen the volunteer senior staffing program in place in order to supplement the completion of basic and repetitive maintenance tasks. Bartering completion of such tasks with access to golf is a traditional and effective method that has proven successful at a number of facilities.



PART VII: TERMS AND CONDITIONS

The Company would propose to complete the Scope of Work detailed in this response under the following Terms and Conditions, which would be included in an executable Contract for Services ("Agreement") with the City.

1. The Agreement would encompass a 4 year, 9-month term from January 1, 2010 to September 30, 2014.

2. The Company would agree to perform the services as more fully described in **Part IV: Scope of Work**, which have been structured to offer a realistic strategy for the improvement of the Golf Course and to respond specifically to relevant items in Section V of the RFP.

3. The Agreement shall comprise two phases of work. The first nine months ("Initial Phase"), and the subsequent four years ("Second Phase"). During the Initial Phase, the Company shall generally (i) manage the Golf Course, (ii) assess, measure and benchmark the Golf Course's operation, (iii) complete detailed reports establishing long-range goals and performance standards for each department of the entire operation, and (iv) implement any and all prudent operational and capital improvements that can reasonably be accomplished prior to the completion of the Initial Phase, and which have an immediate and synergistic effect on other efforts.

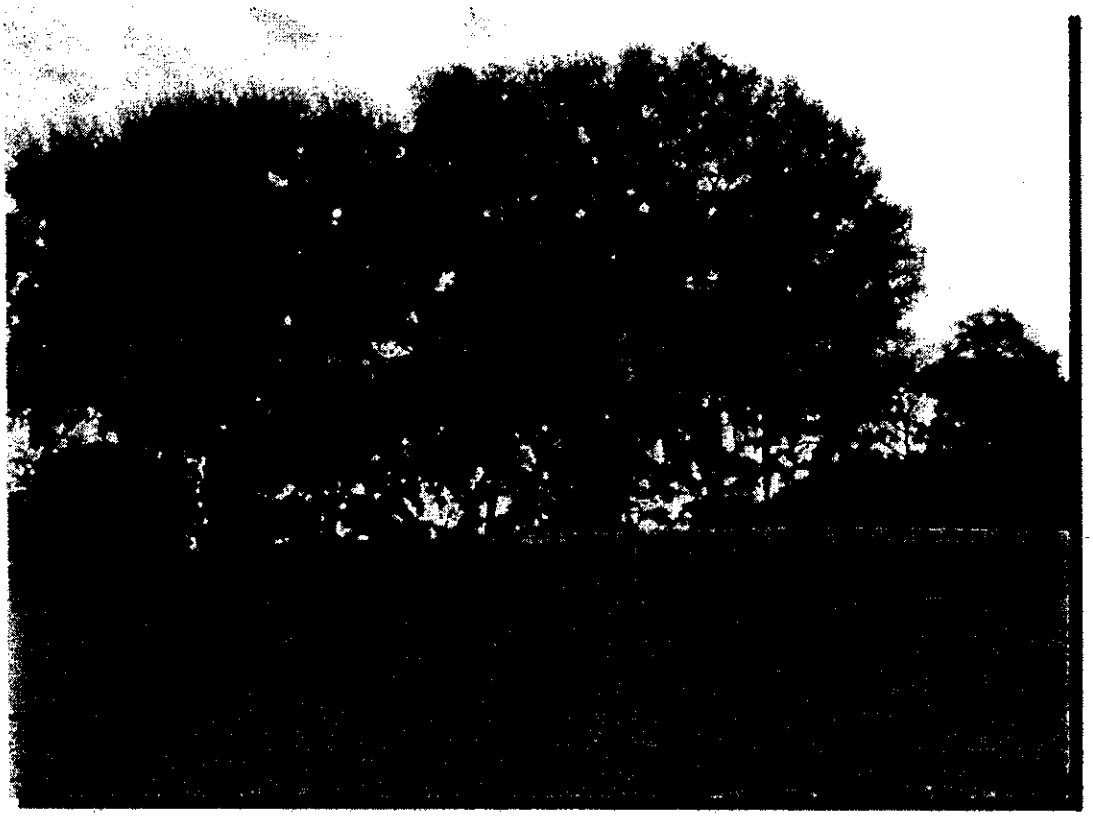
4. Following completion of the Initial Phase, the Parties may elect to continue the Agreement for into the Second Phase, whereby the Company shall i) manage the Golf Course, (ii) oversee and manage an extensive capital improvement plan, and other departmental plans as compiled in the Initial Period, (iii) oversee and manage the Golf Course's rebranding and marketing, and (iv) track and adjust the Golf Course's operational performance to meet performance goals and optimize financial results.

5. For the services outlined herein, the Company shall be compensated by a Stipulated Monthly Sum of nine thousand dollars per month ($9,000/mo).

6. Upon completion of the Second Phase, the Parties may proceed under a variety of scenarios, including termination of the Agreement, extension of the Agreement, lease of the Golf Course by the Company, or purchase of the Golf Course by the Company. The terms and conditions of such termination, extension, lease or sale shall be more completely described in the Agreement.

7. Throughout the Initial and Second Phases, the Company shall work in conjunction with the City as described in the Request for Proposal, but shall have sole discretion in making the final determination on staffing, operational, budgetary and performance related decisions.

PART VIII: MISCELLANEOUS



Palatka Golf Club
Summary Statement
Baseline 5 Year Pro Forma

	2009 Actual	2010 Year 1	2011 Year 2	2012 Year 3	2013 Year 4	2014 Year 5
Local Market Rounds	18,944	22,500	22,500	22,500	22,500	22,500
Outside Market Rounds		-	2,500	4,500	4,500	4,500
Avg Rate Driver	$ 18.32	$ 17.36	$ 16.61	$ 20.16	$ 20.79	$ 22.46
Avg $ per Green Fee refund	$ 23.18	$ 21.96	$ 21.70	$ 25.96	$ 26.52	$ 28.96
Avg $ Driving Range	$ 0.86	$ 0.96	$ 0.96	$ 0.96	$ 0.96	$ 0.96
Avg $ Pro Shop	$ 3.50	$ 3.50	$ 3.50	$ 3.50	$ 3.50	$ 3.50
Total Avg $ Golf Sales	$ 26.34	$ 27.34	$ 26.66	$ 30.36	$ 31.77	$ 33.79
Avg $ Snack Bar Sale	$ 1.00	$ 4.05	$ 4.10	$ 4.47	$ 4.69	$ 4.99
Avg $ Beer Sale	$ 2.00	$ 2.00	$ 2.15	$ 2.30	$ 2.65	$ 2.10
Avg $ Liquor Sale	$ 1.22	$ 1.22	$ 1.26	$ 1.30	$ 1.41	$ 1.40
Total Avg $ F&B Sale	$ 7.00	$ 7.00	$ 8.00	$ 8.70	$ 9.13	$ 8.50
Total Revenue Avg Sale	$ 36.34	$ 36.00	$ 37.22	$ 39.90	$ 40.90	$ 42.32
Outside Market Rounds	$ -	$ -	$ 62,050.00	$ 92,300.50	$ 124,725.00	$ 136,962.11
Usage Fees	$ 36,736.92	$ 38,648.38	$ 38,762.50	$ 39,190.00	$ 39,811.44	$ 38,877.48
Twilight Golf	$ 2,406.18	$ 2,576.50	$ 2,762.50	$ 2,980.14	$ 3,122.65	$ 3,479.77
Misc Sales/Service Chgs	$ 122.40	$ 340.42	$ 376.26	$ 391.50	$ 436.80	$ 466.04
Daily Greens Fees	$ 134,504.36	$ 136,011.00	$ 144,144.17	$ 156,002.70	$ 167,436.96	$ 180,324.92
Prepaid Green Fees	$ 76,143.86	$ 88,726.64	$ 88,748.66	$ 96,927.87	$ 104,462.38	$ 113,096.67
Non Member Wkly Fees	$ 18,262.74	$ 19,660.73	$ 21,878.13	$ 22,764.98	$ 24,586.93	$ 26,263.77
Prepaid Locker Fees	$ 1,248.00	$ 2,368.47	$ 2,580.47	$ 2,796.18	$ 2,858.04	$ 3,196.44
Cart Rentals	$ 218,515.38	$ 226,952.96	$ 241,774.60	$ 248,116.82	$ 262,096.10	$ 264,360.78
Driving Range	$ 18,598.78	$ 21,373.00	$ 23,758.00	$ 24,700.00	$ 26,000.00	$ 26,000.00
Building Permit	$ 3,002.96	$ 5,466.40	$ 3,366.30	$ 4,114.50	$ 4,327.65	$ 7,481.00
Pro Shop Sales	$ 78,358.93	$ 88,425.00	$ 90,250.00	$ 100,100.00	$ 110,040.00	$ 110,000.00
Total Golf	$ 565,740.98	$ 612,262.11	$ 723,268.97	$ 804,291.17	$ 895,130.11	$ 949,461.18
Snack Bar Sales	$ 88,788.46	$ 91,139.23	$ 106,389.82	$ 116,176.16	$ 121,368.67	$ 127,887.11
Beer Sales	$ 32,178.86	$ 38,282.17	$ 68,777.58	$ 75,105.00	$ 84,928.30	$ 88,172.92
Liquor Sales	$ 34,340.87	$ 27,308.14	$ 31,987.50	$ 34,887.50	$ 38,484.12	$ 41,434.17
Total F&B	$ 157,148.98	$ 177,334.54	$ 207,132.40	$ 226,170.66	$ 244,781.30	$ 257,494.20
Total	$ 722,889.97	$ 789,616.79	$ 930,429.14	$ 1,030,386.44	$ 1,145,276.41	$ 1,214,446.28
Cost of Sales						
Pro Shop	$ 54,781.34	$ 61,887.50	$ 68,775.00	$ 71,826.00	$ 77,000.00	$ 77,000.00
Food/Beverage	$ 54,988.47	$ 62,132.16	$ 77,409.28	$ 79,182.66	$ 88,514.70	$ 88,988.00
Total Cost of Sales	$ 109,770.71	$ 124,019.66	$ 145,184.28	$ 151,008.66	$ 165,514.70	$ 165,988.00
Gross Profit	$ 613,374.16	$ 665,596.16	$ 785,152.50	$ 879,367.78	$ 979,524.11	$ 1,048,458.28
Expenses						
Salaries & Benefits						
Marketing	$ -	$ -	$ -	$ -	$ -	$ -
Grounds/Greens	$ 92,371.34	$ 99,010.84	$ 86,264.88	$ 84,900.16	$ 88,728.16	$ 90,368.97
Pro Shop	$ 52,829.64	$ 56,142.19	$ 57,837.04	$ 58,604.38	$ 60,215.27	$ 61,418.57
Cart Dept.	$ 34,140.88	$ 34,922.30	$ 35,518.94	$ 36,226.75	$ 36,964.32	$ 37,686.11
Food & Beverage	$ 40,396.14	$ 44,798.48	$ 46,624.38	$ 46,583.13	$ 47,462.14	$ 48,481.79
Gen. Administration	$ 23,482.90	$ -	$ -	$ -	$ -	$ -
Total Salaries	$ 243,600.90	$ 235,869.32	$ 226,327.05	$ 226,800.45	$ 236,368.84	$ 238,047.95
Total Benefits	$ 128,544.94	$ 109,000.00	$ 112,198.00	$ 114,404.00	$ 116,604.00	$ 119,000.00
Total Salaries & Benefits	$ 372,145.84	$ 344,869.32	$ 338,476.05	$ 341,204.45	$ 352,972.84	$ 357,047.95
Other Expenses						
Marketing	$ 1,500.00	$ 5,000.00	$ 55,835.76	$ 58,638.86	$ 60,710.61	$ 56,482.98
Grounds/Greens	$ 137,093.34	$ 130,836.00	$ 142,631.70	$ 148,484.34	$ 148,384.02	$ 151,368.80
Pro Shop	$ 4,008.00	$ 4,008.00	$ 4,161.60	$ 4,344.00	$ 4,329.75	$ 4,416.32
Cart Dept.	$ 36,606.00	$ 36,486.98	$ 40,236.32	$ 41,064.30	$ 41,886.79	$ 42,728.51
Driving Range	$ 4,000.00	$ 4,000.00	$ 4,161.60	$ 4,344.00	$ 4,329.75	$ 4,416.32
Food & Beverage	$ 4,400.00	$ 4,400.00	$ 4,577.76	$ 4,660.32	$ 4,762.70	$ 4,857.96
Gen. Administration	$ 52,000.00	$ 152,000.00	$ 152,000.00	$ 162,000.00	$ 172,000.00	$ 177,000.00
Total Other Expenses	$ 241,609.34	$ 340,952.98	$ 403,637.74	$ 423,536.86	$ 444,412.98	$ 441,269.98
TOTAL EXPENSES	$ 613,755.18	$ 679,821.78	$ 742,094.18	$ 765,532.86	$ 794,482.84	$ 798,317.93
NET OPERATING INCOME	$ 9,358.98	$ (13,245.63)	$ 43,046.96	$ 106,759.46	$ 184,111.42	$ 265,146.02
DEBT SERVICE (Est.)	$ 180,000.00	$ 180,000.00	$ 201,000.00	$ 201,000.00	$ 201,000.00	$ 201,000.00
NET INCOME/LOSS	(170,649.50)	(193,249.93)	(157,953.10)	(94,240.54)	(16,888.58)	64,146.02

Capitalized Costs:					
Maintenance	$ 25,000.00	$ 150,000.00	$ 150,000.00	$ 150,000.00	$ 150,000.00
Capital Improvements	$ 50,000.00	$ 212,500.00	$ 212,500.00		

$1,100,000 Capitalized Cost added to Bank Note and Refinance a $2,800,000 note over 30 years @ 6%

Palatka Golf Club
Summary Statement
Best Case 5 Year Pro Forma

	2009 Actual	2010 Year 1	2011 Year 2	2012 Year 3	2013 Year 4	2014 Year 5
Local Market Rounds	18,954	25,500	32,500	32,500	25,500	18,000
Outside Market Rounds			2,500	4,500	4,500	6,000
Avg Rate Driver	$ 18.31	$ 17.36	$ 18.61	$ 20.10	$ 20.70	$ 21.12
Avg $ per Round Pro Shop	$ 22.16	$ 21.96	$ 24.79	$ 25.55	$ 26.32	$ 11.00
Avg $ Driving Range	$ 0.66	$ 0.68	$ 0.68	$ 0.68	$ 0.68	$ 0.68
Avg $ Per Shot	$ 1.90	$ 1.90	$ 1.90	$ 1.90	$ 1.90	$ 1.90
Total Avg $ Per Round	$ 20.41	$ 21.26	$ 20.50	$ 20.50	$ 11.79	$ 14.79
Avg $ Food Per Lunch	$ 4.00	$ 4.00	$ 4.00	$ 4.00	$ 4.00	$ 4.00
Avg $ Food Dinner	$ 2.00	$ 2.00	$ 2.00	$ 2.00	$ 2.00	$ 2.00
Avg $ Liquor Sales	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00
Total Avg $ Food Sales	$ 7.00	$ 7.00	$ 7.00	$ 7.00	$ 7.00	$ 7.00
Total Expected Annual Rounds	18,954	28,000	37,500	37,500	30,000	24,000
Outside Market Rounds	$	$	$ 13,968.00	$ 18,180.00	$ 124,728.00	$ 167,400.00
Green Fees	$ 28,726.50	$ 28,699.50	$ 28,700.00	$ 28,100.00	$ 25,912.00	$ 20,178.00
Twilight Rounds	$ 2,466.75	$ 1,576.00	$ 2,700.00	$ 3,900.00	$ 3,222.00	$ 1,264.25
Other Fees/Revenue Clubs	$ 320.00	$ 340.00	$ 370.00	$ 380.00	$ 411.00	$ 494.70
Daily Greens Fees	$ 124,994.00	$ 138,011.00	$ 148,514.67	$ 160,007.70	$ 167,488.00	$ 188,104.25
Prepaid Greens Fees	$ 79,148.00	$ 88,700.00	$ 98,700.00	$ 98,907.00	$ 104,865.00	$ 105,726.00
New Membership Fees	$ 18,362.70	$ 19,000.72	$ 21,670.15	$ 12,764.50	$ 24,585.20	$ 24,001.00
Prepaid Locker Fees	$ 2,466.00	$ 2,300.47	$ 2,500.47	$ 2,700.15	$ 2,900.00	$ 2,900.00
Cart Rentals	$ 218,573.50	$ 235,692.50	$ 242,776.00	$ 301,118.00	$ 302,000.00	$ 304,238.50
Driving Range	$ 18,000.70	$ 21,270.00	$ 23,700.00	$ 24,900.00	$ 26,000.00	$ 26,000.00
Misting Revenue	$ 6,000.00	$ 5,000.00	$ 6,000.00	$ 6,414.00	$ 6,007.00	$ 6,000.00
Pro Shop Sales	$ 79,258.00	$ 88,000.00	$ 98,200.00	$ 108,100.00	$ 120,000.00	$ 130,000.00
Total Golf	$ 568,000.00	$ 623,000.00	$ 712,000.00	$ 796,000.00	$ 900,000.00	$ 1,000,000.00
Food Bar Sales	$ 88,700.00	$ 91,300.00	$ 106,300.00	$ 116,170.00	$ 125,300.00	$ 137,000.00
Food Sales	$ 53,170.00	$ 58,000.00	$ 68,777.00	$ 75,500.00	$ 84,000.00	$ 88,170.00
Liquor Sales	$ 34,140.00	$ 37,300.00	$ 37,000.00	$ 37,000.00	$ 38,000.00	$ 41,000.00
Total F&B	$ 175,170.00	$ 186,600.00	$ 212,100.00	$ 228,670.00	$ 248,700.00	$ 266,500.00
Total	$ 723,000.00	$ 790,000.00	$ 924,100.00	$ 1,024,000.00	$ 1,148,700.00	$ 1,266,500.00
Cost of Sales						
Pro Shop	$ 14,700.00	$ 61,000.00	$ 68,770.00	$ 77,500.00	$ 77,000.00	$ 77,000.00
Food/Beverage	$ 54,000.00	$ 63,100.00	$ 73,400.00	$ 79,100.00	$ 88,150.00	$ 98,000.00
Total Cost of Sales	$ 68,700.00	$ 124,000.00	$ 142,300.00	$ 156,000.00	$ 165,500.00	$ 175,000.00
Gross Profit	$ 654,300.00	$ 666,000.00	$ 781,800.00	$ 868,000.00	$ 983,200.00	$ 1,091,500.00
Expenses						
Salaries & Benefits						
Marketing	$	$	$	$	$	$
Grounds/Maintenance	$ 82,971.24	$ 82,000.00	$ 85,200.00	$ 86,000.00	$ 86,750.00	$ 88,000.00
Pro Shop	$ 56,430.00	$ 56,700.00	$ 57,000.00	$ 58,000.00	$ 88,215.00	$ 89,100.00
Cart Dept	$ 36,140.00	$ 34,000.00	$ 38,000.00	$ 38,230.00	$ 38,900.00	$ 39,000.00
Food & Beverage	$ 48,000.00	$ 46,700.00	$ 48,000.00	$ 49,500.00	$ 47,000.00	$ 48,000.00
Gen. Administration	$ 25,400.00	$	$	$	$	$
Total Salaries	$ 248,000.00	$ 218,000.00	$ 228,000.00	$ 230,000.00	$ 260,000.00	$ 270,000.00
Total Benefits	$ 130,000.00	$ 110,000.00	$ 112,100.00	$ 114,000.00	$ 116,000.00	$ 118,000.00
Total Salaries & Benefits	$ 368,000.00	$ 328,000.00	$ 338,000.00	$ 348,000.00	$ 368,000.00	$ 387,000.00
Other Expenses						
Marketing	$ 1,500.00	$ 5,000.00	$ 55,000.00	$ 61,000.00	$ 80,000.00	$ 80,000.00
Grounds/Maintenance	$ 137,000.00	$ 139,000.00	$ 142,000.00	$ 148,000.00	$ 148,000.00	$ 151,000.00
Pro Shop	$ 4,000.00	$ 4,000.00	$ 4,100.00	$ 4,200.00	$ 4,320.00	$ 4,416.32
Cart Dept	$ 38,000.00	$ 38,400.00	$ 40,200.00	$ 41,000.00	$ 41,000.00	$ 42,000.00
Driving Range	$ 4,000.00	$ 4,000.00	$ 4,100.00	$ 4,200.00	$ 4,320.00	$ 4,416.32
Food & Beverage	$ 4,400.00	$ 4,400.00	$ 4,500.00	$ 4,600.00	$ 4,700.00	$ 4,800.00
Gen. Administration	$ 52,000.00	$ 152,000.00	$ 152,000.00	$ 162,000.00	$ 172,000.00	$ 177,000.00
Total Other Expenses	$ 241,000.00	$ 348,000.00	$ 402,000.00	$ 426,000.00	$ 444,000.00	$ 463,000.00
TOTAL EXPENSES	$ 609,000.00	$ 676,000.00	$ 740,000.00	$ 774,000.00	$ 794,000.00	$ 798,000.00
NET OPERATING INCOME	$ 9,900.00	$ (13,100.00)	$ 40,000.00	$ 109,000.00	$ 154,131.07	$ 313,000.00
DEBT SERVICE	$ 180,000.00	$ 180,000.00	$ 201,000.00	$ 201,000.00	$ 201,000.00	$ 202,000.00
NET INCOME/LOSS	(170,049.00)	(193,100.00)	(161,000.00)	(91,000.00)	(46,868.93)	111,000.00

Capitalized Costs:					
Maintenance	$ 25,000.00	$ 150,000.00	$ 150,000.00	$ 150,000.00	$ 150,000.00
Capital Improvements	$ 50,000.00	$ 212,500.00	$ 212,500.00		

$1,100,000 Capitalized Cost added to Bank Note and Refinance a $2,800,000 note over 30 years @ 6%

Palatka Golf Club
Summary Statement
Worst Cast 5 Year Pro Forma

	2009 Actual	2010 Year 1	2011 Year 2	2012 Year 3	2013 Year 4	2014 Year 5
Local Market Rounds	19,954	22,300	22,500	22,500	22,500	20,000
Outside Market Rounds	-	-	2,500	3,500	4,500	2,000
Avg Rate Driver	$ 18.31	$ 17.38	$ 18.61	$ 20.18	$ 20.79	$ 20.42
Avg $ per Green Fee w/cart	$ 23.16	$ 21.96	$ 23.70	$ 25.56	$ 26.32	$ 20.72
Avg $ Driving Range	$ 0.94	$ 0.88	$ 0.88	$ 0.88	$ 0.96	$ 0.98
Avg $ Pro Shop	$ 6.98	$ 3.80	$ 4.00	$ 4.30	$ 3.96	$ 3.65
Total Avg $ Golf Sales	$ 30.42	$ 27.20	$ 28.60	$ 30.80	$ 31.77	$ 28.00
Avg $ Snack Bar Sales	$ 4.00	$ 4.00	$ 4.36	$ 4.47	$ 4.66	$ 4.50
Avg $ Beer Sales	$ 2.40	$ 2.80	$ 2.76	$ 2.80	$ 3.06	$ 3.15
Avg $ Liquor Sales	$ 1.32	$ 1.32	$ 1.36	$ 1.36	$ 1.46	$ 1.46
Total Avg $ F&B Sales	$ 7.86	$ 7.80	$ 8.28	$ 8.76	$ 9.18	$ 9.08
Total Revenue Avg Sales	$ 38.31	$ 35.00	$ 37.20	$ 38.99	$ 40.99	$ 40.46

	2009 Actual	2010 Year 1	2011 Year 2	2012 Year 3	2013 Year 4	2014 Year 5
Outside Market Rounds	$ -	$ -	$ 62,850.00	$ 92,388.50	$ 124,728.83	$ 58,285.30
Usage Fees	$ 76,738.32	$ 28,846.38	$ 36,708.38	$ 38,153.88	$ 38,812.44	$ 38,812.44
Twilight Golf	$ 2,485.19	$ 3,576.90	$ 3,768.34	$ 3,968.34	$ 3,222.84	$ 3,222.84
Misc Sales/Service Chgs	$ 322.48	$ 345.42	$ 370.26	$ 398.90	$ 431.80	$ 431.80
Daily Green Fees	$ 124,864.28	$ 118,341.30	$ 148,549.17	$ 138,027.70	$ 147,428.92	$ 147,428.92
Prepaid Green Fees	$ 78,143.89	$ 88,725.04	$ 88,748.00	$ 96,927.07	$ 104,882.10	$ 104,882.10
New Membership Fees	$ 18,362.78	$ 19,846.78	$ 21,898.13	$ 22,764.38	$ 24,588.53	$ 24,588.53
Prepaid Locker Fees	$ 2,308.98	$ 2,308.67	$ 2,328.69	$ 2,796.13	$ 2,808.04	$ 2,808.04
Cart Rentals	$ 210,515.39	$ 225,503.50	$ 241,776.38	$ 261,118.60	$ 282,008.10	$ 282,008.10
Driving Range	$ 18,904.78	$ 21,378.88	$ 23,746.00	$ 24,700.00	$ 26,000.00	$ 26,000.00
Building Rental	$ 5,092.00	$ 5,400.00	$ 5,888.36	$ 6,416.90	$ 6,927.66	$ 6,927.66
Pro Shop Sales	$ 78,298.81	$ 86,425.00	$ 94,350.00	$ 102,190.00	$ 110,000.00	$ 88,400.00
Total Golf	$ 616,799.94	$ 617,963.14	$ 721,945.00	$ 769,341.61	$ 866,779.19	$ 793,326.38
Snack Bar Sales	$ 88,708.40	$ 91,198.36	$ 104,388.62	$ 116,178.80	$ 121,388.67	$ 108,378.16
Beer Sales	$ 57,179.88	$ 58,092.32	$ 88,777.98	$ 75,108.80	$ 84,926.90	$ 79,084.36
Liquor Sales	$ 34,249.87	$ 27,388.34	$ 31,987.58	$ 34,887.50	$ 38,461.12	$ 32,158.42
Total F&B	$ 137,139.95	$ 177,594.34	$ 207,153.88	$ 226,175.00	$ 244,796.70	$ 219,888.94
Total	$ 753,898.87	$ 795,654.79	$ 929,438.79	$ 1,016,160.60	$ 1,148,176.61	$ 1,094,013.88
Cost of Sales						
Pro Shop	$ 54,765.54	$ 61,887.90	$ 68,775.00	$ 71,538.00	$ 77,000.00	$ 68,322.00
Food/Beverage	$ 54,996.47	$ 62,137.50	$ 72,468.28	$ 78,382.86	$ 88,514.70	$ 75,848.88
Total Cost of Sales	$ 109,776.76	$ 124,024.40	$ 141,243.30	$ 149,886.86	$ 165,540.70	$ 144,371.88
Gross Profit	$ 644,122.10	$ 671,630.39	$ 788,194.49	$ 874,273.74	$ 978,636.11	$ 949,642.00
Expenses						
Salaries & Benefits						
Marketing	$ -	$ -	$ -	$ -	$ -	
Grounds/Greens	$ 61,371.26	$ 63,618.00	$ 65,288.00	$ 66,988.54	$ 68,730.38	$ 68,502.87
Pro Shop	$ 53,628.86	$ 56,742.18	$ 57,877.04	$ 59,034.58	$ 60,215.17	$ 61,419.57
Cart Dept.	$ 34,146.00	$ 34,832.00	$ 35,519.34	$ 36,229.73	$ 36,954.32	$ 37,694.41
Food & Beverage	$ 43,846.18	$ 44,748.48	$ 45,648.98	$ 46,551.12	$ 47,482.14	$ 48,451.79
Gen. Administration	$ 21,482.00	$ -	$ -	$ -	$ -	
Total Salaries	$ 341,008.00	$ 259,916.32	$ 264,317.36	$ 268,808.50	$ 273,366.00	$ 278,067.84
Total Benefits	$ 138,544.84	$ 148,508.00	$ 112,158.00	$ 114,400.80	$ 116,688.82	$ 119,023.02
Total Salaries & Benefits	$ 341,884.32	$ 408,424.00	$ 396,476.40	$ 383,209.30	$ 390,054.82	$ 397,090.86
Other Expenses						
Marketing	$ 1,500.00	$ 5,000.00	$ 33,825.76	$ 61,818.94	$ 68,710.61	$ 30,138.57
Grounds/Greens	$ 137,095.14	$ 138,898.00	$ 142,621.76	$ 145,484.34	$ 148,384.02	$ 151,361.90
Pro Shop	$ 4,000.00	$ 4,080.00	$ 4,161.60	$ 4,244.88	$ 4,328.78	$ 4,416.32
Cart Dept.	$ 38,694.00	$ 39,469.32	$ 40,258.32	$ 41,064.38	$ 41,888.78	$ 42,723.51
Driving Range	$ 4,000.00	$ 4,080.00	$ 4,161.60	$ 4,244.88	$ 4,328.78	$ 4,416.32
Food & Beverage	$ 4,400.00	$ 4,488.00	$ 4,577.76	$ 4,668.32	$ 4,762.70	$ 4,857.96
Gen. Administration	$ 57,000.00	$ 153,000.00	$ 153,000.00	$ 162,000.00	$ 172,000.00	$ 177,000.00
Total Other Expenses	$ 241,888.14	$ 348,992.00	$ 408,617.76	$ 423,326.06	$ 444,412.78	$ 414,964.58
TOTAL EXPENSES	$ 583,323.46	$ 678,832.76	$ 748,094.16	$ 794,592.88	$ 794,482.64	$ 772,355.04
NET OPERATING INCOME	$ 9,956.56	$ (15,249.45)	$ 49,966.58	$ 109,799.46	$ 184,151.47	$ 36,261.36
DEBT SERVICE	$ 180,000.00	$ 180,000.00	$ 201,000.00	$ 201,000.00	$ 201,000.00	$ 201,000.00
NET INCOME/LOSS	$ (170,049.50)	$ (195,249.45)	$ (151,033.10)	$ (91,248.60)	$ (16,848.53)	$ (164,738.64)

Capitalized Costs:					
Maintenance	$ 25,000.00	$ 150,000.00	$ 150,000.00	$ 150,000.00	$ 150,000.00
Capital Improvements	$ 50,000.00	$ 212,500.00	$ 212,500.00		

$1,100,000 Capitalized Cost added to Bank Note and Refinance a $2,800,000 note over 30 years @ 6%

Potosha City & Putnam Co Daily Fee Rates

	2009 - Actual Pricing		2010 - Year 1 Proposed Pricing		2011 - Year 2 Proposed Pricing		2012 - Year 3 Proposed Pricing		2013 - Year 4 Proposed Pricing		2014 - Year 5 Proposed Pricing	
Weekdays	Walking	Riding	Walking	Riding	Walking	Riding	Walking	Riding	Walking	Riding	Walking	Riding
9 Holes	$15.00	$20.00	$16.00	$22.00	$17.28	$23.76	$18.66	$25.66	$19.96	$27.44	$21.13	$27.29
18 Holes	$20.00	$25.00	$22.00	$27.00	$23.76	$29.16	$25.66	$31.49	$27.70	$33.98	$28.78	$34.93
Twilight												
Senior		$25.00		$26.00		$27.00		$28.08		$29.16		$33.00
Weekends	Walking	Riding	Walking	Riding	Walking	Riding	Walking	Riding	Walking	Riding	Walking	Riding
9 Holes	$15.00	$20.00	$16.00	$21.00	$17.28	$22.68	$18.66	$24.49	$20.16	$26.47	$21.13	$27.29
18 Holes	$20.00	$25.00	$22.00	$27.00	$23.76	$29.16	$25.66	$31.49	$27.70	$33.98	$28.78	$34.93
Twilight	-	$25.00		$27.00		$29.16		$31.49		$33.98		$34.93
Senior		$25.00		$26.00		$27.00		$28.08		$29.16		$33.00
Carts												
9 Holes	$8.00		$10.00		$11.00		$12.50		$13.00		$13.50	
18 Holes	$12.00		$14.00		$15.00		$15.50		$16.00		$16.50	
User Fee	$4.00		$6.00		$6.00		$6.50		$7.00		$7.50	
Avg Rate Drawn		$18.00		$20.50		$21.82		$23.37		$24.94		$26.61
% Increase Over Previous Year				1.00%		1.00%		1.00%		1.00%		1.00%

Potosha City & Putnam Co Daily Fee Rates

	2009 - Actual Pricing		2010 - Year 1 Proposed Pricing		2011 - Year 2 Proposed Pricing		2012 - Year 3 Proposed Pricing		2013 - Year 4 Proposed Pricing		2014 - Year 5 Proposed Pricing	
Weekdays	Walking	Riding	Walking	Riding	Walking	Riding	Walking	Riding	Walking	Riding	Walking	Riding
9 Holes	$15.00	$20.00	$16.00	$21.00	$17.28	$22.68	$18.66	$24.49	$20.16	$26.47	$21.13	$27.29
18 Holes	$20.00	$25.00	$22.00	$27.00	$23.76	$29.16	$25.66	$31.49	$27.70	$33.98	$28.78	$34.93
Twilight												
Senior		$25.00		$26.00		$27.00		$28.08		$29.16		$33.00
Weekends	Walking	Riding	Walking	Riding	Walking	Riding	Walking	Riding	Walking	Riding	Walking	Riding
9 Holes	$15.00	$20.00	$16.00	$21.00	$17.28	$22.68	$18.66	$24.49	$20.16	$26.47	$21.13	$27.29
18 Holes	$20.00	$25.00	$22.00	$27.00	$23.76	$29.16	$25.66	$31.49	$27.70	$33.98	$28.78	$34.93
Twilight		$25.00		$27.00		$29.16		$31.49		$33.98		$34.93
Senior		$25.00		$26.00		$27.00		$28.08		$29.16		$33.00
Carts												
9 Holes	$8.00		$10.00		$11.00		$12.50		$13.00		$13.50	
18 Holes	$12.00		$14.00		$15.00		$15.50		$16.00		$16.50	
User Fee	$4.00		$6.00		$6.00		$6.50		$7.00		$7.50	
Avg Rate Driver		$18.00		$20.50		$21.82		$23.37		$24.94		$26.61
% Increase Over Previous Year				1.00%		1.00%		1.00%		1.00%		1.00%

Pre-Paid Golf & Membership Pricing for all Guests

	2009 - Actual Pricing		2010 - Year 1 Proposed Pricing		2011 - Year 2 Proposed Pricing		2012 - Year 3 Proposed Pricing		2013 - Year 4 Proposed Pricing		2014 - Year 5 Proposed Pricing	
Pre-Paid Green Fee	Annual	Quarterly	Annual	Quarterly	Annual	Quarterly	Annual	Quarterly	Annual	Quarterly	Annual	Quarterly
Single	$934.57	$233.64	$934.57	$233.64	$999.99	$250.00	$1,069.99	$267.50	$1,144.89	$286.22	$1,225.03	$306.26
Dual	$1,250.00	$312.50	$1,250.00	$312.50	$1,337.50	$334.38	$1,431.13	$357.78	$1,531.30	$382.83	$1,638.50	$409.62
Junior	$150.00		$150.00	-	$160.50	-	$171.74	-	$183.76	-	$196.62	-
Corporate	$2,500.00	$625.00	$2,500.00	$625.00	$2,675.00	$668.75	$2,862.25	$715.56	$3,062.61	$765.65	$3,276.99	$819.25
Locker	$60.00	-	$60.00	-	$60.00	-	$60.00	-	$60.00	-	$60.00	-
% Increase Over Previous Year				0.00%		7.00%		7.00%		7.00%		7.00%
Seasonal Pre-Paid Membership	Single	Dual	Single	Dual	Single	Dual	Single	Dual	Single	Dual	Single	Dual
One Month	$200	$300	$200	$300	$214	$321	$229	$343	$245	$368	$262	$393
Two Months	$300	$400	$300	$400	$321	$428	$343	$458	$368	$490	$393	$524
Three Months	$400	$550	$400	$550	$428	$589	$458	$630	$490	$674	$524	$721
Four Months	$500	$650	$500	$650	$535	$696	$572	$744	$613	$796	$655	$852
Six Months	$650	$800	$650	$800	$696	$856	$744	$916	$796	$980	$852	$1,049
% Increase Over Previous Year				0.00%		7.00%		7.00%		7.00%		7.00%
Aqua Range												
Single Membership	$350		$350		$350		$350		$350		$350	
With Pre-Paid Membership	$300		$300		$300		$300		$300		$300	
Family Range	$600		$600		$600		$600		$600		$600	
With Pre-Paid Membership	$500		$500		$500		$500		$500		$500	
60 Ball Bucket	$6		$6		$6		$6		$6		$6	
30 Ball Bucket	$3		$3		$3		$3		$3		$3	

Palatka Golf Club

Payroll Structure

Palatka Golf Club	Hours of Operation	Days	Hours Open	Days Open	Total Hours Open	Wage Type	Wage Amount	Total Wages
	7:00am - 9:00pm	7	14	363	5,082			
Golf Operations - Golf Shop								
Pro - General Manager	7:00am - 5:00pm	6	10	312	3,120	Salary	$35,000	$35,000
Assistant/Shop Help	3:00pm - 9:00pm	6	6	312	1,872	Hourly	$10	$18,720
Assistant/Shop Help	7:00am - 9:00pm	1	14	52	728	Hourly	$10	$7,280
Total Golf Shop Coverage								$61,000
Golf Operations - Carts								
Cart Personnel 1	7:00am - 1:00 pm	3	6	156	936	Hourly	$9	$8,424
Cart Personnel 2	5:00pm - 9:00pm	7	4	364	1,456	Hourly	$9	$13,104
Total Golf Cart Coverage								$21,528
Total Golf Operations								$82,528
Total Budget Golf Operations								$89,769

Palatka Golf Club	Hours of Operation	Days	Hours Open	Days Open	Total Hours Open	Wage Type	Wage Amount	Total Wages
	7:00am - 9:00pm	7	14	363	5,082			
Food & Beverage Operations - Snack Bar								
Snack Bar Attendent	8:00am - 4:00pm	7	8	364	2,912	Hourly	$10	$29,120
Snack Bar Attendent	4:00pm - 8:00pm	7	4	364	1,456	Hourly	$10	$14,560
Total F & B Coverage								$43,680
Total Budget F&B Operations								$43,864

Palatka Golf Club	Hours of Operation	Days	Hours Open	Days Open	Total Hours Open	Wage Type	Wage Amount	Total Wages
	7:00am - 9:00pm	7	14	363	5,082			
Agronomy Operations								
Superintendent	6:00am - 4:00pm	7	8	364	2,912	Salary	$39,000	$39,000
Grounds Attendent	6:00am - 12:00pm	5	6	260	1,560	Hourly	$12	$18,720
Grounds Attendent	6:00am - 11:00am	5	5	260	1,300	Hourly	$12	$15,600
Grounds Attendent	6:00am - 9:00am	2	3	104	312	Hourly	$12	$3,744
Grounds Attendent	6:00am - 9:00am	2	3	104	312	Hourly	$12	$3,744
Total Agronomy Coverage								$80,808
Total Budget Agronomy Operations								$81,971

Special Note: 2% Raise is not reflective in these numbers as I used the raw wage from what was actually paid in 2009. Once a 2% is applied the numbers will maintain the same relationship to budget.

Palatka Golf Club

Theoretical Staffing Coverage

Visual Representation Only

Theoretical Staffing Coverage Schedule

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Pro - General Manager	Off	7:00am - 5:00pm	7:00am - 5:00pm	7:00am - 5:00pm	7:00am - 5:00pm	7:00am - 5:00pm	7:00am - 5:00pm
Assistant/Shop Help	Off	3:00pm - 9:00pm	3:00pm - 9:00pm	3:00pm - 9:00pm	3:00pm - 9:00pm	3:00pm - 9:00pm	3:00pm - 9:00pm
Assistant/Shop Help	7:00am - 9:00pm						
Cart Personnel 1					7:00am - 1:00 pm	7:00am - 1:00 pm	7:00am - 1:00 pm
Cart Personnel 2	5:00pm - 9:00pm	5:00pm - 9:00pm	5:00pm - 9:00pm	5:00pm - 9:00pm	3:00pm - 9:00pm	3:00pm - 9:00pm	3:00pm - 9:00pm

Theoretical Staffing Coverage Schedule

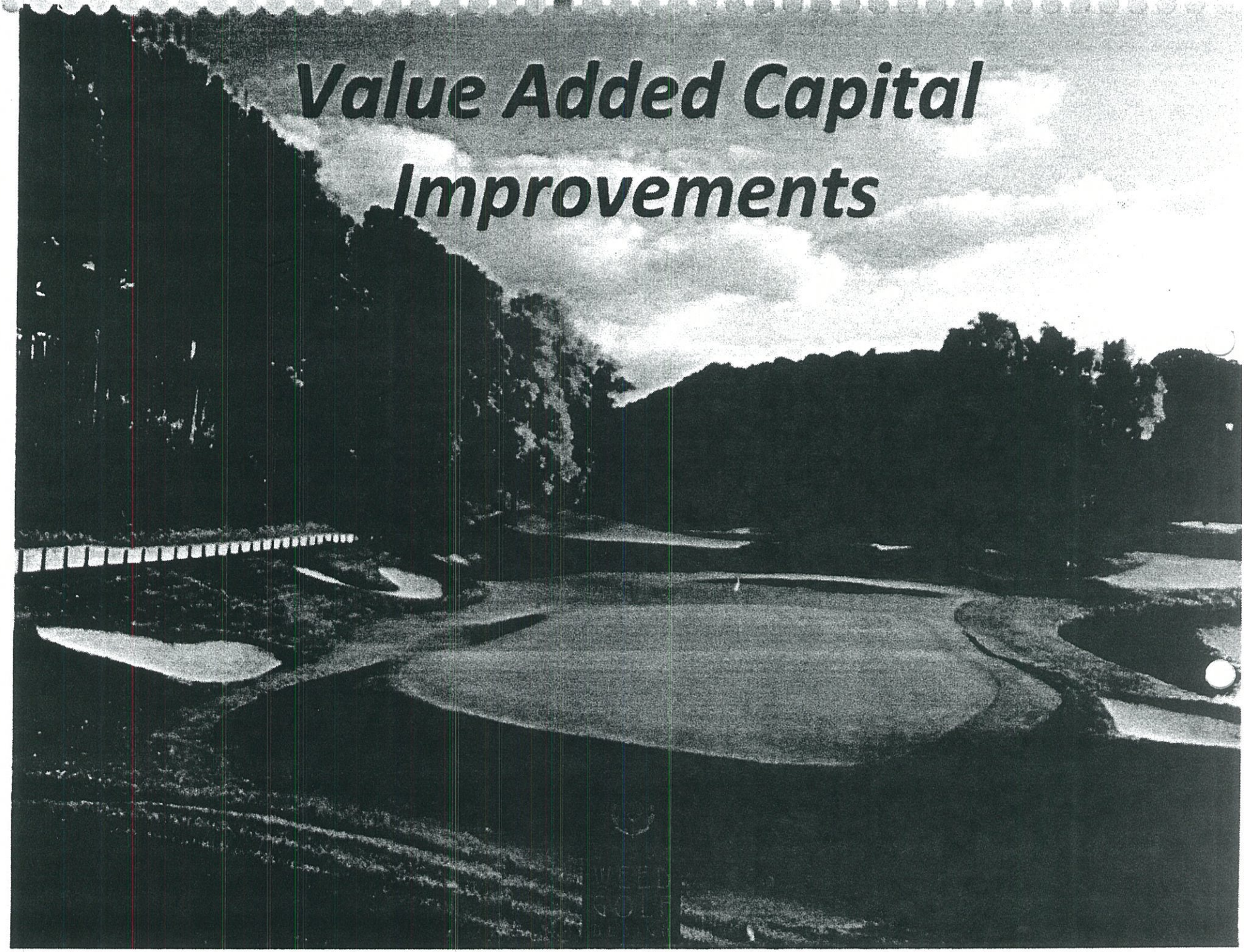
	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Snack Bar Attendant	8:00am - 4:00pm	8:00am - 4:00pm	8:00am - 4:00pm	8:00am - 4:00pm	8:00am - 4:00pm	8:00am - 4:00pm	8:00am - 4:00pm
Snack Bar Attendant	4:00pm - 8:00pm	4:00pm - 8:00pm	4:00pm - 8:00pm	4:00pm - 8:00pm	4:00pm - 8:00pm	4:00pm - 8:00pm	4:00pm - 8:00pm

Theoretical Staffing Coverage Schedule

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Superintendent	6:00am - 4:00pm	6:00am - 4:00pm	6:00am - 4:00pm	6:00am - 4:00pm	6:00am - 4:00pm	6:00am - 9:00am	6:00am - 9:00am
Grounds Attendent	6:00am - 12:00pm	6:00am - 12:00pm	6:00am - 12:00pm	6:00am - 12:00pm	6:00am - 12:00pm	4:00pm - 8:00pm	4:00pm - 8:00pm
Grounds Attendent	6:00am - 11:00am	6:00am - 11:00am	6:00am - 11:00am	6:00am - 11:00am	6:00am - 11:00am		
Grounds Attendent						6:00am - 9:00am	6:00am - 9:00am
Grounds Attendent						6:00am - 9:00am	6:00am - 9:00am

These staffing levels do not include projected increases due to capitalized annual spending for either maintenance or capital improvements that can be completed by an in-house crew.

Value Added Capital Improvements



University of Florida Golf Course

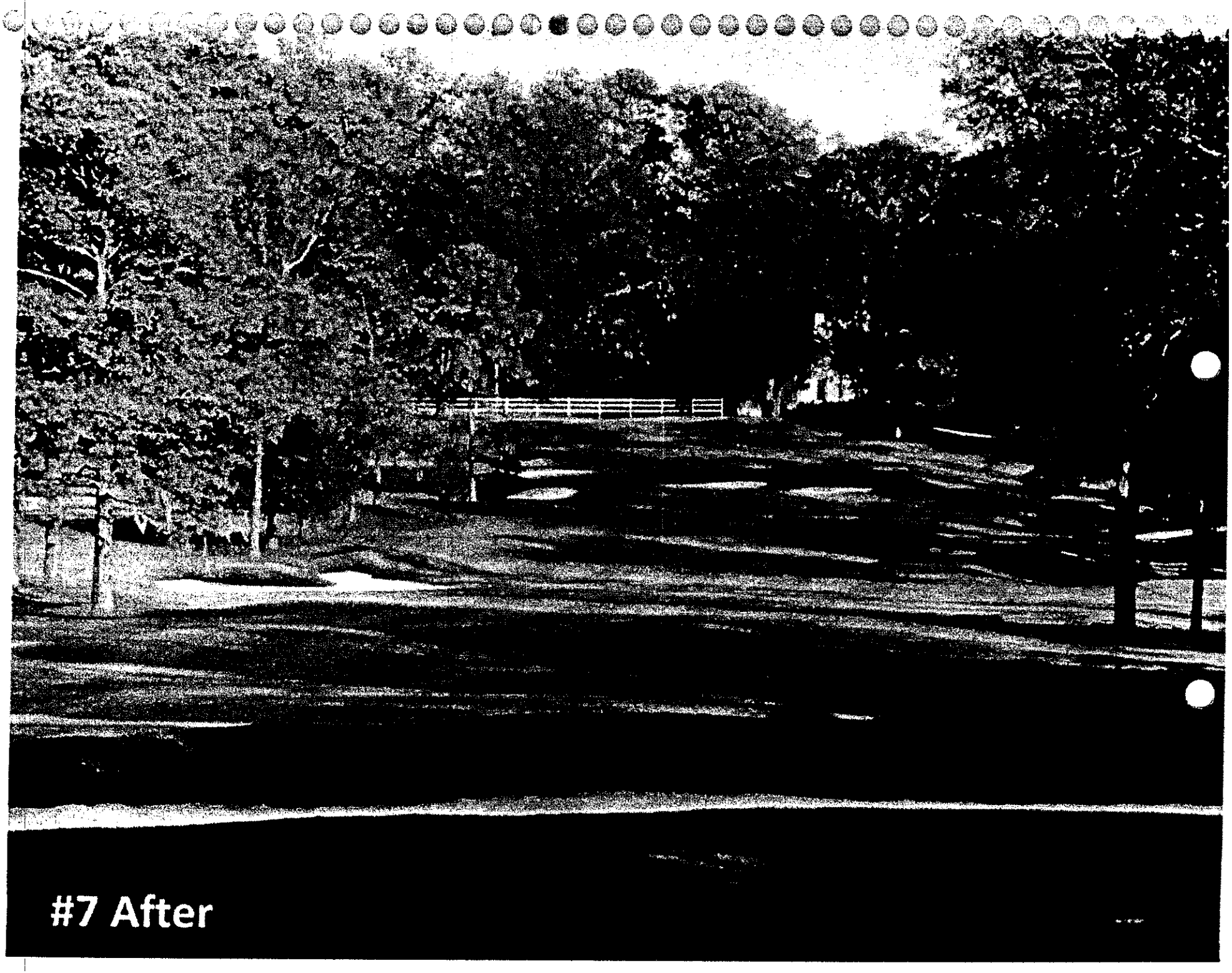
A Donald Ross Design

University of Florida Golf Course

- Athletic department wanted the course rebuilt to a standard commensurate with UF's other athletic facilities while maintaining an accessible fee structure.
- Golf course was unimproved with significant infrastructure deficiencies.
- BWGD developed new golf course routing and improvement plan.
- BWGD directed a 7-month comprehensive reconstruction of golf course.

The Results

- **Sustained 34% increase in annual green fee revenue following renovation:**
  - *2001 – $848,000*
  - *2002 – GC reconstruction*
  - *2003 – $1,115,000*
  - *2004 – $1,024,000*
  - *2005 – $1,204,000*
  - *2006 – $1,208,000*
  - *2008 – $1,150,000*



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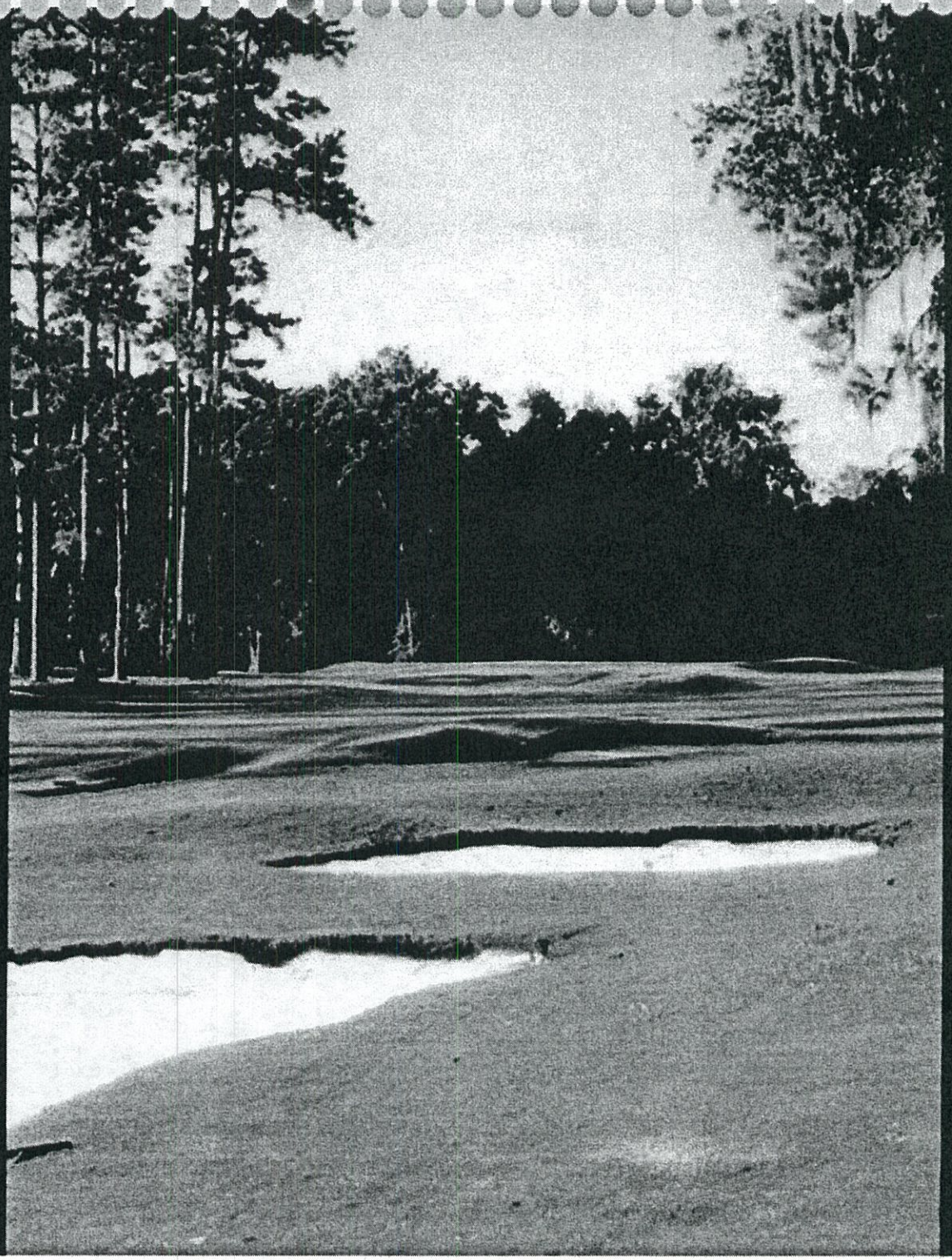


#16 After

Oceanside Country Club

- Private club in Ormond Beach, FL with irrigation, greens infrastructure and aesthetic deficiencies. Host of the South Atlantic Ladies Amateur (Sally), one of the nation's longest running amateur tournaments.

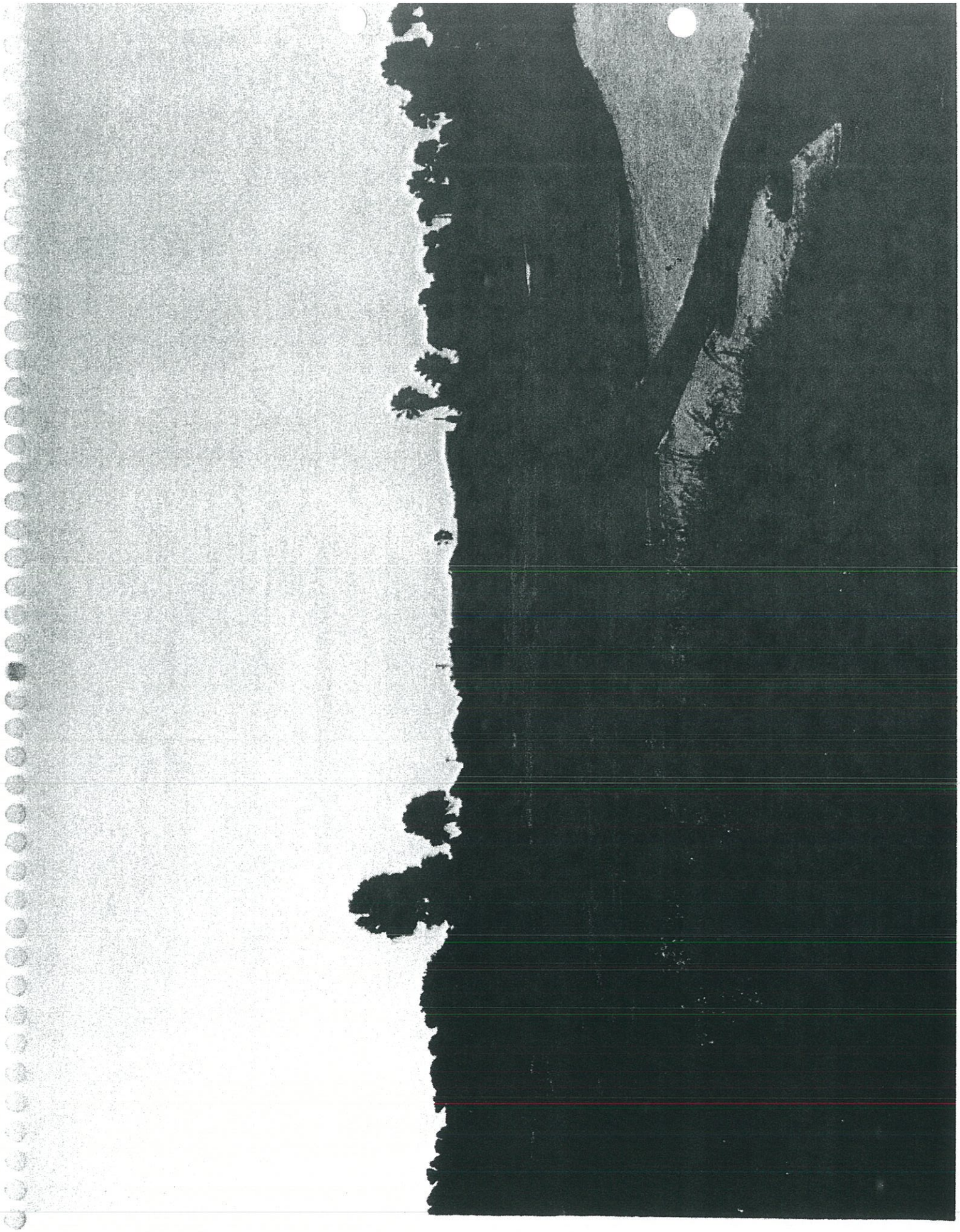
- BWGD designed and managed a 5-month reconstruction of all greens and bunkers & planting of seaside landscape areas.

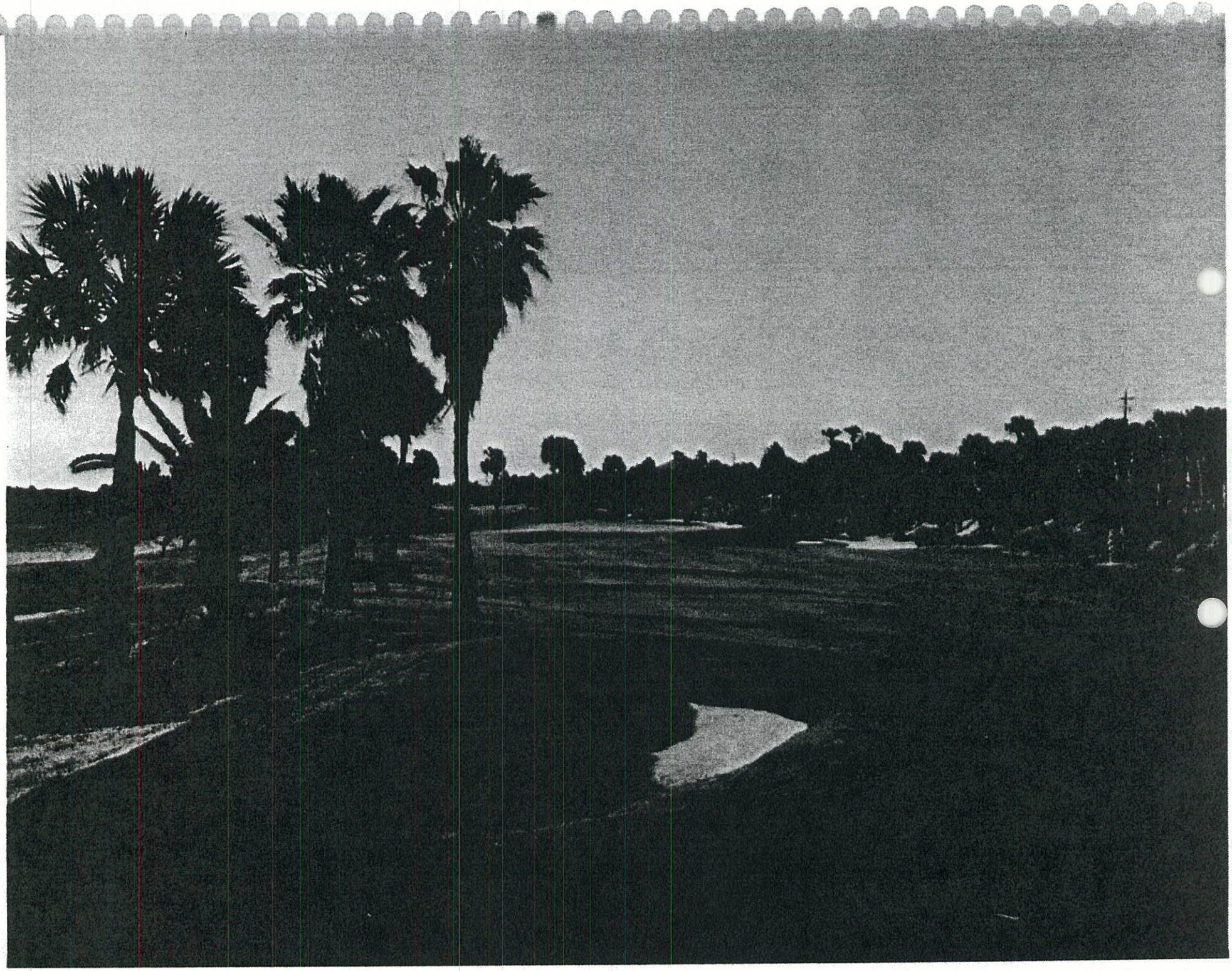
- <u>BWGD assisted the Club in self-performing and self-managing the work</u>.

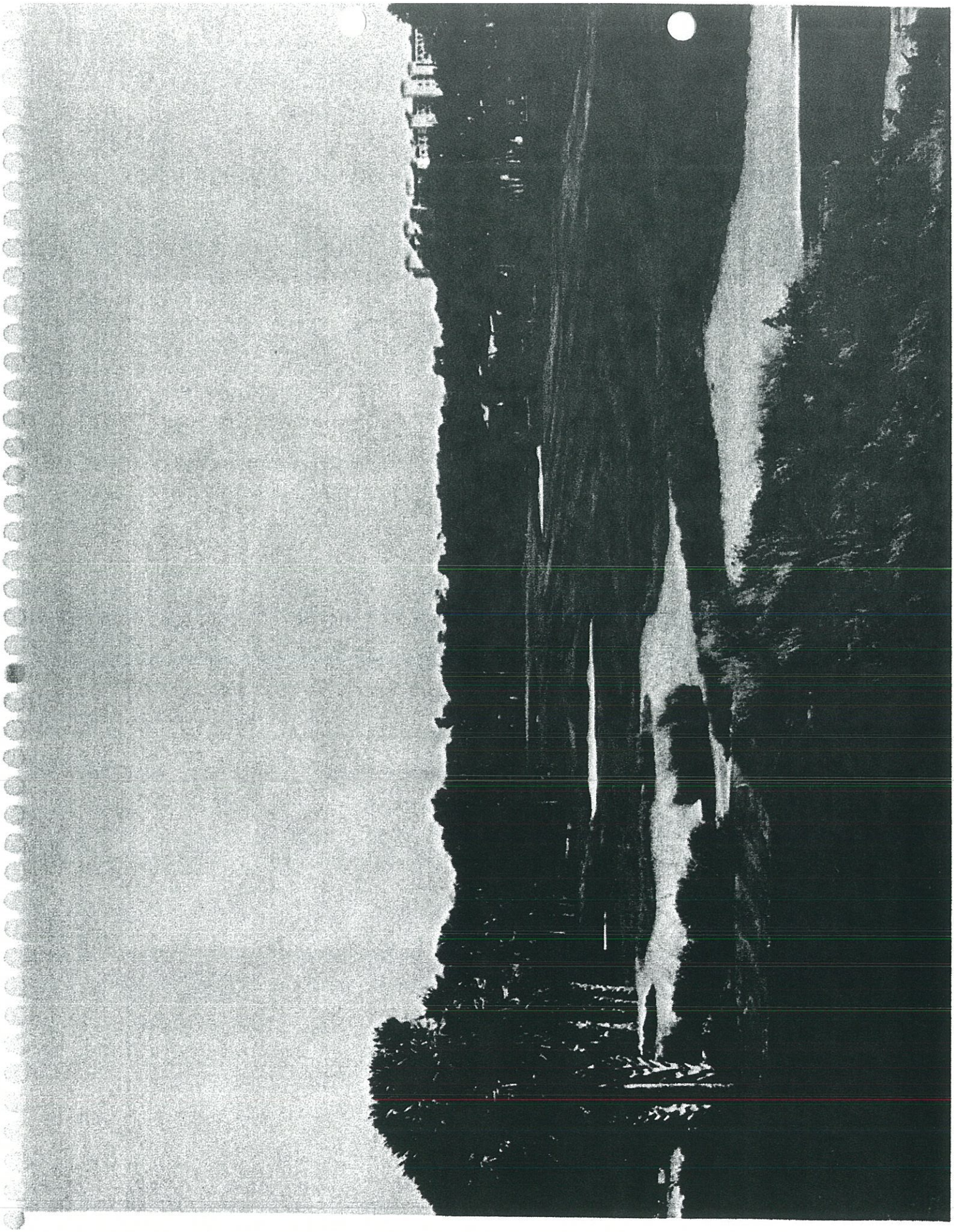
The Results

- Initiation fee raised 25% and 30 new members retained in fiscal year following renovation, double the historic rate.
- Named one of five finalists for Golf Inc.'s Renovation of the Year.

Before...







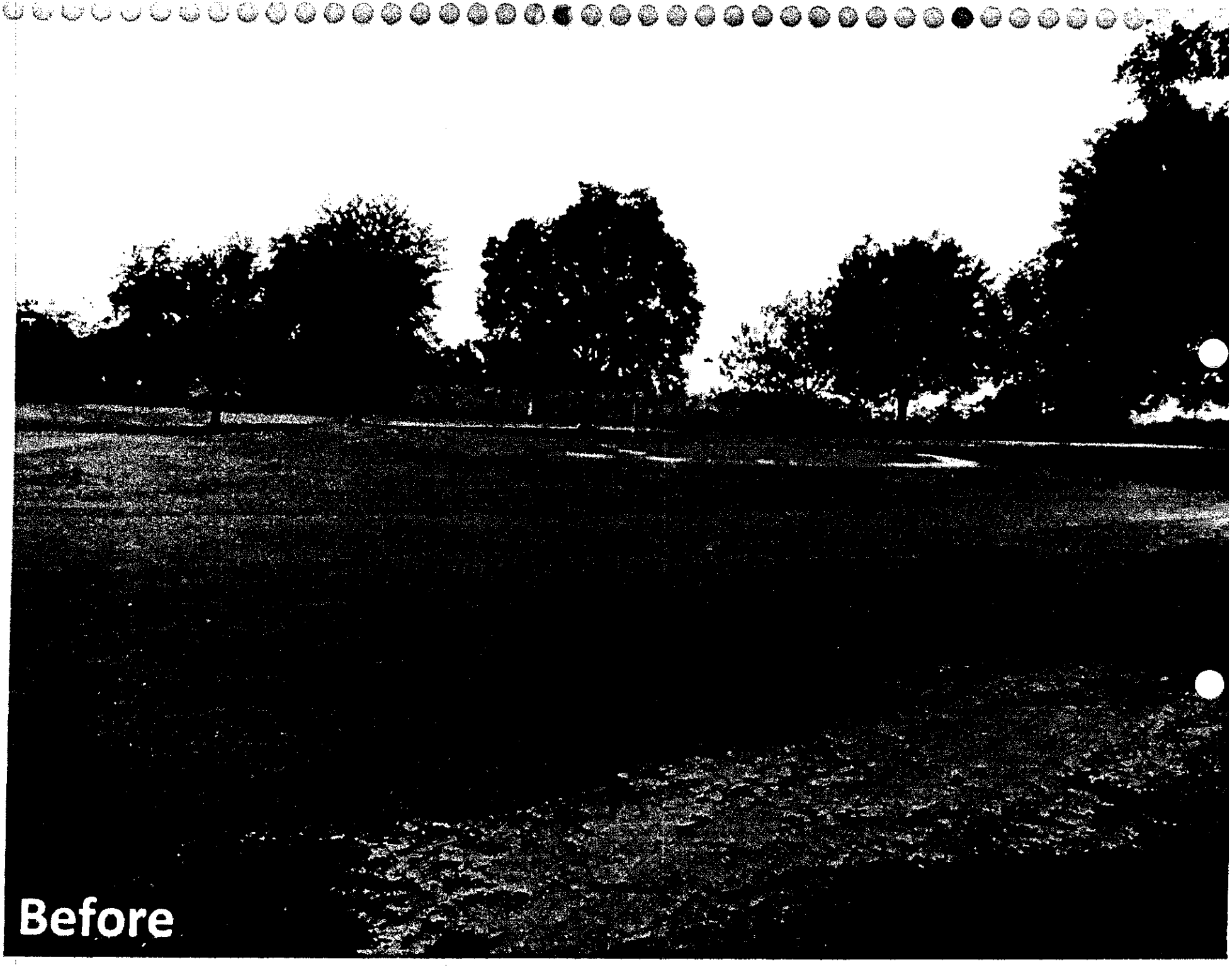
BROOKSVILLE COUNTRY CLUB
MAJESTIC OAKS

Brooksville CC

- Failing, unimproved semi-private course built in mid-1960's and located in Brooksville, FL.
- Purchased by new Owner in October 2003 with intention of completing select improvements.
- BWGD directed construction of 4 new holes in quarry and overhaul of back nine. Front nine improvements to be completed with commencement of development on adjacent land.

The Results

- **40% increase in rounds played following improvements:**
  - *2004 – 19,042*
  - *2005 – 21,411*
  - *2006 – Quarry holes and back nine built & opened.*
  - *2007 – 27,916*
  - *2008 – 28,841*
- **Golf operation was profitable for the first time in 2007.**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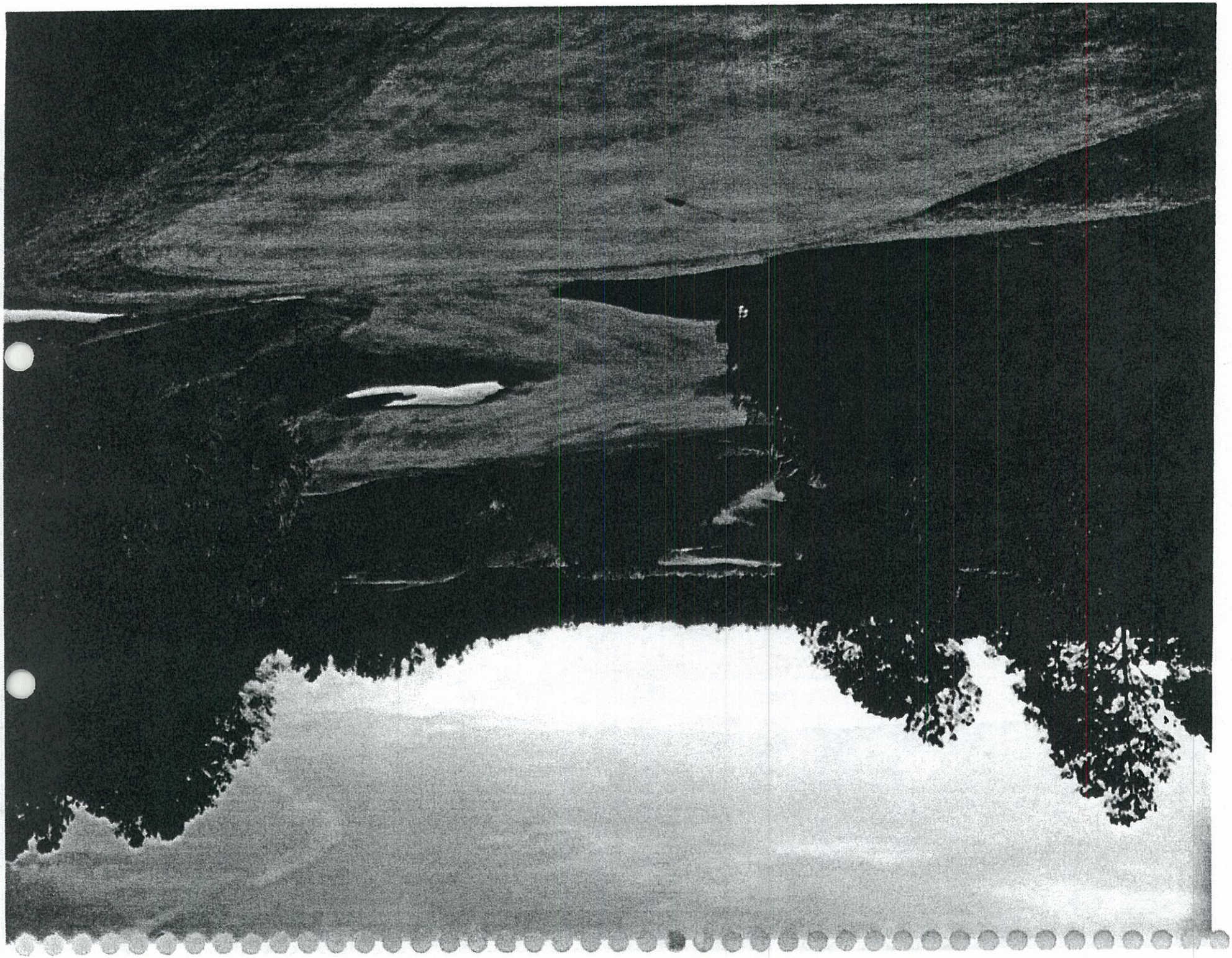
Before



ESTABLISHED 1928

Ponte Vedra Inn & Club

Ponte Vedra Inn and Club (Lagoon)

- Smaller, more intimate sister course to main Ocean course (renovated in 1999 by BWGD).
- Resort-oriented layout occupies 89 acres.
- Golf course was first constructed in mid-1960's. Infrastructure was obsolete and golf course condition was no longer commensurate with the standard of other resort facilities.

BWGD Role

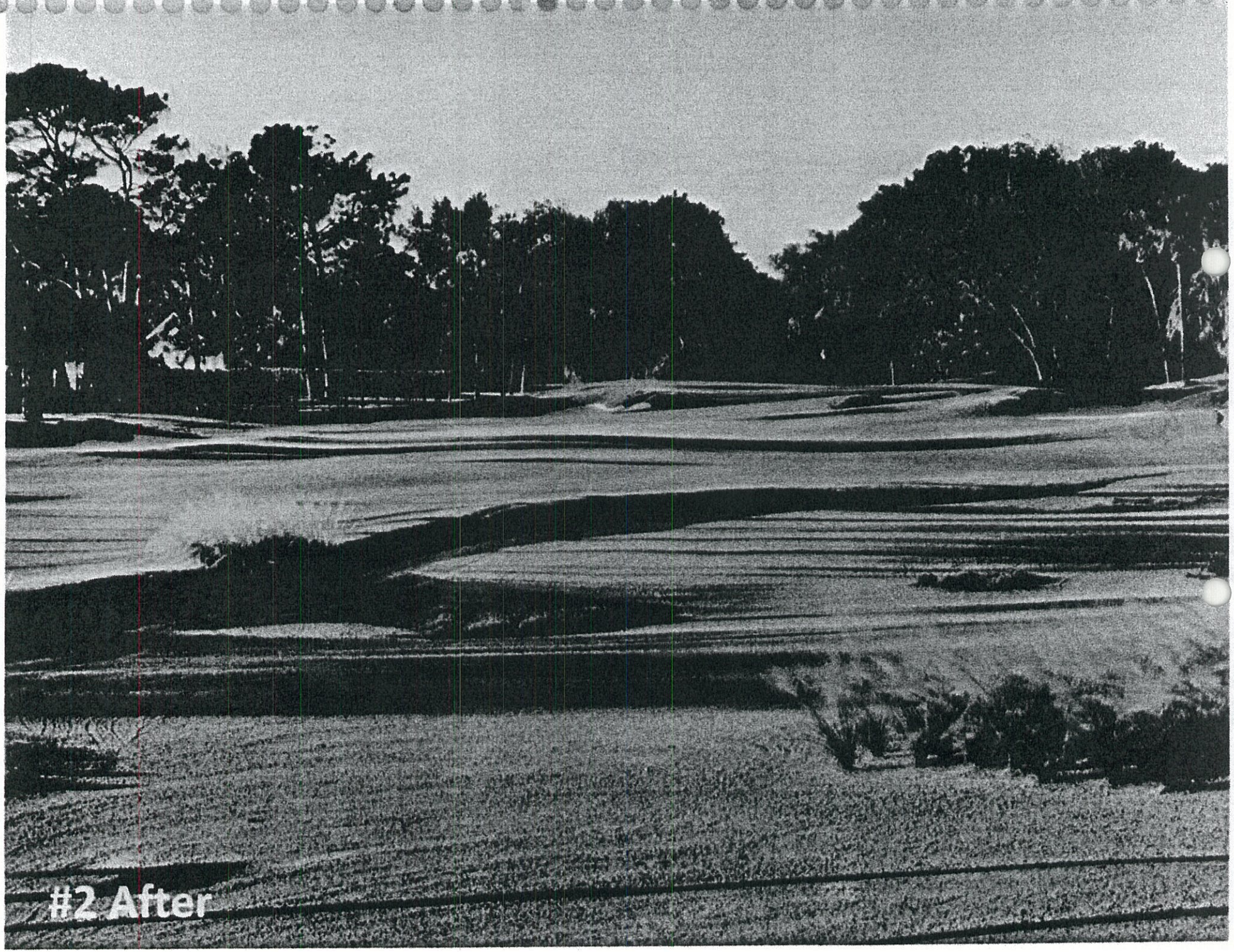
- Developed new golf course improvement plan that extended layout to 6,010 yards, par-70.

- Directed fast track, 5 month close-to-open reconstruction of golf course and comprehensive installation of new infrastructure, including drainage, irrigation, greens, tees, bunkers and landscaping.

- Established new 'dune-scape' aesthetic to offer a compelling and attractive look for the layout.

The Results

- **48% increase in rounds following renovation:**
  - *2006 – 21,500*
  - *2007 – GC reconstruction*
  - *2008 – 32,000*
- **Green fees increased from $130/ round to $150/ round.**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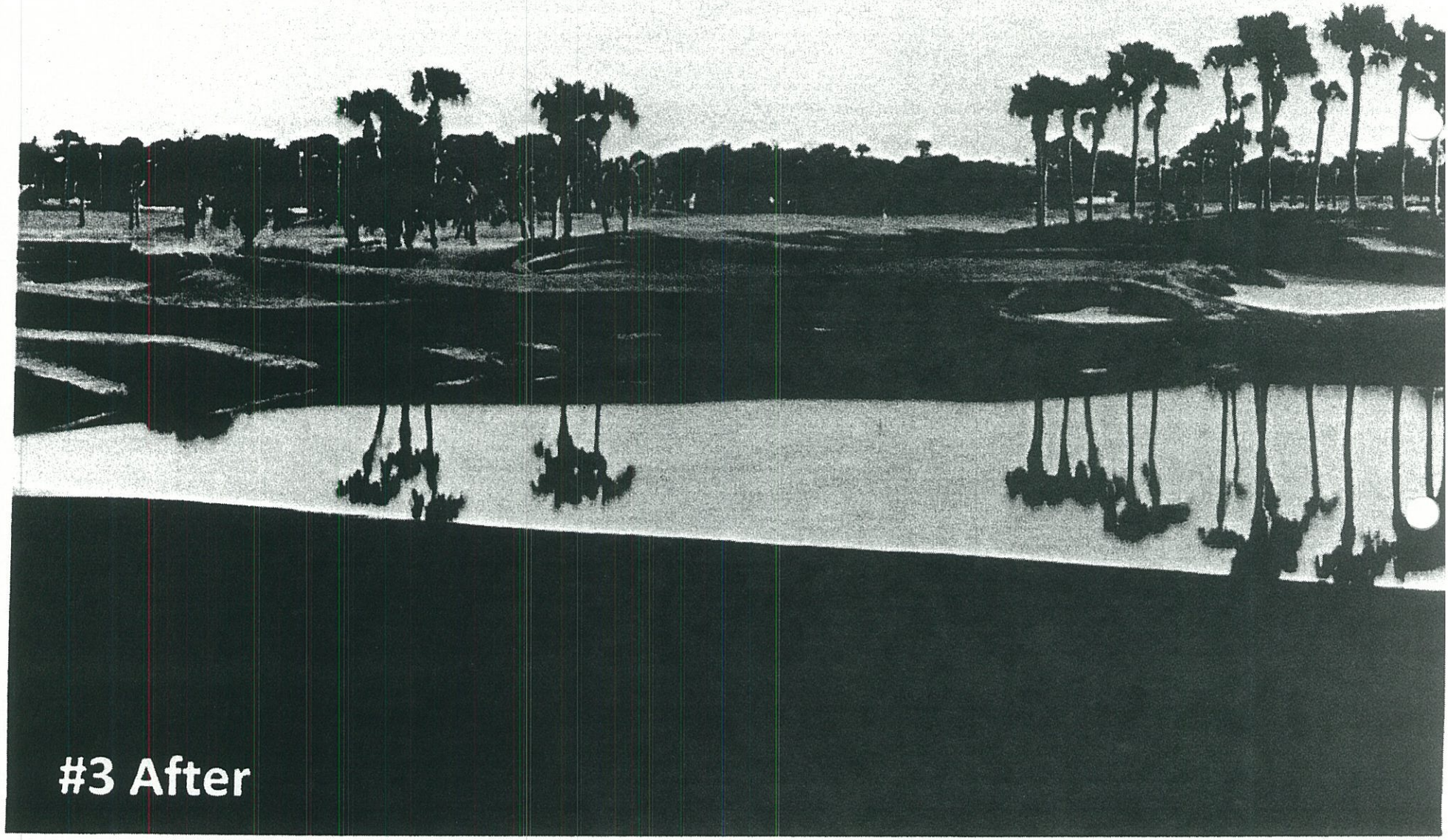
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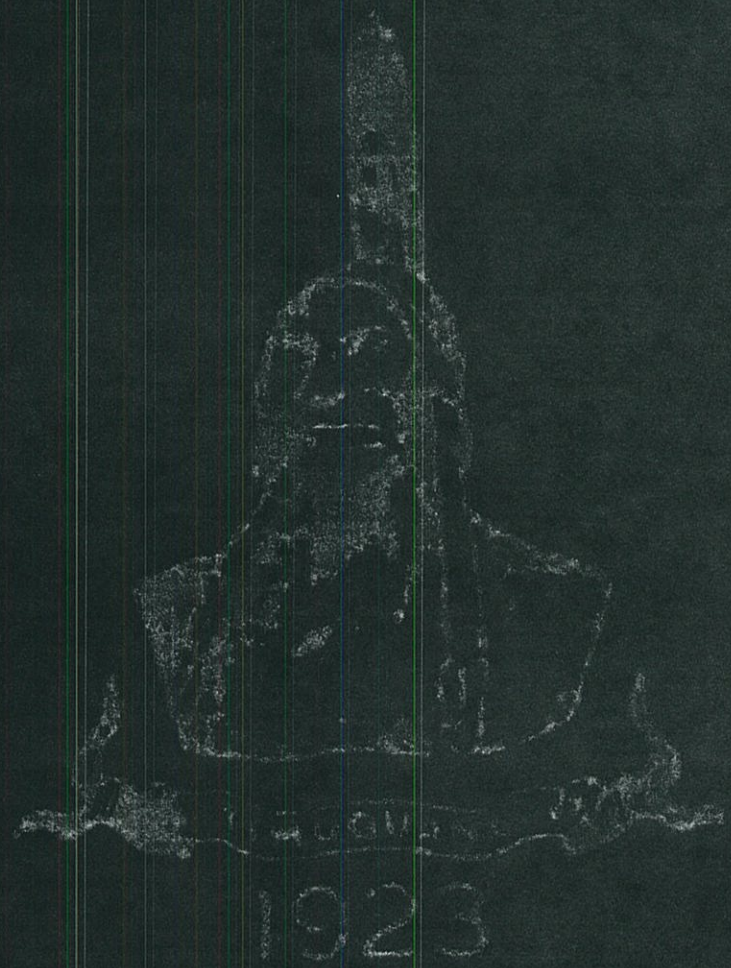
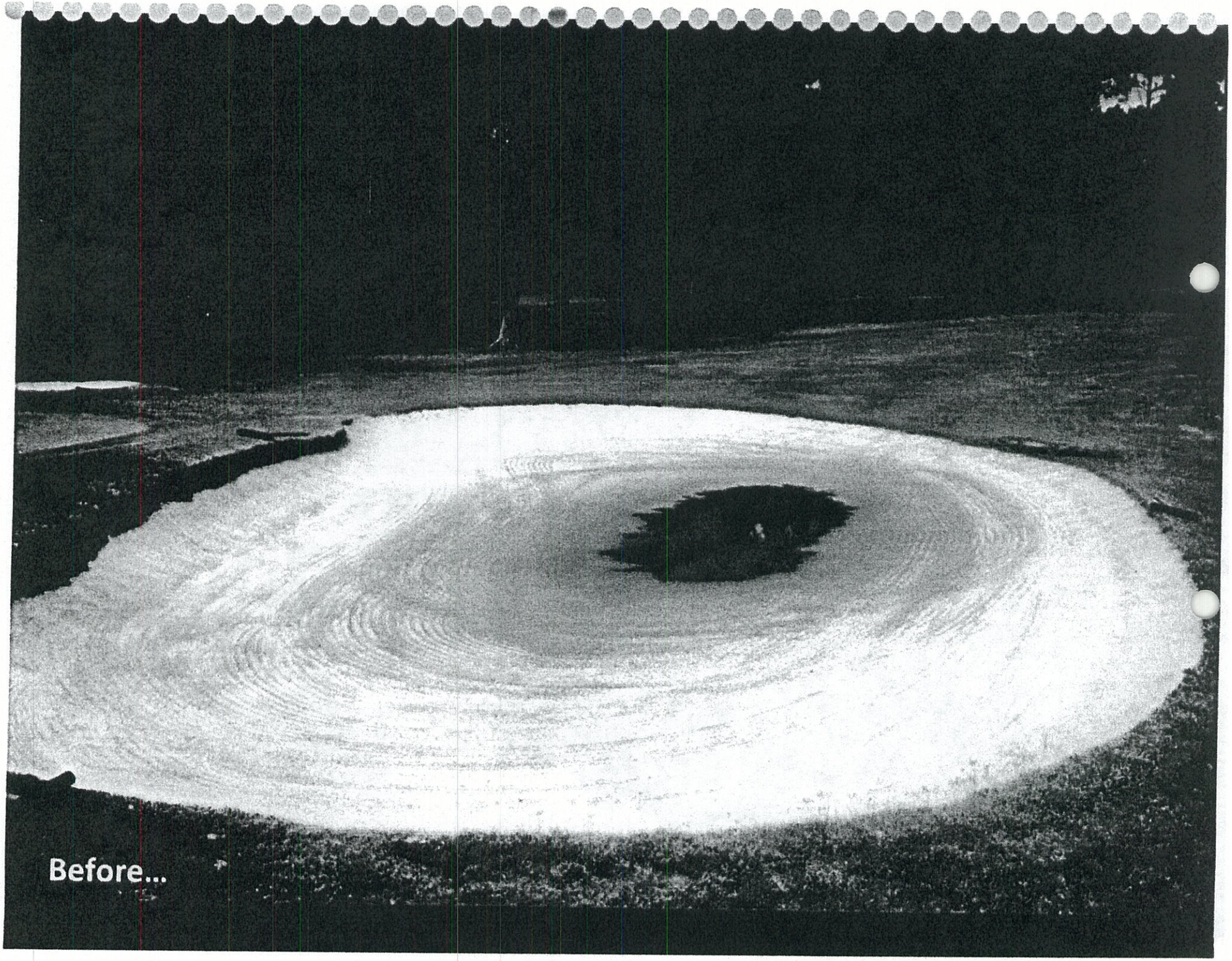


SITE OF 2002 USGA SENIOR AMATEUR

A DONALD ROSS DESIGN

Before...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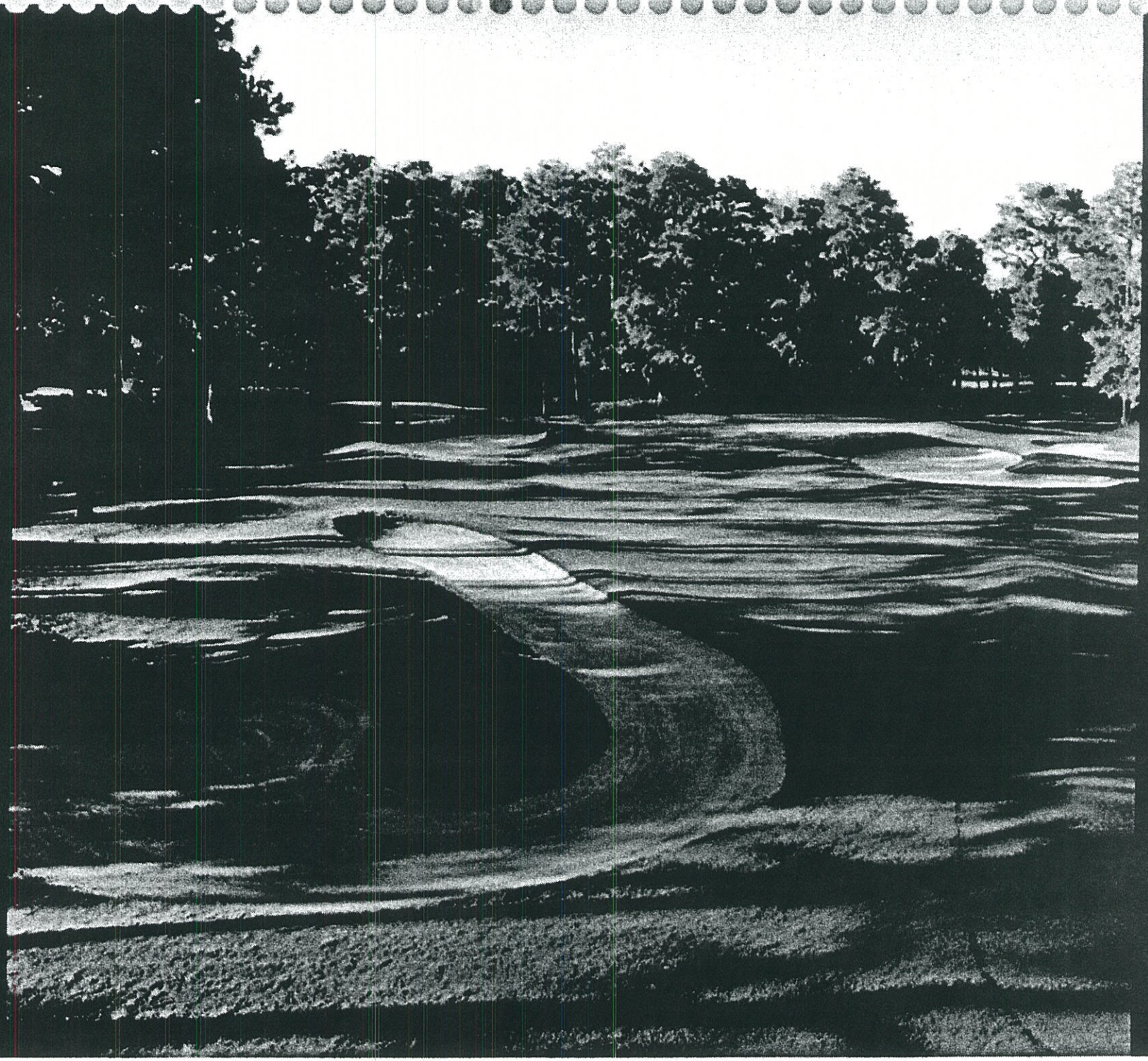

BOBBY

WEED

GOLF

DESIGN

Discussed comments w/ Town of 6/23/06

The Golf Club of Dublin
City of Dublin, Ohio

Operational Review

May, 2006

SCOPE OF SERVICES

Global Golf Advisors Inc. (GGA) has been asked by the City of Dublin, Ohio to review the physical plant, operations, and financial structuring of the Golf Club of Dublin (GCD). Specifically, we were asked to compare the GCD with best practices and benchmarks for similarly positioned golf courses in this geographic area.

To this end, a site visit to the property on May 9, 2006. During this time there were meetings the General Manager, Mr. Ty Day and members of his staff. Prior to meeting Mr. Day, GGA met with Marsha Grigsby, CFO of the City of Dublin. Prior to that visit, GGA reviewed the financial statements from GCD from 2003 to 2005. While on site, GGA received other documentation including Balance Sheets, guest surveys, and food and beverage menus, which were also reviewed.

SUMMARY

The Golf Club of Dublin is a well designed golf course. The design was executed by Hurzdan/Fry, one of a handful of top golf architecture firms in the United States. As the name of the course implies, the architecture is reminiscent of traditional golf courses in Ireland with a 'links' feel including deep sod-faced bunkers. The clubhouse continues this theme. It is of brick construction and if anything, is larger than would normally be seen in a daily fee golf course of this quality. While the clubhouse is a tribute to the City of Dublin, its size and cost has contributed to the large debt that the project carries. Debt is the biggest problem for GCD. The debt load is so burdensome that it is overwhelming an otherwise well run golf operation, and is rendering it essentially unprofitable. As currently structured, it is hard to see how the investors will ever get an adequate return. More on the debt will be discussed later in this report.

The physical plant is well designed, well constructed and well maintained. As mentioned above, if anything it is over-designed and constructed. The project has good drive-up appeal. The golf course maintenance area remains a negative. Currently the maintenance equipment is housed in an historic barn which is on the property. The barn is completely inadequate for use as a maintenance structure in its current form, without the space to house the (very expensive) golf maintenance equipment or areas which are adequate for storage of chemicals and fertilizers. We understand that ownership of GCD is working

with the Ohio Historical Society on this issue. However, management believes that the solution includes leaving the historical barn as is, and possibly using the cart storage area near the clubhouse for maintenance and constructing a new cart storage barn in the same area juxtaposed to the clubhouse. While this is not the perfect solution, it may be the best solution. This will of course necessitate further spending.

We found the GCD to be a well run, high end daily fee operation. Upon arrival, a staff member meets you in the parking lot to take your golf bag and put it on a cart for you. The staff in the pro shop are knowledgeable and attentive. The same can be said for the food and beverage (F&B) staff. This professionalism permeates the operation from top to bottom.

The various departments at GCD all seem well run. Food and Beverage are utilizing the extra space they have to sell weddings, private functions and special events open to the public. They are selling approximately $1million dollars in F&B per year. This is very good performance and exceeds that obtained by similar daily fee operations. The pro shop has the right inventory and betters the benchmark for cost of goods sold in similar projects. Golf course maintenance is about $554,000 for 2005. This is below benchmarks for similar golf courses and is impressive when considered against the maintainable acreage of approximately 235 (200 if lakes are removed.)

There were about 28,000 rounds played at the course in 2005. This has been the case for the past three years. The goal of GCD is 30,000 rounds. This is achievable, but current performance is fine, especially considering that the Average Daily Rate (yearly rounds revenue divided by yearly rounds) is $59. In the current competitive environment, this is very good performance.

Speaking with Marsha Grigsby at The City of Dublin we learned that the City has had to field virtually no complaints about any of the services. GCD it seems to us is a well run golf operation that is being enjoyed by the citizens of Dublin and is a positive part of the Dublin lifestyle.

The debt could ultimately become the Achilles Heel of the golf project. The $7million+ of long-term debt negates all of the hard work of the management and frustrates the investors. If this situation continues, there is a risk that the investors will cut back on expenses and the staff will eventually see their goals of excellent management resulting in profitability as unobtainable through no fault of their own. If this situation manifests itself, there could be problems in the future.

CONVERSATIONS WITH CITY OFFICIALS

Prior to going to the site, we met with Marsha Grigsby, the CFO of The city of Dublin. From her we learned that the economics of the area were good. The City is growing robustly as evidenced by the housing being built at the golf club site. She also mentioned that the most exciting program being established is the Innovation Center which will be a large integrated medical and technological research center along the lines of The Research Triangle in the Chapel Hill – Raleigh – Durham area of North Carolina. This will obviously benefit Dublin generally and the golf course specifically. In addition, existing businesses continue to expand. Witness Cardinal Health's plans to expand by 300 people. Things are good in Dublin.

The area is being master planned by O'Brien Atkins, the architects of

As to the golf course, it seems people like GCD and are using it. We learned that the City has received virtually no complaints about the condition of the golf course, the food and beverage, or the pricing. In 2005 the course did 28,000+ paid rounds and another 2000 rounds that were bartered for advertising and other services. This is good usage.

The City has and does use the golf course from time to time for functions. One good use of the course for the City is the CEO Tournament in which business leaders from companies domiciled in Dublin get together for a day of golf and camaraderie.

There seem to be several financial engineering issues. The largest is the heavy debt that the Club is carrying. This debt requirement is overwhelming the operations of GCD and rendering it unprofitable. There is no question that in a golf acquisition, "you make it on the buy side" and in new course development you must get your financial engineering right, or there will be continuing problems. This is not to say that the debt wasn't entered into freely by the golf developer; it was. And the golf developer, whose heart was in the right place, wanted to construct a golf project of which he and the City would be proud. This can be very costly. Golf is usually constructed with the help of the real estate developer who benefits greatly from the golf amenity. So negotiations are critical there as well. Nevertheless, the financing is the black cloud hanging over an otherwise successful project.

We understand that there have been conversations that are continuing regarding ways that the City might help assuage this debt pain. Topics include: General Obligation Bonds, Specific Performance Bonds and extending the lease by ten years to help in refinancing the debt.

We further understand that the ownership of the golf course has asked about the possibility of negating property taxes on the theory that the land is owned by the City. We were not asked to opine on these subjects. We mention them here only to point out

Based on legal restrictions, the City's ability to provide assistance with the debt burden may be limited to extending the term of the lease

that they are under discussion. As you will see below, we have a good opinion of the physical plant and the management of the property.

PHYSICAL PLANT

GCD has good drive-up appeal. It does give a feeling of arrival. The parking lots are well constructed and clean. The clubhouse is larger than might be found in similarly positioned daily fee golf courses and is constructed of brick, which is also above and beyond what is normally seen in similar projects. It is in excellent condition. The cart barn is next to the clubhouse and is also constructed of materials that are more expensive than similar buildings in similarly positioned projects.

The starter "shack" is constructed of brick as well and has a large clock on an external façade. All of this is aesthetically pleasing but has added to the cost of the project.

The golf course has been designed by Hurzdan/Fry, one of the top golf course architecture firms in the United States. The golf course, like the clubhouse and out buildings, is designed on a theme of Irish golf, which tracks nicely with the name of the City. This golf design manifests itself in a "links style" course complete with deep sod-faced bunkers. The course also has a number of lakes. At the time of our visit, the course was in good condition and was just starting to grow into top shape for the summer and fall months. Total maintainable acreage for the course is 235, which includes about 35 acres of lakes. There have not been (and one would not expect) problems with the irrigation system as it is almost new. Irrigation systems generally have to be replaced every 20 years. There has been some rebuilding of the sod-faced bunkers. This occurs every 3 to 5 years and management has a replacement schedule with associated costs considered.

ARRIVAL EXPERIENCE

Upon arrival, a bag attendant meets you in the parking lot, takes your bag and points you to the pro shop for check in. The pro shop staff are knowledgeable, friendly and well dressed. After check in, the player is directed to the cart staging area where his bag is waiting on a cart. He is given a bag of practice balls and is directed to the practice facility. The carts are clean, staged and usually have the name of the players on them. This is good operational practice and creates an excellent first impression for the golfer.

THE PRO SHOP

The pro shop is attractive and sized appropriately. Sales in the pro shop have gone from $178,000 in 2003 to $240,000 in 2005. Cost of goods is 67% of sales which is better than the benchmark for similar properties of 70%. The shop carries about $40,000 in inventory and therefore turns its inventory about six times. This is also better than

similar golf courses. GCD does survey its players, which is of course good. In one survey they found that 94% of its golfers played with Titleist golf balls. With this knowledge it now sells only Titleist golf balls, limiting its inventory of golf balls that do not sell. This surveying is a best practice that is not done enough by golf facilities. The pro shop has increased its purchases per round from $6.11 in 2003 to $6.71 in 2005.

FOOD AND BEVERAGE

In F&B gross revenue, GCD exceeds that which would be a benchmark for similar operations. That is because management recognized that it had a large area which could be used for outings, weddings and other private functions and put together a marketing plan for these areas. With nearly $1million in F&B sales, it has been successful. GCD has one person whose sole job is to sell weddings, outings and private parties. In 2005, banquets and outings totaled $635,000 at GCD. This indicates a great sales effort and execution as well. The benchmark for food and beverage cost of goods sold at GCD is equal to or better than the 34% industry benchmark.

GOLF COURSE MAINTENANCE

The golf course has 235 maintainable acres which is high for a similar 18-hole golf course. Recognizing that topography and other variables contribute to differences in this area, the average number of maintainable acres for a similar facility is a range of 85-120. This would indicate that the course at GCD would be expected to have a much larger golf course maintenance budget. Surprisingly, this is not the case. The golf maintenance expenditures were about $540,000 in 2005. The benchmark on a per maintainable acre basis is between $4000 and $6000. During our site visit, the course seemed to be in good condition. This is corroborated by surveys done by GCD in which participants rated the course condition a "4" out of "5" between the months of March-May.

There are two issues with golf maintenance. Currently the maintenance facility is an historical barn which is located on the property. Unfortunately, it is inadequate for the storage of the maintenance equipment and the chemicals and fertilizers which are routinely used in maintaining the golf course. We understand that ownership has ongoing discussions with The Ohio Historical Society about the barn. According to GCD management, the best solution is to put the barn and surrounding property back in its original condition and use the current cart storage building for maintenance, thereby needing to construct a new cart storage building approximate to the clubhouse. This seems to us the best solution but will require further investment (likely about $250,000).

While the golf management department has been frugal in its golf course maintenance spending we hope this frugality is not the result of a strain on cash flows. If it is, the mid to long-term conditioning of the golf course may suffer. This second potential issue is a symptom and should be monitored.

ADVERTISING

Management spends approximately $55,000 yearly on advertising and marketing. In the early years of its existence, a golf project will usually spend about 3% of gross revenues on advertising. GCD is spending less, but is varying the medium and most importantly, is tracking effectiveness of each advertising program by surveying players as to how they heard about the course. They do this by sending the player a short questionnaire via email to their home. A sample of the Guest Survey is attached as an exhibit.

FINANCIAL ENGINEERING

This in our opinion is the issue that could overwhelm all of the hard work and good management practices that have been in place from the outset of the project. There are a number of reasons for this. Traditionally, the real estate developer and the golf developer get together and negotiate an amount of work and/or amount of money that the real estate developer will contribute to the golf developer, which recognizes that the golf is an amenity for the real estate, and as such, creates value by increasing the velocity of sales and the price of homes (which are juxtaposed next to or near the golf course). Often this agreement requires the real estate developer to put the necessary land in at no cost to the golf developer. Additionally, there is usually a good deal of money and/or work in kind that the real estate developer agrees to do to recognize the fact that the golf course is developed before the housing is ready; and that it imparts significant value and therefore increases velocity of sales and sale prices for the housing. Due to the unusual nature of this development, this was not done in a traditional way (which would have deflected much of the golf course construction costs). As an example of this practice, one of the largest real estate developers in the U.S. constructs a golf course as a central amenity to his project. He will spend between $15 and 20 million on the golf club. He then contracts with a golf management company to operate the golf club and sells them the project for about $5 million. The difference he considers a marketing cost for his real estate. This type of negotiation was not done at GCD, with the result being that the golf developer had to shoulder much more of the construction cost than may have been prudent.

The cost of the golf project was further heightened because the golf developer, to his everlasting credit, built the entire project to a greater standard than was warranted by the business opportunity. This has benefited the real estate and the City has a golf showcase, but it further burdened the Club with additional debt. We understand that the golf project is currently refinancing its debt. While we do not know the impact of this action, rates are going up. It may be that they can negotiate a longer amortization and lighten the debt load.

We understand that the owners of GCD have approached the City about refinancing the golf with General Obligation Bonds or specific performance bonds. We further understand that the City has been approached about the possibility of cessation of

property taxes for GCD. Evidently the rationale here is that the land on which the golf course sits is City land and therefore should not be taxable. We only bring these issues up because they seem to be topical. We have no comment as these are not part of our engagement and are not under our purview.

However, the impact of this debt load will ultimately have an effect on the project. If the investors do not see a return of, and on their investment, they may eventually decide to cut expenses and run the project lean to get some small bit of cash flow. This action will cause the physical plant to deteriorate. If the management and employees continue to put forth their best efforts, as they are doing now, and the project continues to lose money in spite of their hard work, they may decide to go to a project where their efforts are appreciated, intrinsically and financially. We don't think this will happen because this is too good a project.

FINAL ANALYSIS

The Dublin Golf Club is well designed, well constructed and very well managed. It serves the citizens of Dublin well. It has been a very good amenity for the real estate developer. When we say it is very well managed, we mean it. GCD grosses about $2.7 million on 28,000 paid rounds. The Average Daily Rate is $69. From every perspective it meets or exceeds benchmarks and best practices -- F&B, Pro Shop, golf maintenance, physical plant, golf course design. The only threat, we see is the threat that the debt may overwhelm the property.

More Formal @ City Hall

Palatka GC

Terms and Conditions of an Agreement Between:

(Hereafter referred to as *"Agreement"*)

BWGD Palatka, LLC
P.O. Box 328
Ponte Vedra Beach, FL 32004
T: (904) 249-3005
F: (904) 249-0019
bweed@bobbyweed.com
day@t2golf.com
(Hereafter referred to as *"Company"*)

and

City of Palatka, Florida
201 North Second St.
Palatka, FL 32177
T: (386) 329-0100
F: (386) 329-0106
wboynton@palatka-fl.gov
(Hereafter referred to as *"City"*)
(City and Company hereafter referred to as, each a *"Party"*, collectively, *"Parties"*)

for

Palatka Golf Club

(Hereafter referred to as *"Golf Course"* or *"Project"*)

Effective Date: January 1, 2010

TABLE OF CONTENTS

Article I -- Company's Responsibilities 2
Article II -- Company's Compensation 3
Article III -- City's Responsibilities 4
Article IV – Agreement Terms and Provisions 6
Article V – Acceptance of Agreement 12
Attachment A – Company's Scope of Services 13

Article I -- Company's Responsibilities

1.1 Basic Project Information

The City owns the Golf Course and desires the Company to manage the operation, maintenance and capital improvement of the Golf Course.

1.2 Agreement Term and Schedule

The Agreement shall comprise two phases:

i. An "Initial Phase" in effect from the Effective Date up to and including December 31, 2010;

ii. A "Second Phase" in effect from January 1, 2011 up to and including September 30, 2014.

1.3 Company's Principals

Company shall designate from time to time Principals for the Project who shall have authority to act on behalf of the Project for the Company. The Principals are hereby designated as Bobby Weed, Chris Monti, and Ty Day.

1.4 Company's Services

i. The Company shall complete those tasks as described in Attachment A ("Services"), the completion of which shall direct the Golf Course's operation, maintenance and capital improvement (the "Work").

ii. A Principal of the Company shall visit the Golf Course at intervals and durations appropriate for the completion of the Services and to become familiar with the progress of the Work. Such intervals shall be at the Company's sole determination, but during the Initial Phase, such visits shall occur not less than 8 days per calendar month.

iii. The Company shall have the authority to make decisions and changes to the Work in accordance with the completion of the Services.

iv. The Company shall keep the City informed of observations concerning the progress and quality of the Work as outlined in Attachment A. The Company shall report to the City any observed deviations in the completion of the Work.

v. The Company shall complete the Services as an independent contractor to the City. Neither Party shall be an employee of, partner of, nor joint venturer with the other and neither Party so hold itself out. By providing these periodic evaluations of the Work and completing the Services, the Company shall not be responsible for the acts or omissions of the City, or any of the City's subcontractor's, agents or employees, or any other persons performing any of the Work as recommended by the Company in the completion of the Services.

1.5 Company's Supplemental Services

The Company shall provide only those Services specifically enumerated in Attachment A. The Company may agree to provide Supplemental Services to the City after execution of this Agreement, without invalidating the Agreement. The Company shall not provide any Supplemental Services without the prior written consent and approval of the Company and the City regarding scope of work and fees.

Article II -- Company's Compensation

2.1 Compensation

The City shall compensate the Company for the Services by payment of a Contract Signing Fee and thereafter by payment of a Monthly Stipulated Sum. Payments shall be made upon presentation of Company's Invoices, which shall be submitted first upon execution of the Agreement by the Parties and thereafter upon the 1st day of each calendar month following the Effective Date up to and including September 1, 2014, as follows:

Service	Method	Stipulated Sum
Contract Signing	Stipulated Sum	$ 9,000.
Initial Phase	Monthly Stipulated Sum	$ 9,000.
Second Phase	Monthly Stipulated Sum	$ 9,000.

2.2 Payment Terms

All amounts due the Company under this Agreement are due ten (10) days from the invoice date. Late payments shall be subject to Interest Charges. The Interest Rate shall be **1.5%** per month (18% per annum). Whenever interest charges are due the Company under this Agreement, and current payment does not fully cover the total invoice amount, these partial payments shall be credited first to interest and then to all unpaid Monthly Stipulated Sums.

Article III -- City's Responsibilities

3.1 City Representative

City shall designate a representative authorized to act on the City's behalf with respect to the Project. The City hereby designates **Woody Boynton** to act in this capacity.

3.2 Personnel Employed at the Golf Course

Returning to Probationary

All personnel employed at the Palatka Golf Club shall remain employees of the City. Such personnel shall be subject to the City's existing employment practices and policies, as applicable. In the event the Company shall recommend in good faith that the City terminate or suspend the employment of any such City employee, the City shall terminate or suspend such employment as recommended by the Company, unless the City shall demonstrate to the Company's reasonable satisfaction that such suspension or termination would be unlawful. The City shall in any event retain the final authority and responsibility for hiring, suspending or terminating all City employees employed at the Project.

3.3 Fiscal Obligations of the Golf Course

The City shall be solely responsible for the collection of the Golf Course's revenues and payment of the Golf Course's expenses. Company shall be responsible for the supervision, direction and monitoring of such collection and payment only as described by the Services.

3.4 Right of First Refusal for Lease or Sale

If, at any time during the term of the Agreement, the City desires to lease or sell the Golf Course to any third party, the City shall first offer to lease or sell the Golf Course to the Company upon the same price and terms as the City intends to offer to or receives from any third party. The City shall submit such terms to the Company in writing (the "Offer Notice"), following which the Company, by written notice, shall have sixty (60) days from its receipt of the Offer Notice to exercise its right to lease or purchase the Golf Course for the terms specified by the Offer Notice. Should the Company fail or otherwise refuse to exercise its right to lease or purchase the Golf Course, then the City shall thereafter be free to lease or sell the Golf Course to any third party under terms that are materially similar to those contained in the Offer Notice. The City and Company agree that any purchase price or lease rate that is 95% of any purchase price or lease rate specified in the Offer Notice shall not be deemed to be a material difference from the terms contained in the Offer Notice.

Article IV – Agreement Terms and Provisions

4.1 Termination by the Parties

i. Through written notice submitted prior to November 30, 2010, the City may terminate this Agreement for convenience and without cause effective upon completion of the Initial Phase. Should the City elect to so terminate this Agreement, the Company shall be due all Monthly Stipulated Sums earned or accrued through completion of the Initial Phase on December 31, 2010.

ii. Through written notice submitted prior to November 30, 2010, the Company may terminate this Agreement for convenience and without cause effective upon completion of the Initial Phase. Should the Company elect to so terminate the Agreement, the Company shall be due all fees earned or accrued through the completion of the Initial Phase on December 31, 2010.

iii. During the Second Phase, the Parties may terminate this Agreement only for cause ("Event of Default"), which shall include failure by either Party to perform any term or covenant of this Agreement in any material respect, and such failure continues for thirty (30) days or more after written notice of such failure is given by one Party to the other, provided that if the failure is of such nature that it cannot be reasonably corrected within such thirty (30) day period, such failure shall not constitute an Event of Default so long as the defaulting Party institutes curative action within the applicable period and diligently pursues that action to completion.

iv. The City may terminate this Agreement for its convenience upon thirty (30) days written notice should it enter into a binding agreement to lease or sell the Golf Course and the Company has failed or refused to exercise its right of first refusal as provided in Section 3.4, above. Should the City elect to so terminate this Agreement, then the City shall pay the Company a Termination Fee equal to not less than twelve (12) months times the Monthly Stipulated Sum, which fee shall be due upon the date of termination. In addition to the Termination Fee, the Monthly Stipulated Sums payable to the Company for its Services shall be paid through the date of termination.

4.2 Termination of Agreement

i. Unless the Parties shall elect to extend this Agreement pursuant to clause ii of this Section 4.2 prior to September 30, 2014, this Agreement will terminate on September 30, 2014 and upon such termination, the

Company shall be due a lump sum Conclusion Fee equal to thirty percent (30%) of the total Net Operating Income of the Golf Course accruing from October 1, 2012 through September 30, 2014. Such Net Operating Income shall be computed in accordance with generally accepted accounting principles.

ii. This Agreement will terminate on September 30, 2014 unless the Parties shall enter into a binding agreement to extend this Agreement, provided any such extension agreement shall:

a. Be in effect for a period of not less than five (5) years (the Extended Period).

b. Increase Company's compensation to not less than a Monthly Stipulated Sum of Ten Thousand Dollars ($10,000) per month, plus a lump sum fee equal to twenty percent (20%) of the Golf Course's annual Net Operating Income accruing from October 1 through September 30 of each successive year (each, a "Fiscal Year") during the Extended Period. Such fee shall be due and payable within sixty (60) days following the completion of a Fiscal Year.

c. Maintain all other terms and provisions of this Agreement for the term of the extension, unless the Parties mutually agree otherwise.

iii. This Agreement will terminate should the Parties enter into a binding agreement for the Company to lease the Golf Course from the City, with such termination to be effective as of the date of the parties' execution of such lease.

iv. This Agreement will terminate should the Parties enter into a binding agreement for the Company to purchase the Golf Course from the City, with such termination to be effective as of the date of the closing of the Company's purchase of the Golf Course.

4.3 Disputes

The Parties shall endeavor to settle unresolved claims and disputes between them by mediation as a condition precedent to arbitration or the institution of legal or equitable proceedings by either party, which, unless the Parties mutually agree otherwise, shall be submitted to JAMS, or its successor, for resolution. The Parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

4.4 Instruments of Service

Drawings, specifications, and other documents prepared by the Company are Instruments of Service for use solely with respect to the Project. All original materials, reports documents, drawings, specifications, computations, sketches, test data, photographs and renderings related to the services and work performed hereunder shall be the property of the City.

4.5 Confidentiality of Information

i. "Confidential Information" shall mean all information (in written, oral or electronic form) that is disclosed between the Parties including, without limitation, business and marketing information, analyses, budgets, presentations, strategies, techniques, documentation, designs, procedures, inventions, files, memoranda, reports, drawings, plans, customer lists or other account information, trade secrets, know how, means, or other intellectual property, and any information relating to the present and future business operations or financial condition of either Party or the Golf Course. Confidential Information does not include information which: **(a)** has been published or is now in the public domain, or in the future becomes published or in the public domain through no action of the receiving Party (the "Recipient"); **(b)** subsequent to disclosure hereunder, is received by the Recipient from a third party not known by the Recipient to be under an obligation of confidentiality to the disclosing Party; **(c)** is independently developed by Recipient without reference to the Confidential Information; or **(d)** is disclosed with the prior written approval of the disclosing Party. Any Party asserting that information is not Confidential Information by virtue of any of (a) through (d) hereof shall have the burden of proof on such issue.

ii. The Confidential Information shall **(a)** be kept confidential by the Recipient, **(b)** not be used by the Recipient in any way detrimental to the disclosing Party, and **(c)** not be used by the Recipient other than in connection with the Services. The Recipient may disclose the Confidential Information only to necessary directors, officers, agents, employees, consultants, attorneys, or representatives (collectively, the "Representatives"), on a need to know basis. The Recipient will **(i)** inform each of its Representatives of the confidentiality of the Confidential Information and of this Agreement, **(ii)** direct its Representatives not to use the Confidential Information other than in connection with the Discussions, and **(iii)** be responsible for any improper use of the Confidential Information by its Representatives. Upon termination of this Agreement, each Party shall promptly return Confidential Information it has received hereunder to the other Party.

4.6 Indemnity

i. Company and City shall each indemnify, defend and hold each other, their officers, agents and employees harmless from and against any and all liability, loss, expense (including reasonable attorneys' fees) or claims for injury or damages arising out of their negligent performance of this Agreement, subject to any limitations set forth in this Agreement.

ii. City shall indemnify, defend and hold the Company its officers, agents and employees harmless from and against any and all liability, loss, expense (including reasonable attorneys' fees) or claims for injury or damages arising from City's use of any Instruments of Service before such Instruments are approved by appropriate governmental agencies, use of drawings for other projects and use of any preliminary drawing or specification not intended or labeled as "For Construction" for construction purposes, subject to any limitations set forth in this Agreement.

4.7 Limitation of Liability

Liability under this Agreement shall be limited to direct, actual damages only. In no event shall either Party be liable to the other for consequential, incidental, punitive or special damages, including but not limited to damages for lost profits, frustration of economic or business expectations, non-operation or increased expense of operation of systems or equipment.

4.8 Insurance

Company does hereby covenant and agree to obtain and keep in full force and effect the insurance coverages set forth below and to furnish City with certificates of insurance evidencing such coverage upon request, which insurance shall, to the extent permitted by Company's insurance company, name the City as additional named insured and shall contain a thirty (30) day cancellation or material change prior notice provision. If permitted by the Company's insurance company, such policies shall contain a waiver of subrogation in favor of the City.

i. Comprehensive General Liability. Company shall maintain comprehensive general liability insurance with minimum limits of US$1,000,000 per person and US$1,000,000 per occurrence for bodily injuries and US$1,000,000 per occurrence for property damages, which insurance shall include, but not be limited to, contractual liability, products and completed operations, broad-form G.L. endorsement, and personal injury coverage.

ii. Automobile Liability Insurance. Company shall maintain comprehensive automobile liability insurance covering all owned, non-owned, and hired vehicles with minimum combined single limits of US$1,000,000 for bodily injury or property damage arising out of ownership, maintenance, or use of any motor vehicle.

iii. Professional Liability/Errors and Omissions. Company shall maintain professional liability and errors and omissions coverage with minimum limits of US$1,000,000.

4.9 Extent and Amendment of Agreement

This Agreement represents the entire Agreement between the Parties with respect to the subject matter hereof, superseding all previous oral or written communications, representations, or agreements and shall be binding on and shall inure to the benefit of the successors and assigns of each Party. This Agreement may be modified only by a writing signed by both Parties. This Agreement may be signed by one or more counterparts, each of which shall constitute an original.

4.10 Severability

In the event that any term or provision of this Agreement is found to be void, invalid or unenforceable for any reason, that term or provision shall be deemed to be stricken from this Agreement, and the balance of the Agreement shall survive and remain enforceable.

4.11 Assignment; Binding Effect

Neither the City nor the Company shall assign or transfer their interest in this Agreement without the prior written consent of the other. This Agreement shall be binding upon and inure to the benefit of the Company, the City, and their respective successors and assigns.

4.12 Notice

The Parties shall have been deemed to give notice to the other Party when such notice is sent by Registered Mail, Federal Express or United Parcel Service to the address indicated on page one (1) of this Agreement.

Article V – Acceptance of Agreement

The Agreement shall be deemed accepted and binding from the moment of both (i) its execution by the Parties and (ii) by City's delivery of the Contract Signing Fee due pursuant to Section 2.1 to the Company. Unless otherwise specified, this Agreement shall be governed by the laws of the State of Florida. Any legal action arising from this contract must be brought in Putnam County, FL.

For:

The City of Palatka

By:_____
Name Printed:_____
Title:_____

BWGD Palatka, LLC, a Florida limited liability company

By:_____
Bobby Weed, as _____

Attachment A – Company's Scope of Services

The Company shall provide the services enumerated below with its own personnel.

Tasks labeled *"IP"* shall be initiated or in operation prior to the conclusion of the Initial Phase; Tasks labeled *"IP and SP"* may be initiated in the Initial Phase at the Company's sole discretion, but shall not be required to be initiated, completed or in operation until the Second Phase.

Agronomic Operations

Task 1 Operational Assessment (IP)
Prepare a comprehensive and detailed assessment of the agronomy department, including practices, staff and equipment, which becomes the basis for the Agronomic Plan.

Task 2 Job Descriptions (IP)
Draft job descriptions and hiring guidelines that will be used to evaluate and gauge existing staff in the re-hiring process.

Task 3 Agronomic Plan & Performance Standards (IP)
Prepare a comprehensive and detailed agronomic plan and maintenance budget which guides the improvement of the golf course's conditions and establishes minimum goals for all areas of the golf course.

Task 4 Conditioning (IP and SP)
Implement the Agronomic Plan through a prioritized focus on the in-play areas critical to a golfer's perception of the course (i) greens, (ii) tees, and (iii) fairway. Coordinate improved conditioning in conjunction with the Capital Improvement Plan. Assist the City, as necessary, in the submittal for and receipt of competitive proposals to maintain the golf course through a third-party entity.

Golf Operations

Task 1 Operational Assessment (IP)
Prepare a comprehensive and detailed assessment of the golf operations that becomes the basis of the Golf Operations Plan.

Task 2 Job Descriptions (IP)
Draft job descriptions and hiring guidelines that will be used to evaluate and gauge existing staff in the re-hiring process.

Task 3 Golf Operations Plan (IP)
Prepare a comprehensive and detailed plan which guides the improvement of the up front operations and establishes performance goals for staff.

Task 4 Point of Sale System (IP and SP)
Install Fore Reservations as the Golf Course's comprehensive reservation and marketing system (e-mail marketing, e-mail confirmations, database management, direct marketing tools), point of sale (POS) system (purchasing, receiving, inventory control, accounts receivable), and a world wide web booking engine.

Task 5 Policies & Procedures (IP)
Develop and implement a global policies and procedures manual for Golf Operations.

Task 6 Inventory Control (IP)
Institute a retail merchandise and inventory control program to avoid shrinkage in the operation.

Task 7 Golf Car Management (IP and SP)
Assess, develop and implement a comprehensive golf car management program and coordinate the solicitation of competitive pricing proposals upon expiration of the current equipment lease.

Task 8 Play Management (IP and SP)
Develop and implement standard operating policies and procedures for outings, tournament and general play.

Task 9 Player Development (IP and SP)
Develop and implement programmed teaching and player development programs with a specific focus on juniors, women, and community league play. These programs will be designed to further broaden and enhance the golf course's perception in the local community as an accessible and desirable amenity.

Food & Beverage Operations

Task 1 Operational Assessment (IP)
Prepare a comprehensive and detailed assessment of the F & B operations that becomes the basis of the F& B Operations Plan.

Task 2 Job Descriptions (IP)
Draft job descriptions and hiring guidelines that will be used to evaluate and gauge existing staff in the re-hiring process.

Task 3 F & B Operations Plan (IP)
Prepare a comprehensive and detailed operations plan which guides the improvement of the F&B operations and establishes performance goals for staff.

Task 4 Point of Sale (IP & SP)
Utilize and synthesize the Fore Reservations software to run and operate the entire food and beverage operations. Every item will be tracked, easy access touch screen ordering, multiple checks opened at one time, and orders can be sent back to a kitchen printer.

Task 5 Policies & Procedures (IP)
Develop and implement a global policies and procedures manual for F&B Operations.

Task 6 Menu Concept & Pricing (IP and SP)
Develop and implement theoretical menu concept and pricing to ensure a profitable F & B operation.

Task 7 Inventory Management (IP and SP)
Inventory management standards will be instituted to protect from shrinkage and will be monitored through the POS system, theoretical menu costing and inventory controls.

Task 8 Safety Program (IP and SP)
A safety and sanitation program will be put into place will utilizing the ServSafe Program for safe food and alcohol service.

Sales & Marketing Operations

Task 1 Operational Assessment (IP)
Develop a comprehensive and detailed sales and marketing plan for the years 2011 – 2014. This plan will be an integral a part of the overall business plan going forward as revenue is driven upwards by increased awareness of the Golf Course.

Task 2 Website Development (IP)
Implement a new, professionally created website that will make announcements, book online tee times (integrated with the tee sheet), send out newsletters and assist in new customer acquisition.

Task 3 E-Mail Management (IP and SP)
Send out weekly emails with a particular focus on promoting synergy between the Palatka Golf Club and City of Palatka events, generating more leads and participation in the city's venues.

Task 4 Loyalty Program (IP and SP)
Develop and implement a new customer loyalty program that will track each customer's purchases and reward that customer based on dollars spent at the facility.

Task 5 Branding & Image (IP and SP)
Implement a new brand and image development program focusing on a more professional approach to business. New logo and byline development will be implemented.

Task 6 Collateral Management (IP and SP)
Develop and implement standardized marketing collateral based on the Branding and Image program.

Task 7 Publicity/Media Relations (IP and SP)
Develop and implement a publicity and media relations plan that focus on the new direction of Palatka Golf Club.

Task 8 Marketing Relationships (IP and SP)
Establish strategic marketing relationships within the immediate market and surrounding markets to bring greater awareness of, rounds and revenue to the facility

Task 9 Database Management (IP and SP)
Develop and implement a comprehensive database management program that can filter and identify a specific segment of the Golf Course's customer base.

Golf Course Improvement Plan

Task 1 Capital Needs Assessment (IP)
In consultation with the City, conduct a complete and comprehensive assessment of the golf course's infrastructure and capital needs, including the golf course, maintenance equipment, and clubhouse.

Task 2 Golf Course Improvement Plan & Schedule (IP)
Devise a long-range plan to improve any identified infrastructural deficiencies. Improvements shall be conducted with a focus on the appropriate and sympathetic restoration of the original Donald Ross golf course design.

Task 3 Capital Needs and Sources (IP)
Identify the extent of capital requirements to complete the Golf Course Improvement Plan and work with the City to identify the most appropriate sources of funding that fit within the Golf Course's projected pro forma. Potential capital sources to be examined include but are not limited to general obligation bonds, bank notes, grants, TARP funding, grant donations from the Donald Ross Society, and/or other novel sources of funding.

Task 4 Implementation of Capital Improvements (IP and SP)
Manage, direct and oversee the implementation of the Capital Improvement Plan with consideration for the most efficient expenditure of capital funds, restoration of the original Donald Ross design intent, and long-term improvement of the physical condition of the Golf Course. Identify skilled employees for direct hire and/or submit for competitive third party contractor bids to complete the agreed-upon scope of work.

Human Resources

Task 1 Recruiting & Hiring (IP)
Develop and implement recommendations for recruiting and hiring procedures that are consistent with and in compliance with the City of Palatka employment policies.

Task 2 Employee Training (IP and SP)
Develop and institute a new employee training and development program.

Task 3 Benefits Management (IP and SP)
Conduct an employee benefits management program consistent and in compliance with the City of Palatka employment policies.

Task 4 Employee Performance (IP and SP)
Conduct performance reviews in a timely manner and develop a counseling program to improve performance.

Task 5 Payroll Management (IP)
Implement a payroll management system to track, verify and submit payroll hours according to policy and procedure.

Task 6 Compliance (IP and SP)
Follow local, state and national employment compliance for the entire facility.

Accounting

Task 1 Reporting (IP)
Set-up standard formatting for and conduct daily, monthly and annual reporting to the City of Palatka.

Task 2 Payables/Receivables (IP)
Coordinate and oversee the management of all accounts payable and receivable.

Task 3 Cash Management (IP)
Implement cash management and forecasting to better inform the City of Palatka on the performance of the property during each month of operation.

Task 4 Cash Controls (IP)
Establish cash controls and reconciliation programs in order to enhance the security of cash handling. Establish variance standards and reporting methods.

Task 5 Inventory Control (IP)
Install inventory controls and security cameras within the facility to protect its assets.

Task 6 Income/Expense Analysis (IP)
Conduct income and expense analyses on a bi-weekly basis to better ensure that financial goals are met.

Task 7 Budgeting/Forecasting (IP)
Conduct annual budgeting and forecasting for submission to the City of Palatka.