

July 1, 2020

Robert Goff
C/O Errol Estates Recreation District
Apopka, FL

NGF Consulting Proposal #220017

Re: Errol Estates Golf Course Re-Opening Feasibility Study

Dear Mr. Goff:

This letter summarizes NGF Consulting's ("NGF" or "NGFC") proposed scope of services to the new Errol Estates Recreation District ("District") for due diligence related to the District's potential re-opening of the 18-hole Errol Estates Golf Course in Apopka, Florida. Based on the information you conveyed to me, the residents of Errol Estates are considering the formation of a new District and then re-opening the closed golf facility. The District is now seeking an independent golf industry expert's analysis and opinion on the financial implications of re-opening the golf course under this plan, including a review of all capital investments for the property (golf course, infrastructure, and buildings) that would be needed, as well as projected economic performance of the facility after re-opening. As part of its scope, NGF will explore the future potential and most appropriate amenities of the re-opened facility if it were to be operated as a daily fee / public golf facility in accordance with a new recreation district.

SCOPE OF SERVICES

NGF will complete a comprehensive review of the subject golf facility operation (when it was open) and physical plant, including both on-site inspection and review of data and documents. The operations and physical review of the subject property will be the basis for any subsequent facility improvement or operational recommendations made to the District in this proposed re-opening plan.

Upon receiving authorization to proceed, NGF Consulting will commence the study with the visit to Apopka. Among the field activities expected for this project are:

- Meet with appropriate Errol Estates residents and City of Apopka staff to review the scope of work and discuss any necessary refinements.
- Collect from the District copies of any available relevant data, documents and exhibits that pertain to the historical golf course operations and physical plant.
- Collect demographic and economic data on the local market area.
- Visit the key potentially competitive golf clubs in the market area, and obtain (to extent available) operating data and market placement information on each.
- Conduct a physical inspection and evaluation of the subject golf facility.

The proposed scope of services for the project is summarized on the following page.

SCOPE OF SERVICES

- **Market Analysis** - NGF will analyze the supply/demand dynamic that is driving the competitive golf facility market (both public and private) in the Apopka / North of Orlando market area. We will document relevant local competition in terms of relative quality, amenities offered, fees, etc. so that we can identify the appropriate market position and needed enhancements for the subject golf course if it were to be re-opened and improved as proposed. We will also identify demographic and economic trends that may impact the future operation of the golf course, utilizing NGF's proprietary Golf Market Analysis Platform (GolfMAP).
- **Financial Records Review** – We will review historical rounds played and financial data on the Errol Estates GC from its most recent past when open and operating for the purpose of establishing baseline expectations if the facility were to be re-opened and improved as proposed by the District.
- **Physical Review & Preliminary Capital Plan** - The NGF team will inspect the physical condition of the golf course and amenities (including clubhouse) for the purpose of establishing their present condition, as well as identifying the capital investment requirements (with cost estimates) that the District will need to consider in order to re-open the facility under the defined entitlement and in consideration of public and private club options. This will include a review of additional capital items that may be required in the re-opening, such as acquisition of equipment and supplies that will be essential for the operations (maintenance equipment, golf cart fleet, clubhouse supplies, etc.).
- **Financial Projections** - NGF will estimate activity levels (e.g., memberships, rounds played, etc.) and the potential financial performance of the new Errol Estates GC, assuming District ownership and the recommended preliminary operating and capital programs. We will integrate market findings and expected fees and use levels into a five-year cash flow pro forma that will project net cash flows and identify any potential operating subsidy that will be required of the District.
- **Business Plan Recommendations** - Based on our facility and market analyses, NGF will make recommendations related to the future operation of the new Errol Estates GC under the most appropriate form of operation that is consistent with public recreation districts – a public golf course open and available to anyone, but also may have some form of “membership” or pre-paid green fee arrangements. Business plan recommendations will also consider categories such as pricing, management structure (e.g., self-operation, management contract), food & beverage operations and marketing. ***We will also provide preliminary recommendations regarding the District exploring potential new revenue vehicles that may be needed to support golf operations, such as monthly dues payable to the District to support operations and potential revenue shortfalls.***

PROJECT DELIVERABLES, TIMING & PROFESSIONAL FEES

NGF Consulting anticipates frequent communication with the Errol Estates Recreation District and the relevant City of Apopka staff during this engagement. NGF Consulting fees for the scope of services summarized above is **\$24,000**, and includes all direct expenses associated with travel by the consultants to Apopka, FL for initial meetings, property inspection(s) and final presentation of findings. The billing schedule will be monthly based upon progress of services rendered.

The deliverable to the District for this project will be a concise written report of key findings and recommendations, including market analysis, financial pro forma(s), and preliminary operating and capital plans for the subject golf course, as well as attendant exhibits. A draft version of the document will be made available to the Client for review and comments. Upon authorization, an electronic version of the final report will be delivered. A formal presentation (in person or remote/technology) of findings by the lead NGF consultant before the appropriate District and/or City staff and/or officials. The presentation will include a concise PowerPoint summary of all key findings and recommendations. Depending on commencement date of the project, NGF anticipates delivery of the draft report within 60 days of completion of the field visit to Apopka.

ACCEPTANCE

Acceptance of this proposal may be indicated by signing one copy and returning it to NGF Consulting's Jupiter office. **A retainer equivalent to 33% of professional fees (\$8,000)** will be required for the project to commence. NGF will progress bill on a monthly basis thereafter. A final invoice for outstanding professional fees will be sent along with the written draft report.

Mr. Goff, we appreciate your confidence in the National Golf Foundation and its consulting services. If you need any additional information, or would like to discuss any of the specifics of this proposal, please call me at (561) 354-1642.

Sincerely,



Richard B. Singer
Director of Consulting Services
(561) 354-1642
rsinger@ngf.org

Acceptance _____ Date _____

Acceptance: Errol Estates Recreation District

NATIONAL GOLF FOUNDATION QUALIFICATIONS & KEY PERSONNEL

National Golf Foundation

The NGF's work is supported by a base of approximately 3,500 members representing every facet of the industry: public and private golf facilities; golf course architects; developers and builders; companies offering specialized services to the golf industry; national, regional, state, and local golf associations; instructors; schools, and individuals. The NGF's board of directors includes senior executives from the leading companies in each major segment in the golf industry including officers from The First Tee, Callaway Golf Company, Edwin Watts Golf, Textron Financial, Billy Casper Golf, Myrtle Beach Golf Holiday, GOLF Magazine/Sports Illustrated, TaylorMade-Adidas Golf, Toro Golf Company, the United States Golf Association, and *Golf World*.

There is no greater authority than the NGF on the economics of supply and demand in the business of golf. The NGF's exclusive Golf Demand Model provides best-in-class data on every U.S. market and is utilized by many clients to improve both forecasting and customer targeting. The NGF's database of U.S. golf facilities is the industry's gold standard and is licensed by the USGA, PGA of America, Club Managers Association of America and the Golf Course Superintendents Association of America, as well as private enterprise such as Weather.com and NAVTEQ.

Our most important research is published and distributed to NGF members and non-members and is widely quoted in local, national, and international press and are used by numerous other golf-oriented consulting and information firms. NGF publications include: *Golf Participation in the U.S.*, annual editions; *Golf Facilities in the U.S.*, annual editions; *NGF Dashboard* newsletter, published monthly; *The Future of Public Golf in America*, 2010; *Golf Industry Overview* 2009; *Golfer Technology Profile*, 2009; *Golf Consumer Buying Profiles*, 2009; *Golf Travel in the U.S.*, 2009; *The Future of Private Golf Clubs in America*, 2008; *National Golf Rounds Played Report* quarterly with annual summaries; *A Strategic Perspective on the Future of Golf*, 2007; *Operating & Financial Performance Profiles of 18-hole Golf Facilities in the U.S.*, 2010.

The NGF's Consulting Division was established in 1987 and has conducted more than 950 assignments throughout North America, plus Europe, Asia, the Caribbean, and South America. These engagements cover a broad spectrum of services, although assistance to U.S. municipalities operating golf facilities has become the landmark service for which the NGF consultants are most well-known. Since the National Golf Foundation is not involved in the design, construction, or operation of golf facilities, we are able to provide our clients with completely independent advice, and our staff will not hesitate to identify operational deficiencies that affect the performance of an existing facility or to advise clients against proceeding with a golf project.

All consulting work is conducted under the direction of **Richard B. Singer**, Senior Director of Consulting Services, and/or **Ed Getherall**, Director of Consulting Services, at the National Golf Foundation. Other staff members work as part of the study team in providing professional insight, gathering additional data, applying participation models, conducting financial analyses, and reviewing the written report. Resumes of key professional staff appear on the following pages.

Richard B. Singer, Senior Director of Consulting Services

Richard Singer first joined the National Golf Foundation (NGF) consulting staff in 1989 after completing his Finance MBA at the University of Florida, and was named Director of Consulting Services in 1997 and Senior Director in 2015. Mr. Singer has successfully managed the NGF's well-known golf consulting practice with an industry-respected track record of success and a reputation for delivering projects on time and on budget. Mr. Singer is now widely viewed as the leading municipal golf facility consultant available in the United States.

Experience

Mr. Singer's background includes hands-on experience in the following functional areas:

- | | | |
|-------------------------------------|----------------------------|--------------------------|
| -Golf Facility Feasibility Analysis | -Financial Analysis | -Golf Business Valuation |
| -Golf Operations Consulting | -Business Plan Preparation | -Golf Market Analysis |
| -Economic Impact Analysis | -Clubhouse Programming | -Golf Club Marketing |
| -Golf Course Master Planning | -Public Presentations | -Proposal Writing |
| -Expert Witness | -Golf Course Brokerage | -Portfolio Analysis |

National Golf Foundation Consulting Experience – During his tenure with NGF Consulting, Mr. Singer has been responsible for preparing over 400 research studies for specific projects related to golf facilities. Mr. Singer is a widely recognized expert and frequent speaker on subjects related to golf facility development, operation, management, finance and transactions. In his 30 years as a golf consultant, Mr. Singer has visited and/or profiled more than 3,000 public and private golf facility operations in the United States and internationally. Mr. Singer also has extensive experience as an expert witness in matters related to golf facility operation, providing litigation assistance to golf course owners in civil litigation.

Golf Facility Operations and Marketing Consulting – Mr. Singer's golf facility operations consulting assignments comprise all aspects of golf facility operations, with focus on improving profitability through revenue enhancements, improved marketing and expense control. A significant aspect of golf operations consulting in the 2010s has been finding ways to preserve failing golf courses through physical and marketing enhancement, as well as considerations for assistance in re-purposing golf courses to some alternate (non-golf) use.

Golf Facility Development/Acquisition Consulting – In his 30 years with NGF Consulting, Richard Singer has become one of the most experienced golf facility development and acquisition consultants available today. His extensive experience includes services to support new golf facilities (feasibility studies, site master planning, business plans, etc.), and services to support transactions (acquisition due diligence, brokerage support, golf facility sale preparation, etc.). Through the last half decade, Mr. Singer has completed several consulting engagements involving homeowner associations ("HOAs") or community development districts ("CDDs") seeking to acquire and effectively market and manage community golf facilities.

Alternative Golf Facility Consulting – Mr. Singer's consulting services for alternative golf facilities have included both new development and operational reviews for driving ranges, putting courses, miniature golf courses, golf learning centers, executive/par-3 courses, and various combinations with other facilities. He co-authored the NGF publication *How to Plan, Build and Operate a Successful Golf Range*.

Key Accounts Managed

Selected public sector clients in 2014-2019 include: Federal City, D.C. (3-facility review of operations and capital planning); State of Georgia (7-course review of operations and outsource assistance); City of Dayton, OH (3-facility operations review and re-purpose considerations); United States Air Force (On call to review golf operations); City of Detroit (4-course strategy to keep City courses open); Town of Oro Valley, AZ (golf reduction / partial re-purpose plan); Jekyll Island Authority, GA (golf master plan preparation); City of Burbank, CA (golf facility operations review and lease preparation); City of Auburn, WA (clubhouse review); City of Casselberry, FL (Private club acquisition); Borough of Sea Bright, NJ (beach/pool club development); City of Coronado, CA (GC performance benchmarking); the Town of Barnstable, MA (new investment feasibility); Martin County, FL (Emergency take-over assistance); Forest Preserve District of Cook County, IL (11-course operations / sustainability review). These public sector projects include extensive participation in public meetings and a defense of project work.

Selected private sector clients in 2008-2019 include: Tiburon Golf Club and Porter's Neck Golf Club (expert witness – club defense); The Pointe Lake and Golf Club (strategic plan); Bear Lakes CC (new amenities feasibility); Heritage Isles CDD (clubhouse program plan); Verdict Ridge CC (member-acquisition analysis); Fleming Island CDD (rate study); Nicklaus Golf Companies (business plan review); The Moorings Club (market positioning analysis); Walt Disney Imagineering (strategic plan for golf); The Trump Organization (private club lease analysis); Bonita Bay Properties (strategic plan for golf); Dartmouth College / Hanover CC (sustainability analysis); US Naval Academy Golf Club (review of operations); Mariner Sands CC (new amenity feasibility); Legacy GC (expert witness in HOA civil case); and Mahogany Run GC (St. Thomas, USVI – acquisition analysis).

Representative alternative facility clients in 2005-2019 include: Greens of Las Vegas, Inc. (new facility feasibility); Golden Bear International (new facility feasibility); City of Lake Oswego, OR (par-3 course reconfiguration and range expansion); Bores Group, MI (new high-end driving range feasibility); City of Ft. Lauderdale, FL (par-3 facility on landfill feasibility); City of Plantation, FL (litigation support); Gambrell & Stoltz (Macon, GA – expert testimony); City of Indian Wells, CA (new golf entertainment feasibility); Oak Hills Park District, CT (new driving range feasibility); and City of Bettendorf, IA (new par-3 course and range).

Representative regional market and economic impact clients in 1999-2019 include: the State of West Virginia (Statewide 'Golf Trail' study); State of Oklahoma (Statewide Economic Impact Study); Bonita Bay Properties; *Golf 20/20* – Raleigh-Durham MSA Study; GATX Capital Golf Group; C. Cabot Incorporated; Gunster, Yoakley, Valdes-Fauli & Stewart, P.A.; Public Finance Consultants Inc.; and Morgan Stanley – Dean Witter.

International Experience

Mr. Singer's professional resume includes golf facility consulting on projects located in the countries of Canada, Sweden, South Korea, Egypt, United Arab Emirates, Dominican Republic, Anguilla (BWI), US Virgin Islands, St. Marten, Brazil, Bahamas, and Chile.

Background/Education

Mr. Singer is a long-time resident of Palm Beach County, Florida and grew up around the North Palm Beach Country Club. He earned his Bachelor's degree in marketing and Insurance from the University of Florida in 1985, and worked as a financial consultant for Northwestern Mutual Life and Baird Securities before earning an MBA in Real Estate Finance from the University of Florida in 1989. Mr. Singer is a Licensed Real Estate Broker in Florida (Lic. #BK3077126) and is a member of the Palm Beach County Sports Commission and a Citrus Bowl scout.

Edward Getherall, Director of Consulting Services

Ed Getherall joined the NGF Consulting staff as Project Analyst in 2000 after several years of subcontracting consulting services to the NGF. Mr. Getherall, who was promoted to Senior Project Director in 2001 and Director of Consulting Services in 2015, has been instrumental in cementing NGF Consulting's status as the leader in municipal golf facility consulting, with a particular focus on improving municipal golf course marketing and making smooth transitions to alternative operating structures for their golf systems.

Mr. Getherall has also directed NGF's effort to be the leading industry resource for accurate golf market information pertaining to facility activity levels, revenue center performance, and green fee levels and trends. Since joining NGF Consulting, Mr. Getherall has become a respected industry authority on food & beverage operations, clubhouse renovation / replacement, municipal golf management alternatives, outsourcing assistance (RFP preparation / analysis of responses / contract negotiations), and other areas of expertise.

NGF Consulting Projects Experience

Mr. Getherall's extensive business and marketing background has enhanced NGF Consulting's ability to provide expertise to the facility segment of the golf industry. In 20 years in NGF's Consulting division, Ed has been the lead project director for more than 80 consulting assignments, covering a broad range of services, including public and private golf course feasibility studies, acquisition studies, operations reviews, golf-related real estate absorption analyses, pricing / market positioning analyses, and clubhouse renovation studies.

Partial List of Clients

City of Houston, TX	City of Palm Springs, CA	Union Lg. of Philadelphia, PA
Toll Brothers Golf, PA	Lake County (IL) Forest Preserve District	Google (Planetary Vent.), CA
City of Alameda, CA	City of Norwalk, CT	City of Greeley, CO
City of Omaha, NE	City of Yonkers, NY	City of White Plains, NY
City of New York, NY	City of San Diego, CA	Woodbridge Township, NJ
Fairfax County, VA	City of Portland, OR	Federal City Council, D.C.
Miami-Dade County, FL	Ft. Belvoir GC (U.S. Army), VA	Palm Beach County, FL
City of Concord, CA	Municipality of Anchorage, AK	City of Reno, NV
City of Lake Havasu, AZ	City of Tempe, AZ	City of Oakland Park, FL
Kealakehe Ahupua'a 2020, HI	City of San Francisco, CA	US Dept. of Defense, D.C.
City of Mission Viejo, CA	Mecklenburg County, NC	Santa Clara County, CA

Background/Education

Prior to joining the NGF, Mr. Getherall held several positions in the business community including extensive marketing work for such organizations as South Florida Blood Banks, Inc., the Florida Lottery, and the American Cancer Society. His areas of expertise cover a broad spectrum of marketing activity, including research, product management, and special event planning and consulting.

Mr. Getherall earned his M.B.A. from the University of Florida with a concentration in finance. Ed also achieved his undergraduate degree at Florida with a B.S. in Business Administration (Marketing). With a diversified educational and professional background in both marketing and finance, Mr. Getherall has the experience and knowledge to assist in all aspects of golf facility management, marketing, operations, and development.

John Sanford, ASGCA

John Sanford is President of the “American Society of Golf Course Architects” and has over 30 years experience in Golf Course design, completing over seventy new designs and renovations in his career. John is a graduate of Louisiana State University (1981) with a Bachelor in Landscape Architecture. He spent five years practicing landscape architecture before landing his first golf course design in 1986. This experience allows him to integrate the course into the surrounding land uses while maintaining the natural character of the site. John was the Lead Golf Course Architect and Project Manager on **Granite Links Golf Club** and **Trump Golf Links at Ferry Point**, both involving public landfill to golf course transitions.

John has traveled the globe working in Asia, the Caribbean, the Middle East and throughout the United States. Designing courses on sites throughout the world with diverse conditions has given Mr. Sanford experience and perspective that is unique in the field of golf course design.

Award Winning Designs:

Naples Beach Hotel & Golf Club <i>Naples, FL</i>	18-hole resort golf course; Co-Design w/ Jack Nicklaus
Banyan Cay Golf Resort <i>West Palm Beach, FL</i>	18-hole resort golf course; Co-Design w/ Jack Nicklaus
Trump Golf Links at Ferry Point <i>Bronx, New York, NY</i>	18-hole municipal public golf course; Collaboration w/ Jack Nicklaus
Granite Links Golf Club <i>Quincy, MA</i>	27-hole semi-private golf course
Juliette Falls Golf Club <i>Ocala, FL</i>	18-hole semi-private golf course
Madison Green Golf Club <i>Royal Palm Beach, FL</i>	18-hole public golf course
Taba Heights Golf Resort <i>Tara, Egypt</i>	18-hole resort golf course

Professional Experience:

Mr. Sanford is the lead golf course designer and project manager for the firm. His design background includes master planning, site planning, landscape design, golf course design, and construction administration. His consulting experience has included expert witness testimony, zoning approvals, environmental planning, and construction management. He is a member and current President of the American Society of Golf Course Architects.

John has a distinctive track record of designing and managing golf course construction projects that are completed within the owner’s budget and schedule. In recent years Trump Golf Links at Ferry Point, Granite Links Golf Club and Juliette Falls Country Club have been designated as “**Top Ten Best New Courses**” by both *Golf Digest* and *Golf Magazine*.

Jodi Reilly, Consulting Administrator

With three years client services experience at the National Golf Foundation and more than 19 years of golf facility experience, Mrs. Reilly brings extensive knowledge of municipal, upscale public, semi-private and private club experience to NGF. She currently manages support services for the Consulting / Research division and specializes in coordinating responses to government Requests for Proposals (RFPs) and the administrative aspects of contract compliance. Mrs. Reilly provides assistance in market research and prepares GolfMAP statistical reports for NGF members and clients.

Background and Education

Prior to joining the NGF, Mrs. Reilly held several positions in the Philadelphia Section including: owning the pro shop at Twining Valley Golf & Fitness Club, Dresher, PA; Golf Operations Concierge at Philadelphia Cricket Club, Flourtown, PA; Buyer and Outing Coordinator for Blue Bell Country Club, Blue Bell, PA; Marketing Director for Center Valley Club, Center Valley, PA. In 1997, she earned a Bachelor of Science degree in Graphic Design from the Pennsylvania College of Technology.