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*Via email @ Nicholas.Weber@FaegreBD.com*

05 July 2017

Nick Weber  
FaegreBD Consulting  
300 North Meridian St.  
Indianapolis, IN 46204

**RE: Request for Proposals – BAFO**

Dear Nick:

It has been a pleasure working you guys. We recognize the challenges you, and more importantly the City face with regards to Hulman Links and Rea Park. Obviously there are significant financial challenges, and we did not want to take the approach of over-promising and under-delivering. For us it was important to portray the situation accurately so that the City had reliable information for which to make an informed decision.

Thank you for the opportunity to present an updated partnership proposal with Green Golf Partners. We are excited to be a part of these two golf facilities and align ourselves with the City of Terre Haute. We recognize how important this decision is to the City and its residents. It is our goal to earn your trust in order to build a successful and sustainable business model for Hulman Links and Rea Park that also meets or exceeds the expectations of the golf patrons.

After our last call, we spent considerable time re-analyzing the property information in an effort to improve upon our original offer. While we believe there is significant room to improve the marketing, operations, playing conditions and service, there is a mountain of work required to accomplish those objectives. Per the BAFO, below are the highlights of the changes we are proposing:

- Our original proposal is changing only slightly based on new revenue figures. We crafted the financial arrangement to make us partners and have not wavered from that.
- We are willing to reduce our incentive payment % significantly from the proposed 60/40 split if the city profits are reinvested in capital projects.
- We are geographically close, we will be onsite more than any other company.



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Make no mistake about it, financial success is not going to happen overnight. That being said, we are the one operator with the experience, geographic proximity, and resources to make it happen. Said differently, we believe we are absolutely the right partner for the City of Terre Haute.

We fully understand the challenges that both properties face, the expectations from the City for the incoming operator, and the need for growth at both facilities. We firmly believe that we can help improve the following:

- **Drive** - revenues and increase profitability
- **Restore** - customer and vendor confidence
- **Identify** - a long-term capital plan & protect the property
- **Value** – Create both perceived and real value in the eyes of the Customers and the City of Terre Haute
- **Exceed** – Meet or exceed all expectations

Thank you for the opportunity to present this proposal. I certainly hope that while you may have certain parameters/expectations for the proposal – you will see the sincerity of our proposal and realize that we will be a great partner with the City of Terre Haute. On behalf of our entire team, I can assure you that if selected we will be completely dedicated to and solely focused on the success of Hulman Links and Rea Park.

Warmest personal regards.

Sincerely,

Matthew C. McIntee, CEO  
Green Golf Partners

# Terre Haute-Hulman Links

## Pro Forma Exhibit 2.1

	2018	2019	2020	2021	2022
<b>Revenues:</b>					
Pro Shop	\$ 376,500	\$ 381,500	\$ 386,500	\$ 391,500	\$ 396,500
Retail Merchandise	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500
Food & Beverage	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000
<b>Total Revenues</b>	<b>\$ 497,000</b>	<b>\$ 502,000</b>	<b>\$ 507,000</b>	<b>\$ 512,000</b>	<b>\$ 517,000</b>
<b>Cost of Goods Sold</b>					
Merchandise	\$ 7,350	\$ 7,350	\$ 7,350	\$ 7,350	\$ 7,350
Food	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800
Beverage	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000
<b>Total Cost of Goods Sold</b>	<b>\$ 39,150</b>	<b>\$ 39,150</b>	<b>\$ 39,150</b>	<b>\$ 39,150</b>	<b>\$ 39,150</b>
<b>Gross profit</b>	<b>\$ 457,850</b>	<b>\$ 462,850</b>	<b>\$ 467,850</b>	<b>\$ 472,850</b>	<b>\$ 477,850</b>
<b>Payroll and benefits</b>					
Pro Shop	\$ 118,588	\$ 118,588	\$ 118,588	\$ 118,588	\$ 118,588
Grounds	\$ 216,847	\$ 216,847	\$ 216,847	\$ 216,847	\$ 216,847
Cart	\$ 15,000	\$ 15,001	\$ 15,002	\$ 15,003	\$ 15,004
Food & Beverage	\$ 64,130	\$ 64,130	\$ 64,130	\$ 64,130	\$ 64,130
<b>Total Payroll &amp; Benefits</b>	<b>\$ 414,565</b>	<b>\$ 414,566</b>	<b>\$ 414,567</b>	<b>\$ 414,568</b>	<b>\$ 414,569</b>
<b>Expenses</b>					
G & A	\$ 63,270	\$ 63,270	\$ 63,270	\$ 63,270	\$ 63,270
Management Fee	\$ 45,000	\$ 45,001	\$ 45,002	\$ 45,003	\$ 45,004
Grounds	\$ 105,095	\$ 105,095	\$ 105,095	\$ 105,095	\$ 105,095
Pro Shop	\$ 98,090	\$ 98,091	\$ 98,092	\$ 98,093	\$ 98,094
Food & Beverage	\$ 10,600	\$ 10,600	\$ 10,600	\$ 10,600	\$ 10,600
<b>Total Operating Exp.</b>	<b>\$ 322,055</b>	<b>\$ 322,057</b>	<b>\$ 322,059</b>	<b>\$ 322,061</b>	<b>\$ 322,063</b>
<b>Total Payroll &amp; Operating Exp.</b>	<b>\$ 736,620</b>	<b>\$ 736,623</b>	<b>\$ 736,626</b>	<b>\$ 736,629</b>	<b>\$ 736,632</b>
<b>Net Income from Ops.</b>	<b>\$ (278,770)</b>	<b>\$ (273,773)</b>	<b>\$ (268,776)</b>	<b>\$ (263,779)</b>	<b>\$ (258,782)</b>
<b>Net Income/(Loss)</b>	<b>\$ (278,770)</b>	<b>\$ (273,773)</b>	<b>\$ (268,776)</b>	<b>\$ (263,779)</b>	<b>\$ (258,782)</b>

# Terre Haute-Rea Park

## Pro Forma Exhibit 2.1

	2018	2019	2020	2021	2022
<b>Revenues:</b>					
Pro Shop	\$ 405,000	\$ 410,000	\$ 415,000	\$ 420,000	\$ 425,000
Retail Merchandise	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
Food & Beverage	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
<b>Total Revenues</b>	<b>\$ 423,000</b>	<b>\$ 428,000</b>	<b>\$ 433,000</b>	<b>\$ 438,000</b>	<b>\$ 443,000</b>
<b>Cost of Goods Sold</b>					
Merchandise	\$ 5,600	\$ 5,600	\$ 5,600	\$ 5,600	\$ 5,600
Food	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750
Beverage	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750
<b>Total Cost of Goods Sold</b>	<b>\$ 9,100</b>	<b>\$ 9,100</b>	<b>\$ 9,100</b>	<b>\$ 9,100</b>	<b>\$ 9,100</b>
<b>Gross profit</b>	<b>\$ 413,900</b>	<b>\$ 418,900</b>	<b>\$ 423,900</b>	<b>\$ 428,900</b>	<b>\$ 433,900</b>
<b>Payroll and benefits</b>					
Pro Shop	\$ 115,805	\$ 115,805	\$ 115,805	\$ 115,805	\$ 115,805
Grounds	\$ 185,204	\$ 185,204	\$ 185,204	\$ 185,204	\$ 185,204
Cart					
Food & Beverage	\$ 3,500	\$ 3,501	\$ 3,502	\$ 3,503	\$ 3,504
<b>Total Payroll &amp; Benefits</b>	<b>\$ 304,509</b>	<b>\$ 304,510</b>	<b>\$ 304,511</b>	<b>\$ 304,512</b>	<b>\$ 304,513</b>
<b>Expenses</b>					
G & A	\$ 21,005	\$ 21,005	\$ 21,005	\$ 21,005	\$ 21,005
Management Fee	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000
Grounds	\$ 106,623	\$ 106,623	\$ 106,623	\$ 106,623	\$ 106,623
Pro Shop	\$ 52,993	\$ 52,993	\$ 52,993	\$ 52,993	\$ 52,993
Food & Beverage	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
<b>Total Operating Exp.</b>	<b>\$ 230,621</b>	<b>\$ 230,621</b>	<b>\$ 230,621</b>	<b>\$ 230,621</b>	<b>\$ 230,621</b>
<b>Total Payroll &amp; Operating Exp.</b>	<b>\$ 535,130</b>	<b>\$ 535,131</b>	<b>\$ 535,132</b>	<b>\$ 535,133</b>	<b>\$ 535,134</b>
<b>Net Income from Ops.</b>	<b>\$ (121,230)</b>	<b>\$ (116,231)</b>	<b>\$ (111,232)</b>	<b>\$ (106,233)</b>	<b>\$ (101,234)</b>
<b>Net Income/(Loss)</b>	<b>\$ (121,230)</b>	<b>\$ (116,231)</b>	<b>\$ (111,232)</b>	<b>\$ (106,233)</b>	<b>\$ (101,234)</b>

### 3 Exhibits

#### 3.1 Exhibit A Not Applicable for GGP as we will complete Exhibit B 3.2

##### Estimated Gross Revenues and Total Expenses

Using the table below, provide estimated gross revenues and total expenses for the two courses (combined) for the calendar years indicated. All revenue and all expenses from any aspect of the course operations should be included.<sup>1</sup>

	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022
Gross Revenues					
Total Expenses					

##### Proposed Monthly Fee (City Subsidy)

Using the table below, provide the proposed monthly fee (if any) that the contractor will require from the City. This amount should correspond to any difference between estimated gross revenue and total expenses listed above. Low or no monthly fees are the preferred option.

	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022
Proposed Monthly Subsidy					

##### Profit Sharing

The table below provides the percentage of profits (if any) that the contractor will share with the City. Profits will occur when revenues exceed expenses and no subsidy is required.

	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022
% of Profits Shared with City	40%	40%	40%	40%	40%
% of Profits shared with City if the City share is reinvested in capital projects					

<sup>1</sup> The City retains the right to allocate a portion of the benefits generated from the proposed transaction to cover transaction advisor costs. Respondents need not address this in the pricing.

### 3.2 Exhibit B (Guaranteed Savings)

#### Estimated Gross Revenues and Total Expenses

Using the table below, provide estimated gross revenues and total expenses for the two courses (combined) for the calendar years indicated. All revenue and all expenses from any aspect of the course operations should be included.<sup>2</sup>

	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022
Gross Revenues	\$920,000	\$930,000	\$940,000	\$950,000	\$960,000
Total Expenses	\$1,320,000	\$1,320,000	\$1,320,000	\$1,320,000	\$1,320,000

#### Proposed Monthly Guaranteed Savings Fee (City Subsidy)

Using the table below, provide the proposed monthly guarantee savings fee (if any) that the contractor will require from the City in exchange for assuming the risk on revenue and expenses. This amount could correspond to any difference between estimated gross revenue and total expenses listed above, or could be different. The amount would be both the City's maximum and minimum exposure for the subsidy. Risk beyond that amount would lie with the respondent. Low or no monthly fees are the preferred option

	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022
Proposed Monthly Guarantee Savings Fee (Subsidy)	\$33,333	\$32,500	\$31,666	\$30,833	\$30,000

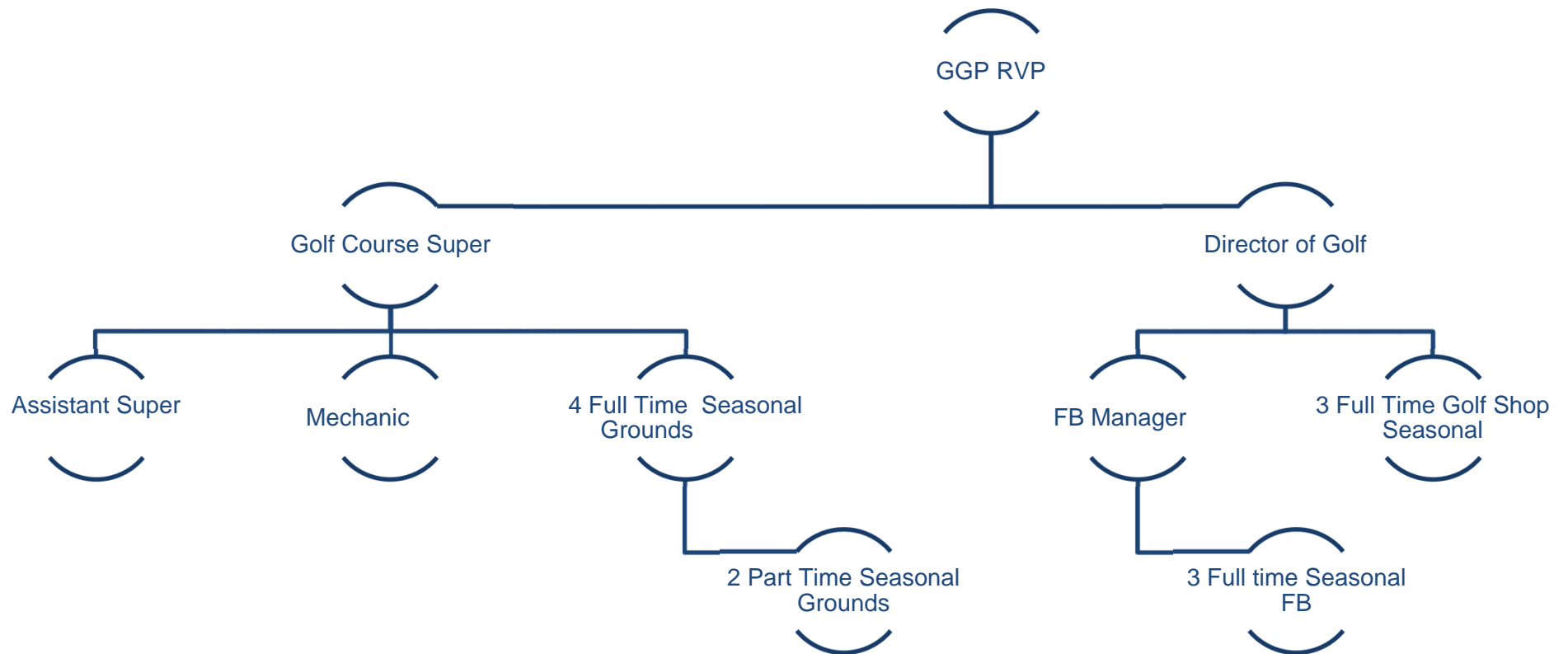
#### Profit Sharing

Using the table below, provide the percentage of profits (if any) that the contractor will share with the City under a guarantee savings arrangement. Profit sharing would be determined on a life-of-the-contract basis. That is, the respondent could recoup all prior year's losses before it was required to share profits. Profits will occur when revenues (which include the monthly subsidy) exceed expenses.

	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022
% of Profits Shared with City	40%	40%	40%	40%	40%
% of Profits shared with City if the City share is reinvested in capital projects	80%	80%	70%	50%	40%

<sup>2</sup> The City retains the right to allocate a portion of the benefits generated from the proposed transaction to cover transaction advisor costs. Respondents need not address this in the pricing.

# Hulman Links Org Chart



# Rea Park Org Chart

