

Memorandum

To: Justin Nishimoto

From: John Hilker

CC: Joe Hanrahan

Date: November 18, 2022

RE: FY2022 Q4 Business Report – Thornberry Creek at Oneida

a) *Explanation of the core of the Corporation's business practices and market overview*

Located just outside of Titledown, 10 minutes west of Lambeau Field, Thornberry Creek at Oneida offers 27 holes of championship golf. Thornberry Creek at Oneida is a former stop on the LPGA Tour and is the Official Golf Course of the Green Bay Packers. In addition to offering a market leading golf experience, Thornberry Creek at Oneida boasts a 68,000 sq. ft. clubhouse which includes a restaurant and event space. The Hawk's Crest Ballroom on the facility's main level can accommodate approximately 300 guests and is a highly sought-after wedding venue. The large pub-style restaurant boasts a large bar and with views of both the first tee and 18th green of the Legends Course. The Tap Room and Beer Garden on the lower-level of the clubhouse features a large bar and outdoor beer garden, which is a popular choice for outdoor wedding ceremonies.

b) *Explanation of the Corporation's current status within the market*

Thornberry Creek has 17 public golf courses within a 20-mile radius of the club. All 17 competitors offer unique golf experiences and represent a diverse group of golf clubs. The below shows the 2022 Peak & Rack Golf Rates for six of the closest competitors based on proximity and quality. Also included is a listing of nearby competing facilities that would be considered the main alternatives for weddings and banquets:

Property	Distance from TCO	City	18 Weekday Walk	18 Weekday Ride	Senior Rate Ride	18 Weekend Walk	18 Weekend Ride
Thornberry Creek at Oneida	-	Oneida	N/A	\$67	N/A	N/A	\$67
Brown County Golf Course	2.4 mi	Hobart	\$34	\$52	\$40	\$38	\$56
Village Green Golf Course	3.5 mi	Green Bay	\$27	\$43.00	\$38	\$27	\$43
Mid-Vallee Golf Course	18.9 mi	DePere	\$38	\$56	\$49	\$42	\$60
Hilly Haven Golf Course	19.3 mi	DePere	\$33	\$51	\$44	\$36	\$54
Ledgeview Golf Course	16.4 mi	DePere	\$33	\$53	\$46	\$34	\$54
Royal St Patrick's Golf Links	21.4 mi	Wrightstown	\$380	\$57	\$47	\$43	\$62

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Property	Distance	City	Regular Annual Pass	Senior Annual Pass	Junior Annual Pass	Annual Cart Pass
Thornberry Creek at Oneida	0 mi	Oneida	\$2,625	\$2,425	\$980	
Brown County Golf Course	2.4 mi	Hobart	\$1,250	\$1,150	\$300	
Village Green Golf Course	3.5 mi	Green Bay	\$250			
Mid-Vallee Golf Course	18.9 mi	DePere	\$1,118/\$1,351	\$1,118	\$450	\$900
Hilly Haven Golf Course	19.3 mi	DePere	\$1,035	\$950	\$300	\$600
Ledgeview Golf Course	16.4 mi	DePere	\$1,025	\$940	\$475	\$700
Royal St Patrick's Golf Links	21.4 mi	Wrightstown	\$1,300		\$700	

Venue	Dist. From TCO	Type of Venue	# of Spaces	Capacity	In-House Catering	Outdoor Availability	Ceremony Space
Oneida Golf and Country Club	4.9	Private Golf Course	3	100-300	yes	yes	yes
Green Bay Botanical Gardens	5.3	Formal Garden	7	10-300	no	Yes	yes
Rock Garden	6.4	Hotel & Conference Center	4	50-1000	yes	yes	yes
Radisson Hotel & Conference Center	6.7	Hotel & Conference Center	6	25-700	yes	no	yes
Olde 41, LLC	7.1	Banquet Facility	3	300	no	yes	yes
Galther	8.3	Event Space	2	250	yes	no	yes
Rockwood Terrace	8.3	Event Space	3	180	yes	yes	yes
Backstage	8.6	Renovated Theater	1	152 (plated/seated), 128 (buffet), 200 (cocktail with limited seating)	yes	no	no
Lambeau Field	8.6	Football Stadium	14	20-1000	yes	limited, but yes	yes
Hotel Northland, Autograph Collection	8.8	Hotel	10	220-250 in largest room (16-65 in smaller rooms)	yes, including pastry chef	no	yes
Delta Hotels by Marriott	10.7	Hotel/Ballroom	6	200	yes	yes	yes
Heritage Hill	12.2	Historic State Park	5	20-200	no	yes	yes
The LedgeCrest Reserve	16.2	Event Space	2	150-400	no	yes	yes
Green Bay Country Club	16.2	Country Club		50-350	yes	yes	yes
The Woods Golf Course	17.8	Public Golf Course	4	60-400	yes		\$500 set up fee
Railroad Museum	11.5	Museum	4-5	up to 350	yes	no	yes
Vickery Village		Historic Buildings	3	250	no	yes	yes

c) *Explanation of the outlines of strategies by the Corporation for improved value in the market*

Thornberry Creek at Oneida will implement a multi-pronged strategy to stabilize and maximize key revenue initiatives by focusing on, and adhering to our core strategies and values, while continuing to implement the following strategic imperatives:

- i) Pivot to Premium Pricing Strategies – All pricing for the upcoming season has been reviewed and adjusted to reflect demand and market value. This includes daily and annual golf rates, as well as event pricing.
- ii) Drive Demand into Supply on the Golf Courses – Focus on our place in the market as a destination and drive rounds through expanded and targeted promotional campaigns. We also plan to fully leverage our local partnerships to build brand awareness.
- iii) Effectively Sell in All Areas of the Facility – Increase our efforts in outbound selling and engagement. We will expand our lead generation funnels through the utilization of digital, social, and search engine optimization strategies. We will also expand our event packages and options to appeal to a wider variety of prospective customers.
- iv) Improve Customer Experience at All Touchpoints – We will return to our core customer service strategies by focusing on KemperSports' proprietary True Service platform. We

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will also focus efforts on making the digital experience more user-friendly by ensuring ease of engagement and purchase path via our online channels.

- v) Implement an Enhanced Organization Structure and Processes – We will establish leadership roles and expectations for key revenue initiatives and ensure adherence to operational best practices through expanded measurement and reporting functions.

- d) *Explanation of the Corporation's relative performance vs. competitors and identification of key competitors within the market.*

Please refer to item B for a summary of area competitors and Thornberry Creek at Oneida's placement in the market.

- e) *Explanation of any material changes or developments in the market or nature of business the Corporation is primarily engaged in since the last reporting period.*

Not applicable

- f) *Identification of the primary goals and targets of the Corporation and progress made towards the accomplishment of the same*

Following is a stated operational objective, followed by the results of the current year compared to the previous year, and a goal for the upcoming year:

- i) Continue to increase Course & Grounds revenue by developing strategies to deliver overall rounds growth at optimal ADR in key segments

Measure	FY21 Actual	FY22 Actual	FY23 Budget
Total Greens Fee Revenue	\$1,514,976	\$1,552,834	\$1,676,354
Cart Fee Revenue	\$336,897	\$160,218	\$343,311
Total Rounds	33,787	42,456	42,827
Combined ADR	\$44.09	\$36.41	\$39.14

- ii) Continue to develop annual pass value proposition and resulting revenues from this key segment.

Measure	FY21 Actual	FY22 Actual	FY23 Budget
Annual Pass Revenue	\$255,220	\$300,951	\$331,864
Annual Pass Rounds	8,483	3,132	8,190

- iii) Continue to increase food and beverage revenue by developing strategies to deliver growth in a la carte service at the facility.

Measure	FY21 Actual	FY22 Actual	FY23 Budget
Total Food & Beverage Revenue	\$1,542,424	\$1,389,289	\$1,752,912
A La Carte Revenue	\$754,855	\$683,435	\$674,063

- iv) Continue to increase food and beverage revenue by developing strategies to deliver growth in group catering events at the facility. Additionally, continue to generate awareness and develop Thornberry Creek at Oneida as a first-choice facility for weddings and other social events.

Measure	FY21 Actual	FY22 Actual	FY23 Budget
Food & Beverage Banquet Revenue	\$420,616	\$468,276	\$603,950

- v) Continue to maximize ancillary golf revenue via increased capture and golf shop spend by Thornberry Creek's golfers and outing clients.

Measure	FY21 Actual	FY22 Actual	FY23 Budget
Golf Shop Revenue	\$223,630	\$210,468	\$227,872

- vi) Increase range revenue through increased utilization and new programming. Grow the game!

Measure	FY21 Actual	FY22 Actual	FY23 Budget
Range Revenue	\$72,921	\$55,315	\$61,350

- g) *Identification of key elements for success in strategies given, including risks, resources and relations available and needed in order to successfully fulfill outlined strategies.*

The below lays out the strengths that we currently possess and will leverage, as well as the opportunities we can exploit to further increase our likelihood of success. It also includes the weaknesses and threats to our business that we will proactively address to limit their impact on our operations.

<p>STRENGTHS</p> <ul style="list-style-type: none"> • Top public golf course in the area <ul style="list-style-type: none"> • Private level experience at a public level price • Partnership/alignment with the Green Bay Packers • Former host of LPGA Tour Event, Thornberry Creek LPGA Classic • Top practice facility in the region • Only full 27-hole property in Northeast Wisconsin • Only golf course partnered with a hotel and casino in Northeast Wisconsin • Season Pass amenities • One of the Top Wedding and Event Spaces in Northeast Wisconsin • Top Corporate Outing Course in Greater Green Bay and surrounding area; offer a variety of event spaces as well as top level catering for all events • Largest bar in Green Bay per square foot • Outdoor platform overlooking Legends Course for ceremonies, events, etc. • Five customizable spaces for all types of events 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • Staffing and turnover • Located in a competitive golf marketplace • There is a perception that we are a private club, so the public is unaware that we are open for public play and public events • Location can be hard to navigate – not visible from any main roads/major highways • Lack of knowledge of the restaurant and bar being open to the public for non-golfers • There is a perception that due to the large amount of golf outings, we have less daily tee times available.
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Find ways to leverage partnerships with the Green Bay Packers to increase exposure to new consumer demographics through social media, digital marketing, community relations, etc. • Book more weddings and events from referrals • Create more internal events to drive revenue and depend less on event bookings. • Network within the corporate community and cross-sell event space with golf outing planners to increase utilization in the off season. Increase event bookings with corporate, non-profit and social clients that are likely to book multiple events or rebook each year. • Secondary banquet space largely sits unused, Club can operate multiple events at the same time but currently not enough sales to warrant use of basement banquet space • Rebrand restaurant and bar to appeal to non-golfers and adjacent neighborhoods • Update Taproom kitchen to have usable features • Increase items available to upsell to events (arches, pipe and drape, etc.) 	<p>THREATS</p> <ul style="list-style-type: none"> • Brown County Golf Course and other courses are at a lower price point • The low scoring of the LPGA could affect people's impression of the difficulty of the course • Increase in play can make course maintenance more difficult to schedule and keep up with • Public course pulls demographic with lower annual earnings, increasing requests for deals, sales, coupons, etc.

- h) *Identification of medium (two to five year) and long (greater than five year) prospects and sustainability of the Corporation given present status, strategies, and risk.*

Thornberry Creek at Oneida is uniquely positioned in the market to sustain and grow in both the short, and long-term. Our status as a premier golf destination in Northeastern Wisconsin should be further leveraged to promote and increase our share of visiting golfers to the area. In addition, there is ample opportunity given the growth of the surrounding areas to further grow our pub and restaurant business by establishing ourselves as a dining destination for the residents in these neighboring communities. Adherence to and enhancement of the strategies laid out above will lead to both medium-term and long-term success in both of these areas.

- i) *Explanation of market growth (if any) experience by the Corporation, identifying sources of growth (i.e., organic growth through market share increase, volume of business increase, acquisition of competition or other assets, etc.).*

Any growth has been organic in nature and has not been the result of any competitive or capital acquisitions or investment.

- j) *Summary of the assets of the Corporation, including, but not limited to its financial, physical, employee, customer, brand or intellectual property, and supply assets.*
Not applicable
- k) *Summary and status update of any pending legal action to which the Corporation is a party and any relevant government regulation to which the Corporation may be subject.*
Not applicable

Financial Report Analysis

Please find attached all financial reports for FY22 Q4. The following notes apply to those reports:

- Due to a Point-of-Sale programming error, newly added items were coded incorrectly causing revenue to be recognized without golf rounds being counted. Rounds shown in the financial statements provided are not correct.
- Merchandise COGs show abnormal fluctuations due to supply issues causing a lag between the realization of expenses related to inventory and the receipt of the physical product for its inclusion in inventory counts. The annual number is accurate.
- A billing backlog resulted in revenue from events (mainly banquets) to be recognized several months after the fact. All revenues for the quarter are properly stated.
- Food & Beverage COGs were corrected in September for previous months causing some abnormal month-to-month changes.
- Realization off PPP forgiveness offset operating expenses in September.
- Increased costs were realized across all facets of the business including labor, causing significant budget deficits in payroll, COGS, and expenses.