BEST PLACES TO PLAY
- Golf Digest 2 Years in a Row.



A Tom Lehman Signature Golf Course

To whom it may concern,

As a fellow golf course owners and club operator, I share this personal story and important information with you to help our industry move forward in a positive direction – at a time that we must all do whatever it takes to grow the game and *business* of golf:

Several years ago, a group of talented marketing and technology entrepreneurs with a passionate interest to serve our golf industry, founded a company, GOLF Intelligence or "GI", to develop a revolutionary new technology system, the National GOLF Network or "NGN," that they claimed would connect all types of golfers with golf courses, clubs, PGA professionals, tournaments, leagues, tours, associations, manufacturers, retailers and fellow golfers to dramatically increase participation and enjoyment of the game. Their idea was simply described as "America Online for golfers."

Recently, after a significant investment of time, money and energy, the NGN has become a reality. The system is quietly serving many of the most prominent golf courses, clubs, tours and retailers on a local, regional and national level. Clubs and their members are thrilled with the NGN and its capabilities. The NGN services, including USGA Handicap Indexes®, are available to golfers via course computers and to home and work via the Internet. The NGN system offers improved accessibility, functionality and integrity to all other USGA-authorized systems. I have no doubt that it will help us attract more golfers and more importantly keep the golfers we have and stimulate them to play more.

Unfortunately, the USGA and its allied state golf associations have aggressively attempted to persuade golf course owners and club operators not to work with GI and the NGN system, criticizing the company for directly marketing its system and services to golf course owners and club operators rather than the USGA-allied state golf associations that have controlled the selection and distribution of handicap services in the past. These old school, elitist efforts must stop or they will continue to damage our industry!

The fact is that GI spent more than four years in communication with the USGA to ensure its NGN system was developed in full compliance with the USGA Handicap System Manual and the Rules of Golf. Furthermore, the company's initial focus was to work exclusively with state associations, as advised by the USGA, to provide its NGN system to the marketplace in a manner that best serves their interests, nationwide. After years of effort with no results, the company shifted its focus to golf course owners and club operators. This focus was logical because we are the most obvious beneficiaries of the NGN system.

Meanwhile, the USGA continues to aggressively market and sell its competing GHIN service exclusively through state golf associations. This is a major conflict of interests and anti-trust situation that should not be allowed to exist. GHIN is an inferior system that has proven to be far more capable to help USGA-allied state associations maintain their monopolistic control of handicap revenue than to help us effectively and profitably operate our clubs.

I believe state associations are an essential part of the game and business of golf. These volunteer-driven organizations govern the rules, host tournaments and support programs that benefit us all, however, they must be held accountable. I am amazed that some state associations continue to use our money (from the handicap system revenue) to build golf courses and support causes that actually *compete* with us. We do not allow state associations to control the golf balls, equipment and apparel that we sell to our customers. Why do we allow them to control our handicapping and club management systems?

The USGA and its state associations have argued that GI is a private, for-profit company that will not be as secure or tightly controlled as the USGA and its GHIN system. This argument is anti-American! We are very lucky to live in a free country where innovative companies have an ability to fairly market their products and services without unfair competition from monopolies or interference from influential non-profit organizations. Without these freedoms, America would not be the leader of the civilized world.

GI has offered board seats and equity ownership to golf course owners and club operators to enable our influence upon the company's operations and ongoing development of the NGN while participating in the company's financial upside. <u>I invite each of you to join me</u> as an advisor, investor and customer of this exciting company and its NGN system!

Change is the only thing in this world that is constant. The NGN is the future of golf! It is time for us all to "get smart" and support the mission of GI and the NGN. To learn more, I invite you to visit their Web sites at www.NGN.com or to call the company's President and CEO, John Montague, at (952) 258-6022.

Best regards,

David Kloeber Owner of Stoneridge Golf Club and Greystone Golf Club Member of the Midwest Chapter of the National Golf Course Owners Association