



WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: December 13, 2016

DATE: November 30, 2016
TO: Board of County Commissioners
FROM: Michael Large, Deputy District Attorney
Dave Solaro, Arch., P.E., Director
Community Services Department, 328-3600, dsolaro@washoecounty.us
THROUGH: Kevin Schiller, Assistant County Manager
SUBJECT: Discuss and provide direction to staff on settlement of disputes with Bell-Men Golf, Inc. of past due amounts related to the extended license agreement ending December 31, 2016 for management of Washoe Golf Course; and possible approval of an agreement for professional services for the full operation of Washoe Golf Course commencing January 1, 2017; and possible direction to staff on next steps for the full management of the Washoe Golf Course commencing on January 1, 2017.
(Commission District 1.)

SUMMARY

Washoe Golf Course, a year-round municipal golf course owned by Washoe County and located at 2601 S. Arlington Drive, is Reno's oldest golf course founded shortly after the great depression and built in the early 1930s. Washoe Golf Course encompasses 162 acres of mature landscaping with an 18 hole regulation length golf course, extensive practice facilities, putting green, driving range, chipping area, pro shop, and clubhouse with restaurant.

At the October 25, 2016 Commission meeting the Board authorized staff to negotiate a License agreement with Bell-Men Golf Inc., "Bell-Men", and to resolve past due issues with the current License agreement. The bulk of those issues center around a dispute over the nonpayment of fees associated with the current license agreement for operation of the Washoe Golf Course. Bell-Men disputes the amounts due based on claims that Washoe County did not perform its obligations under the License agreement. Staff with legal counsel has met to resolve the outstanding amounts due, have offered a reasonable settlement based on Bell-Men's reasoning as to why the payments have not been made, and has received a counter offer from Bell-Men Golf, Inc.

Staff does not have the authority to accept the offer by Bell-Men due to the amount of the offer and counter offer.

Strategic Objective supported by this item: Stewardship of Our Community.

AGENDA ITEM # 13

PREVIOUS ACTION

October 25, 2016 – The Board awarded the License agreement for operation, maintenance, and management of Washoe Golf Course to Bell-Men Golf Inc. with direction to resolve past due issues.

May 24, 2016 – The Board amended the current License agreement with Bell-Men Golf Inc. for a six month extension and gave direction to staff to solicit a request for proposals for a four and one half year license agreement for full operation and management of Washoe Golf Course.

March 26, 2013 – The Board approved Amendment #2 to the Agreement for License and Professional Management Services at Washoe Golf Course with Bell-Men Golf Inc. retroactive to July 1, 2012 and approved a waiver of unpaid late fees in the approximate amount of \$20,000 through March 31, 2013.

March 27, 2012 – The Board approved Amendment #1 to the Agreement for License and Professional Management Services at Washoe Golf Course with Bell-Men Golf Inc., to allow for annual renewal of the Performance Bond.

December 13, 2011 – The Board approved an Agreement for License and Professional Management Services at Washoe Golf Course with Bell-Men Golf Inc. for professional services including food and beverage services at Washoe Golf Course for a four and one half (4 1/2) year period commencing on January 1, 2012 through June 30, 2016 with one additional five year renewal option.

August 23, 2011 - The Board approved Option # 1 and directed renewal of the contract for Golf Professional Services with Bell-Men Golf Inc. and/or Odette's for food and beverage services and retained all County golf maintenance staff as status quo.

May 10, 2011 – The Board amended an agreement for license and professional management services at Sierra Sage Golf Course with Cal-Mazz Golf Management, LLC through June 30, 2016 with one additional five year renewal option.

BACKGROUND

On December 13, 2011, Washoe County entered into an agreement with Bell-Men Golf, Inc. for a four and one half year license. The license was intended to allow Bell-Men and Washoe County to begin separation of Washoe County from providing golf services. In the initial three months of the agreement from January 1, 2012 through March 31, 2012, the Golf Course Enterprise Fund was to realize revenue under the same revenue sharing (percentage splits) as existed in the contract held by Bell-Men for the prior five year period. This was to provide Bell-Men time to transition into the new operating process. In the agreement, Bell-Men was to continue its responsibility for club house activity, including collection of fees, merchandise sales, promotion and coordination of tournaments, driving range, cart and equipment repair services, and to also assume operational responsibility of all food and beverage service. The arrangement centralized all club house/pro shop activities under a single contractor. Washoe County continued providing course maintenance, utilities, and general oversight of the golf fund.

Effective April 1, 2012, per the terms of the new operating process, instead of revenue sharing, Bell-Men began collecting 100% of all revenue and began paying Washoe County monthly based on an agreed upon payment schedule. These standard payments represented the minimum cash flow necessary for Washoe County to continue providing

course maintenance, utilities, and general oversight as well as non-operating cash requirements such as County general fund cash transfer, capital and extraordinary maintenance, equipment replacement, golf course maintenance staff salaries and benefits, and funds toward a fund stabilization reserve.

After one year of operation within the new model, on February 19, 2013, the Board approved an amendment to the license agreement retroactive to July 1, 2012 reducing the payments due on the negotiated schedule and waived \$20,000.00 in late fees. The total value of the management contract was altered to take into consideration calculations contained in the payment schedule that were the best available numbers at the time which changed from the estimated numbers used in the initial schedule. These included the Washoe County cost allocation plan charge which reduced from an actual charge of \$205,000.00 in fiscal 2011-12 to just under \$84,000.00 in fiscal 2012-13; adjustments to the total value of depreciation, capital reserves and compensated absences were also adjusted downward. The adjustments accounted for a total reduction of the annual payment schedule beginning in fiscal 2012-13 of \$301,311.00 annually for the life of the agreement.

The payment schedule developed for the amendment in 2013 is included in the fiscal impact section of this staff report. It also includes the actual expense to Washoe County realized to provide the course maintenance, utilities, general oversight, non-operating cash requirements such as County general fund cash transfer, capital and extraordinary maintenance, equipment replacement, golf course maintenance staff salaries and benefits and funds toward operating fund stabilization reserve. As can be seen in the table of actual expenses on page 5, the Enterprise Fund actually subsidized the agreement by \$85,140.00 over the life of the initial term of the agreement.

In April of 2013 Bell-Men became late in payments due to Washoe County, by an amount of \$46,666.00. This began a steady falling-behind in payments that continues to this day. Washoe County staff worked with Bell-Men by providing monthly calculations for payments due, to the point of preparing a schedule outlining the amount due on a weekly basis to help Bell-Men predict the amount necessary to be paid. In June of 2014 Bell-Men was only \$121,463.00 behind in payments plus an accumulated late fee of 86,100.00; however, the payments continued to decline and by May 24, 2016 when staff requested direction from the Board, Bell-Men was \$608,646.00 behind plus an accumulated late fee of \$418,500.00. Staff had determined that the best course of action as Bell-Men continued to be behind in payment was to continue nurturing the payments, and let the contract run its course at the end of June 2016.

During this time, staff continued to work with Bell-Men related to operations at the golf course. Staff focused on payment of contractual amounts to the Enterprise Fund to cover costs encumbered by the County without direct receipt of the revenue from the course operations. Cash flow within the fund has been a struggle over the past four years due to late payments from Bell-Men; however, with a positive fund balance staff has been able to make payments due to our vendors and for golf maintenance staff payroll.

On May 2, 2016 through an attorney, Bell-Men notified Washoe County that the reason they are so far behind is that the golf course has not made the revenue estimated due to drought conditions, specifically that the reduction in maintenance and water during the drought impacted their ability to gain play at the golf course. Washoe County started working with Bell-Men in May of 2015, a full year earlier, related to pending impacts to

the golf course due to water reductions from the Federal Water Master. No correspondence during that year discussed reduced revenue due to course conditions. While there are questions regarding impact, Washoe County's actual costs for maintenance during the period of drought declined by approximately \$92,000 in direct salaries. During this same drought period, Washoe County actually expended more money to purchase potable water for the golf course, approximately \$140,000.

In review of the statements provided to Washoe County in the submitted request for proposals from Bell-Men, and utilizing the actual amounts paid to Washoe County for calendar year 2014, payments to Washoe County amounted to \$775,000.00 with a net profit at the course of \$22,139.00. Payments to Washoe County for calendar year 2014 were short \$126,191.00. Similarly, in 2015 payments to Washoe County were \$615,000.00 with a net profit of \$32,828.00 and payments short to Washoe County of \$218,837.00. Interestingly between 2014 and 2015 the Officer Salary line item increased by \$41,500.00 while still owing payments to Washoe County.

At the May 24, 2016, Commission meeting the Board directed staff to extend the agreement by six months in an effort to continue operation of the course through the rest of the golf season and to continue negotiations with Bell-Men on late payments, while also initiating a request for proposals process for the full operation and maintenance of the golf course from the period of January 1, 2017 through June, 31, 2021.

From the period May 24, 2016 through today's date, Bell-Men has made payments as follows:

May 31, 2016	\$40,000
June 15, 2016	\$50,000
July 1, 2016	\$45,000
July 21, 2016	\$45,000
August 12, 2016	\$45,000
September 28, 2016	\$45,000

FISCAL IMPACT

The schedule of flat rate payments contained in the current Bell-Men Golf contract, expiring on December 31, 2016 was constructed to recover the County's estimated actual cost to maintain Washoe Golf Course.

Washoe Golf Course Payment Schedule vs Actual

	Total Annual Contract Payment	County's Actual Audited Expense - Washoe Golf Course	Difference- Payment Schedule to Actual Expense
FY12-13	\$ 868,391	\$ 900,261	\$ (31,870)
FY13-14	\$ 875,301	\$ 895,663	\$ (20,362)
FY14-15	\$ 886,009	\$ 982,699	\$ (96,690)
FY15-16	\$ 900,240	\$ 836,458	\$ 63,782
Total	\$ 3,529,941	\$ 3,615,081	\$ (85,140)

On March 26, 2013, the Board waived \$20,000 in late fees accrued from July 1, 2012 through March 31, 2013. Currently payments are past due between 420 days (payment for September 2015) and 23 days (payment for September 2016).

As of December 13, 2016, Bell-Men Golf, Inc. account receivables include \$1,138,367 scheduled flat rate contractual payments, plus \$54,014 that will be due on December 20, 2016 (subtotal \$1,192,381) plus \$692,250 in late fees due, a total at December 13, 2016 of \$1,884,631.

If proposal is accepted by the Board, staff requests Board approval to write-off to bad debt in the amount of \$1,753,656.00 and to record an allowance for doubtful accounts in the amount of \$57,875.00 for the potential collection of bad debt for the future four calendar years of 2017-2020. The impact of the bad debt write off will reduce the current unrestricted fund balance for the Golf Enterprise Fund by the \$1,753,656.00 leaving an estimated unrestricted fund balance of \$126,162.34. In effect, the accounts receivable balance for Washoe County Golf Course would be zero at December 31, 2016.

Accounting:

Allowance and Bad Debt Entry	
Fund 5268-Golf Course Operations	
Allowance Account for Bad Debt (121090)	\$ 57,875.00
Bad Debt Expense (710590-680410)	\$ 1,753,656.00
Receivable (121002)	\$ (57,875.00)
Receivable (121002)	\$ 1,753,656.00

RECOMMENDATION

It is recommended the Board of County Commissioners discuss and provide direction to staff on settlement of disputes with Bell-Men Golf, Inc. of past due amounts related to the extended license agreement ending December 31, 2016 for management of Washoe Golf Course; and possible approval of an agreement for professional services for the full operation of Washoe Golf Course commencing January 1, 2017; and possible direction to staff on next steps for the full management of the Washoe Golf Course commencing on January 1, 2017.

POSSIBLE MOTION

A possible motion would be, “Move to direct staff on settlement of disputes with Bell-Men Golf, Inc. of past due amounts related to the extended license agreement ending December 31, 2016 for management of Washoe Golf Course; and approve an agreement for professional services for the full operation of Washoe Golf Course commencing January 1, 2017.”

**GOLF MANAGEMENT LICENSE AND SERVICES
WASHOE GOLF COURSE**

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EXHIBITS

Exhibit A	Insurance Requirements
Exhibit B	Golf Course Operation, Maintenance and Performance Standards
Exhibit C	Equipment Inventory – To be completed by January 1, 2017
Exhibit D	Compensation

**AGREEMENT FOR LICENSE AND PROFESSIONAL MANAGEMENT SERVICES
AT WASHOE GOLF COURSE**

This Professional Management Services AGREEMENT (the "Agreement") is entered into this _____ day of _____, 2017, by and between Washoe County, a political subdivision of the State of Nevada (the "County"), and _____ (the "Contractor").

WITNESSETH

1. RECITALS

The County requires certain golf management services be performed, and the Contractor represents that it is qualified, equipped, staffed, ready, willing and able to perform and render such services as shall be necessary, required or desired, for and on behalf of the County.

2. SCOPE OF SERVICES

During the term of this Agreement, Contractor shall have the exclusive right and license at the Washoe Golf Course (the "Golf Course") to operate and manage all parts of Golf Course. To operate and manage Golf Course as Contractor deems appropriate by implementing all policies and procedures and to perform any act deemed necessary or desirable for the operation and management of Golf Course; maintain all the golf course property, operate, manage and supervise daily play, golf shop, food and beverage services, driving range and putting practice greens, maintenance facilities, club house and infrastructures on the property; provide lessons, choose and maintain all play and maintenance equipment, advertise and promote public play and the sale of merchandise and services.

3. TERM AND LICENSE FEE

This Agreement shall be for a period beginning on January 1, 2017, renewable yearly through June 30, 2021.

In October of each year, an evaluation will occur regarding the overall performance. Items to be reviewed include financial reports, marketing efforts, course conditions, and timeliness of performance under all sections of this Agreement. The evaluation will be conducted by staff and the Contractor to determine compliance with this Agreement. A recommendation will be made to the Board of County Commissioners in December of each year for the following year period. Compensation for services rendered to the terms of this Agreement shall be in accordance with Exhibit "D", attached hereto and incorporated herein.

4. BUSINESS LICENSE

Contractor shall be required to obtain a valid Washoe County business license prior to commencing performance on this Agreement.

5. STATUS OF CONTRACTOR

Contractor shall have the status of an "Independent Contractor" as defined by NRS 284.173, and shall not be entitled to any of the rights, privileges, benefits, and emoluments of either an officer or employee of the County.

6. DUTIES AND SERVICES TO BE PROVIDED BY CONTRACTOR

Contractor, its PGA certified Professional Golf Instructor ("Professional"), employees and staff shall perform all duties in accordance with the best interest of the County, subject to the direction and authority of the County or designee.

6.1 Contractor shall operate, manage, and maintain the course in a safe and efficient manner in accordance with established policies. Such operation and management shall include, without limitation, the collection of fees, regulation of play, conduct of persons on course, enforcement of the rules and regulations of course, and soliciting and coordinating tournaments. Operate, manage, and maintain a satisfactory golf shop in a professional, up-to-date manner to include, but not be limited to, sales, rental, and repair of golf equipment, clothing, and accessories. Stock and maintain an inventory of golf related merchandise, supplies and equipment in keeping with demand. Maintain golf course property including clubhouse, maintenance shop, and all infrastructures of the property, at minimum, to the levels of maintenance stated in Exhibit "B", "Golf Course Operation, Maintenance and Performance Standards".

6.2 Contractor has sole right to operate and manage all food and beverage concessions, or to enter into separate management agreements for their operation.

6.2.1 Contractor is to be responsible for providing and meeting all necessary permits, fees, rules, and regulations for the sale of food or beverages and must maintain a passing rating as designated by the local health authority.

6.2.2 Contractor, with prior approval of Community Services Department Director ("Director"), may keep upon the premises machines used for vending of goods, wares or merchandise.

6.3 Contractor shall determine all personnel requirements, recruitment schedules and compensation levels and shall employ, train, promote, discharge and supervise all personnel performing services in and about the Golf Course. Professional and all staff (including cart staff) shall be required to wear matching uniforms with name badges.

6.4 Contractor shall have the right and responsibility, subject to limitations set forth below, to establish all fees, including, but not limited to, green fees, cart fees, driving range fees, annual passes, play tickets, tournament fees, merchandise, lessons and all other charges associated with operation of Golf Course.

The Golf Course is a public facility. Contractor must annually inform Director, of the intended fee structure for the up-coming year no later than November 1 of each year.

6.5 Contractor and staff shall be responsible for all reports, and other pertinent information to be delivered to Director or designee a minimum of monthly, by paper or electronic means of delivery.

6.6 All exterior view signage must be approved by the Director. All interior signs shall be computer or print generated (absolutely no hand written signs) and shall be neatly and prominently displayed.

6.7 Contractor and staff shall park only in areas designated by Director.

6.8 Contractor shall establish accounting, cash collection and payroll procedures in compliance with generally accepted accounting principles as stated in Section 12 "Collection of Receipts and Accounting" of this Agreement.

6.9 Provide lessons and instructions in golf by a PGA Certified Teaching Professional. Contractor shall also provide all other services customarily provided by a golf professional in accordance with demand.

6.10 Operate, manage, and supervise the use of the driving range and all putting practice greens adjoining said course and control and regulate their use in such a manner as to eliminate or prevent hazards or dangers to any person.

6.10.1 Furnish, without cost to Washoe County, all equipment necessary for the suitable operation of the driving range, including practice golf balls and mats for use by persons who are entitled to use the driving range.

6.10.2 Provide and maintain daily equipment, including mats, golf balls, token machines, yardage markers, for the driving range. Tee area shall be of a quality and quantity acceptable to the Director or designee. Any deficiencies will be noticed to the Contractor in writing and shall be corrected immediately or, in the case of replacement of equipment or golf balls, within thirty (30) days.

6.11 Provide and supervise all starter and player activity functions, collect green fees and coordinate player starts, and furnish, at no cost to Washoe County, suitable and qualified personnel in adequate number to insure efficient performance of such duties.

6.11.1 Effectively advertise, market and promote public and tournament play at the Golf Course and the sale of golf-related merchandise and services.

6.12 Furnish and maintain proper facilities, equipment and devices for the minor repair of golf equipment.

6.13 Provide, maintain and make available to the public at reasonable rental fees an adequate supply of all equipment necessary to play the game of golf including without limitation, golf clubs and hand carts, and power driven golf carts. All carts shall be

consecutively pre-numbered and maintained in good operating condition. The exterior and interior of all carts shall be maintained in a clean condition.

6.14 Assume full responsibility and expense for all electric, gas and water utilities including repairs, sewer, garbage, telephone service including repairs, intrusion alarm monitoring including repair, cable TV, internet service and computer server, electrical or gas cart service, rental lockers and maintenance of all cart storage areas.

6.15 Provide all portable display platforms, signs, equipment and/or devices for the purpose of advertising or demonstrating the services, merchandise and/or equipment for sale or rent in the pro shop.

6.16 Maintain stocks of golf merchandise, golf supplies and equipment in keeping with the demand.

6.17 Contractor shall be responsible for the preparation and submittal of liability/property loss reports, monthly cash and rounds of play reports, and other reports common to the operation of the business and/or as requested by Washoe County, by paper or electronic means of delivery.

6.18 Coordinate with volunteers, Men's and Women's Clubs, community organizations, junior and golf development programs, and promote youth and senior golf opportunities to enhance golf programs and customer service offerings

6.19 Promptly pay any and all taxes imposed by the local, state or federal government, utility bills, merchant invoices, and all other liabilities with respect to its operation of a golf course at a Washoe County facility.

6.20 Comply with all applicable ordinances, laws, rules, and regulations of the county, city, state, and federal government; and of any political subdivision or agency, authority or commission thereof, which may have jurisdiction to pass laws, ordinances, or make and enforce rules or regulations with respect to the operations of the golf course, including but without limiting the generality of the foregoing, such rules and regulations of Washoe County as are consistent with the rights herein granted to the Contractor.

6.21 Upon termination of the resulting Agreement, surrender Washoe County property in as good condition as when received, ordinary wear and tear excepted.

6.22 Operate and manage golf course on Contractor's own credit and hold harmless Washoe County from any and all claims, demands or liability on account thereof. Washoe County shall not be responsible for any debts incurred by the Contractor in the performance of any resulting Agreement.

6.23 Provide and maintain a golf driving range, including turf, sprinkler , and screening maintenance and repair.

6.24 Maintain all golf course holes, landscape and planted areas which are part of the course.

6.25 Provide such signs and posters it shall deem necessary for public safety and convenience.

6.26 Provide scorecards, starting sheets, reservation sheets and all other items incidental to business on the golf course.

6.27 Have sole right to operate all food and beverage concessions, including vending machines, or to enter into separate management agreements for their operation.

6.28 Maintain parking areas for the use of the general public.

6.29 Maintain the course to acceptable professional turf maintenance standards contained in Exhibit B, realizing the course is an asset of Washoe County. Quality of the course maintenance is also an important aspect to overall operation.

6.30 Maintain all facilities located on the real property that constitutes Washoe Golf Course in good repair and function, including without limitation, the club house maintenance buildings and yard; irrigation system, including filters, and pumping facilities. Contractor is responsible for all minor repairs and maintaining all improvements and modifications to golf course that Contractor has installed or caused to be installed. Repairs or improvements made by Contractor shall be subject to the provisions of Section 28 "Alterations and Improvements by Contractor", at his own expense.

6.31 Provide all janitorial services and equipment to all areas of the golf course.

6.32 Maintain off-site irrigation reservoir facility, including without limitation, debris removal from pond, ditch head gate and water delivery system between ditch and pond; fencing; and weed removal inside fenced area.

6.33 Maintain off-site water well to ensure proper operation, including without limitation, electrical, plumbing, pump, casing, and meter.

6.34 Own and maintain all necessary computer systems, connections, and point of sale systems required for the operation of the Course.

7. SERVICES AND FACILITIES TO BE PROVIDED BY COUNTY

7.1 Keep and maintain major structures of the clubhouse, and maintenance shops in a good state of repair. "Major" maintenance or repair includes roof, HVAC and street to building sewer, gas and water lines.

7.2 Provide an annual audit and testing for compliance with Agreement. The audit shall be conducted by a certified public accountant licensed by the Nevada State Board of Accounting, and will include testing for compliance with special or defined procedures developed by public accountants and Washoe County.

8. PROFESSIONAL STANDARDS APPLICABLE TO GOLF PRO

Golf Professionals hired by Contractor are required to maintain the status of a Professional Golf Association (PGA) certified Class A Professional during the term of this Agreement, a Golf Course Superintendents of America (GCSA) certification, and any renewals thereto. In addition, Contractor shall operate and manage the Golf Course in accordance with the Code of Ethics of the PGA, GCSA and County.

9. MARKETING AND ADVERTISING

Contractor is responsible for effectively advertising, marketing and promoting public and tournament play at the Golf Course and the sale of golf related merchandise and services.

9.1 After the first year of this Agreement, Contractor shall, on or before January 31 of each year during the term of this Agreement, submit to County an annual sales and marketing plan for the Golf Course. County shall have the right to comment upon and make suggestions with respect to said plan, provided, however, while Contractor shall consider all of County's suggestions and comments, Contractor shall not be obligated to implement the same.

9.2 Contractor is aware that this is a public golf course, and as such, is expected to use discretion in the choice of advertising and marketing to ensure its appropriateness. County retains the right to request removal of advertising or marketing that it deems inappropriate.

10. HOURS OF OPERATION

Contractor shall devote adequate staff and personal attention to operate and manage a modern and efficient golf course.

10.1 The pro shop, driving range and food and beverage services shall be kept open whenever course is open for play.

10.2 Contractor shall recommend to the Director for approval an annual schedule setting forth the minimum hours during the year (weather permitting) when the Golf Course shall be open for play. Contractor is responsible for opening and closing security gates. Contractor is responsible for the security of Golf Course facilities and assets during all times it is closed.

10.3 Contractor or his assistant shall be available at all such scheduled times to give lessons and instructions in golf and to serve the public.

11. ESTABLISHMENT OF RATES

11.1 The Contractor shall determine green fee rates by a survey of green fees in Washoe and Carson Counties, Nevada at comparable daily fee golf courses. The survey shall be conducted every year and shall include a wide sampling of publicly owned municipal and privately owned daily fee courses with a comparable (i) quality of physical improvements, and (ii) maintenance standards ("Comparable Golf Courses"). The green fees shall be shown on the survey.

11.2 In the first twelve months of the Initial Term, the green fees charged shall not exceed the 2016 calendar year Washoe green fees. Thereafter, the green fees charged at the Golf Course shall not exceed 110% of the average fee as calculated in the survey described above provided that in no event shall green fees ever be required to be reduced from the amount charged for green fees in the previous year.

12. COLLECTION OF RECEIPTS AND ACCOUNTING

The following apply to Contractor and all management or service subcontractors. Contractor is responsible for ensuring any management or service subcontractors adhere to the following:

12.1 Definitions: The term "green fees" shall be defined as all revenue collected from daily regular green fees, ticket and annual discounted fees, advance reservation fees, or other categories of revenue which may be established by the Contractor. A "tournament" is defined as any group of more than twelve (12) wishing to have "blocked" or pre-designated tee or start times, including "shot-gun" starts. Tournament revenues are a part of "green fees", however their revenues are to be collected and reported separately as "Tournament Revenues". Tournament rounds of play are to be accounted for on the day of play.

12.1.1 "Ticket" and "annual" fees include any fee which entitles a person to use the Golf Course, exclusive of tournament play.

12.2 Contractor shall establish cash collection and payroll procedures in compliance with generally accepted accounting principles; train and monitor all staff in the appropriate cash handling practices; at all times monitor and ensure the safety of all monetary exchanges; adhere to accepted credit card and other personal information security standards; limit the amount of cash and cash equivalences on site through regular banking procedures.

12.3 During the term of the contract, Contractor shall provide view access to all bank accounts established for the deposit of Golf Course revenue to the County, or deposit Golf Course revenues to a County bank account established by the County Treasurer.

12.4 Contractor shall submit to County, monthly reports of rounds of play and gross revenue, which will include green fees, advance reservation fees, annual and ticket sales, annual surcharge, cart income, cart usage, tournament income, driving range income, pro

shop sales, lessons, food sales, beverage sales, catering in addition to all other items of receipts, and will state that sign-up sheets, cash register tapes, and daily statement of receipts have been reconciled and are in agreement.

12.4.1 Contractor shall be responsible for and explain any overages or shortages for the period.

12.5 Contractor shall establish and maintain complete books of accounts and other records showing all business transacted in connection with the operation of the Golf Course in compliance with generally accepted accounting principles.

12.6 Contractor agrees to install and maintain a system of accounts acceptable to County and its auditors.

12.6.1 All accounting records and supporting documents shall be subject to audit and inspection, and made available at any and all reasonable times to County and its authorized officers, agents, or employees.

12.6.2 Accounting records and supporting documents shall be available on the schedule(s) required by the County's internal and external auditors. If Contractor fails to provide the required records and supporting documents, or provides inadequate information within the times specified herein, Contractor agrees to pay any additional charges incurred as a result of the delay in the completion of an audit.

12.6.3 At County's expense, Director reserves the right to authorize management audits, or other studies and reviews of Contractor's operating procedures, accounting and controls that are deemed desirable.

12.6.4 Contractor shall be responsible for retaining all financial records for a minimum of seven (7) years.

12.7 Contractor and designated staff shall be fully proficient and routinely use, as a standard administrative practice of the Golf Course operations, a cash register or point of sale system.

12.8 Contractor and any management or service subcontractors shall use either a calendar year, January 1 through December 31, or fiscal year, July 1 through June 30, as the established accounting period. Contractor's accountant and/or bookkeeper must conform to the scheduling requirements of the County and its audit teams. County shall have the authority to request Contractor to replace accountant and/or bookkeeper if unsatisfactory response to scheduling requirements are demonstrated and/or consistent.

13. PERFORMANCE BENCHMARKS

Performance benchmarks and completion dates have been established in Section 9 “Marketing and Advertising” and Section 28 “Alternations and Improvements by Contractor.”

13.1 County shall utilize a “report card” for evaluation purposes. County reviews shall be conducted two times each year.

13.2 Failure to meet benchmarks and specific performance dates may result in additional reviews.

13.3 Contractor will be reviewed for, but not limited to, adherence to the standards established in, Exhibit B, Golf Course Operation, Maintenance and Performance Standards, the financial viability review and the extent and nature of management and auditing concerns provided through annual financial audits, and customer satisfaction.

14. EMPLOYEES

Contractor shall employ, at his own expense, such staff as necessary to fully operate and manage Golf Course in an efficient, professional and orderly manner.

15. UTILITIES

Contractor shall be responsible for assuming full responsibility and expense for all electric, gas and water utilities including repairs, sewer, garbage, telephone service including repairs, intrusion alarm monitoring including repair, cable TV, necessary internet connection, and Steamboat Ditch water.

16. IRRIGATION AND WATER RESOURCES

16.1 County is the owner of Truckee River surface water rights supplied to an off-site irrigation reservoir from the Steamboat Ditch. Contractor shall have use of up to 300 acre feet of Washoe County surface water rights. Contractor will be responsible for all costs associated with the use of the surface water. The annual cost to Golf Course of surface water is approximately \$30,000, payment of which is the responsibility of Contractor through County. County will invoice Contractor actual costs, and invoice will be payable within 15 days of receipt.

16.2 County is the owner of 70 acre feet of annual ground water rights supplied to Golf Course through an off-site well under permit number 59179. Contractor shall have full use of Golf Course ground water rights as a supplemental water source. There will be no fee associated with the use of ground water rights. Contractor will be responsible for all utilities; pumping, operational, repair and replacement costs associated with the use of the well and associated ground water rights. County shall not transfer or sell the 70 acre feet of ground water rights from Golf Course during the term of this Agreement.

16.3 During drought conditions the irrigation at the course can successfully be reduced by 41% of normal. This is accomplished by utilizing ground water and Truckee

Meadows Water Authority (“TMWA”) irrigation service to the off-site irrigation reservoir. Water usage at the course in drought conditions for calendar year 2015 was approximately 219 acre feet.

16.4 In the event of drought conditions resulting in less than a 45% allocation of steamboat ditch water as determined by the Federal Water Master, County has water utility service provided by TMWA to the off-site irrigation reservoir. The County does not have any permanent or guaranteed water rights assigned or associated to this service. The County does not guarantee that TMWA will provide water through this service, and water delivery through this service is at the sole discretion of TMWA. If conditions warrant use of this service, Contractor must notify County, and County and Contractor will work cooperatively to develop an irrigation plan. The plan will include, but not be limited to, irrigation reduction, responsibility of costs, and fee adjustments necessary to maintain the Golf Course asset.

17. ENERGY CONSERVATION

Contractor shall make every effort to conserve energy, whenever and wherever possible, including, but not limited to, the heating and lighting of areas necessary to conduct business during operating hours or maintain security.

18. PERFORMANCE BOND

Contractor shall be required to provide a performance bond, in a form acceptable to Washoe County in its sole discretion, issued by an insurance company qualified/licensed to do business in Nevada, in the amount of Two Hundred Fifty Thousand Dollars (\$250,000). Said bond must name Washoe County as sole obligee. Said bond will be released at the expiration or termination of the resulting Agreement, provided the Contractor has fully and completely performed under the Agreement.

19. FIXTURES

19.1 Any fixtures or items permanently attached to the clubhouse at the Golf Course in connection with the operation of the pro shop shall become the property of Washoe County upon the termination of Agreement.

19.2 Upon expiration or termination of this Agreement, Contractor shall quit and surrender the premises under his control, including permanent fixtures attached thereto and personal property of the County, to County in as good condition as at the date of the execution of this Agreement, ordinary wear and tear excepted.

20. PREFERENTIAL TREATMENT FORBIDDEN

20.1 Contractor shall not grant any preferential treatment to any individual or group of individuals except as authorized by the rules and regulations pertaining to the Golf Course.

20.2 Contractor shall not issue any complimentary privileges without written consent of Director.

21. RELATIONSHIP WITH COUNTY, COOPERATION

Contractor shall be accountable in all of its operations to the Director or designee. County recognizes and acknowledges that Contractor will need the assistance and cooperation of County in order to properly perform and fulfill Contractor's covenants and obligations under this Agreement. Therefore, County agrees it shall execute such documents and do such further acts and things as Contractor reasonably requests in order to assist Contractor in fulfilling its obligations under this Agreement. County further agrees it shall designate a specific officer or agent having appropriate experience and authority whose responsibility it is to work with Contractor in assuring that Contractor obtains the full cooperation and assistance of County, subject to the terms of this Agreement and all applicable laws.

21.1 Contractor shall also cooperate with other County Departments.

22. NOT CONTRACT OF LEASE

It is understood and agreed that the Golf Course is not leased to Contractor, that Contractor is a licensee and not a lessee thereof; that Contractor's right to occupy and operate the same, as granted herein, shall continue only so long as each and all undertakings, provisions, covenants, agreements, stipulations and conditions herein contained are strictly complied with. Nothing in this Agreement shall grant any right, title or interest in Golf Course to Contractor.

23. INSURANCE REQUIREMENTS, DAMAGE AND RESTORATION

23.1 See Exhibit "A" for insurance requirements for this Agreement.

23.2 Damage and Restoration

23.2.1 Total Destruction: If the buildings or other improvements on the Premises licensed under this Agreement or the Personal Property should be totally destroyed (i.e., damage in excess of partial destruction as defined in Section 23.2.2) by fire or other casualty or a force majeure occurrence, Contractor shall have the option, to be exercised in writing within sixty (60) days of such destruction, to either (a) terminate this Agreement in which event the parties shall have no further obligations hereunder, or (b) elect to repair and restore the Premises and thereafter diligently pursue such restoration to completion.

23.2.2 Partial Destruction: If the buildings or other improvements on the Premises licensed under this Agreement or the Personal Property should be partially damaged by fire or other casualty or a force majeure event, then Contractor shall, subject to the availability of insurance proceeds (it being understood and acknowledged that Contractor shall have no obligation to repair or restore any portion of the Premises if insurance proceeds are not available to fully

restore the same), restore the buildings, improvements and Personal Property in a good and workmanlike manner to a condition as good as or better than the condition in which the buildings, improvements and Personal Property existed prior to their damage or destruction. For purposes of this Agreement, the term "partially damaged" means (a) damage to the extent of one third or less of the value of the buildings, improvements and Personal Property at the Premises or (b) damage to the extent that no more than nine holes on the golf course at the Premises are rendered unplayable. If the insurance proceeds made available to Contractor are not sufficient to fully restore the Premises, then Contractor may terminate this Agreement upon written notice to Owner in which event the parties shall have no further liability hereunder. In addition, notwithstanding anything in this Section 23.2.2 to the contrary, if, as a result of the partial destruction of the Premises, Contractor is unable to make full and productive economic use of the Premises and, in Contractor's reasonable determination, the full and complete restoration of the Premises will take in excess of one hundred eighty (180) days, then Contractor may, upon written notice to Owner within sixty (60) days after the partial destruction occurs, terminate this Agreement, in which event the parties shall have no further obligations hereunder.

23.2.3 Damage During the Last Two Years of the Agreement Term: Notwithstanding the provisions of Section 23.2.2 to the contrary, if during the last two years of the term of this Agreement, the buildings or other improvements on the Premises licensed under this Agreement or the Personal Property is damaged to the extent of ten percent (10%) of the value of the buildings, improvements and Personal Property at the Premises or more, then Contractor shall have the option, to be exercised within thirty (30) days of such damage or destruction, to either (a) terminate this Agreement in which event the parties shall have no further obligations hereunder or (b) elect to repair and restore the Premises in accordance with the provisions of Section 23.2.2 above.

23.2.4 Application of Insurance Proceeds Upon Termination: If, after the partial or total destruction of the Premises, this Agreement is terminated pursuant to the provisions of this Section 23, then all insurance proceeds made available on account of such destruction shall first be paid to Contractor to reimburse Contractor for the value of any and all improvements made to the Premises by Contractor prior to such destruction until such time as Contractor has received full reimbursement for all such improvements and for the value of the Personal Property at the Premises owned by Contractor; second, to Owner until such time as Owner has received full reimbursement for the value of the improvements at the Premises which existed as of the first day of the Agreement and the balance, if any, shall be paid to Contractor.

24. PROPERTY INSURANCE

County may, at its option, secure and maintain insurance covering damage to its property. Any such insurance shall be for the sole benefit of the County and Contractor shall have no claim to

any proceeds there from, nor shall County be required to use the proceeds for reconstruction or repair.

24.1 Contractor shall secure insurance covering his property at his own expense and shall secure and maintain such insurance as is necessary to protect against any claim for damage to private property, including golf carts which are stored at the course, in accordance with the requirements stated in Exhibit "A".

25. RESTRICTIONS

Any agreements, written or oral, between the Contractor and parties other than County, where such agreements involve Contractor's personnel assigned to the County's account, is prohibited without the express written consent of the County.

26. HAZARDOUS SUBSTANCES AND MATERIALS

26.1 Contractor shall maintain on-site, Material Safety Data Sheets (MSDS), as defined and prescribed in 29 C.F.R. Section 1910.1200, for all hazardous substances purchased by Contractor for use under this Agreement.

26.2 Contractor shall apprise personnel of the hazards to which they may be exposed in using, handling, transporting, or disposing of hazardous substances, and to obtain medical treatment for those who may be affected by the substance.

26.3 Contractor shall immediately report all spills of hazardous substances to the Washoe County District Health Department; the Community Services Department; and the Washoe County Risk Manager or Safety Officer.

27. CONTRACTOR'S USE AND POSSESSION OF PREMISES

27.1 The Golf Course premises and all other improvements thereon shall be used by Contractor to provide professional golf services. It is understood and agreed that the said premises shall be used by Contractor during the term of this Agreement only for the above stated purposes and for direct ancillary uses with the prior written approval of the County, and for no other purposes or uses whatsoever.

27.1.1 The effective date of this agreement is January 1, 2017. The Contractor and County will work on a mutually agreeable transition plan for golf operations prior to the beginning of this license term.

27.2 Contractor will not make or permit any use of the said premises which, directly or indirectly, is forbidden by public law, ordinance or government regulation which may be dangerous to life, limb or property. Contractor may not commit waste on the premises, use the premises for any illegal purpose, or permit a nuisance on the premises.

27.3 In the event that Contractor uses these premises for any purposes not expressly permitted herein, the County may terminate this Agreement, subject to the curative periods set forth herein, and without notice to Contractor restrain such improper use by injunction or other legal action.

27.4 Quiet Enjoyment

Subject only to the terms of this Agreement, so long as Contractor complies with its obligations under this Agreement, County shall secure to Contractor the quiet and peaceful enjoyment of the Premises and the sole and exclusive possession of the Premises without objection or interference from County or any party claiming under County.

27.5 Frustration of Purpose

At any time during the term of this Agreement, (i) if the governing body of any political subdivision having competent jurisdiction over the Premises should enact any valid zoning or other ordinance, law or regulation (collectively, "Use Law") which prohibits the use of the whole or a substantial part of the Premises for the purposes as provided in Section 2 of this Agreement; (ii) if an event of force majeure (collectively, "Force Majeure Event") occurs, including without limitation, declared or undeclared war, sabotage, riot or other acts of civil disobedience, acts or omissions of government, labor disputes, shortages of fuel or other materials, accidents, fires, explosions, floods, earthquakes, or other acts of God, which substantially prevents Contractor's use of the Premises as provided for in Section 2 of this Agreement; or (iii) if Facilities become unavailable or inadequate so as to substantially interfere with Contractor's use of the Premises as provided in Section 2 of this Agreement, it is agreed that Contractor may elect, within one hundred twenty (120) days after the effective date of such Use Law or the occurrence of the Force Majeure Event, or the date Facilities become unavailable or inadequate, to cancel this Agreement and surrender possession of the Premises. Any such cancellation and surrender shall act to release and discharge Contractor from any further obligation under this Agreement. In addition, it is agreed that during the period of any Force Majeure Event; during the period that Facilities are unavailable or inadequate; and/or during any period that any defect in the Premises substantially interferes with Contractor's use of the Premises as provided in Section 2 of this Agreement, Owner and Contractor shall be excused from performing their respective obligations under this Agreement whether or not Contractor exercises its right to terminate as provided herein.

28. ALTERATIONS AND IMPROVEMENTS BY CONTRACTOR

Contractor has inspected the premises and hereby accepts the premises in its present "as is" condition. Contractor shall not make any alteration or addition to any portion of the Golf Course's facilities or to any equipment belonging to County located at the Golf Course without prior written consent of the Director. Except as otherwise provided in this Agreement, Contractor shall, at its sole cost, maintain and repair the Premises in accordance with the maintenance standards set forth on Exhibit "B" attached hereto.

28.1 In the event that Contractor wishes to make improvements to said real property, it may do so at its own expense and after the written approval of the County, satisfying all statutory and code requirements of applicable governmental entities including the provisions of NRS 338, if applicable.

28.2 All improvements of Contractor shall be solely at Contractor's cost and expense and shall be performed in a good workmanlike manner in accordance with sound construction practices and in accordance with all applicable codes and regulations. Contractor shall keep the premises and said improvements free and clear of liens for labor and materials and shall hold the County harmless from any responsibility in respect thereto.

29. OWNERSHIP OF IMPROVEMENTS

All improvement, furnishings, and equipment constructed or installed on the premises by the Contractor shall be personal property and Contractor shall have legal title thereto during the term of this Agreement. Upon the expiration, termination, or default of this Agreement, title to all permanent improvements constructed on the premises shall vest in the County.

29.1 Title to all supplies, furnishings, inventories, and removable equipment and other personal property not originally provided by the County shall remain the Contractor's, and Contractor shall have the right to remove such items, excepting licenses, from the premises without damaging the premises unless the Contractor is in default hereunder. Such items must be removed within fifteen (15) days of expiration of this Agreement or title to all items will vest to the County.

29.1.1 Contractor shall consider any reasonable offer to buy the above items from the County upon expiration or termination of this Agreement.

29.2 If Contractor is in default, all items listed in Section 29.1 shall automatically vest to the County to offset any real or anticipated damages.

30. LICENSES AND PERMITS

Contractor shall pay for all licenses, permits, and fees necessary for Contractor to construct improvements, if any, and conduct Contractor's business on the premises.

31. LIENS

Contractor will not permit any mechanics, laborers or material man's liens to stand against the premises or improvements for any labor or materials to the Contractor or claimed to have been furnished to Contractor's agents or subcontractors, in connection with work of any character performed or claimed to have been performed on the premises, or improvements by or at the direction or sufferance of the Contractor; provided, however, Contractor shall have the right to contest the validity or amount of any such lien or claimed lien.

In the event of such contest, Contractor shall give the County reasonable security as may be demanded by the County to insure payment thereof and prevent sale, foreclosure or forfeiture of the premises or improvements by reason of such non-payment.

Such security shall be posted by the Contractor within fifteen (15) days of written notice from the County, or Contractor may "bond off" the lien according to statutory procedures.

31.1 Contractor will immediately pay any judgment rendered with all proper costs and charges and shall have such lien released or judgment satisfied at Contractor's own expense.

32. CESSATION OF OPERATIONS

In the event County, for any reason, determines not to continue to operate the Golf Course as a golf course and driving range open to the general public, this Agreement shall terminate, and in such event, Contractor agrees to hold the County free from any charge or penalty provided for in this Agreement.

33. VACATION OF THE PREMISES

In the event of the termination of this Agreement for any reason other than expiration, Contractor shall peaceably vacate the premises within such time as may be specified in the written notice to vacate which the County shall deliver to Contractor. The notice shall provide for not less than thirty (30) days in which to vacate, except in cases where continued presence of Contractor would cause immediate injury or damage to the County or other persons, in which case vacation may be immediate.

33.1 Upon the expiration or earlier termination of this Agreement, Contractor shall return the Real and Personal Property initially provided by County in the same or better condition than when it was received by Contractor. Contractor agrees to have all personal property, fixtures, and equipment appraised at the time this agreement is executed and supply owner with a schedule and current value of the same. At the termination of this agreement Contractor shall have a second appraisal performed and provide it to County. The total value of the personal property, fixtures and equipment (hereinafter "equipment") to be returned to County must be of equal or greater value to the initial appraised value adjusted for inflation. During the term of this agreement Contractor shall purchase or otherwise acquire replacement equipment as required and shall maintain the existing equipment for as long as feasible.

34. NONDISCRIMINATION

In accordance with NRS 338.125, in connection with the performance of work under the resulting Agreement, the Contractor agrees not to discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, sexual orientation, gender identity or expression, or age. Such agreements shall include, but not be limited to, the following: Employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. Any violation of such provision by the Contractor shall constitute a

material breach of contract. Further, Contractor agrees to insert this nondiscrimination provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

35. RIGHT OF CANCELLATION

The County shall reserve the right to cancel this Agreement for any of the following reasons:

35.1 If either party breaches a material provision hereof (“Cause”), the non-breaching party shall give the other party notice of such Cause. If the Cause is remedied within thirty (30) days in the case of any cause other than failure to make payment, the notice shall be null and void.

35.1.1 If the contractor fails to pay any amount owing under this agreement including fees contained in the table for past due compensation, and that failure continues for ten business days, the County may, in its sole discretion, terminate this Agreement with immediate effect by giving Notice to the other party.

35.2 If such Cause is not remedied within the specified period, the party giving notice shall have the right to terminate the Agreement upon expiration of such remedy period. The rights of termination referred to in this Agreement are not intended to be exclusive and are in addition to any other rights or remedies available to either party at law or in equity.

35.3 In addition to all other rights herein, County may terminate this Agreement without prior notice should the Contractor become insolvent, voluntarily file for bankruptcy or receivership, or make any assignment for the benefit of creditors, or should the other party have commenced against it any proceeding, suit or action in bankruptcy or receivership provided such proceeding, suit or action is not dismissed within thirty (30) days.

35.4 Upon notice of cancellation, Contractor shall be required to continue fulfilling its obligations under this Agreement until other satisfactory arrangements are completed by the County, not to exceed thirty (30) days.

35.5 Either party may cancel this Agreement without cause on ninety (90) days prior written notice.

36. ASSIGNMENT

No assignment of any agreement resulting from award of this bid shall be allowed, including the right to receive payment, without the express written permission of Washoe County.

37. DEFAULT

Termination for default shall result in proceedings against the Contractor, which may result in its being debarred from providing services to County for a period not less than five (5) years after the expiration date of the defaulted Agreement. In addition, the defaulting Contractor may be charged for any additional cost to County for the provision of services as defined in Section 2 "Scope of Services" for the remaining term of this Agreement.

38. THIRD PARTY RIGHTS

This Agreement is not intended to create, nor shall it be construed to create, any third party beneficiary rights in any person not a party hereto.

39. EXCLUSIVE

This is an exclusive agreement between Washoe County and LICENSEE during the term of the agreement.

40. NOTICES

Except as otherwise specified, all notices under this Agreement shall be in writing. Notice to Contractor shall be addressed to:

LICENSEE
ADDRESS
ADDRESS

Notice to County shall be addressed to:

Washoe County Community Services Department
C/O CSD Director
PO Box 11130
Reno, NV 89520

41. NOTICE TO PROCEED

The Washoe County Community Services Department shall issue a written Notice to Proceed upon execution of this Agreement. Contractor shall not perform on any portion this Agreement without providing satisfactory insurance certificates and fiduciary bond.

42. EXTENSION OF SERVICES

Contractor may be required to continue performance of services beyond the expiration date of this Agreement, upon the County's request, at the rates specified in this Agreement. The total extension of any performance hereunder shall not exceed six (6) months. Any extension to this Agreement shall be in writing and signed by both parties.

43. REOPENER

The parties reserve the right to renegotiate any part of this agreement from time to time based on unforeseen conditions.

44. GOVERNING LAW

This Agreement shall be governed, interpreted and construed in accordance with the laws of Nevada, and any dispute will be heard in the Second Judicial District Court of Nevada. If any provision of this Agreement shall be held or declared to be void or illegal for any reason, all other provisions of this Agreement which can give effect without such illegal provision shall nevertheless remain in full force and effect. The section headings of this Agreement are intended solely for convenience; they are not part of this Agreement and shall not affect its construction.

45. DRAFTING PRESUMPTION

The parties acknowledge that this Agreement has been agreed to by all of the parties, that all of the parties have consulted or have had the opportunity to consult with attorneys with respect to the terms, and that no presumption shall be created against any party as the drafter of the Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands and subscribed their signatures as of the date and year indicated.

BOARD OF COUNTY COMMISSIONERS

By: _____
Kitty K. Jung, Chair

Date: _____

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

This instrument was acknowledged before me on _____, 2016 by
_____.

NOTARY PUBLIC

CONTRACTOR

By: _____

Title: _____

Date: _____

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

This instrument was acknowledged before me on _____, 2016 by
_____.

NOTARY PUBLIC

Exhibit A**INSURANCE, INDEMNIFICATION AND HOLD HARMLESS REQUIREMENTS
FOR SERVICE PROVIDERS
WASHOE GOLF COURSE****INTRODUCTION**

Washoe County has established specific insurance and indemnification requirements for service providers contracting with the County. Indemnification and hold harmless clauses and insurance requirements are intended to assure that a service provider accepts and is able to pay for a loss or liability related to its activities.

ATTENTION IS DIRECTED TO THE INSURANCE REQUIREMENTS BELOW. IT IS HIGHLY RECOMMENDED THAT PROVIDERS CONFER WITH THEIR RESPECTIVE INSURANCE CARRIERS OR BROKERS TO DETERMINE THE AVAILABILITY OF INSURANCE CERTIFICATES AND ENDORSEMENTS AS PRESCRIBED AND PROVIDED HEREIN. IF THERE ARE ANY QUESTIONS REGARDING THESE INSURANCE REQUIREMENTS, IT IS RECOMMENDED THAT THE AGENT/BROKER CONTACT THE COUNTY RISK MANAGEMENT DEPARTMENT DIRECTLY AT (775) 328-2665.

INDEMNIFICATION AGREEMENT

PROVIDER agrees to hold harmless, indemnify, and defend COUNTY, its officers, agents, employees, and volunteers from any loss or liability, financial or otherwise resulting from any claim, demand, suit, action, or cause of action based on bodily injury including death or property damage, including damage to PROVIDER'S property, caused by the omission, failure to act, or negligence on the part of PROVIDER, its employees, agents, representatives, or Subcontractors arising out of the performance of work under this Agreement by PROVIDER, or by others under the direction or supervision of PROVIDER.

In the event of a lawsuit against the COUNTY arising out of the activities of PROVIDER, should PROVIDER be unable to defend COUNTY due to the nature of the allegations involved, PROVIDER shall reimburse COUNTY, its officers, agents, and employees for cost of COUNTY personnel in defending such actions at its conclusion should it be determined that the basis for the action was in fact the negligent acts, errors or omissions of PROVIDER.

GENERAL REQUIREMENTS

PROVIDER shall purchase Industrial Insurance, General Liability, and Automobile Liability as described below. The cost of such insurance shall be borne by PROVIDER. PROVIDER may be required to purchase Professional Liability coverage based upon the nature of the service agreement.

INDUSTRIAL INSURANCE (Workers' Compensation)

It is understood and agreed that there shall be no Industrial Insurance coverage provided for PROVIDER or any Sub-consultant by COUNTY. PROVIDER agrees, as a precondition to the performance of any work under this Agreement and as a precondition to any obligation of the COUNTY to make any payment under this Agreement to provide COUNTY with a certificate issued by an insurer showing coverage in accordance with NRS 616B.627 and NRS 617.210 for PROVIDER and any sub-contractors used pursuant to this Agreement.

If PROVIDER is a sole proprietor, coverage for the sole proprietor must be purchased and evidence of coverage must appear on the Certificate of Insurance. Such requirement may be waived for a sole proprietor who does not use the

services of any employees, subcontractors, or independent contractors and completes an Affirmation of Compliance pursuant to NRS 616B.627.

Should PROVIDER be self-funded for Industrial Insurance, PROVIDER shall so notify COUNTY in writing prior to the signing of this Agreement. COUNTY reserves the right to approve said retentions and may request additional documentation financial or otherwise for review prior to the signing of this Agreement.

It is further understood and agreed by and between COUNTY and PROVIDER that PROVIDER shall procure, pay for, and maintain the above-mentioned industrial insurance coverage at PROVIDER'S sole cost and expense.

MINIMUM LIMITS OF INSURANCE

PROVIDER shall maintain limits no less than:

1. General Liability: \$1,000,000 combined single limit per claim for bodily injury, personal injury, and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, the general aggregate limit shall be increased to equal twice the required occurrence limit or revised to apply separately to each project or location.
2. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage. No aggregate limits may apply.

DEDUCTIBLES AND SELF-INSURED RETENTIONS

Any deductibles or self-insured retentions must be declared to and approved by the COUNTY Risk Management Division. COUNTY reserves the right to request additional documentation, financial or otherwise, prior to giving its approval of the deductibles and self-insured retention and prior to executing the underlying agreement. Any changes to the deductibles or self-insured retentions made during the term of this Agreement or during the term of any policy, must be approved by the COUNTY Risk Manager prior to the change taking effect.

OTHER INSURANCE PROVISIONS

The policies are to contain, or be endorsed to contain, the following provisions:

1. COUNTY, its officers, employees and volunteers are to be covered as insureds as respects: liability arising out of activities performed by or on behalf of PROVIDER, including COUNTY'S general supervision of PROVIDER; products and completed operations of PROVIDER; premises owned, occupied or used by PROVIDER; or automobiles owned, leased, hired, or borrowed by PROVIDER. The coverage shall contain no special limitations on the scope of protection afforded to COUNTY, its officers, employees or volunteers.
2. PROVIDER'S insurance coverage shall be primary insurance as respects COUNTY, its officers, employees and volunteers. Any insurance or self-insurance maintained by COUNTY, its officers, employees or volunteers shall be excess of PROVIDER'S insurance and shall not contribute with it in any way.
3. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to COUNTY, its officers, employees or volunteers.
4. PROVIDER'S insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled or non-renewed by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to COUNTY except for nonpayment of premium.

ACCEPTABILITY OF INSURERS

Insurance is to be placed with insurers with a Best's rating of no less than A-: VII. COUNTY, with the approval of the Risk Manager, may accept coverage with carriers having lower Best's Ratings upon review of financial information concerning PROVIDER and insurance carrier. COUNTY reserves the right to require that PROVIDER'S insurer be a licensed and admitted insurer in the State of Nevada, or on the Insurance Commissioner's approved but not admitted list.

VERIFICATION OF COVERAGE

PROVIDER shall furnish COUNTY with certificates of insurance and with original endorsements affecting coverage required by this exhibit. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. **All certificates and endorsements are to be addressed to the specific COUNTY contracting department and be received and approved by the COUNTY before work commences.** COUNTY reserves the right to require complete, certified copies of all required insurance policies, at any time.

SUBCONTRACTORS

PROVIDER shall include all Subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each Subcontractor. All coverages for Subcontractors shall be subject to all of the requirements stated herein.

MISCELLANEOUS CONDITIONS

1. PROVIDER shall be responsible for and remedy all damage or loss to any property, including property of COUNTY, caused in whole or in part by PROVIDER, any Subcontractor, or anyone employed, directed or supervised by PROVIDER.
2. Nothing herein contained shall be construed as limiting in any way the extent to which the PROVIDER may be held responsible for payment of damages to persons or property resulting from its operations or the operations of any Subcontractor under it.
3. In addition to any other remedies COUNTY may have if PROVIDER fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, COUNTY may, at its sole option:
 - a. Order PROVIDER to stop work under this Agreement and/or withhold any payments which become due PROVIDER hereunder until PROVIDER demonstrates compliance with the requirements hereof; or
 - b. Terminate the Agreement.

EXHIBIT B

Golf Course Standards of Operation and Performance

WASHOE GOLF COURSE

STANDARDS OF OPERATION AND PERFORMANCE

A "Standard" has been defined as a "rule used as a basis of judgment", "of recognized excellence or authority", and "something accepted as a basis of comparison". A fine public course needs standards which, when adhered to, ensure that the culture of the course is preserved and enhanced. The following set of Standards of Operation and Performance provides for an appropriate level of quality of product, conduct, and service to the customers.

CUSTOMER RECOGNITION

Customers can be defined as a group of individuals joined together for a recreational golf purpose that share a common interest in the game.

Most importantly, serving customers at a public course is about recognition. Some customers are very open and demanding about being recognized, yet some are seemingly uninterested and avoid being noticed. But regardless of how a customer demonstrates the need to be recognized, the overriding reason customers play a public course is to play and enjoy the game while receiving a good value.

Recognition can come in many ways: seeing their name or picture on the course website or bulletin board, by receiving trophies or certificates, having a bag tag on their golf bag, belonging to the Men's, Ladies or Junior Club, by getting a personalized letter from the Operators, or being noticed by the Staff. However, the most powerful form of recognition is hearing someone call them by their name.

As employees of Washoe Golf Course, the #1 Standard of Performance, in all cases, for all departments, and for every position, is to actively recognize customers.

To recognize customers in an "active" way means being alert, challenging your memory to remember names and faces, and keeping mental notes as to what each customer likes. Teamwork is a great tool to help recognize customers such as tipping each other off as to the customer's names as they approach. It seems amazing that, at some public courses, certain employees, food servers, pro shop, outside staff and even the grounds crew, can remember the customer's names -- sometimes their spouses and children's names as well. How do they do it? It is no secret -- they want to.

EXHIBIT B

Golf Course Standards of Operation and Performance

GOLF COURSE AND GROUNDS

MINIMUM STANDARDS

The following standards are to be considered minimum standards for performance and operation of the Golf Course area of the facility. By adhering to these standards, as guidelines, our customers will benefit from our consistently high levels of quality in service, product, appearance, and attitude. These standards will allow us to stand out as professionals in our industry. However, these standards should serve, as only a minimum so we, as individuals and as a team, should always strive to be leaders in our industry by going beyond what is the minimum:

Customer Recognition

Demonstrating good golf etiquette and remaining productive at the same time is an important facet of the duties of the Golf Course Maintenance Staff. While contact with customers may be at a distance, how considerate you are with every golfer while maintaining your level of productivity impacts their overall golfing experience and golf course maintenance's efficiency. Courteous actions show that we care that each golfer enjoys his or her game of golf at Washoe Golf Course. The following guidelines will help you achieve this standard of excellence:

- The Customer will be greeted by name or Sir or Mam if you don't know their name. Start by calling **them by their surname (i.e. "Good morning Mr.---")**.
- Whether you are in a vehicle or on foot, come to a complete stop when you are in the golfer's line of vision and stand to the side before the ball is hit.
- While working on a green, be aware of approaching golfers and stand to the back of the green so as not to interfere with their shot. Turn off your engine while a golfer putts.
- When working hole-to-hole, never continue to disrupt the same golf group hole- after-hole; if permissible, work in a backward rotation or wave them through.
- Greet all golfers with a smile and friendly, caring attitude. Be willing to provide courteous answers to guest questions.
- Be aware of golfer's safety and advise them courteously when their safety may be threatened.
- Whenever possible, greet the customers and make it a point to call them by their name if you know it, such as "Good morning Mr. ... enjoy your game".
- Always demonstrate in the presence of customers our high standards for the golf course, if trash is floating around, pick it up. Drive your vehicle in the proper manner and place. Help fix customer's ball marks or divots if possible. Spot rake a sand trap for a customer if you are working in that area. Show enthusiasm for the work we do.

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- If a customer files a complaint about the golf course with you, ensure that the problem will be taken care of immediately (if it can be solved by you), or that you will bring the problem to the attention of your supervisor who will take care of the complaint. Always thank them for informing you.
- The Golf Course Superintendent and all Course Maintenance Staff, who are in regularly contact with our customers, will remember the customer's comments and suggestions and pass them along to the appropriate supervisor.

Phone Etiquette

- Phones will be answered within three rings.
- Every phone call will be answered by saying: "Good morning, Washoe Golf Course, Course Maintenance this is (your name) how may I help you?"
- During each phone conversation, the staff member will learn the caller's name and use it when ending the conversation by saying "Good bye, Mr. ... have a good day."
- Phone calls are not to be "screened" to determine whom the caller is, unless specifically instructed by a certain supervisor and only for a specific situation or duration. Generally, all callers should be assumed to be customers or potential customers. Customers should not be given the impression that they are being screened. A staff member should take all calls, unless that staff member is already on a call, engaged in a meeting, serving another customer, or out of the maintenance facility.

Attitude of Staff

Attitude is as much a part of the job as skill, knowledge, experience and procedure. The following is a set of expectations regarding an employees' attitude at Washoe Golf Club:

- Smile, regardless of your mood.
- Be pleasant (your voice should have a smile on it also).
- Be a "we" person - be a team player and help out.
- Show enthusiasm.
- Don't procrastinate or wait for others to do the task at hand.
- Try to exceed expectations - strive for A+.
- Fill idle time with productive effort - you can always clean, polish, pick up or organize.
- Ask "How may I help?"
- Conserve and avoid unnecessary waste of product, natural resources, and effort (yours or that of others).
- Take pride.

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Uniforms

- Approved uniforms will be worn at all times in view of the public.
- Uniforms must be clean and free from wrinkles.

Hiring Procedures

- All new hires will have their references checked prior to being hired.
- One interview is required for hiring any candidate.
- Each new hire will be given a complete tour, orientation, and introduction to key staff members.
- Each candidate will review the complete Job Description and Standards of Operation and Performance before being offered the job.
- All Golf Course Maintenance employees will be hired by the Golf Course Superintendent.
- All candidates will be required to complete a club approved Job Application with references.

Job Descriptions

- Complete Job Descriptions will be on file for each position and will indicate the essential job functions, qualifications, and responsibilities.

Hours, Scheduling and Staffing

- The Golf Course Superintendent will post employee schedules.
- Overtime will not be scheduled unless prior authorization is obtained.
- Weekly scheduled hours will be calculated and compared to the approved budget.
- The Golf Course Superintendent will schedule and staff for proper coverage for all hours of operation and make necessary adjustments for special functions and events.

Payroll

- The Golf Course Superintendent will be responsible for verifying the hours worked.

Personnel Records

Image and Neatness

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- Golf Course Superintendent will keep the Golf Course Superintendent's Office clean, neat, and organized. The desk top should not have any cups, saucers, glasses, or plates visible at any time.
- At all times, the Golf Course Superintendent will present himself/herself as an executive of WGC.

Operation and Care of Equipment

- Before operating any piece of machinery, you must have been trained on it and gone through a safety checklist. It is a requirement of your job to operate your machinery in a safe and effective manner.
- You are responsible for any machine assigned to you. Willful abuse or being neglectful is grounds for termination. Report any problems with your equipment to the Mechanic or your immediate supervisor.
- Each piece of machinery is to be returned clean and the required service performed before storage.
- Report any damage to your supervisor or Mechanic. Do not attempt to fix a mechanical problem yourself anyone trying to hide equipment damage will be subject to disciplinary action.
- Always check oil and gas levels before driving any machinery. Make sure the cutting heights are adjusted properly by ensuring roller adjustment and blade to reel clearance cuts paper before going into the field.
- Be aware of the proper type of gas/oil mixture or gas/diesel fuel specification that each machine requires.
- Drive equipment on service roads, cart paths, or in roughs as much as possible when going from one area to another. Drive on fairways only when needed. Stay a permissible distance from greens and tees when working in those areas.
- If a piece of equipment is not performing up to the expectations required in the field because a reel is not cutting or is misadjusted, do not continue. Get the machine fixed.
- Hydraulic leaks of any kind are to be watched for at all times. Inspect your equipment for signs of potential leaks, especially before and after uses with green, tee, and fairway machinery. If a leak does occur, pull off the surface as soon as possible and shut off the machine. Notify the supervisor as soon as possible. Do not attempt to transport it in turf and equipment damage may result.
- Secure and hitch transport machinery properly and always drive at a safe speed.
- Never attempt to fix a blade or reel with the machine on.
- Report all safety problems to the mechanic or immediate supervisor as soon as possible.
- Treat the equipment as if it were your own at all times. It is your responsibility as an

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employee.

Equipment Repair and Maintenance

- All equipment will be maintained by a qualified mechanic, according to manufacturers' specifications and Superintendent's or Assistant Superintendent's expectations.
- Repairs are to be done in the most efficient manner possible.
- Detailed repair and maintenance records will be kept by the Mechanic for each piece of equipment.
- Only sharp and adjusted cutting units will perform in the field of operation.
- The Mechanic will supervise daily servicing of machinery and will inspect the cleanliness of all equipment before storage. He/she will report any incidents of maintenance personnel failing to service or clean machinery properly to the Superintendent.
- The Mechanic will not willfully permit any equipment out in the field that may have a potential safety problem until it is fixed.

Course Set Up

Personnel responsible for the course set-up not only will dictate how the customers will play the course that day, but will also be ensuring that its presentation will be along the lines of our high expectations. Green and tee sites are the most important areas on the golf course and are to be treated as high priority items at all times by the Golf Course Maintenance Staff from their presentation to their grooming and playability characteristics.

- All maintenance personnel are to keep their eyes open and be aware of any damage to the golf course. The Superintendent and Assistant Superintendent will inspect the golf course daily, weather permitting, for any possible turf or irrigation problems. All staff is responsible for reporting any problems (including golfer complaints) to their immediate supervisor so that these may be solved on a prioritized basis.
- The Golf Shop will be informed immediately of any problem that may affect daily play.
- When setting cups:
 - Cup locations should be playable and away from the existing position.
 - The position of the cup should be a flag pole from the collar.
 - The cup is to be set at the proper depth. The flag, pole and cup should all be in working order.
 - Ensure that the previous day's pin setting is repaired properly and that the repair plug is set level.
- When setting tee markers, ensure that:
 - The markers are on the proper tee box (especially on Par 3's.)

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- The markers are perpendicular with the line of play, six-seven paces apart and at least two paces from the rear of the tee.
 - Tee markers are moved to distribute wear on the tee evenly.
 - All tee divots are filled with proper seed mix at least twice per week weekly
 - All trash cans will be emptied daily and cleaned weekly.
 - Ball washers will be checked daily for soap and water and should be operating properly or be replaced. All ball washers will have soap and water replenished weekly.
- The putting green will have its cups changed twice weekly. Practice green areas will be changed weekly.
 - All maintenance personnel will be responsible for making sure all directional signs and ropes that control cart traffic are moved as needed to prevent wear (this may mean three times daily).

Greens Maintenance

- Greens will be maintained as smooth, firm, and consistent surfaces.
- Greens speeds will be maintained at an 8-9 foot stimp meter readings for normal daily play.
- Mowing heights (1/8" to 5/32") will be determined based upon the time of year, climatic conditions, and specific events, but mainly to ensure overall turf health and bent/poa grass populations.
- Frequency of triplex mowing to be four-seven times weekly, based on climatic conditions.

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- Triplex and walk mowers will be used periodically during cultural maintenance periods (i.e., aerification, topdressing, and verticutting) or during special event preparation.
- Greens will be mowed in different directions daily to prevent grain accumulation.
- Periodic verticutting and topdressing will be performed to reduce thatch and grain accumulations.
- Before mowing a green, all ball marks will be repaired. Any irregularities in the surface should be immediately reported and repaired (if possible). Greens keeper should inspect surface for any foreign objects that could damage a reel or bed knives
- The Greens keeper will follow all safety and operational procedures that he/she has been trained on when mowing greens. This includes: proper transportation, the unloading and loading of mowers, the mowing of the surface, and cleaning and service of the machine. Greens keepers shall be precise and efficient in their job duties. It is a goal of our maintenance staff to stay well ahead of morning play whenever possible and at the same time provide the highly aesthetic and playable surfaces that our reputation will be based on. Failure to follow any of these procedures may result in disciplinary action.
- Greens keepers shall notify their immediate supervisors of any problem areas on greens that they have noticed in their daily work regime.

Tees Surfaces

Tees will be maintained at a cutting height of between 3/8" to 9/16" depending on environmental conditions and special events and will be cut in a different direction each time to prevent grain accumulation.

- Tees will be mowed with a triplex mower with a frequency of 2 to 5 times a week, depending on growth rate.
- Divots will be filled at least twice per week with a sand/bent grass mix.
- Periodic aerifying and topdressing will be performed to reduce thatch and grain accumulation.
- Before mowing, all tee markers are to be removed and the surface inspected for any foreign objects that could damage a reel or bed knife.
- The Greens keeper will follow all safety and operational procedures that he/she has been trained on when mowing tees. This includes proper transportation, the unloading and loading of mowers, the mowing of the surface, and cleaning and service of the machine. Greens keepers shall be precise and efficient in their job duties. It is a goal of our maintenance staff to stay well ahead of morning play whenever possible and at the same time provide the highly aesthetic and playable surfaces that our reputation will be based on. Failure to follow any of these procedures may result in disciplinary action.

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- Greens keepers shall notify their immediate supervisor of any problems encountered on any of the tee surfaces.

Collars

- Collars will be maintained at a cutting height of 3/8" to 1/2"
- Collars will be mowed 2 to 4 times per week, depending on growth rate.
- Any foreign objects will be removed manually prior to mowing.
- Collars will be cut in a different direction each time to prevent grain accumulation.
- All cultural practices performed on greens will also be performed on collars.
- The Greens keeper will follow all the safety and the proper operational procedures that he/she has been trained on when mowing collars. This includes; proper transportation, the unloading and loading of mowers, the mowing of the surface, and cleaning and service of the machine. Greens keepers shall be precise and efficient in their job duties in order to provide a highly aesthetic and playable surface mowed in a reasonable time frame.

Aprons, Tee Banks and Bunker Edges

- Aprons, tee banks, and bunker edges will be maintained at a cutting height of 1" to 1 1/2", depending on climatic conditions and the grass variety (natural fescue areas will only be cut on a periodic basis based on growth rate, playability and aesthetics).
- Aprons, tee banks, and bunker edges will be mowed 2-3 times weekly with a triplex reel or rotary lightweight mower, depending on growth rate.
- Directional cuts will be posted daily and will follow a contour, checkerboard, or straight pattern.
- The operator will ensure that his/her area of cutting responsibility will be blended properly into the other manicured areas (tees, collars, approaches, fairways, intermediate rough, and rough) to maintain the playability and aesthetics of the golf course.
- The Greens keeper will follow all the safety and the proper operational procedures that he/she has been trained on when mowing aprons, tee banks and bunker edges. This includes; proper transportation, the unloading and loading of mowers, the mowing of the surface, and cleaning and service of the machine. Greens keepers shall be precise and efficient in their job duties in order to provide a highly aesthetic and playable surface-mowed in a reasonable time frame.

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Fairways and Green Approaches

- Mowing height will be kept between 1/2" to 9/16", depending on environmental conditions, growth rate or special events.
- Fairways and approaches will be mowed at a frequency of between 3 to 4 times weekly (including once on weekends), depending on growth rate.
- Fairways and approaches will be mowed with lightweight 5-plex mowers. All narrow contour areas in the green approach areas will be mowed with a triplex or hand mower.
- There will be only four directions in which to cut a fairway or approach. These directions will be posted daily:
 - Contour -- cut with the turns and bends of the fairway.
 - Straight -- cut in a straight line from tee to the center of the fairway.
 - Left to right -- cut on a 45° angle from left to right.
 - Right to left -- cut on a 45° angle from right to left.
- The Greens keeper will follow all the safety and the proper operational procedures that he/she has been trained on when mowing fairways and green approaches.

This includes proper transportation, the unloading and loading of mowers, the mowing of the surface, and cleaning and service of the machine. Greens keepers shall be precise and efficient in their job duties by attempting to stay ahead of play and at the same time providing a highly aesthetic and playable surface.

- When cutting, make certain that you lift your reels for any exposed sprinklerheads or stones. Pick up any moveable objects such as stones, nuts, bolts, etc.

Rough Cutting

- Secondary roughs will be mowed weekly with rotary type mowers.
- Mowing heights will be from 1 1/2" to 2 1/2", based on climatic conditions and growth rate.
- The Greens keeper will take care in operation around trees so as to not damage the crowns in any manner and will also provide a crisp, clean edge around native grass areas.
- The Greens keeper will vary mowing patterns on a weekly basis based on direction from his/her immediate supervisor. Greens keeper will ensure that all cutting patterns will blend in properly with intermediate rough areas, greens aprons, tee banks, and bunker edges

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- The Greens keeper will follow all the safety and the proper operational procedures that he/she has been trained on when mowing roughs. This includes; proper transportation, the unloading and loading of mowers, the mowing of the surface, and cleaning and service of the machine. Greens keepers shall be precise and efficient and very productive on a daily basis while providing a highly aesthetic and playable surface.

Natural Roughs, Lakes, Creeks, and all other environmentally sensitive areas.

- These areas will be maintained in a manner that enhances their natural characteristics, while maintaining the playability and integrity of the golf course.
- All detail work that may include; mowing, weed eating, trimming, pruning, watering, or weed control, will be done under the direction of the Superintendent, Assistant Superintendent or appointed supervisor.
- All employees will be trained and knowledgeable of all environmental impact areas of the course including the state and federal laws that protect the water quality, as well as environmentally sensitive habitats. Greens keepers work regime will reflect and recognize these restraints, which must be abided by per our Environmental Impact Agreements with these agencies. If an employee is found not doing so, he/she faces termination.

Bunkers

- Bunkers will be spot raked daily.
- Greens Bunkers are raked full 2-3 times weekly, depending on play and climatic conditions.
- Fairway Bunkers are raked full 1-2 times weekly, depending on play and climatic conditions.
- Prior to raking, any debris, grass, leaves, or weeds are to be removed.
- Rake bunkers smoothly and carefully to maintain their firmness and playability.
- Sand is to be pulled up on the banks of bunkers at all times.
- .
- Backside of Greens Bunkers and all Fairway Bunkers should be flush with the surrounding grass, while maintaining a clear and distinct difference between the sand and the turf
- Fill washouts and bare spots where needed and report areas needing major refilling of sand to the Supervisor. Minimum depths for sand are 2" on the banks and 4" in the level areas.
- Rakes are to be placed on the inside edge of the bunkers. Replace any damaged rakes.
- Bunkers will be edged. monthly

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- At times the bunkers may require raking by a mechanical rake. Greens keepers are to ensure that the machine does not operate on the banks of the bunkers at any time. Any piles formulated by the machine will be dispersed properly and evenly in the bunker. Operation of the equipment will follow all safe operating procedures to include; transportation, preparation of the surface, cleanup, and service.

Practice Area and Driving Range

- The Driving Range tee will be mowed 3 to 5 times weekly, based on climatic conditions, with a triplex reel mower. Mow patterns will vary in order to provide a very aesthetic presentation to the clubhouse facility and superior practice surface. Seeding divots will be done in conjunction with the Golf Shop staff.
- The Driving Range body will be mowed 2 to 3 times weekly, depending on climatic conditions, with a lightweight mower. Target Greens will be mowed 2 to 3 times weekly with a hand greens mower. Mowing patterns will vary based on the aesthetic presentation to the Clubhouse.
- The Practice Area, which includes the Chipping Green and Practice Bunker, will be mowed 2 to 3 times weekly, based on climatic conditions. The Chipping Green will also be mowed 2 to 3 times weekly, depending on climatic conditions with a hand greens mower. Mowing directions will vary each time. The Practice Bunker will be raked daily and edged weekly. Ball marks will be fixed daily on the Chipping Green. Divots will be repaired in conjunction with the Golf Shop staff.
- In maintaining these areas, the Greens keeper will follow all the proper and safe operational procedures (including not mowing range balls) that he/she has been trained on when mowing the practice facility. This includes safe transportation from the area to another, mowing all surfaces properly, and cleaning and servicing the mowing units. The Greens keeper shall be precise, efficient and very productive on a daily basis while providing a highly aesthetic and playable surface.

Irrigation

- The golf course shall be watered to fit the needs of the turf grass and to enhance its playability by maintaining its surfaces as firm as possible.
- Daily water usage records will be maintained by the Superintendent.
- The irrigation system and pump station will be inspected daily by the Irrigation Foreman.
- All irrigation will be scheduled by the management team under the direction of the Superintendent. Hand watering that is needed during the day in certain areas of the golf course will be under the direction the Superintendent or Assistant Superintendent,

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- Periodic maintenance will be done to the irrigation system in coordination with the Superintendent

Detail Work

- Edging, weed eating, trimming, leaf removal, or any job duty needed to enhance the playability and the aesthetics of the golf course will be done in a safe and efficient manner, based on training and operational directives. These include proper transport of equipment, its efficient use, time management of task at hand and cleanup, servicing, and storage of machinery.

Cultural Activities

- All cultural activities scheduled on the golf course (fertilization, weed control, disease control, insect control, aerification, verticutting, topdressing, and over seeding) will be determined by the Superintendent who will notify the Head Golf Professional either during the planning of the annual golf calendar or well in advance, so as to not disrupt play.
- Aerification will be done in late spring and early fall on all turf surfaces of the golf course.
- Over seeding of fairways will coincide with aerification in the early fall.
- Any secondary aerification or over seeding will be done selectively as needed or determined by the Superintendent or Assistant Superintendent. The Golf Shop will be notified well in advance of these activities if they affect play.
- Greens and Tees will be top-dressed and verticut on an as-needed basis, to be determined by playability and thatch control. The timing and frequency of these practices occurs typically 4 to 8 times annually. Notification to the Golf Shop and the membership will take place prior to these activities. These events will be scheduled as much as possible to not interrupt play.

Fertilizers and Chemical Applications

- Basic fertilizer schedules are to be established based on soil tests to maintain healthy turf and adjusted to meet environmental conditions and water quality standards.
- Chemicals will only be used as a last resort and only in a controlled supervised manner under the direction of the Superintendent and supervised by a licensed Qualified Applicator of the state.
- All personnel responsible for fertilizer or pesticide applications on the golf course will at all times be aware of our environmentally sensitive areas, such as lakes and creeks; and the proper application in which fertilizer or pesticide applications must be made per any

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environmental regulations. Failure to comply with the proper operational standards may mean disciplinary action or termination.

Sand and Seed

- Sand and seed will be kept on-site to be used for reseeding and topdressing as needed. Materials should be consistent with the high level of quality we are trying to achieve.

Grounds Buildings, Sheds and Storage Areas

- Everyone will cooperate in maintaining our maintenance facility, pump house, and restrooms in a neat and secured manner and free from graffiti.
- Buildings will be landscaped in such a manner as to remain shielded from general view and maintain a neat appearance.

Clean-up

- As a member of the Golf Course Maintenance Staff, you will be periodically assigned detail for the shop area that includes lunchroom, locker rooms, offices, storage areas, bathrooms, and clean-up areas. When assigned these duties it will be expected that floors will be swept or mopped daily. All trash will be emptied daily. The restroom floors, sinks, mirrors, and toilets will be cleaned properly and any general straightening or organizing of anything else to improve the cleanliness of the area will be expected. Individuals assigned to clean up are not responsible for washing the plates of other employees or cleaning a mess from someone else's meals or breaks. Individuals must clean up after themselves.

Material Stockpiles

- Material stockpiles will be kept neatly separated in designated areas.

Fuel and Chemical Storage Shed

- Fuel and chemical storage will be kept secured and maintained to meet all federal, state, county, local, and Club requirements. Any major spills will be contained in the proper fashion and cleaned up, based on state and federal regulations. The proper authorities will be notified of such an event happening.
- A list of all hazardous chemicals in the work place, their SDS sheets and labels will be kept on file along with the golf course's environmental compliance program. These items will be also furnished to the local governing authorities.

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Flowers and Shrubs

- Flowerbeds and plants will be maintained and periodically replaced to maintain blooming color and neat appearance.

Lighting and Signage

- Lighting will be maintained to provide nighttime and early morning safety in and around the maintenance building, entrance gate, and clubhouse structures.
- Signage will be maintained in good repair and kept clean and neat in the building areas and on the golf course.

Safety Procedures

- A comprehensive set of Safety Procedures shall be adhered to regarding equipment operation, handling of fertilizer and pesticides, and emergency response.
- Other procedures will be followed in accordance with OSHA safety programs.
- Monthly mandatory safety meetings will be administered by the Superintendent or Assistant Superintendent.

Training, Motivation and Development of Staff

- training meetings for all crew members will be conducted by the Superintendent or Assistant Superintendent.
- The Superintendent will also use these meetings to critique the golf course and the overall job done by the maintenance staff as well as to solicit feedback from the crew in order to make the operation more efficient and goal oriented.

Grounds Crew Supervision

- Whenever workers are scheduled, at least one of the following supervisors will be on-site supervising the golf course and grounds
 - Superintendent
 - Assistant Superintendent
 - Mechanic

Scheduling, Hours and Staffing

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- Staffing shall be set by the Management Staff so as to maintain established golf course condition standards and not to exceed the established monthly budget unless approved by the Club.
- No overtime work is allowed without prior approval.
- All staff is required to call in before their established work start time to report an illness or tardiness.
- All staff is required to call in prior to coming to work in cases of extreme inclement weather.
- Staff is to give at least a one-week notice to the Superintendent prior to any medical appointments.

Knowledge and Experience of Personnel

- The Superintendent will have prior experience as a Superintendent and a degree in Agronomy or related field. He/she shall be a Certified Golf Course Superintendent by the GCSAA and hold at a minimum a Qualified Applicators License from the state.
- The Assistant Superintendent will be experienced and capable in course care and maintenance. He/she should be qualified to act as the Superintendent in the event of an emergency.
- The Mechanic will be skilled and qualified to repair and operate all golf course equipment.
- The Irrigation Foreman shall be knowledgeable in the maintenance, installation, and repair of all irrigation components found on the golf course. He/she should be experienced in all facets of equipment operation and maintenance projects. He/she should have an ability to supervise crew personnel.
- Greens keepers will be competent, reliable, and diligent in their assigned tasks.

Industry Knowledge and Current Trends and Developments

- The Superintendent, Assistant Superintendent, Irrigation Specialist, and Mechanic and other key staff members will attend continuing educational meetings to keep updated on current industry knowledge.
- The Superintendent and Assistant Superintendent should attempt to play the golf course weekly to get the player perspective of the condition of the golf course.
- Trade literature will be available to all employees to improve their knowledge.

Licenses and Permits

EXHIBIT B**Golf Course Standards of Operation and Performance**

- Licenses and Permits will be kept current and filed by the Superintendent.
- An annual Golf Course Operations Plan will be prepared and presented to Washoe County. The plan will include a Golf Course Maintenance Plan, a Golf Course Improvement Plan and a Golf Course Marketing/Business Plan.

Exhibit C

**Fiscal Year 2016-2017
Equipment Inventory**

(To be included prior to January 1, 2017.)

Exhibit D
Compensation

1. Effective January 1, 2017 and during the term of this Agreement, contractor shall pay to County a "Golf Percentage Fee" representing the calculation of designated percent of gross revenue on Green Fees collected for each twelve month Calculation Period, or portion thereof if Agreement is terminated prior to the expiration of the Agreement.
2. Payments shall be made to County no later than the twentieth day of each month for the preceding month (example by August 20 for the percent of gross green fees collected July 1 through July 31). Payment will be accompanied by a summary report in accordance with section 12.4 and also include: the amount of gross revenue, the percent calculation applied to gross revenue, and the net payment to County.

3. Definitions:

The term "Green Fees" shall be defined in accordance with section 12.1.

The term "Gross Revenue" for purposes of this calculation only shall be defined as total green fees, ticket and annual fees per section 12.1 and 12.1.1, including tournament green fees.

The term "Calculation Period" shall be defined as the individual twelve (12) months of the Calendar year commencing January 1 of each year and ending December 31 of each year, or any prorated portion, should Agreement terminate prior to expiration.

4. Golf Percentage Fees shall be:

Year	Percent
January 1, 2017 to December 31, 2017	10%
January 1, 2018 to December 31, 2018	11%
January 1, 2019 to December 31, 2019	12%
January 1, 2020 to December 31, 2020	13%
January 1, 2021 to June 30, 2021	14%

5. Capital Improvement Fund shall be established and funded commencing January 1, 2019 in accordance with this exhibit.

6. Incorporated into this Exhibit D is "section 12 Exhibit C "Budget (proforma) and Past Performance"" from the proposal received by Washoe County on August 19, 2016.
7. Beginning January 1, 2019, and each License Year thereafter, Contractor shall by a onetime raise in green fees for this purpose, allocate two dollars (\$2.00) from each Green Fee to be deposited in a Capital Improvement Fund Trust ("CIP Fund"). Such Trust shall be maintained by the Contractor and the purpose of the CIP Fund will be to make building and land improvements (specifically excluding any equipment replacement) as agreed by County and Contractor. Such CIP Fund shall be held as an interest bearing trust account approved by County with Contractor as the Trustee for the County. Contractor shall transfer the balance in the CIP account to County on a quarterly basis. County agrees to maintain an independent cash account within the Golf Course Enterprise Fund for the monies transferred pursuant to this paragraph. Contractor shall prepare an annual CIP list that is reviewed and mutually agreed to by County.
8. The Capital Improvement Fund (CIP) fees collected as specified shall be collected or received solely on behalf of the County and shall be held by the Contractor in a fiduciary capacity, and Contractor shall not make any personal or other use of same.
9. CIP Fund Budget and Expenditures. Contractor will prepare an annual capital improvement program and budget ("CIP Budget") for major capital improvements, equipment, refurbishment and enhancements for the Managed Premises, based on the estimated life of capital improvements and costs of replacement, repair or refurbishment. Expenditures from the CIP Fund may be made only for capital improvement projects or equipment costing more than \$5,000 and approved by County. The CIP Budget shall be submitted annually to the County for its approval by December 1 for the following year's CIP. The County shall not unreasonably withhold or delay its approval.

10. Additional compensation to Washoe County:

Two areas of additional compensation not covered in the proposal are necessary for the Washoe County Golf Enterprise fund.

- 10.1 Lease of maintenance equipment to be utilized by the contractor. Lease costs will be based on the current depreciation due from the Golf Fund to Washoe County, of \$3,758.00 per year for each year of the contract. Not all pieces of equipment have a depreciation cost; however, the current cost is an acceptable overall lease cost to Washoe County for the use of the equipment.

10.1.1 Leased equipment consists of the following:

TORO-3050-2001-HOURS-3609.8 -GREENS MOWER.
TORO-3050-2001-HOURS-4795.4 -TEE MOWER .
TORO-3050-1997-HOURS-3418.9 -GREENS MOWER.
DUAL EXPRESS -BEDKNIFE GRINDER.
DUAL EXPRESS-REEL GRINDER.
JOHN DEERE-PROGATOR 2020A W/SPRAYER

10.2 Based on Board of County Commissioner direction the following table has been prepared to recover past due amounts.

	Yearly payment	Monthly payment

The attached document was submitted to the **Washoe County Board of Commissioners** during the meeting

held on December 13, 2016

by Community Services Dept

for Agenda Item No. 13

and included here pursuant to NRS 241.020(7) as amended by AB65 of the 2013 Legislative Session.

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December 9, 2016

DENVER
LAS VEGAS
LOS ANGELES
LOS CABOS
ORANGE COUNTY
PHOENIX
RENO
SALT LAKE CITY
TUCSON

Washoe County Commission
1001 E. Ninth Street
Reno, Nevada 89512

Re: Bell-Men, Inc.

Dear Board of County Commissioners:

I am the attorney for Bell-Men Golf Inc. (Bell-Men). The purpose of this letter is to support acceptance of Bell-Men's proposal to resolve the outstanding dispute on past due payments to the County and to support entering into a new license agreement with Bell-Men under a new management structure and communication protocol. As laid out in the Staff Report, at the Commission's October 25, 2016 meeting, the Commission directed Staff and encouraged Bell-Men to negotiate a new license agreement for Washoe Golf, and to resolve past due issues. Bell-Men and Staff and Staff counsel have complied with this request in good faith by meeting together on several occasions, reviewing and analyzing various documents and records bearing on costs and revenues, and exchanging ideas and proposals.

Bell-Men both lauds and appreciates the very hard work performed by your staff in analyzing the facts and records pertaining to this dispute, and its willingness to listen to arguments of compromise. They have been exceptionally professional and competent throughout this difficult process and maintained an atmosphere of reasonable problem solving and compromise, rather than engaging in contentious and disputatious debate about the history of the long and amicable relationship between the County and Bell-Men. Staff and counsel have represented the interests of the Commission and this community very well throughout this process, and while they may not entirely accept the legal grounds and defenses asserted by Bell-Men in connection with this past payment dispute, we believe they listened with an open mind, and we are confident that they understand Bell-Men's position.

This letter is not intended to present or advocate Bell-Men's legal position except to the extent of informing you that as counsel for Bell-Men we have researched and strongly believe in the merits of our own legal position, and believe that Bell-Men has compelling legal defenses to the County's claims, which we are prepared to present, even to the extent of engaging expert

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Community Services Dept

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MAI appraisers in support of our position. This is not what Bell-Men wants however. Bell-Men's only goal and desire is to continue performing what it believes has been a valuable service to the County and to this entire community, as manifested by the outpouring of public support for Bell-Men at the last County Commission meeting, and as evidenced and documented by the considerable community service, charitable endeavors, support and good will extended by Bell-Men to all members and constituents of this community, including various local social clubs and our local schools.

To put this in perspective, if one of the principal missions of the County Commission is to improve and enhance the quality of life in this community, and provide recreational places and facilities that furthers the well-being, joy and happiness of its constituents, then the County has succeeded mightily with Washoe County Golf Course as operated by Bell-Men, and the County should continue to do so. That goal should not be subverted or undermined by focusing on the relative merits or demerits of a court case over money, which is secondary to the overall objective of maintaining a quality recreational facility that enjoys nearly unanimous and universal support from the community. That is not to say that the County should not protect the legal interests and rights of the community, but this is a matter that involves a dispute where both sides have legitimate legal grounds and reasonable factual support for their respective positions. Bell-Men has made a very serious offer to compromise this dispute in an amount more than its lawyers and experts believe the County would recover in court, which Bell-Men wants to avoid. As stated above, while lawyers can endlessly debate and dispute the righteousness and legal legitimacy of their respective positions, this is a case that should be resolved today for the benefit of the entire community, and to enable the County and Bell-Men to move forward with a new partnership, under a rejuvenated and revised management structure and communication protocol, to insure that these types of problems never arise again, and so that the community can continue to receive the benefits of what the County Commission, through Bell-Men, has been able to provide for the last 30 years.

Very truly yours,

Snell & Wilmer L.L.P.


William E. Peterson

WEP:hwl