



REQUEST FOR PROPOSALS
**Glendoveer Golf
and Tennis Operations**
RFP 13-2105



Metro Regional Center

600 NE Grand Ave.
Portland, OR 97232
503-797-1527

Project Manager

Lydia Neill
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503-797-1830

Procurement Analyst

Karen Slusarenko
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503-797-1809

Due date

August 15, 2012
close of business

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I. INTRODUCTION

Metro, a metropolitan service district organized under the laws of the State of Oregon and the Metro Charter, located at 600 NE Grand Avenue, Portland, OR 97232-2736, is requesting proposals for operation of Glendoveer Golf and Tennis facility. Proposals will be due as indicated on the RFP cover page. It is the sole responsibility of the proposer to ensure that Metro receives the Proposal by the specified date and time. All late proposals shall be rejected. Proposers shall review all instructions and contract terms and condition.

Details concerning the project and proposal are contained in this document.

II. BACKGROUND/HISTORY OF PROJECT

Glendoveer Golf Course (Glendoveer), located at 14015 NE Glisan Street in Portland, Oregon, was acquired by Metro from Multnomah County in 1996 as part of a transfer of assets that also included the Expo Center, regional parks, pioneer cemeteries and Gleason and Chinook boat ramps. The Glendoveer property consists of 242 acres of land, zoned for parks and open space and is located within the City of Portland. The site includes two 18-hole golf courses, four covered tennis courts, a restaurant, driving range, pro shop, and a public soft-surface recreational trail. Two parking lots containing approximately 420 stalls at the main entrance serve the golf/tennis, trail users and restaurant patrons. Two domestic water wells are on the property and serve the golf courses. The restaurant is currently leased by the Ringside Steakhouse restaurant and is not included in this request for proposal. The restaurant currently provides “grab and go” beverages, beer, and snacks from a small coffee shop located in the restaurant building. The restaurant will discontinue this service by 2013, as Metro desires to include this service within the pro shop in the future. This popular golf facility soft surface walking trail hosts approximately 650 people per day year- round and is maintained by Metro. The trail and a parking lot located at 148th and Halsey is maintained by Metro and will not be part of this request for proposals. Metro will maintain all of the parking lots and the yard that serves the turf maintenance shops.

The east course was designed by Frank Stenzel in 1924 and the west course was added in 1928. The east course is 6,296 yards has a slope of 116 and a rating of 69.3. The east course has more elevation changes and is a greater challenge than the west course. The west course is 5,922 yards and has a slope of 111 and a rating of 67.5 and is favored by seniors, beginners and players with high handicaps. Both courses' fairways are lined with mature trees. A portion of both courses are bordered by a natural woodland area that is maintained by Metro.

Over 100,000 rounds (nines) of golf are played annually at this public facility. Audited financial statements show revenues in excess of \$2.5 million on average for the past three years, although rounds and revenues have steadily declined over the last five years (see details in Appendix A, Operational Assessment and Appendix G, Audited Financial Statements). The current operator, Glisan Street Recreation (GSR), has managed Glendoveer through a lease and operating contract for more than 30 years. The current operation contract expires on December 31, 2012.

Metro's goal is to modernize the operation and the facilities while providing moderately priced golf and tennis to the public. The facility will be operated under a concession type management contract. The operation of the golf course must balance agency-wide sustainability goals with fiscal goals through best management practices and facility improvements that reduce waste, water, energy and pesticide use and improve habitat conditions on-site. Outstanding customer service and access for all users of the facility is paramount. Metro will be increasing its capital investment in the facility to address deferred maintenance issues and meet user expectations. The surrounding community is passionate about the facility and takes pride in the amenities that Glendoveer offers.

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Glendoveer is also maintained as an Audubon Sanctuary Golf Course. A preliminary assessment of the golf course operations was completed by Salmon Safe and although not eligible at this time, Metro will be working toward obtaining this certification in the future. The new operator agreement will put strong business practices in place, provide expanded youth programs for tennis and golf and continue to provide quality recreational benefits to the community. Metro will continue to provide and maintain the walking trail. The restaurant lease is not included in this request for proposals; that lease will be held directly by Metro.

A number of studies and technical reports have been completed to assess the condition of the facility, prioritize future improvements and investments and evaluate the revenue potential of Glendoveer.

Appendices can be accessed on Metro's FTP site: <ftp://ftp.oregonmetro.gov/dist/parks/Glendoveer/>

Appendix A – Longitudes Operations and Marketing Assessments, 2011

Appendix B – 2012 Golf Course Equipment Inventory

Appendix C - Irrigation Study and Plan, 2011

Appendix D- Glendoveer Golf Course Analysis, Design Workshop, 2008

Appendix E – Salmon-Safe site assessment, 2010

Appendix F – Glendoveer maps and photos

Appendix G – Metro's Sustainability Plan for Internal Operations, 2010

Appendix H – Pilot Salmon-Safe Certification Standards for Golf Courses

Appendix I – Merina & Company, LLP Auditor's Report, 2009, 2010 & 2011

Appendix J - Pro Shop Food and Beverage Plan, 2012

III. PROPOSED SCOPE OF WORK/SCHEDULE

The purpose of the RFP is to contract with a professional golf course operator to manage and maintain both golf courses, the tennis center, the driving range and the pro shop as a profitable enterprise, offer quality golf and tennis products to the public and perform basic maintenance and upkeep of the property while incorporating sustainable maintenance and operational practices for the facility. Metro intends that the operator will be compensated through a concession type contract with expenses charged to Metro.

Generally, the operator will be responsible for providing:

- Seamless daily operation of two 18-hole golf courses, driving range, tennis facility and pro shop so that all users receive equal attention and service.
- Deliver consistently excellent customer service to the public.
- Golf instruction by Class "A" golf professionals and tennis instruction by USTA professionals.
- Sales of innovative and quality retail goods for golf and tennis players to enhance their play.
- Food and beverage cart service on the golf course.
- Maintain a quality driving range operation.
- Business and marketing strategies to increase rounds, use of the tennis facility and driving range.
- An electric golf cart fleet that is adequate to conduct tournament play and service two 18 hole golf courses.
- Daily maintenance of both golf courses and the irrigation system serving the courses by a class "A" golf course superintendent.
- Basic daily basic maintenance of grounds, buildings and equipment.
- Integrated Best Management Practices (IPM's) for sustainable operation of golf courses and grounds.

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- Integrated Best Management Practices (BMP's) for sustainable daily operation and maintenance of buildings.
- Development of web based reservation access, a new webpage and utilization of social media in marketing the facility.
- Expanded youth golf and tennis programs.
- Assist Metro in developing a limited food and beverage operation within the pro shop, possibly with patio seating adjacent to the pro shop to replace the coffee shop in the restaurant. The method and funding to develop is to be determined.
- Development of tournament play with food catered by the Ringside restaurant.

The scope of work included in Attachment C provides a description of how Metro intends to interact with the contractor selected to manage and operate the facility.

The term of the initial contract is anticipated to be five years, from January 2013 through December 2018, with the possibility of two (2) three-year contract extensions for a total contract term of eleven (11) years.

IV. QUALIFICATIONS/EXPERIENCE

Proposers shall have the following:

- 1) Ten (10) years experience managing municipal and/or daily fee golf courses.
- 2) Experience developing business and marketing plans used in operating golf courses.
- 3) Experience with all facets of golf course maintenance, including irrigation installation.
- 4) Experience implementing best management practices to sustainably operate a golf facility.
- 5) Minimum five (5) years experience operating a tennis facility (either directly or through a subcontractor).
- 6) Expertise reinvigorating a declining golf course operation through expense management, growth strategies, marketing efforts and/or capital investment.

V. PROJECT ADMINISTRATION

Lydia Neill, Metro's project manager for the Glendoveer site, will manage this solicitation. The proposer shall indicate one point of contact for communication during this evaluation process.

VI. GENERAL PROPOSAL/CONTRACT CONDITIONS

- A. Limitation and Award: This RFP does not commit Metro to the award of a contract, nor to pay any costs incurred in the preparation and submission of proposals in anticipation of a contract. Metro reserves the right to waive minor irregularities, accept or reject any or all proposals received as the result of this request, negotiate with all qualified sources, or to cancel all or part of this RFP.
- B. Billing Procedures: Proposers are informed that the billing procedures of the selected firm are subject to the review and prior approval of Metro before reimbursement of services can occur. Contractor's invoices shall include the Metro contract number, an itemized statement of the work done during the billing period, and will not be submitted more frequently than once a month. Payment shall be made by Metro on a net 30 day basis upon approval of contractor invoice.
- C. Validity Period and Authority: The proposal shall be considered valid for a period of at least one hundred and twenty (120) days and shall contain a statement to that effect. The proposal shall contain the name,

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title, address, and telephone number of an individual or individuals with authority to bind any company contacted during the period in which Metro is evaluating the proposal.

- D. Conflict of Interest: A Proposer filing a proposal thereby certifies that no officer, agent, or employee of Metro or Metro has a pecuniary interest in this proposal or has participated in contract negotiations on behalf of Metro; that the proposal is made in good faith without fraud, collusion, or connection of any kind with any other proposer for the same call for proposals; the proposer is competing solely in its own behalf without connection with, or obligation to, any undisclosed person or firm.
- E. Equal Employment and Nondiscrimination Clause: Metro and its contractors will not discriminate against any person(s), employee or applicant for employment based on race, color, religion, sex, national origin, age, marital status, familial status, gender identity, sexual orientation, disability for which a reasonable accommodation can be made, or any other status protected by law. Metro fully complies with Title VI of the Civil Rights Act of 1964 and related statutes and regulations in all programs and activities. For more information, or to obtain a Title VI Complaint Form, see www.oregonmetro.gov.

VII. APPEAL OF CONTRACT AWARD

Aggrieved proposers who wish to appeal the award of this contract must do so in writing within seven (7) business days of issuance of the notice of intent to award by Metro. Appeals must be submitted to the Metro Procurement Officer, 600 NE Grand, Portland, Oregon 97232 and must state the specific deviation of rule or statute in the contract award. Metro will issue a written response to the appeal in a timely manner.

VIII. NOTICE TO ALL PROPOSERS -- SAMPLE AGREEMENT

The attached sample agreement included herein reflects preliminary, draft contract language and selected, proposed contract terms for this procurement. Proposers should be aware that such language terms and provisions are for illustrative purposes only and that Metro reserves the right, following submission and ranking of all proposals submitted in response to this procurement, to amend, modify or negotiate over any and all such contract language, terms and provisions before making a final determination regarding the issuance of the Notice of Intent to Award the agreement arising from this procurement. In addition to this sample agreement a summary of contract terms has been provided to illustrate the terms of a golf operations contract. By submitting a proposal in response to this procurement, proposers acknowledge that they are aware of and do not object to any later, potential amendment and modification of such preliminary, draft language and terms. In addition, by responding to this procurement, proposers acknowledge that they are aware of their ability to offer alternatives to any of the preliminary, draft contract language and proposed contract terms set forth herein.

IX. PROPOSAL INSTRUCTIONS

A. Submission of Sealed Proposals

Twenty (20) copies of the proposal in three-ring binder notebooks and one (1) electronic copy shall be furnished to Metro in a sealed package, addressed to:

Metro Procurement Services
Attn: Karen Slusarenko, RFP 13-2105
600 NE Grand Avenue
Portland, OR 97232-2736

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- B. Deadline: Proposals will not be considered if received after the date and time indicated on the RFP cover page.
- C. RFP as Basis for Proposals
This Request for Proposals represents the most definitive statement Metro will make concerning the information upon which proposals are to be based. Any verbal information which is not addressed in this RFP will not be considered by Metro in evaluating the proposal. All questions relating to this RFP should be addressed to Karen Slusarenko, Karen.slusarenko@oregonmetro.gov. Any questions which, in the opinion of Metro, warrant a written reply or RFP addendum will be furnished to all parties receiving this RFP. Metro will not respond to questions received after 3:00 pm on August 6, 2012.
- D. Information Release
All proposers are hereby advised that Metro may solicit and secure background information based upon the information, including references, provided in response to this RFP. By submission of a proposal all proposers agree to such activity and release Metro from all claims arising from such activity. In accordance with Oregon Public Records Law (ORS Chapter 192), proposals submitted will be considered part of the public record, except to the extent they are exempted from disclosure.
- E. Minority, Women and Emerging Small Business Program
In the event that any subcontracts are to be utilized in the performance of this agreement, the proposer's attention is directed to Metro Code provisions 2.04.100, which encourages the use of minority, women and emerging small businesses (MWESB) to the maximum extent practical. Copies of these MWESB requirements are available from the Metro Procurement Office, 600 NE Grand Avenue Portland, OR 97232, and 503-797-1648.
- F. Pre-Proposal Conference
A voluntary pre-proposal conference will be held on July 25, 2012 at Glendoveer Golf Course, 14015 NE Glisan Street, Portland, Oregon 97230 in the pro shop at 10:00a.m. A guided tour of the facility will follow the question/answer session. Interested proposers are encouraged to attend the conference and tour in order to gain information about the RFP requirements and tour the facility. Please RSVP by contacting Karen Slusarenko at karen.slusarenko@oregonmetro.gov or calling 503-797-1809. Please indicate your firm name and how many people will be attending. Please respect the current operator's business and do not enter non-public parts of the facility.

X. PROPOSAL REQUIREMENTS

The proposal should contain no more than thirty (30) pages of written material responding to the questionnaire (excluding biographies, resumes, examples of plans that are provided as part of the response to the questionnaire and brochures, which may be included in an appendix), which describe the ability of the consultant to perform the work requested. The proposal must include a full response to each of the headings in the outline posed in the RFP questionnaire located in Attachment A. Proposal responses must be submitted in the same order as the headings listed in the RFP questionnaire and should be clearly identified. In addition to the responses to the questionnaire a transmittal letter should be included with the information indicated below.

The proposal should be submitted on recyclable, double-sided recycled paper (post consumer content). No waxed page dividers, folders, or non-recyclable materials should be included in the proposal. Use a recyclable three-ring binder that contains dividers addressing each section of the questionnaire. Any examples of plans should be included in the appropriate section.

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- A. Transmittal Letter: Indicate the project manager or lead person who will be responsible for submitting the proposal and providing any additional information requested by Metro. Indicate that the proposal is valid for at least one hundred twenty (120) days.
- B. Questionnaire: Your firm's response to the following six (6) subject areas will form the basis of your proposal's evaluation and are covered in detail in Attachment A Questionnaire and although there are thirteen headings and narrative under each heading that asks for specific information in total these responses will allow Metro to evaluate how each Proposer meets these categories:
1. Experience and business approach
 2. Customer and community service
 3. Diversity of Employment, Contracting and Program Participation
 4. Sustainable business practices
 5. Budget/cost proposal
 6. Exceptions, if applicable

XI. EVALUATION OF PROPOSALS

The overall objective of this process is to conduct a transparent and meaningful evaluation process that involves citizens who are neighbors, golf and tennis users in the selection of the most qualified operator.

- A. Evaluation Procedure: Proposals received that conform to the proposal instructions and requirements will be evaluated. The evaluation will take place using the evaluation criteria identified in the following section. Award will be made to the highest ranked Proposer according to the evaluation criteria and the results of the final interview process. Metro intends to enter into negotiations with the top proposer at the conclusion of the final review. If contract negotiations are unsuccessful with the highest ranked firm, Metro reserves the right to enter into negotiations with the next highest ranked Proposer.

B. Review Process

Preliminary Review Process:

Initial screening of proposals from firms that meet the qualifications and experience requirements will be conducted by the Glendoveer Citizen's Review Panel (GCRP). The GCRP committee is composed of neighbors, golfers, tennis players, trail users and citizens with an interest in Glendoveer. Review will occur in August, 2012. The GCRP will use the Evaluation Criteria in XII, "Experience and Business Approach" and "Customer and Community Service" for a total of 50 of 100 possible points. The Metro Procurement Department will provide scoring for "Diversity", "Sustainable Business Practices" and "Budget/cost proposal". These two sets of scores will be combined to determine which firms will move on to the final review process. The GCRP is invited to observe the Final Review Process and provide informal comments to the Metro Selection Committee (MSC).

Final Review Process:

Metro's Selection Committee (MSC) will conduct the final review and selection process. The total scoring from the preliminary review process will determine the top firms that will be asked to participate in the final review process. Those firms selected will prepare a second submittal consisting of a sample budget and business plan for Glendoveer.

This submission will be limited to a maximum of ten (10) pages of material and should focus on opportunity areas (limited to three areas) that can increase revenues, decrease expenses or provide



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services that have been overlooked in the current operation. Provide a description of the opportunity areas or strategies and estimate the potential impacts on revenue. A presentation to the MSC focused on this submittal followed by a short interview session will determine which firm will be selected to operate Glendoveer. The interview will include a question answer session and a presentation on the written exercise. The final interview and written exercise will be based on a 50 point basis that is scored independently of the preliminary review process scoring. The results of this final process and the highest final score based on 50 possible points will determine the top proposer. Metro intends to enter into negotiations with the top proposer at the conclusion of the final review.

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XII. EVALUATION CRITERIA

The adequacy and evaluation of all proposals will be based on the following criteria:

- A. Preliminary Evaluation Criteria: This section provides a description of the criteria which will be used in the Preliminary Review process evaluation of the proposals submitted to accomplish the work defined in the RFP.

	Total Point Score
Experience and Business Approach	35
1. Experience of firm and key personnel in operating golf and tennis facilities and demonstrating the minimum experience contained under IV, above. 2. Ability to establish professional standards for operating the facilities and providing high level of customer service. 3. Ability to develop marketing and business strategies to attract more rounds of golf, increase sales in the pro shop and driving range and development of tournament and event business. 4. Ability to select, install and maintain an integrated POS and golf/tennis system for Glendoveer. 5. Ability to manage and develop food service capabilities in the clubhouse and tournament events.	
Customer and Community Service	15
1. Ability to implement golf and tennis youth programs to attract youth, women, and minorities. 2. Commitment to customer service as demonstrated through examples provided and business practices.	
Diversity	10
1. Work Force Diversity, Diversity in Contracting, Diversity of Firm, Diversity of Program Participation	
Sustainable Business Practices	10
1. Economy, Environment, Community - commitment to the environment, local economy and the surrounding community,	
Budget/Cost Proposal	
1. Management and incentive fee proposal	30
2. Cost sharing or in-kind contribution capital development proposals	
3. Synergy and potential cost savings between other local operations managed by your firm.	

Total Preliminary Review Points 100

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Final Evaluation Criteria

- A. Final Evaluation Criteria: This section provides a description of the criteria which will be used in the Final evaluation process.

	Total Point Score
Written Submittal	25
Oral Presentation	25
Total Final Evaluation Points	50



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Attachment A – Questionnaire

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The following Questionnaire asks for information concerning the Proposer's organization, experience, management practices, business practices and skills and a fee proposal for operation of Glendoveer Golf and Tennis Facility. Proposers should submit responses in the exact order as listed below with the same heading and numbering system. Please provide detailed information on every section. If any portion of the work is proposed to be subcontract provide information of the firm's qualification and experience to provide an answer to the section. A description of operational standards and a description of roles and responsibilities follow in Attachment "C", Scope of Work. The scope of work is intended to be a guide to the type of business arrangement Metro is seeking.

Questionnaire Contents is as follows:

A. General Narrative:

Provide a narrative that describes your capabilities, meets the experience requirements and how you will provide these services:

1. Ability to offer professional golf and tennis services to the public.
2. Ability to provide superior customer service and market Glendoveer to the public.
3. Ability to provide programming for golf and tennis to youth, women and under-served residents.
4. Ability to create a synergistic operation of the facilities that includes trail and restaurant users which are users of the site but are not part of this contract.
5. Ability to manage and operate the golf course, buildings and related facilities in an environmentally sustainably manner.

B. Organization:

Provide details on the ownership and legal structure of your business and shall provide details on the following:

1. If a corporation or an LLC, furnish date and state of incorporation, and the names of all persons or entities owning at least twenty five percent (25%) of the company's voting stock. If the proposer is a subsidiary, state name and ownership of the parent company; however, all information provided within must be as the proposer and not as to the parent company.
2. If a partnership, list all partners and ownership shares.
3. If a joint venture or if a subcontractor is used to operate the tennis facility; indicate and provide the information requested in this section for each party to the joint venture. Metro intends to award this contract to a single firm to provide the golf and tennis services required. The contractor must assume responsibility for any subcontractor participation in the management of the site and shall be responsible for the day-to-day direction and internal management of all of the golf and tennis operations.
4. If a sole proprietorship, list all of the business names under which such individual has done business during the last ten (10) years.
5. Provide organizational charts for national, regional and local business units and key executives and management personnel who will have involvement with Glendoveer.
6. Provide financial statements including balance sheets, statement of income and changes in financial position, for the last five (5) years. Audited financial statements are strongly preferred. In the event an audited financial statement is not available, the proposer's Chief Financial Officer shall certify all financial statements.

Confidentiality- This paragraph shall apply to information that the Proposer is submitting to Metro which Proposer considers to be confidential and proprietary, and which Proposer does not want Metro to disclose to third parties. To protect such information from disclosure, proposers should specifically identify the pages of the proposal containing such information by marking the applicable pages

Attachment A – Questionnaire

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“CONFIDENTIAL.” However, proposers shall not identify the entire proposal “CONFIDENTIAL.” Provided that, in Metro’s sole discretion, such information should reasonably be considered confidential, and to the extent otherwise permitted by law, Metro obliges itself in good faith not to disclose such properly identified confidential information to any person outside of Metro. Proposers should be aware that Oregon Public Records Laws require public disclosure of most records deemed to be “public records.” Accordingly, Metro cannot guarantee to protect the confidentiality of any records submitted to it, even if the Proposer believes them to be exempt from disclosure under Oregon law. If properly identified confidential information is requested, and if Metro determines that such information should reasonably be considered confidential, Metro will not disclose it unless ordered to do so by the Multnomah County District Attorney. In the event that Metro receives such an order, Metro will provide Proposer with the opportunity to appeal the District Attorney’s decision to the State courts. Metro shall not release for public inspection proposals received until it concludes negotiations and issues a Notice of Intent to Award.

7. Provide a complete list of your clients including the name of the property managed, address and property owner contact. Indicate all municipal/and or public golf courses and/or tennis facilities that you manage currently or have managed within the last ten (10) years.

C. Best Management Practices for Golf Course Maintenance:

Best Management Practices - Golf Course Maintenance. Discuss Best Management practices, Integrated Pest Management Plans (IPM) that your firm has instituted for golf courses managed by your firm, and whether Audubon Sanctuary certification or another type of environmental certification has been achieved. Metro has agency wide goals to operate all of our facilities as sustainably as possible and in a golf course environment this can be challenging, but also provides a tremendous opportunity to change perceptions and to demonstrate best management practices. Metro has a goal of managing both courses as sustainably as possible and obtaining Salmon Safe certification for the course over the next five (5) to seven (7) years. This will require a change in current practices and a plan to monitor and reduce fertilizer and pesticide use, water, energy, waste and to look at for ways to improve habitat via incorporation of native plant materials into roughs and out of play areas.

Discuss any sustainable operating plans for facilities that your firm has developed to reduce toxics, waste, water and energy use and improve habitat. Metro is seeking to incorporate more sustainable practices in the operation of Glendoveer.

D. Standards and Specifications:

Discuss your preferred standards for purchasing equipment or replacement systems that may include irrigation, golf course maintenance equipments, golf carts and key supplies. Describe purchase systems and accounts that your firm has set up to supply facilities, provide equipment or services by brand, and discuss the potential for discounts that may be available for Glendoveer.

E. Proprietary Systems and Management Practices:

Describe any proprietary systems or methods that you have developed and employ in the management of golf and tennis facilities and describe how Glendoveer might benefit from these systems or methods

F. Management:

1. **General Manager’s Resume.** Metro believes that the general manager is a crucial position and a key to implementing a profitable and sustainable business operation at Glendoveer. Provide a description of the

Attachment A – Questionnaire

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general manager's education, municipal golf course operation experience, certifications or other experience. Indicate how long this individual has been employed by your firm and describe your philosophy of internal growth, promotion and hiring locally.

2. **Golf Course Superintendent's Resume.** Metro believes that the golf course superintendent is also a key position and will be instrumental in modernizing maintenance practices and making improvements to aging irrigation infrastructure. Discuss the Superintendent's educational experience, certifications and experience with different types and locations of golf courses. Discuss support available from your head office to develop strategic plans for identifying and managing potential upgrades to the golf courses and maintenance facilities at Glendoveer. Discuss any involvement in developing and implementing sustainable practices and strategies.
3. **Principal in Charge and support functions.** Describe your firm's organizational chart and roles and responsibilities that may have an impact on how Glendoveer is operated. Discuss unique qualifications of senior and executive staff and how their skills are used to train, monitor and mentor local management. Discuss centralized services if used or available for IT, human resources, accounting and agronomy.

G. Local Operation Synergy:

Discuss locations of other facilities or golf course locations managed by your firm (if applicable) that may provide an opportunity to share equipment and/or other resources and the potential benefits to Glendoveer. This could include equipment, marketing, programs or staff resources.

H. Marketing and Business Development Strategies:

Metro considers Glendoveer to be a "turn-around property" due to the declining rounds and revenue that will require the application of new (to Glendoveer) and innovative methods and strategies to make the business successful over the long-term. Being able to apply innovative marketing and business strategies is essential. Describe the success of strategies, programs and ideas, and how your firm might apply them to Glendoveer.

I. Compensation Proposal:

Present the proposed method of compensation. Metro intends to award a base management fee, provide expense pass-through for staffing and operational expenses, and to implement an incentive structure that rewards an operator for growing rounds and increasing tournament play while balancing expenses.

The fee proposal could include proposed cost sharing or in-kind contributions for specific projects. Provide detailed descriptions of the value and dollar amounts if applicable to your proposal.

J. Point of Sale System:

Discuss the type and brand of point of sale system that your firm currently use at other courses and make recommendations for purchase of a system for Glendoveer. The choice should be functional, easy to use and cost effective in terms of initial cost and yearly subscription fees. Recommend a cost effective and functional system that conforms to the specifications under Attachment "C", Scope of Work, section "Q. Point of Sale System."

K. Diversity in Employment, Contracting and Participation:

Discuss diversity in your workforce and efforts you have made to increase opportunities in either hiring, contracting and program participation.

Attachment A – Questionnaire

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1. Work Force Diversity – Describe your work force demographics (number of employees, race and gender) and the measurable steps taken to ensure a diverse work force, including company policies and practices that promote the hiring and retention of women and ethnic minorities.
2. Diversity in Contracting – Describe your history of working with diverse firms, including any MWESB-certified firms. Describe a project for which you worked with minorities, women or emerging small businesses. Provide the project name, method used to achieve participation (for example, joint ventures, subcontracts or purchase of equipment or supplies from a certified firm) and the dollar amount or percentage of the project budget expended on such participation.
3. Diversity of Firm – Describe the ownership of your firm and whether or not your firm is certified by the State of Oregon as an MBE, WBE or ESB. Provide certification number, if applicable.
4. Diversity of Program Participation - Demonstrate your firm's ability to implement golf and tennis programs to attract youth, women and minorities to the facility. Describe the types of programs and the success that you have achieved.

L. Sustainable Business Practices:

Metro has a strong interest in operating all of our facilities in the most sustainable way possible. Our goal is to continually examine business practices to look for ways to decrease environmental impacts by reducing toxics, waste, energy and water use, support the local economy and engage the community. This discussion is separate from Best Management Practices in section C (Questionnaire). Discuss your firm's commitment to the environment, local economy and the surrounding community as described below.

1. Environment: Describe your business practices that reduce environmental impacts of your operations. This may include energy efficiency, use of non-toxic products, alternative fuel vehicles, waste prevention and recycling, water conservation, green building practices, use of environmental stewardship plans, water quality, habitat improvements, etc. Demonstrate your firm's ability to develop a sustainable operating plan for maintenance of buildings, landscapes, waste management and purchasing.
2. Economy: Describe your support of local businesses and markets within the Portland Metro region. Include what steps your company has taken in the past to support local businesses, and what steps would be taken if selected for this project. Include what steps your company has taken in the past to support local businesses, procurement policies and what steps would be taken if selected for this project.
3. Community: Describe the employee compensation structure of your organization. Include wage scales for employees, including trainee, probationary, entry level, journey level, and supervisory positions. Also include policies regarding annual cost of living adjustments (COLA) to employee wages. Include details of the healthcare program (including, medical, dental, prescriptions, preventive care, etc.) as well as out of pocket and deductibles, and employee contributions for themselves and family members. All other employee benefits are to be included, such as vacation, sick leave, pension, disability insurance, profit sharing, childcare, health memberships, company vehicle, public transportation, etc. Describe how you ensure all visitors and site users feel welcome at your facilities and ways you build community connections and foster responsible use of the property.

M. Exceptions to Sample Agreement and RFP:

Carefully review the Sample Agreement in and incorporated hereto as Attachment B and the Summary Description of Contract Terms and Conditions. This is the standard agreement that will be modified with additional terms as described in the Summary Description, which the successful respondents to this RFP will be required to execute. Respondents wishing to propose any exceptions or alternative clauses to the agreement or to any specified criteria within this RFP must propose those exceptions or alternative clauses in

Attachment A – Questionnaire

Request for Proposals (RFP 13-2105)

Glendoveer Golf and Tennis Operations



600 NE Grand Ave.
Portland, OR 97232-2736
503-797-1700

their proposal; however, Metro shall not be required to consider contract revisions proposed during contract negotiation and award. Proposed exceptions or alternative clauses should be accompanied by explanations that are succinct, thorough and clear

N. Youth Program:

Metro has a strong interest in developing programs that reach women, minorities and youth to involve these groups in tennis and golf. Discuss how you have developed or partnered with non-profits, schools and/or private groups to develop these programs and how successful they have been in attracting these groups to facilities that you currently manage or have managed in the past. Also discuss how you will incorporate the “Sticks for Kids” program into your operation.

O. Tournament Play:

Metro has identified tournament booking and associated food and beverage with these events as a key potential source of increased revenue. The restaurant has catering capability, and as part of the lease agreement with Metro has agreed to provide exclusive catering of Glendoveer events. Terms will be available that detail the menu offerings and minimum/maximum size of events to support development of this business center. As mentioned in “B. Capital and/or in-kind contributions” in Attachment C- Scope of Work, the outdoor facilities necessary for development of this level of tournament business are unfunded. Discuss how your firm has developed this capability at facilities that you have managed and how successful these efforts have been.

P. Food and Beverage Operations:

On course beverage service, food and beverage in the pro shop will require licensing and limited food service capabilities that will be developed and managed by the golf course operator. Based on the preliminary plan that has been developed to provide food and beverage services in the pro shop comment on changes. The food and beverage services offered in the pro shop will be “grab and go” (bottled drinks) and potentially beer on tap and not duplicate the level of food/beverage services provided by the restaurant. The food service set up in the pro shop has not been developed or funded. This could be part of a capital contribution from an operator. No hard alcohol is to be served from the pro shop, only beer and wine. Describe how your firm has implemented development of this type of service at other facilities or how you would address this need at Glendoveer.

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Glendoveer Golf & Tennis Management Agreement

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Attachment B- Sample Contract

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Glendoveer Golf and Tennis Operations



Golf and Tennis Facility Management Agreement between

METRO and OPERATOR

This OPERATOR Agreement between METRO and OPERATOR ("Agreement") is entered into this first day of January, 2013, by and between the METRO, a metropolitan service district organized under the laws of the State of Oregon and the Metro Charter, located at 600 N.E. Grand Avenue, Portland, OR 97232-2736, and XXXXX, ("OPERATOR").

RECITALS

1. METRO is the owner of Glendoveer Golf and Tennis Facility that includes two 18-hole golf courses, four tennis courts, a clubhouse that includes the pro shop and a two tiered driving range. The OPERATOR shall make no improvements, additions, alterations or changes to the Golf and Tennis Facility property or any structure without written approval of METRO.
2. METRO desires to utilize the services of OPERATOR for the overall management, maintenance and operation Glendoveer, collection of fees and other related golf and food and beverage services.
3. OPERATOR represents that it has the necessary experience and qualifications to manage, operate and maintain the Golf and Tennis Facility and whose proposal, submitted METRO dated August 15, 2012, was reviewed by the METRO.
4. METRO and OPERATOR agree that the primary objectives for OPERATOR's performance under this Agreement are to provide high quality golf and tennis experiences, and reasonable prices and to generate revenues sufficient to cover all expenses and to allow continued improvement of the facility.

NOW, THEREFORE, in consideration for the mutual promises hereinafter set forth, the parties hereto agree to as follows:

1.0 DEFINITIONS.

The following terms shall be defined as follows for the purposes of this agreement:

1.01 Affiliate. "Affiliate" is any and all corporations, partnerships, trusts and other entities directly or indirectly controlled by, controlling or subject to direct or indirect common control of an entity or a person.

1.02 Annual Business Plan. "Annual Business Plan" is the plan submitted by the operator to describe how the facility will be managed in the upcoming year.

1.03 Annual Operating Budget. "Annual Operating Budget" means the budget delivered to METRO by April 15 of each year. This proposed budget projects all expenses on a monthly basis for the period July 1 through June 30.

1.04 Approved Annual Budget. "Approved Annual Budget" means the Glendoveer Budget approved by METRO.

1.05 Best Management Plan. "Best Management Plan" Is defined under Section 3.06.2.

1.06 Bank Account. "Bank Account" is defined under Section 7.01.

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Request for Proposals (RFP 13-2105)

Glendoveer Golf and Tennis Operations



1.07 Capital Budget. "Capital Budget" is a budget submitted by the OPERATOR with the Annual Business Plan to define capital expenditures for the year.

1.08 Class "A" Golf Course Superintendent. "Class "A" Golf Course Superintendent" is defined by the Golf Course Superintendent association of America.

1.09 Capital Expenditures. "Capital Expenditures" mean any expenditure for new or replacement capital equipment, supplies, improvement or maintenance cost to any renovation to the Golf and Tennis Facility, the cost of which exceeds \$5,000 and has a useful life of more than one (1) year.

1.10 Compensation. "Compensation" is the direct salaries and wages paid or accruing for the for the benefit of the management staff and all other persons employed by the OPERATOR at Glendoveer Golf and Tennis Facility, together with all fringe benefits payable to or accruing for the benefit of such employees, including employer's contribution under the Federal Insurance Contributions Act ("FICA"), unemployment compensation, or other employment taxes, pension fund contributions, worker's compensation, group life and accident and health insurance premiums, retirement, disability and other similar benefits.

1.11 Contract Ending Transition Period. "Contract Ending Transition Period" defined under Section 12.01.

1.12 Cost of Goods Sold. "Cost of Goods Sold" is defined as beginning Resale Inventory plus purchases for Resale Inventory plus purchases for Resale Inventory minus ending Resale Inventory.

1.13 Course Maintenance Plan. "Course Maintenance Plan" defined under Section 3.06.9.

1.14 Direct Cost Budget. "Direct Cost Budget" defined under Section 5.08.

1.15 Direct Costs. "Direct Costs" are defined as any cost which is directly related to normal and ordinary staffing, operations or routine maintenance of Golf and Tennis Facility as approved by Metro.

1.16 Driving Range. "Driving Range" means all buildings associated with the two tiered golf practice driving range at Glendoveer.

1.17 Effective Date. "Effective Date" means the date the agreement between the OPERATOR and Metro takes effect.

1.18 Environmental Laws. "Environmental Laws" defined under Section 3.29.1.

1.19 Facilities. "Facilities" includes all buildings, structures, landscaping, improvements, irrigation system and controls, cart paths, fixtures, trade fixtures, furnishings, equipment, pro shop food and beverage facilities, tennis facilities, maintenance yard, parking lots and all utilities located on the premises.

1.20 Fees and Charges. "Fees and Charges" refer to all fees charged for the use of the Golf and Tennis Facilities, tennis courts and the driving range which are part of the annual business plan and shall be approved by METRO.

1.21 Fiduciary Responsibilities. "Fiduciary responsibilities" The OPERATOR shall have responsibility to Metro in its operation of the facility and paying all payments due to Metro, vendors and suppliers in accordance with this agreement. OPERATOR should in no way comingle advances from Metro with other accounts. In addition, no purchase of goods or services shall be made by the OPERATOR from an entity affiliated with the OPERATOR unless such a purchase is on terms that are reasonably competitive. Any breach of the covenants contained herein shall be a breach of fiduciary obligation.

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Glendoveer Golf and Tennis Operations



1.22 Fixed Management Fee. "Fixed Management Fee" means the fixed monthly fee paid to the operator defined in Section 6.02.

1.23 Food and Beverage Service - Pro Shop. "Food and Beverage Service - Pro Shop" is defined as all food and beverages served and sold out of the Pro Shop area.

1.24 Force Majeure. "Force Majeure" is defined in Section 13.04.

1.25 Furnishing and Equipment. "Furnishing and Equipment" are all furniture, furnishing, trade fixtures, equipment, including without limitation, Golf and Tennis Facility maintenance vehicles and equipment, driving range pickers, ball machines, mats, range ball baskets, cash registers, benches, ball washers, copy machines, computers, telephones, credit card machines, golf carts and other personal property used or held in storage for use in operating the Golf and Tennis Facilities, other than resale inventory.

1.26 GCSAA. "GCSAA" is the Golf and Tennis Facility Superintendents Association of America.

1.27 General Manager. "General Manager" is an employee of the OPERATOR that is responsible for all facets of the operation of the Glendoveer Golf and Tennis Facility.

1.28 Golf and Tennis Facility. "Golf and Tennis Facility" is the municipal Golf and Tennis Facility known as Glendoveer owned by Metro, including but not limited to the land, 36 holes, driving range, maintenance complex, two water towers (one is inactive), two wells and pro shop.

1.29 Golf and Tennis Facility Expenses. "Golf and Tennis Facility Expenses" are all costs and expenses incurred in the operation, management, and maintenance of the Golf and Tennis Facility and Driving Range, including: (a) all expenditures incurred by METRO for the benefit of the Golf and Tennis Facility; (b) the "Combined Management Fee" paid to OPERATOR pursuant to Section 6.01 of this Agreement; (c) all expenses specifically identified as "Direct Costs" in this Agreement; and (d) all other expenses incurred by OPERATOR in connection with the Golf and Tennis Facility or this Agreement, which expenses were not reasonably anticipated by the parties or otherwise provided in this Agreement and which are consistent with the operation of a Golf and Tennis Facility and were approved in writing by METRO.

1.30 Golf Professional. "Golf Professional" is an employee of OPERATOR who is, at a minimum, a PGA or LPGA apprentice.

1.31 Gross Revenues. "Gross Revenues" means all income received from the operation and business conducted at Glendoveer including but not limited to the proceeds from all retail sales; sales of food and beverages; fees for golf, tennis and driving range. The term "Gross Revenue" does not mean or include any money refunded or credited, customer return or exchange of merchandise, returns to manufacturers; or any discount allowed by the OPERATOR to customers.

1.32 Improvements. "Improvements" is defined in Section 3.12.

1.33 Incentive Management Fee. "Incentive Management fee" is defined in Section 6.04.

1.34 Legal Requirements. "Legal Requirements" are all laws, statutes, ordinances, orders, rules, regulations, permits, licenses, authorizations, directives and requirements of all governments and governmental authorities, which now or hereafter may be applicable to the Golf and Tennis Facility or the operation of the Golf and Tennis Facility, including, but not limited to, the Americans with Disabilities Act and implementing regulations as well as other federal, state and local laws and regulations governing access and all federal, state and local laws and regulations pertaining to the storage, use and disposal of "hazardous or toxic wastes, substances or materials" as defined by applicable law.

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Glendoveer Golf and Tennis Operations



1.35 Maintenance Yard. "Maintenance Yard" is the area utilized for the storage and maintenance of golf and tennis facility equipment and supplies including underground devices, storage facilities, and related items.

1.36 Maintenance Standards. "Maintenance Standards" are the standards for the maintenance of the Golf and Tennis Facilities.

1.37 Marketing Plan. "Marketing Plan" defined in Section 5.02 (d).

1.38 Operating Net Cash Flow. "Operating Net Cash Flow" is the difference between Gross Revenue and all expenses, including Direct Costs, other operating expenses, budgeted capital reserves, and any Fixed and Incentive Management Fees.

1.39 Operating Year. "Operating Year" is the period from July 1 through June 30 of the given year and shall correspond with METRO's fiscal year budget cycle.

1.40 Operator. "OPERATOR" is defined in Section 3.01.1.

1.41 PGA/LPGA. "PGA/LPGA", PGA is the Professional Golfers Association and LPGA is the Ladies Professional Golf Association of America.

1.42 Premises. "Premises" shall mean the Glendoveer Golf and Tennis facility located at 14015 NE Glisan Street, Portland, Oregon and includes two 18 hole Golf and Tennis Facilities, driving range, tennis building, pro shop and maintenance facility.

1.43 Project Manager. "Project Manager" is the Metro employee responsible for the management of the Golf and Tennis Facility or assigned designee.

1.44 Pro Shop. "Pro Shop" is defined as the professional golf retail operation located in the club house.

1.45 Resale Inventory. "Resale Inventory" shall mean goods for sale not including food and beverage items in the pro shop and driving range.

1.46 Restaurant. "Restaurant" refers to the existing structure and business that is currently occupied by Ringside restaurant and is not included in this agreement.

1.47 Revenues. "Revenues" shall mean all receipts from green fees, sales, food and beverage, driving range and cart fees and any other proceeds attributable to Glendoveer. All revenues are property of Metro.

1.48 Senior Golfers and Tennis Players. "Senior Golfers and Tennis Players" shall be defined as at least 65 years of age.

1.49 Superintendent. "Superintendent" is an employee of the OPERATOR who is responsible for Golf and Tennis Facility maintenance and is required to be a Class A member of the GCSAA and has a State Qualified Applicator Certificate ("QAC") for pesticide application.

1.50 Supplies. "Supplies" are consumable items not for resale and are used or held in storage for use in the operation of the Golf and Tennis Facility, driving range and tennis facility but are not limited to cleaning supplies, turf maintenance, balls for driving range, maintenance and parts for equipment, score cards, office supplies and other similar items.

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Glendoveer Golf and Tennis Operations



1.51 Tennis Professional. "Tennis Professional" is defined as an employee of the operator who is accredited by the USTA.

1.52 Term. "Term" The initial term of this agreement shall commence on January 1, 2013 and expire on December 31, 2018, unless terminated or extended pursuant to the terms of this agreement. The term may be extended with the possibility of two (2) three-year contract extensions for a total contract term of eleven (11) years at METRO's discretion.

1.53 USGA. "USGA" is the United States Golf Association.

1.54 USTA. "USTA" is the United States Tennis Association.

2.0 TERM.

2.01 Term of the agreement. The initial term of this Agreement shall commence on January 1, 2013 (the "Effective Date") and expire on December 31, 2018, unless it is terminated or extended pursuant to the terms of this Agreement OPERATOR agreement will replace the existing contract on January 1, 2013.

3.0 MANAGEMENT OF GOLF AND TENNIS FACILITIES

3.01 Retention of OPERATOR.

3.01.1 Role of the OPERATOR. Subject to the terms of this Agreement, METRO hereby retains OPERATOR as an independent contractor, and OPERATOR agrees, to: (i) implement the policies, standards, and schedules for the operation and maintenance of the Golf and Tennis Facility and all matters affecting customer relations, in accordance with this Agreement, including; (ii) hiring, training, and supervising the General Manager, and Golf and Tennis Facility Superintendent (collectively "Management Staff") and all Golf and Tennis Facility employees; (iii) supervise and direct all phases of advertising, sales, and business promotion for the Golf and Tennis Facility; (iv) establish accounting and payroll procedures and functions for the Golf and Tennis Facility in accordance with METRO policies; and (v) procure and maintain all equipment necessary and appropriate for the profitable and efficient operation of the Golf and Tennis Facility. The parties understand that costs of undertaking the services above are reimbursed pursuant to Section 5 of this Agreement. OPERATOR agrees to work with the METRO to adjust Direct Cost Budget, as necessary, to provide for a profitable operation and a positive Net Cash Flow.

3.01.2 Goal of Agreement. It is the intent and goal of METRO to modernize the operation and the facility to provide moderately priced golf and tennis to patrons. The operation of the Golf and Tennis Facility must balance agency-wide sustainability goals with fiscal goals, through best management practices and recycling and facility improvements that reduce water, energy and pesticide use. The new OPERATOR agreement will put strong business practices in place, provide expanded youth programs for tennis and golf and continue to provide recreational benefits to the community. Metro will continue to provide and maintain the walking trail for the community.

3.02 Overall Responsibilities of OPERATOR OPERATOR shall perform the following services, or cause the same to be performed for the Golf and Tennis Facility, and all expenditures of OPERATOR and costs and expenses instructed by OPERATOR in performing these services shall be Direct Costs:

- a) Responsible for the day to day maintenance and operation, cash handling, booking and reserving tee times and tennis court reservations. Maintenance of the Golf and Tennis Facility and grounds are included in these management responsibilities as well as basic maintenance of all buildings except the restaurant and the grounds associated with this building. The OPERATOR, through their

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Glendoveer Golf and Tennis Operations



in depth knowledge and experience will develop plans and proposals to increase the quality of the golf and tennis experience at Glendoveer. The OPERATOR will be responsible for all facets of the operation of the pro shop, staffing, scheduling, complete Golf and Tennis Facility and irrigation maintenance, tee time and court reservation scheduling, cash/credit control, website management, retail sales, concessions on the Golf and Tennis Facility and food and beverage operations within the pro shop and driving range operations. OPERATOR will be required to abide by all state, federal and locally applicable laws and shall obtain and maintain all business licenses and other permits required to conduct business, serve food and alcohol (beer and wine) at the facility.

- b) Consummate arrangements with intended users of the Golf and Tennis Facility, subject to the terms of Section 3.03 below;
- c) Enter into such contracts no later than the effective date of this Agreement for the furnishing of utilities and building maintenance and other services for the Golf and Tennis Facility, subject to the terms of Section 7.06;
- d) Make all repairs, decorations, replacements, additions, revisions, alterations and improvements to the Golf and Tennis Facility as shall be reasonably necessary for maintenance of the Golf and Tennis Facility in good order, condition and repair, subject to the terms of Section 3.05 and 3.06 of this Agreement;
- e) Incur such expenses as shall be necessary for the proper operation and maintenance of the Golf and Tennis Facility, including without limitation purchase or rental expenses for Furnishings and Equipment;
- f) Maintain a level of Resale Inventory necessary for the effective operation of the Golf and Tennis Facility, tennis courts and driving range consistent with the terms of Section 3.03.1;
- g) Apply for, and obtain and maintain, all licenses and permits required of OPERATOR in connection with the operation and management of the Golf and Tennis Facility, including the on-sale liquor license which shall be obtained in the OPERATOR's name; and METRO agrees to execute any and all applications and such other documents as shall be reasonably required and to otherwise cooperate, in all reasonable respects, with OPERATOR in the application for, and obtaining and maintenance of, such licenses and permits;
- h) Provide copies of all operations, maintenance and procedure manuals for managing all parts of the facility;
- i) Do, or cause to be done, all such acts and things in and about the Golf and Tennis Facility as shall be reasonably necessary to comply with all Insurance Requirements and Legal Requirements, and OPERATOR shall not knowingly permit any illegal activities to be concluded on or about the Premises;
- j) Pay all Golf and Tennis Facility Expenses, Impositions and insurance premiums, whether incurred by METRO or OPERATOR, when due;
- k) Implement the Marketing Plan for the Golf and Tennis Facility described in Section 5.02(f);
- l) Maintain a level of supplies necessary for the effective operation of the Golf and Tennis Facility consistent with the terms of Section 3.01.3; and

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m) Maintain the highest level of customer service and awareness of the value of differences in race, color, religion, sex, national origin, age, marital status, familial status, gender identity, sexual orientation and disability. Discrimination of any employee or customer will not be tolerated. Employee personnel manuals and operational standards shall reflect this standard.

3.03 Golf and Tennis Professional Services. OPERATOR shall, as a Direct Cost, provide golf starter services; tennis court booking; provide course marshalling services; sell and rent golf and tennis equipment; sell golf-related clothing and supplies; provide instructional services in the playing of golf and tennis; rent golf carts; operate the driving range and book tennis court reservation. Such services shall be provided by or under the direct supervision of the General Manager.

3.03.1 Pro Shop and Merchandise. The Pro Shop shall be open during the normal operating hours of the Golf and Tennis Facility.

a) Inventory. OPERATOR shall procure and maintain in the Pro Shop such inventory of golf and tennis merchandise as deemed necessary or appropriate to adequately meet public demand and consistent with the goal in Section 3.01.2. All expenses and profits from the sale of golf/tennis merchandise shall be the OPERATOR's responsibility.

3.03.2 Golf and Tennis Instruction. OPERATOR shall provide for golf and tennis instruction by qualified instructors supervised by the General Manager. All golf and tennis instructors shall be employees of OPERATOR, unless OPERATOR proposes an alternative plan that is approved by METRO. OPERATOR shall cause all golf tennis instructors to comply with the rules and regulations consistent with the goals in Section 3.01.2

a) METRO Approved Recreation Classes. The OPERATOR shall work in conjunction with METRO to provide services for METRO approved golf and tennis programs at the driving range, putting greens, golf course and tennis courts.

b) Junior Golf and Tennis Programs. The OPERATOR shall organize junior golf and tennis programs such as LPGA Girls Golf and The First Tee or USTA.

3.03.3 Golf Carts. OPERATOR shall procure on behalf of METRO and maintain in good condition power-driven electric golf carts in sufficient numbers to meet the public demand for a 36-golf facility. METRO shall have the right, in METRO's sole and absolute discretion, to require a change in the number or types of golf carts in use at the Golf and Tennis Facility; provided, however, that METRO shall increase or decrease the applicable Direct Cost Budget(s) reasonably to account for resulting increased or decreased Direct Costs. Prior to procuring golf carts, OPERATOR shall give METRO written documentation identifying the type of golf cart, features of golf carts, and proposed rental terms. OPERATOR shall rent golf carts in accordance with METRO's written approval. All carts shall be 4-wheel, electric vehicles, and shall be equipped with canopies and windshields. OPERATOR may prohibit the use of golf carts on the Golf and Tennis Facility whenever weather conditions expose the user to danger or the Golf and Tennis Facility to damage.

3.03.4 Driving Range. OPERATOR shall operate and manage all driving range operations, and procure and maintain all equipment and facilities necessary and appropriate to meet the goal set forth in Section 3.01.2. Driving range balls shall be of high quality, and all cracked and worn range balls shall be removed in a timely manner.

3.03.5 Golf and Tennis Facility Starter Services. OPERATOR shall render and provide Golf and Tennis Facility starter services including, but not limited to, collecting all green and tournament fees

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in accordance with METRO cash handling procedures, taking reservations from the telephone, online and at the Golf and Tennis Facility and recording the reservations on starter sheets, placing golfers' names on a call sheet as necessary and appropriate, sending golfers to the tee and starting them off at proper intervals, receiving requests from groups for tournaments, booking tournaments and collecting appropriate fees prior to each tournament's starting date, coordinating tournament food and beverage needs, taking all actions as necessary and appropriate to speed play on the Golf and Tennis Facility, entering each golfer's name on the automated tee sheet to the extent feasible, and issuing a receipt to each golfer upon payment of the applicable green fee. OPERATOR shall install a Point of Sale system that tracks all rounds played and fees collected by fee category on a daily basis. Such information shall be made available for review by METRO, as requested.

3.03.6 Marshaling Time. OPERATOR shall procure the services of marshals at such times and in such numbers as necessary and appropriate to expedite play and ensure compliance with all rules and regulations consistent with the provisions of Section 3.01.2.

3.03.7 Suspension of Play. Temporary suspension of play shall be determined by OPERATOR in cases where weather or other conditions expose the user to danger or the Golf and Tennis Facility to damage.

3.03.8 Tennis Facility Operation and Integration. Tennis operations, booking, lessons and associated services incorporated with golf operations into one seamless operation. Reservations will be tracked electronically, a customer base will be maintained, annual passes will be tracked and the Glendoveer website will provide information about both tennis and golf.

3.03.9 Facilities Maintenance Services. The parties acknowledge that the premises are public property which METRO has a responsibility to ensure are used in a manner which effectively serves the public. Accordingly, METRO has a greater interest than most landlords in ensuring the quality and sustainability of the maintenance and operation of the premises. At all times, as a Direct Cost, OPERATOR shall maintain and operate the clubhouse, driving range, maintenance shop and tennis building including the snack bar, pro shop, clubhouse restrooms, with the exception of the parking lots, trail and natural areas outside of the golf course, and all other facilities and services offered in connection therewith in a manner equal to or better than comparable municipally-owned Golf and Tennis Facilities in the region. OPERATOR shall keep all fixtures, furnishings and equipment within the facilities clean, neat, safe, and sanitary, in good order and in a manner equal to or better than the best comparable 18-hole recreational Golf and Tennis Facilities in the region. OPERATOR shall provide a cleaning schedule and maintain and operate the Clubhouse and other facilities reasonably in accordance with the highest commercial standards of cleanliness and shall keep the Clubhouse and other facilities clean and free of litter.

OPERATOR shall, during the term of this Agreement maintain and keep in good order, condition and repair the interior nonstructural portions of the Clubhouse and other facilities, including, but not limited to, the following: the interior surface of exterior walls; all windows, doors, door frames, and door closures; all plate glass, storefronts and showcases; all carpeting and other floor covering; all electrical systems and equipment; and all interior plumbing and sprinkler systems, doors, door locks, plate glass, display windows, window casements, exterior light fixtures, light bulbs, ballast transformers and electrical panel if any, installed therein. OPERATOR expressly agrees that the use of roof areas shall be limited to ingress for maintenance purposes only, and that said roof areas shall not be used for storage of inventory or for any other use. All costs associated with cleaning and maintenance of the clubhouse and other facilities shall be Direct Costs.

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OPERATOR agrees to enter into preventative and regular maintenance contracts, with providers as directed and approved by METRO, for services to include, but not be limited to, pest control, if needed; landscape services, refrigeration, window cleaning, and carpet cleaning. All costs associated with these service contracts shall be Direct Costs. Major maintenance is not included in this category and is defined as projects that exceed \$1,000 and affect a structure or system. Metro has established best management practices and standards for the use of green cleaning products that comply with Green Seal GS-37 standard certification, materials and products that shall be incorporated into operational standards.

3.04 Recycling Standards. OPERATOR shall establish recycling standards and receptacles/sorting areas in the Clubhouse, driving range and at each hole on both Golf and Tennis Facilities to encourage recycling of paper, bottles, cans, etc. OPERATOR shall maintain a facility-wide recycling program that complies with the Business Recycling requirements at <http://www.oregon.gov/index.cfm/901byweb/id26294>. The recycling program should include at a minimum the following requirements:

1. Separating paper, cardboard and containers (aluminum, plastic and glass) for recycling.
2. Ensuring that there are containers for collection of these recyclables.
3. Posting signs at the collection areas indicating which materials should be recycled.

3.05 Golf and Tennis Facility Equipment Maintenance. OPERATOR will acquire and maintain a fleet of Golf and Tennis Facility equipment. Key pieces of equipment need to conduct proper maintenance and to efficiently maintain the Golf and Tennis Facilities for regular golf and tournament play. An equipment replacement plan will be developed within the first three months of the start of the contract and will be implemented as the operating budget allows. The OPERATOR is expected to make recommendations to Metro on the type, brand, number and schedule of equipment needed. All equipment shall be cleaned and maintained by a qualified mechanic; maintenance shall be performed and tracked according to all manufacturers' recommendations. Sustainable options that decrease carbon impacts, operate more efficiently or use less toxic products will be incorporated into the Golf and Tennis Facility operation. OPERATOR agrees to pass on all trade and discount savings when purchasing, renting or leasing equipment and supplies on METRO's behalf.

3.06 Grounds Maintenance Services. OPERATOR shall provide grounds maintenance services to the Premises, including, but not limited to, the obligation to mow, edge, trim, overseed fertilize, aerate, sod, change cups, service tees, top-dress, raise divots, rake traps, spray, spot irrigate, syringe and renovate turf and shrub areas, as well as to provide weed, disease and pest control, litter control and rubbish removal, tree maintenance, maintenance of irrigation systems including mainlines, pumps, boosters and controllers, to keep swales in good repair and to provide the necessary and appropriate maintenance of any appurtenant structures and equipment, and, if applicable, maintain the water feature. OPERATOR shall replace or change any supplies, materials, or procedures used by OPERATOR that are found reasonably objectionable by METRO, within five (5) calendar days after receipt of METRO's written request for such replacement or change. OPERATOR shall comply with all applicable local, state and federal clean water regulatory requirements, including but not limited to all federal NPDES requirements.

3.06.1 Chemical Herbicides and Pesticides. OPERATOR shall ensure that employees are trained and knowledgeable about best management practices for using fertilizers, herbicides and pesticides to prevent any Hazardous Materials release and how to handle any such accidental release. OPERATOR shall obtain any required Oregon State Department of Agriculture pesticide applicator licensing, permits and submit any required reports related to the use of permitted biocides, defoliants, chemical fertilizers, pesticides, herbicides or other agri-chemicals. If requested by METRO, an Integrated Pest Management and Chemical Application Management Plan (IPM-

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CHAMP) will be jointly developed by METRO and the OPERATOR. The cost to develop and implement the plan will be a Direct Cost.

3.06.2 Best Management Practices. OPERATOR shall develop and implement a best management plan (BMP) for both Golf and Tennis Facilities and grounds to maintain Audubon Sanctuary status and meet OGCSA Environmental Stewardship Guidelines. This BMP should also address recommendations in the Salmon Safe Golf and Tennis Facility and completed in 2010. The plan shall employ techniques to increase native habitat, decrease water usage and limit chemicals and fertilizers. Detailed tracking of type, quantity, purpose and storage requirements shall be included in the plan. Tracking of water usage including well water shall be reported electronically on a monthly basis. The Golf and Tennis Facility weather station and irrigation control software must be maintained and operated to efficiently water the Golf and Tennis Facility. Material Safety Data Sheets (MSDS) shall be maintained in Metro's online MSDS database in addition to storage in binders at the Golf and Tennis Facility.

3.06.3 Water. OPERATOR shall not cause any ponding on the Premises or any flooding on adjacent land. Unless otherwise specifically directed by METRO, OPERATOR shall not engage in any activity that causes any change, disturbance, fill, alteration or impairment to the bed, bank, canal or channel of any natural water course, wetland or other body of water on, in, under, or about the Premises; nor shall OPERATOR engage in any activity that would pollute or degrade the surface or subsurface waters or result in the diminution or drainage of such waters. OPERATOR shall operate within current water rights for the two domestic water wells located on the property.

3.06.4 Protection of Utilities. At all times during the Tenure of this Agreement, OPERATOR shall use its reasonable best efforts to protect the facilities of utilities located on the Golf and Tennis Facility from any damage, injury or disturbance. If OPERATOR or any of its agents or Invitees damages, injures or disturbs any of the foregoing facilities, OPERATOR shall immediately notify METRO of that occurrence.

3.06.5 Trees and Other Plant Materials. OPERATOR shall maintain all trees and other plant materials on the Golf and Tennis Facility. OPERATOR shall not remove or destroy any tree or other plant materials or conduct major trimming or removal on the Premises without the prior written approval of METRO. METRO has a professional arborist available for consultation. In the case that a tree, or portion of a tree, has fallen on the Golf and Tennis Facility and becomes a safety hazard, METRO's oral approval is acceptable for removal or pruning. All pruning shall be consistent with METRO guidelines and the International Society of Arboriculture Tree Pruning Guidelines. OPERATOR shall not plant any trees or other plant materials on the Premises that are not included in the Course Maintenance Plan, without the prior written approval of METRO. OPERATOR shall develop a tree management plan for the Golf and Tennis Facility during the first year of operation that may include trimming, removal and disposal of slash and update this plan on a yearly basis.

3.06.6 Historic Preservation. In the event that the OPERATOR discovers any historical, archaeological, architectural or other cultural artifacts, relics, remains, or objects of antiquity on the site, OPERATOR shall immediately notify METRO and protect the site and material from further disturbance until METRO gives clearance to proceed.

3.06.7 Maintenance Personnel. OPERATOR shall employ and maintain in its employ a Class "A" Golf Superintendent and Crew at the Premises daily during normal working hours. OPERATOR shall employ sufficient personnel to perform all work required.

3.06.8 Parking Lot Maintenance Services. METRO shall keep all parking lots on the Premises in a clean and good condition and shall provide parking lot maintenance services including, but not limited

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to, capital improvements and landscaping maintenance. OPERATOR shall provide daily trash removal and keep the parking area litter free.

3.06.9 Course Maintenance Plan. OPERATOR shall prepare a annual course maintenance plan that details maintenance of the golf courses including and not limited to mowing, edging, trimming, overseeding, sanding, aeration, cup changes, topdressing, spraying, bunkers, disease and pest control, raising of divots and irrigation system service.

3.07 Food and Beverage Services. OPERATOR shall have the exclusive right and obligation to provide food and beverage services in the Pro Shop at the Golf and Tennis Facility, the expenses for which shall be Direct Costs with the exception of food provided by the restaurant for tournament events. The food and beverage service shall include operation of food services in the clubhouse. METRO shall also have the right to permit, said permission not to be unreasonably withheld, operation of an outdoor grill or other type of outdoor food service. OPERATOR shall not permit the sale of food and beverages at the Golf and Tennis Facility from outside entities without METRO's approval.

3.07.1 Hours of Operation. OPERATOR shall maintain consistent hours of operation for business during the hours as approved by METRO.

3.07.2 Health Certificates. OPERATOR shall comply with all local, state and federal health laws, regulations and procedures that are applicable to operation of the Golf and Tennis Facility and Food Service Facilities.

3.07.3 Licenses. OPERATOR shall obtain and maintain for the term of this Agreement any and all permits and licenses required by any federal, state or local governmental agency in connection with the services to be provided by OPERATOR under this Agreement, including the on-sale general liquor license and additional required license(s). Acquisition of all licenses and permits shall be considered a direct cost that shall be reimbursed as part of the Direct Cost Budget. OPERATOR shall use its best efforts to notify all contractors and vendors of their obligation to obtain the required license(s). OPERATOR shall verify required license(s) is obtained prior to the commencement of work on the Premises.

3.07.4 Level of Food Service. The food and beverage services provided at the Golf and Tennis Facility shall be consistent with the goal set forth in Section 3.01.2. OPERATOR shall provide food and beverage service in accordance with all Legal Requirements and Insurance Requirements and reputable business standards, and in such a manner that food service no duplicated the food offering at the restaurant. OPERATOR shall ensure that food and beverages are kept in stock sufficiently to meet customer demand. OPERATOR shall provide beer, bottled beverages and wine but shall not serve hard alcohol.

3.07.5 Alcohol Sales. METRO reserves the right to prohibit or limit the sale of alcoholic beverages if, in METRO's sole and absolute discretion, METRO determines that such sales are leading to behavior which is disruptive to or inconsistent with the proper functioning of the Golf and Tennis Facility.

3.07.6 Future Events. OPERATOR agrees not to book any events at the Golf and Tennis Facility for dates after the initial term of this Agreement or any extension without the prior approval of METRO.

3.07.7 Tournament Food and Beverage Services. OPERATOR shall coordinate with the restaurant, currently Ringside, the exclusive provider of tournament food services.

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3.07.8 On-Course Food and Beverage Services. OPERATOR shall provide on course food service beverage services on a regular basis to serve daily fee customers and during tournament play.

3.08 Personnel. OPERATOR, as a Direct Cost, shall employ all of the employees of the Golf and Tennis Facility and set all terms and conditions of the employment.

3.08.1 General. OPERATOR shall make all decisions relating to the hiring of employees, the employment of its employees and the direction of its work force. The number of OPERATOR's employees shall be no more than reasonably necessary to efficiently operate the Golf and Tennis Facility. OPERATOR shall recruit, hire, train, discharge, promote and supervise the Management Staff of the Golf and Tennis Facility and all other employees of the OPERATOR. Recruitment process shall include as a direct cost, background checks and drug testing. All employees of the Golf and Tennis Facility shall be properly qualified for their positions. OPERATOR may at its expense assign management trainees to the Golf and Tennis Facility, who shall remain under supervision of the OPERATOR's on-site Management Staff. OPERATOR shall provide reports showing all employees and their job titles, as requested by METRO. OPERATOR's Management Staff shall not be assigned to work at other Golf and Tennis Facilities managed or operated by OPERATOR, without the written approval of the METRO.

OPERATOR shall retain at all times on the Premises during hours of operation a manager who will be responsible for the Golf and Tennis Facility in matters pertaining to the performance of the duties and obligations in this Agreement OPERATOR shall during operating hours have sufficient personnel on the Premises to provide a level of service in accordance with Section 3.01.02 and to provide a level of service customary in the industry.

All employees shall be identifiable and appropriately attired with an easily readable name badge. Employees of the OPERATOR shall be courteous and neat in appearance at all times. If any employee fails to meet this standard, is negligent in performance of his/her responsibilities, and after notice is provided by METRO, OPERATOR is unable after a reasonable period of time to bring the employee up to this standard, OPERATOR shall take reasonable actions to remove the employee from employment at the Golf and Tennis Facility.

3.08.2 Compensation. Compensation of OPERATOR's employees shall be no greater than that paid at other Golf and Tennis Facilities managed by OPERATOR, unless specifically approved by METRO, taking into consideration the budget, recognizable differences in scope of work and cost of living at other Golf and Tennis Facilities. All employees of OPERATOR, other than the Management Staff, shall use a time dock to keep track of the hours worked.

3.08.3 Prevailing Wages. OPERATOR shall pay prevailing wages to employees to the extent, and only to the extent, that the Oregon Revised Statutes requires the payment of prevailing wages to employees working on "public works" OPERATOR shall also comply with all other requirements local, state and federal law.

3.08.4 Employee Benefits. OPERATOR shall have the obligation to provide all legally mandated employee benefits to its employees.

3.08.5 Temporary Assignment of Other OPERATOR Personnel If the positions of General Manager, Course Superintendent are not filled for whatever reason, OPERATOR shall permanently fill those positions within 90 days of vacancy. Upon approval of METRO, OPERATOR may temporarily assign to these positions the staff of other Golf and Tennis Facilities operated or managed by OPERATOR. During such time as these employees are temporarily

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assigned to the Golf and Tennis Facility, all such employees will be paid their regular Compensation, and the pro-rata share of such employees' Compensation equal to the actual time such employees worked at the Golf and Tennis Facility shall be a Direct Cost.

3.08.6 Management Staff. The Management Staff shall be the following positions, which may be combined with METRO approval that will be solely dedicated to Golf and Tennis Facility: the General Manager; Golf and Tennis Facility Superintendent and, if applicable, Golf Professional and Tennis Professional. METRO shall approve, said approval not to be unreasonably withheld, the Management Staff before hire and shall be informed prior to the termination or transfer of any of the Management Staff. Contact information (name, cell phone number and email address) for all Management Staff shall be provided, in writing, to METRO and shall be current at all times.

- a) General Manager. The General Manager of the Golf and Tennis Facility shall be responsible for the day-to-day management and operation of the Golf and Tennis Facility. The General Manager must have a four-year college degree or equivalent, at least five (5) years experience as a Golf and Tennis Facility operations manager or assistant. The General Manager shall be reasonably available during normal working hours to meet with METRO. After normal working hours, the General Manager shall be reasonably available to appear at all of the METRO meetings, if deemed necessary by METRO.
- b) Superintendent. The Superintendent of the Golf and Tennis Facility shall be a current Class "A" member in good standing of the Golf and Tennis Facility Superintendents Association and have a Qualified Applicators Certificate ("QAC"). Prior experience as a Golf and Tennis Facility superintendent is desired. The Superintendent shall be responsible for the maintenance of the buildings, equipment, driving range and grounds of the Golf and Tennis Facility.
- c) Golf Professional. OPERATOR will employ a Golf Professional. The Golf Professional shall be at a minimum, a PGA or LPGA apprentice. The Golf Professional shall report directly to the General Manager. OPERATOR will provide targeted programming for youth, women and underserved portions of the population at Glendoveer or nearby schools.
- d) Tennis Professional. OPERATOR will employ a United States Tennis Association (USTA) professional staff to provide lessons and instruction is required. OPERATOR will provide targeted programming for youth, women and underserved portions of the population at Glendoveer or nearby schools.

3.09 Notification to METRO of Defect or Illegal Activity. OPERATOR shall immediately notify METRO upon discovering a possible workmanship or material defect in any structure or improvement on the Golf and Tennis Facility or upon discovery of any unauthorized dumping, disposal or illegal use or activity on the Golf and Tennis Facility.

3.10 Equipment, Supplies and Materials. OPERATOR shall procure and maintain (as a Direct Cost) all necessary and appropriate equipment, supplies and materials of good quality and in sufficient number to fulfill the maintenance requirements of this Agreement, but expenditures shall not exceed the amounts allocated in the Direct Cost Budget without the prior written consent of METRO. The required equipment, supplies and materials shall include, but not be limited to:

- a) All equipment necessary and appropriate to operate the Golf and Tennis Facility;

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- b) All necessary and appropriate gas, oil, maintenance and operating supplies, and spare and replacement parts for all equipment used at the Golf and Tennis Facility;
- c) All necessary and appropriate topdressing, seed, fertilizers, pesticides, fungicides, insecticides and herbicides for maintenance of the Golf and Tennis Facility and other landscaped areas on the Premises and in compliance with Section 3.05;
- d) Parts, supplies and equipment necessary for the repair and maintenance of all Golf Course irrigation systems;
- c) Tee towels, soaps, ball washers, putting green cups and flags, benches, trap rakes, tee markers, tee mats, trash receptacles, trash receptacle liners, cleat brushes, distance markers on sprinkler heads and all other pertinent Golf and Tennis Facility equipment;
- f) Materials for the installation and maintenance of French drains;
- g) Sand for traps on an as-needed basis; and
- h) Procurement of all necessary retail and concession inventory and consumable supplies such as janitorial cleaning supplies, paper products, soap, etc. that complies with Section 3.03.9 and 3.04.

3.11 Intrusions. OPERATOR shall treat non-invitee users with consideration and courtesy even when they may be wrongfully on the Premises, but shall have the right to deny use of the Premises for unauthorized purposes. METRO reserves the right from time to time during the term of this Agreement, to promulgate such reasonable rules and regulations concerning the use of the Premises and any part or parts thereof, as METRO, in its sole discretion, shall deem appropriate.

3.12 Improvements. Except in the event of an emergency threatening imminent injury to persons or damage to property, OPERATOR shall make no improvements, additions, alterations or changes to the Golf and Tennis Facility ("Improvements") unless OPERATOR: (i) obtains the prior written approval of METRO, which approval may be granted or withheld in the sole and absolute discretion of METRO; (ii) complies with such terms and conditions as may be imposed by METRO; (iii) secures all applicable licenses, permits and other governmental approvals for the Improvements; and (iv) causes the Improvements to be designed and constructed so as to be consistent with the architecture and design of the currently-existing Golf and Tennis Facility, unless otherwise specifically approved by METRO in writing. Any such Improvements shall be shown on as-built drawings that shall be delivered to METRO within thirty (30) days of completion of the work.

3.13 Days and Hours of Operation. The minimum hours of operation shall be Dawn to Dusk. OPERATOR shall make no changes in the days and hours for operation of the Premises without the prior approval of METRO.

3.14 Technology.

3.14.1 Technology Systems. OPERATOR shall procure and maintain telephones, wiring, computers, software, data circuits, voice circuits, internet circuits and all equipment necessary and appropriate to operate and supply telephone communications to and within the Premises, automated tee sheet and starter functions, Point-of-Sale for all Pro Shop and Food and Beverage operations, and a website which provides public, on-line access to golf reservations. OPERATOR shall use such systems to market, record all Golf and Tennis Facility and Food and Beverage sales, retain customer and sales transaction data and produce all documents and reports necessary to effectively operate the Golf and

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Tennis Facility and comply with METRO's reporting and auditing requirements. Technology systems shall satisfy METRO's and other government requirements for security and internal controls, including but not limited to, security of credit card and other customer data.

3.14.2 Scoring Terminal. A scoring terminal shall be provided in a convenient location at the Clubhouse.

3.14.3 Security of Data. OPERATOR shall notify METRO immediately upon any known or suspected loss, theft or disclosure of METRO data, including but not limited to loss of customer personal or credit data.

3.14.4 Security Procedures. OPERATOR will be solely responsible for the selection, implementation, and maintenance of security procedures, anti-virus, and similar defensive measures and policies that are sufficient to ensure that (a) OPERATOR'S technology systems are secure and used only for authorized purposes; and (b) OPERATOR's business records and data, and any data kept on behalf of METRO, are protected against improper access, use, loss, alteration or destruction. All credit care systems shall meet PCI standards.

3.15 Waste Disposal. OPERATOR shall maintain adequate trash and recycling facilities on the Premises and shall promptly empty the containers regularly. Metro shall contract directly for waste collection services. OPERATOR shall use its best efforts to reduce the amount of waste generated from Golf and Tennis Facility and to acquire products for use on the Premises that reuse or recycle packaging. OPERATOR shall make every effort to initiate and operate a recycling program. OPERATOR shall not permit the burning, dumping or other disposal on, under or about the Premises of landfill, refuse, hazardous materials or other materials, with the exception of Golf and Tennis Facility clippings that can be dispersed on the Golf and Tennis Facility. OPERATOR shall dispose of all wastes in compliance with Legal Requirements and Environmental Laws.

3.16 Customer Service. Customer service is an integral part of the business of running Glendoveer. OPERATOR is to maintain a commitment delivering to high quality customer service. OPERATOR will ensure that neighbors, trail users, golfers and tennis players should feel equally welcome at Glendoveer.

3.16.1 Service Audit Program. OPERATOR shall implement a service audit program to evaluate the Golf and Tennis Facility and Clubhouse operations no more frequently than semi- annually and no less frequently than annually. The service audit shall evaluate the operations of the Golf and Tennis Facility and make recommendations concerning said operations, including, without limitation, recommendations relative to quality, quantity and selection of merchandise, and customer service provided by OPERATOR's employees. OPERATOR shall submit the results of each service audit to METRO for METRO's evaluation and disposition at the completion of each audit. This provision in no way precludes or limits METRO's ability to conduct its own audit of financial records and operations including using "secret shopper" audits to determine that financial transactions are being handled appropriately.

3.16.2 Customer Evaluation Forms. Customer evaluation forms or electronic surveys shall be utilized and shall be visible and readily available. Completed forms shall be sent to METRO on a quarterly basis.

3.16.3 Customer Service Training Program. As part of the initial training of new employees and annually thereafter, OPERATOR shall implement a customer service training program for all employees of OPERATOR who come into contact with guests at the Golf and Tennis Facility and Clubhouse. Costs for this program shall be a direct cost.

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3.17 Emergency Services. OPERATOR shall provide METRO's Project Manager with contact information for all Management Staff in order that they can respond to any emergency on a twenty-four hour basis. During periods of severe inclement weather conditions, OPERATOR will provide reasonably sufficient personnel for the purpose of sandbagging, keeping drains clear, and/or any other tasks required to prevent serious damage to Golf and Tennis Facility improvements and Facilities. Costs for emergency services shall be a direct cost.

3.18 Nondiscrimination. During the performance of this Agreement, OPERATOR and its subcontractors shall not unlawfully discriminate against any employee or applicant for employment, or customer, because of race, color, ancestry, religion, sex, national origin, marital status, age, physical disability, mental disability, medical condition or sexual orientation. Equal opportunity for employees extends to, but is not limited to, recruitment, compensation, benefits, layoff, termination, and all other conditions of employment. OPERATOR and subcontractor shall ensure that the evaluation and treatment of their employees, applicants for employment and Invitees are free of such discrimination.

3.19 Drug Free Workplace. OPERATOR agrees to maintain and enforce a drug-free workplace policy.

3.20 Signs. OPERATOR, as a Direct Cost, shall be responsible for installing and maintaining all signage necessary for the Golf and Tennis Facility operations. OPERATOR shall not post outdoor signs at or on the Premises without the prior written approval of METRO, as the exception of temporary directional or advisory signs (e.g. "Front entrance closed; use side entrance" "Temporary no parking area Wet Steps".) OPERATOR shall not install any new or replace existing signage without the prior review and approval by Metro. Bench advertisement is currently being provided by Bench Craft. The continuation of this agreement signed by the current OPERATOR is subject to approval by Metro. Any branding or logo changes to signs or the course logo must be approved by Metro.

3.21 Publicity. Any commercial advertisements, press releases, articles, or other media information not provided for in the Annual Marketing Plan and Budget shall be subject to the prior approval of METRO, which approval shall not be unreasonably withheld.

3.22 Utilities. OPERATOR shall ensure such utility service is provided to effectively operate the Golf and Tennis Facility. OPERATOR's costs for such utility service, as well as OPERATOR's costs incurred in connecting any defect, deficiency or impairment of any utility, water, drainage, heating, gas or electrical apparatus and/or wires serving the Premises, shall be approved by Metro and shall be Direct Costs.

3.23 Safety and Security. OPERATOR shall exercise caution at all times for the protection of persons and property. OPERATOR shall install adequate safety guards and protective devices for all equipment and machinery and structures. OPERATOR shall post appropriate caution signs to alert personnel or the public of unsafe conditions. OPERATOR shall comply with all applicable laws relating to safety precautions. OPERATOR shall immediately correct any unsafe condition of the Premises, as well any unsafe practices occurring thereon. Promptly after the occurrence of injury or damage to persons or property occurring on the Premises, OPERATOR shall submit to METRO a report on the incident OPERATOR shall cooperate fully with METRO in any further the investigation of any injury or damage to persons or property occurring on or about the Premises.

3.24 Security. The Golf and Tennis Facility shall contain appropriate security systems, security alarm systems, motion detection sensors for after hours control, and locks for the maintenance yard and perimeter gates.

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3.25 Public Use and Access. OPERATOR will ensure that continued access is available to the soft surface trail located on the perimeter of the east course and west of the driving range during hours of operation of the Golf and Tennis Facility.

3.26 Use of Premises: METRO Functions. OPERATOR shall cooperate with METRO in allowing METRO to have access to the Clubhouse for use for METRO approved recreation programs or meetings, provided that any costs to OPERATOR in doing so shall be Direct Costs and further provided that such use shall not negatively impact Gross Revenues.

3.27 Prices and Fees.

3.27.1 Goods and Services. OPERATOR shall at all times maintain a complete list or schedule of the prices charged for all food and beverage supplied to the public on or from the Premises. Such list or schedule of prices shall be provided to METRO with the Annual Business Plan. The prices shall be fair and reasonable based on the following considerations: (a) that the operation of the Premises is intended to serve the needs of the public for the goods and services, supplied at a fair and reasonable cost; (b) that the prices charged should be comparable to prices charged for similar goods and services in the general area; and (c) that the margin of profit should be reasonable considering the cost of providing the goods and services in compliance with the obligations of this Agreement. If METRO notifies OPERATOR that the prices being charged are not fair and reasonable, OPERATOR shall have the right to confer with the METRO and justify such prices. Following reasonable conference and consultation thereon, OPERATOR shall make such price adjustments as may be ordered by METRO; provided, however, that in no event shall OPERATOR be required to price any item below its wholesale cost.

3.27.2 Golf and Tennis Facility and Tennis Fees. METRO hereby reserves the right to establish the schedule for green, driving range, golf cart rental, tennis court rental and lesson fees for the Premises. Further, METRO hereby reserves the right to establish the golf cart rental fees and other equipment rental fees that may be charged by OPERATOR. No changes in green fees, driving range fees, lesson fees, golf cart rental fees, or golf equipment rental fees may be made by OPERATOR without the advance written consent of METRO in METRO's sole and absolute discretion. From time to time with METRO's approval, OPERATOR may discount fees as a promotion to build business. The OPERATOR shall honor all pre-existing 2012 membership agreements for golf and tennis unless directed otherwise by the METRO.

All fees must fall within the ranges to be approved in advance by the METRO. If OPERATOR desires changes to the green fees (including membership offerings), driving range fees, tennis court rental fees and/or golf cart rental fees, OPERATOR shall submit a written request and analysis requesting the approval to change fees to METRO.

3.28 Meetings. As determined by METRO, representatives of OPERATOR and METRO shall meet on a monthly basis as needed to review OPERATOR's performance under this Agreement, review the monthly financial reports submitted by OPERATOR in accordance with Section 7.03, and discuss any problems, opportunities and proposed changes to the approved plans.

3.29 Hazardous Materials.

3.29.1 Definition of Hazardous Materials. Hazardous Materials shall mean:

- a) Petroleum;

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- b) Asbestos;
- c) Polychlorinated biphenyls;
- d) Radioactive materials;
- e) Any and all substances, products, by-products, waste or other materials of any nature or kind which is or becomes listed, regulated or addressed by any federal, state or local laws, statutes, ordinances, regulations, resolutions, decrees, rules, regulations, directives, orders, guidelines or court decisions (collectively "Environmental Laws");
- f) Any materials, substances, products, by-products, waste or other materials of any nature or kind whatsoever whose presence in and of itself or in combination with other materials, substances, products, by-products or waste give rise to liability under any Environmental Law or any statutory or common law theory based on negligence, trespass, intentional tort, nuisance, strict or absolute liability or under any reported decision of the state or federal court; or
- g) Any substances, products, by-products, waste or other materials which may be hazardous or harmful to the air, water, soil, environment or affect industrial hygiene, occupational, health, safety or general welfare conditions.

3.29.2 Use and Storage of Hazardous Materials Prohibited. The use and storage of any Hazardous Materials on the Premises are prohibited except as follows:

- a) OPERATOR may park and use vehicles and equipment on the Premises in connection with Golf and Tennis Facility activities under this Agreement, which vehicles may contain gasoline, petroleum products, batteries, diesel fuel, and oil of those kinds and quantities normally contained in such vehicles and equipment. OPERATOR shall ensure that employees are trained and knowledgeable about best management practices for operating and maintaining such vehicles and equipment to prevent any Hazardous Materials release and how to handle any such accidental release.
- b) Fertilizers, herbicides, fungicides and pesticides on the Golf and Tennis Facility in a manner consistent with the Maintenance Standards outlined in Section 3.06 and Environmental Laws. Biocides, defoliant, chemical fertilizers, pesticides, herbicides, fungicides or other agricultural chemicals shall be stored in the Maintenance Yard in an appropriate structure or location designated by METRO. OPERATOR shall ensure that employees are trained and knowledgeable about best management practices for using fertilizers, herbicides and pesticides to prevent any Hazardous Materials release and how to handle any such accidental release. MSDS sheets shall be kept on site and up to date at all times.

3.29.3 Indemnification for Hazardous Materials. OPERATOR shall indemnify, hold harmless and defend METRO, its officers, officials, employees, volunteers and agents from all loss, damage, liability and expense resulting from the presence, use or release of Hazardous Materials by the OPERATOR or arising from Golf and Tennis Facility operations under the control of OPERATOR. OPERATOR shall not be responsible for, nor shall it indemnify, hold harmless or defend METRO, its officers, officials, employees, volunteers and agents from any loss, damage, liability and expense resulting from the presence, use or release of Hazardous Materials prior to the earlier of the Effective Date or the date OPERATOR assumes responsibility for maintenance of the Golf and Tennis Facility.

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4.0 APPROVALS.

4.01 Standard for Approvals. Wherever this Agreement provides for approval of METRO, such approvals shall be issued in writing. Except as otherwise provided in this Agreement and, specifically, where this Agreement expressly provides that an approval or determination is within the sole and absolute discretion of METRO, in which case this paragraph shall not apply, a consent or approval referred to herein of either party shall not be unreasonably withheld or conditioned. In the event that either party refuses to give its consent or approval to any request by the other, such refusing party shall indicate by written notice to the other the reason for such refusal unless this Agreement permits the consent or approval to be withheld without cause or in the sole discretion of either party.

4.02 Other METRO Approvals. Neither METRO's execution of this Agreement nor any consent or approval given by METRO hereunder in its capacity as a party to this Agreement shall waive, abridge, impair or otherwise affect METRO's power and duties as a governmental body. Any requirements under this Agreement that OPERATOR obtain consents for approvals of METRO are in addition to and not in lieu of any requirements of law that OPERATOR obtain approvals or permits. However, METRO shall attempt to coordinate its procedures for giving contractual and governmental approvals so that OPERATOR's requests and applications are not unreasonably denied or delayed.

5.0 ANNUAL PLAN.

5.01 Preparation of the Annual Plan. OPERATOR shall submit to the METRO, a proposed Annual Plan for the Golf and Tennis Facility for the next Operating Year ("Annual Plan") no later than February 1st of each year. METRO shall either approve the proposed Annual Plan or make reasonable changes to the proposed Annual Plan no later than March 1st of each year. Once approved by the METRO Council, the Annual Plan is subject to changes by METRO until the budget is approved by the METRO Council. In conjunction with this process, OPERATOR shall provide changes to the Annual Plan as requested by the METRO. The Annual Plan for the remainder of the first Operating Year as well as the following Operating Year, including start up costs, shall be submitted to the METRO no later than sixty (60) days after execution of this Agreement and shall be approved, subject to any reasonable changes, by METRO within thirty (30) days after submittal.

5.02 Contents of the Annual Plan. The Annual Plan shall include:

- a) Actual numbers for previous year, current year, current year revised and estimates for the next Operating Year, including the following items: (i) Gross Revenues separated into green fees, driving range fees, cart fees, lesson fees, merchandise revenue: food and beverage revenue, and tournament revenue, (ii) number of rounds played/projected categorized by weekday/weekend/holiday, time of day, rate, senior/non-senior and residents/nonresidents. METRO acknowledges that for the first year, previous year information will not be available;
- b) Operating budget (the "Direct Cost Budget") showing Golf and Tennis Facility and Food and Beverage Expenses for previous year, current year, current year revised and estimates of all Golf and Tennis Facility Expenses for the next Operating Year, including, but not limited to expenditures for: (i) labor, (ii) operations and maintenance, (iii) repairs, replacements, and alterations which do not constitute Capital Expenditures, (iv) Furnishings and Equipment and Cost of Goods Sold, and (iv) advertising, sales, and business promotion;
- c) Net Cash Flow Budget for previous year, current year, current year revised and projected for the next Operating Year. Net Cash Flow budget shall contain Gross Revenue and all expenses, including Direct Costs, and Fixed and incentive Management Fees;

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- d) Marketing Plan for the Golf and Tennis Facility including a report of activities undertaken during the current year as well as projections for the next Operating Year;
- e) Capital Expenditures Plan the current year, as well as a proposed five (5) year capital investment plan;
- f) Results of the Service Audit Program concluded in previous years and plans for the next Operating Year; and
- g) For the remainder of the first Operating Year, any start-up costs.

5.03 Fee Changes. Any requested change to green, driving range, golf cart and equipment fees shall be submitted for approval with the Annual Plan.

5.04 Compliance. OPERATOR shall comply with the applicable Annual Plan. Without the prior consent of METRO, the actual amount expended for Direct Costs shall not exceed the program budget, including budget adjustments, approved by METRO.

5.05 Review of Annual Plan. METRO and OPERATOR's General Manager shall meet as needed to discuss the operating results of the Golf and Tennis Facility. The parties shall agree upon any amendments or revisions to the Annual Plan to take into consideration variables or events that did not exist, or could not be anticipated by OPERATOR or METRO, at the time the Annual Plan was prepared. Any revisions to the Annual Plan shall require approval of METRO.

5.06 Direct Costs. Direct Costs shall be those costs which are directly related to the resident, staff, operation and maintenance of the Premises and which are established by the Direct Costs Budget, including, but not limited to the following:

- a) OPERATOR employee salaries.
- b) OPERATOR employee benefits including vacation, sick leave, health insurance, disability insurance, worker's compensation insurance and retirement benefits.
- c) Purchase, lease and/or rental of equipment necessary for the operation of the Premises. If Project Manager determines that purchasing any item of equipment would be most cost-effective, then the annual Direct Cost associated with that equipment shall be OPERATOR's actual cost, provided METRO gives advance approval of the amount of such cost, in METRO's sole and absolute discretion.
- d) Repair and maintenance of golf carts, irrigation systems and other equipment used solely in the operation of the Premises.
- e) Fuel, oil and lubricants.
- f) Fertilizers, pesticides, chemicals and grounds maintenance supplies as described in Section 3.05 of this Agreement.
- g) Uniforms, laundry and linens.
- h) Operating supplies, office supplies, cleaning supplies and other miscellaneous supplies.

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- i) Accounting and audit expenses.
- j) Advertising and marketing expenses.
- k) Mileage reimbursement and travel related expenses.
- l) Training expenses.
- m) Telephone, postage and freight.
- n) Fees for permits and licenses.
- o) Utilities, including natural gas, water, electric power, and telephones.
- p) Insurance premiums.
- q) Accounting, credit card processing and related services.
- r) Point of Sale system.
- s) Cost of Resale Inventory.
- t) Lesson Expenses.
- u) Taxes and assessments arising out of OPERATOR's operations at the Golf and Tennis Facility, including, without limitation, possessory interest taxes, if any, and personal property taxes, but only to the extent attributable to equipment and other items of personal property used exclusively at the Golf and Tennis Facility.
- v) Professional (including approved legal services) and consulting services.
- w) Contract services including removal of hazardous materials, trees and debris.
- x) Computer equipment and software.

5.07 Excluded Costs. The following costs are not considered Direct Costs, shall not be reimbursed and shall not be included in the Direct Cost Budget:

- a) Any penalties or fines imposed by any governmental agency, except for those penalties or fines caused solely by the act or omission of METRO or not reasonably related to the acts or omissions of OPERATOR.
- b) Employee salaries or any Compensation of any corporate or regional employee of the OPERATOR.

5.08 Direct Cost Budget. The Direct Cost Budget is the total sum budgeted annually for Direct Costs pursuant to Section 5.02 of this Agreement. OPERATOR is responsible for monitoring adherence to the Direct Cost Budget.

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5.09 Lesson Expenses. All payment for lessons shall be processed through the Pro Shop cash register and shall be included in the daily Gross Revenue Deposits in accordance with the cash handling procedures which meet METRO's security and internal control policies.

5.10 Capital Expenditures. Capital Expenditures are expenditures for equipment, improvements to existing Facilities or construction of new Facilities, the cost of which is equal to or in excess of Five Thousand Dollars (\$5,000) and have a useful life of more than one (1) year.

a) All Capital Expenditures are in the METRO's sole control and discretion, and all costs and expenses of Capital Expenditures shall be approved by METRO as part of the Annual Capital Plan. OPERATOR shall not make any Capital Expenditure prior to obtaining the written approval of METRO, in his or her sole and absolute discretion. Capital Expenditures shall not be included in any category of the Direct Cost budget, unless expressly approved by METRO in writing.

b) Except in the event of an emergency threatening imminent injury to persons or damage to property, the parties acknowledge and agree that this Agreement imposes no responsibilities or obligations on the part of OPERATOR with respect to any aspect of a Capital Expenditure project, including design, construction, or supervision. In the event METRO desires OPERATOR to be involved in any capacity in a Capital Expenditure project, the parties will enter into a separate agreement setting forth the terms and conditions of such involvement, including without limitation fees to be received by OPERATOR for such involvement. Any improvements made as part of this negotiated agreement will become property of Metro at termination or expiration of the contract.

5.11 No Incentives or Disincentives. OPERATOR shall not be entitled to any portion of the savings if the level of Direct Costs is less than the Direct Cost Budget during an Operating Year, nor shall OPERATOR be required to pay any portion of cost overruns if the level of Direct Costs is more than the Direct Cost Budget during an Operating Year, unless required approvals were not obtained.

5.12 Termination for Direct Cost Overruns. If the Direct Costs in any Operating Year are more than 10% higher than the Direct Cost Budget, except if the level of such cost overruns is greater than might reasonably be caused by increased levels of patronage of the Premises, results from causes beyond OPERATOR's reasonable control or if OPERATOR has given METRO written notice of the event(s) causing such cost overruns, METRO may terminate this Agreement in accordance with Section 10, subject to OPERATOR's right to cure such cost overruns by depositing OPERATOR's own funds in the Direct Cost Bank Account METRO shall act reasonably in exercising its rights under this Section.

5.13 Termination for Unsatisfactory Performance. METRO, upon 90 days written notice, shall have the right to terminate this Agreement at any time after January 1, 2013, if the METRO, in its reasonable determination, concludes that the OPERATOR is not performing at least as well as its competitors. It is recognized that it takes time to turn around a Golf and Tennis Facility and METRO desires to provide ample time for the OPERATOR to implement its new business plan. The key elements used to measure performance will include growth in rounds and gross revenue, expense management, cash flow, course conditions and customer satisfaction. To the extent possible, these elements will be compared both before OPERATOR took over and after OPERATOR took over for the subject property as well as the courses generally assumed to be competitive to the subject property.

6.0 MANAGEMENT FEE.

6.01 Combined Management Fee. METRO shall pay to OPERATOR a Management Fee consisting of a Fixed Management Fee and an Incentive Management Fee.

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6.02 Annual Fixed Management Fee. Calendar Year 1: \$XXXX; Calendar Year 2: \$XXXX; Calendar Year 3: \$XXXX Management Fee shall be adjusted annually thereafter based on the Consumer Price Index (West) as of October 1st of the preceding Calendar Year with 2013 as the base year for purposes of such calculation.

6.03 Payment of Fixed Management Fee. The Fixed Management Fee shall be paid in equal monthly installments.

6.04 Incentive Management Fee. In addition to the Fixed Management Fee, OPERATOR shall earn, and METRO shall pay, an Incentive Management Fee for each Operating Year in the amounts set forth below. **TO BE NEGOTIATED.**

6.05 Payment of Incentive Management Fee. OPERATOR shall submit to METRO an invoice detailing NET Revenues received in the previous Operating Year no later than August 31st of each year and outlining a calculation of any Incentive Management Fee due. METRO shall pay OPERATOR the Incentive Management Fee no later than thirty (30) days following receipt of the statement and supporting documents.

6.06 Correction to Gross Revenues and Incentive Management Fee. If an inspection or audit pursuant to Section 8.0 results in a correction of the amount of Gross Revenues: (a) Metro shall pay OPERATOR any additional Incentive Management Fee amount pursuant to Section 6.04 within Thirty (30) days of receipt of notice of the correction, if the amount of Gross Revenues has been adjusted upward; or (b) OPERATOR shall refund to METRO the amount of any overpayment of the Incentive Management Fee pursuant to Section 6.04 within thirty (30) days of receipt of notice of the correction, if the amount of Gross Revenues has been adjusted downward.

6.07 Project Management. If METRO determines it is in its best interest to have the OPERATOR provide project management of capital improvements, a management fee shall be negotiated between the parties.

7.0 FINANCIAL AND ACCOUNTING PROCEDURES.

7.01 Bank Account. METRO will establish and maintain a bank account at a bank designated by METRO (the "Bank Account") for the purposes of accepting deposits of the Gross Revenues and paying Direct Costs. The funds in the Bank Account, and all interest thereon, are the property of METRO.

7.02 Deposits. OPERATOR shall deposit all cash and check receipts into the Bank Account on a daily basis from the previous day during the term of the agreement for all fees and sales attributed to the facility. All payments from credit card companies shall be directly deposited into the Bank Account. Cash on hand for register tills, petty cash, and the change bank shall not exceed \$2,500, and shall be deposited in the on-site drop safe nightly. Deposits shall be reconciled to the Point-of-Sale daily transaction reports. The consolidated Point-of-Sale daily transaction reports will be made available to METRO as requested. OPERATOR shall be responsible for verifying identification for checks and securing credit card authorization. OPERATOR shall be responsible for reimbursing METRO for any returned checks/credit cards and associated fees, unless OPERATOR shows that it followed proper protocols in accepting the check, e.g. checking for identification.

7.03 Payment of Direct Costs. Metro shall pay all budgeted Direct Costs from the Bank Account. Payment of all legitimate claims shall be made in a timely manner. OPERATOR shall submit to METRO an invoice and monthly report detailing Direct Costs pursuant to Section 8.06 no later than the 15th of the succeeding month. Reimbursement shall be net 30.

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7.04 Supplies, Inventory, Working Capital and Operating Equipment. METRO shall provide OPERATOR a working capital advance. OPERATOR shall utilize the Working Capital Advance to acquire, obtain or fund, as the case may be, inventory, supplies, and operating expenses that are reasonably necessary in connection with the operation of the Property and performance of the Services hereunder. OPERATOR shall have no obligation whatsoever to advance its own funds for supplies, inventory or operating expenses; capital alterations or improvements to the Property, Golf and Tennis Facility or Clubhouse. Purchases made for item such as supplies, inventories, operating equipment, etc. shall become the exclusive property of METRO. OPERATOR shall cooperate with METRO's Finance and Regulatory Services to assure that all such METRO properly continues to be properly accounted for throughout the term of this Agreement. All expenses and costs incurred by OPERATOR in connection with such inventory and property control compliance shall be Operating Expenses.

7.05 Financial Reports. The OPERATOR shall cause to be prepared such additional financial reports concerning the Golf and Tennis Facility, as METRO may reasonably request within five (5) days of request.

7.06 Cash Registers. All financial transactions shall be processed through a point of sale ("POS") system. POS system registers shall display to the customer the amount of each transaction and shall be equipped with dual tape, which provides a receipt to the customer and a record of each transaction including transaction number and sales detail. Each POS system register shall lock in sales totals and transaction records and use counters that cannot be reset OPERATOR shall record POS system readings at the beginning of each day. Receipts shall be issued to all customers. OPERATOR shall establish procedures which satisfy METRO's security and internal control requirements

7.07 Point of Sale System. The OPERATOR will select, obtain, and implement a fully-functional POS system to improve cash handling and reporting of sales and bookings by each business center for all operations at Glendoveer. The expense for acquiring and maintaining this system will be direct expensed and approve by METRO. The application must handle a multiple Golf and Tennis Facility venue, including a 9-hole, 18-hole, driving range, lessons, memberships, pro shop and cart rental options. The application must also track tennis center activities, including court fees, rentals, lessons, memberships and pro shop sales.

7.07.1 POS System Features.

- Reservations: Track all reservations and rounds, all payment activity; and allow online booking by customers.
- Customer Relationship Management (CRM) by maintaining a marketing database (email and social media) and developing a customer loyalty program that includes search capability, filter on fields, and export to a spreadsheet.
- Application must maintain e-mail and short message service (SMS) functionality that may include reminders, confirmations and events.
- Coupon/discount capability.
- Point of Sale (POS) must be integrated with the tee sheet and CRM to provide transaction processing, including refunds, cash, credit card, split form of payment, real time inventory, cash out reports by cash drawer and end of day close out with integrated batch settlement.

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- Back Office, sales reporting, comparative analysis, calculates cost of sale, profit/loss statements, budget and forecasting.
- Automated reporting and export to spreadsheet.

7.07.2 Technical Requirements. The following technical requirements must be met:

OPERATOR shall develop, administer, maintain and support all aspects of the operating system and application email and social networking, and website hosting, including upgrades to support new technologies and new functional needs. Application must be accessible through a web browser and must be tested and work on the following combinations. The browser version listed must be at least the minimum version within which the application is compatible: Firefox 3+ (PC, Linux and Mac), Internet Explorer 7.0+ (PC), Opera 6+ (PC and Mac), Safari 4+ (Mac), Chrome 5+.

- a) Application shall be both mobile web compatible, and a mobile web application.
- b) Application shall be PCI compliant, with evidence provided to Metro.
- c) Application shall be hosted with transparent high availability and failover capability with evidence and service level agreement provided to Metro.
- d) Vendor shall acquire the domain name golfglendoveer.com and glendoveertennis.com for customer access.
- e) Vendor will need to establish links with affiliates, including Oregon Golf Association, National Golf Foundation, The Weather Channel, and Greenskeeper.org, etc.
- f) Read-only access to reporting and forecasting functions within the application must be provided to designate METRO.

7.08 Contracts and Agreements. All third-party contracts relating to the operation and maintenance of the Golf and Tennis Facility (including without limitation golf professional contracts, contracts for maintenance and repair services, pest control, supplies, and landscaping services, and contracts for tournaments, banquets, and other group functions) shall abide by the requirements in this section.. Except as provided in this Agreement, all leases and financing agreements for Furnishings and Equipment, and all contracts and agreement relating to the operation and maintenance of the Golf and Tennis Facility entered into during the term of this Agreement, shall be entered into by OPERATOR as the contracting party. If the term of the lease, financing agreement, or other contract or agreement is for more than one year or extends beyond the expiration date of this Agreement or if the date for performance under such contract is after the expiration date of this Agreement, then approval of METRO is required and the contract shall allow assignment to METRO without approval of the other party.

7.09 Contracting Procedures

- a) Purchases over \$5,000. For purchases over \$5,000, excluding Resale Inventory, OPERATOR shall obtain at least three (3) informal bids, except those purchases that are part of an OPERATOR national pricing contract or otherwise justified and approved by METRO. OPERATOR shall retain records related to the informal bids for review by METRO.
- b) Emergency Expenditures. OPERATOR shall be entitled to make additional expenditures not authorized under the then applicable Annual Plan in the event of an emergency, which may result

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in immediate damage or danger to life or property, or in order to comply with any immediate Legal Requirements or Insurance Requirements. All purchases will be subject to Metro's approval.

c) Purchases by OPERATOR for METRO's Account. OPERATOR shall take advantage of all available discounts and other prompt pay strategies. In connection with any purchases made by OPERATOR or an Affiliate of OPERATOR for the account of METRO, OPERATOR or such Affiliate may perform services as a representative of the manufacturer to secure the benefits of lower costs, and that any resulting savings, including representatives' fees, shall be passed on to METRO when the benefit is realized.

d) Trade Discounts, Rebates, Refunds and National Accounts. All trade discounts, rebates and refunds, including national accounts, pertaining directly to purchases for the Golf and Tennis Facility shall be disclosed to and accrue to the benefit of METRO. METRO shall be paid its pro rata share of discounts, rebates and refunds accruing to the OPERATOR for purchases that benefit the Golf and Tennis Facility and other Golf and Tennis Facility's operated or managed by the OPERATOR when those discounts, rebates and refunds are received by the OPERATOR.

e) Purchases from OPERATOR Affiliates. If any purchases of goods or services for the Golf and Tennis Facility are made from or through an Affiliates of OPERATOR the charges to the Golf and Tennis Facility for such goods or services shall be on the same terms as those made to other Golf and Tennis Facility's and country clubs operated by OPERATOR and such charges shall not exceed the invoice prices for such goods and services.

7.10 Approval of METRO. If a contract has not been approved through the Annual Budget or exceeds the budgeted amount for the item or service, approval of METRO is required.

7.11 Requirements for Third-Party Contracts. Subcontractors, lessees, concessionaires, tenants and any other third-party contractors shall:

a) Maintain and carry insurance in the amounts set forth in Article 9.0 with METRO named as additional insured by endorsement, unless covered by the OPERATOR's insurance.

b) Comply with the requirements of this Agreement, including but not limited to the nondiscrimination provision set forth in Section 3.18, the drug free workplace provision in Section 3.19 and the Labor Code requirements in Section 3.08.3, which shall be included in all subcontracts, leases, concessionaire and other third-party contracts.

7.12 Reports. OPERATOR shall provide a list of all open contracts and agreements related to the Golf and Tennis Facility, with a brief description of the contract, term, dollar amount, contact name and phone number, during the quarterly meeting with METRO or as requested by METRO.

8.0 BUSINESS RECORDS

8.01 Types of Records. OPERATOR shall maintain a modified accrual method of accounting that complies with generally accepted accounting principles for all the revenues and expenses (including without limitation, Gross Revenues, METRO-Assessed Fees and Direct Costs) in connection with the operation of the Premises. OPERATOR shall establish and implement adequate internal controls for the operation of the Golf and Tennis Facility. The accounting, books and records for the operation of the Golf and Tennis Facility shall be separate from the accounting, books and records for any other business operated or managed by OPERATOR. Such accounting, books and records shall include the keeping of at least the following documents:

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- a) Regular books of account such as general ledgers showing all assets, liabilities including cash balances, accounts payable, deposits, accounts receivables, fixed assets and equipment inventory;
- b) Journals, including, without limitation, any supporting and underlying documents such as vouchers, checks, tickets, bank statements etc;
- c) Cash register reports that will enable identification of day-to-day sales;
- d) Any other accounting, books and records for the operation of the Golf and Tennis Facility that METRO, in its sole discretion, deems necessary or appropriate for proper reporting of Gross Revenues and Direct Cost disbursements;
- e) OPERATOR shall maintain a computerized system, showing all information on the number and types of rounds of golf played and the corresponding revenues and fee categories, customer addresses and associated data, resident versus non-resident status, and the fee paid per round; and
- f) Logs showing the dates and times of golf play and lessons must be maintained and available at the site for inspection by METRO at any time. In the event driving range equipment that tracks dates and times of play is not available at a price acceptable to Project Manager, OPERATOR shall maintain and keep available documentation sufficient to facilitate an audit of driving range revenues.

8.02 Ownership of Documents and Maintenance of Records. Unless otherwise provided herein, all documents, instruments and media of any nature produced by OPERATOR pursuant to this agreement are Work Products and are the property of METRO, including but not limited to: drawings, specifications, reports, scientific or theoretical modeling, electronic media, computer software created or altered specifically for the purpose of completing the Scope of Work, works of art and photographs. Unless otherwise provided herein, upon METRO request, OPERATOR shall promptly provide METRO with an electronic version of all Work Products that have been produced or recorded in electronic media. METRO and OPERATOR agree that all work Products are works made for hire and OPERATOR hereby conveys, transfers, and grants to METRO all rights of reproduction and the copyright to all such Work Products.

- a) OPERATOR and subcontractors shall maintain all fiscal records relating to such contracts in accordance with generally accepted accounting principles. In addition, OPERATOR and subcontractors shall maintain any other records necessary to clearly document:
 - (1) The performance of the contractor, including but not limited to the OPERATOR's compliance with contract plans and specifications, compliance with fair contracting and employment programs, compliance with Oregon law on the payment of wages and accelerated payment provisions; and compliance with any and all requirements imposed on the OPERATOR or subcontractor under the terms of the contract or subcontract;
 - (2) Any claims arising from or relating to the performance of the OPERATOR or subcontractor under a public contract;
 - (3) Any cost and pricing data relating to the contract; and
 - (4) Payments made to all suppliers and subcontractors.

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- b) OPERATOR and subcontractors shall maintain records for the longer period of (a.) six years from the date of final completion of the contract to which the records relate or (b.) until the conclusion of any audit, controversy or litigation arising out of or related to the contract.
- c) OPERATOR and subcontractors shall make records available to METRO and its authorized representatives, including but not limited to the staff of any METRO department and the staff of the Metro Auditor, within the boundaries of the Metro region, at reasonable times and places regardless of whether litigation has been filed on any claims. If the records are not made available within the boundaries of METRO, the OPERATOR or subcontractor agrees to bear all of the costs for METRO employees, and any necessary consultants hired by METRO, including but not limited to the costs of travel, per diem sums, salary, and any other expenses that METRO incurs, in sending its employees or consultants to examine, audit, inspect, and copy those records. If the OPERATOR elects to have such records outside these boundaries, the costs paid by the OPERATOR to METRO for inspection, auditing, examining and copying those records shall not be recoverable costs in any legal proceeding.
- d) OPERATOR and subcontractors authorize and permit METRO and its authorized representatives, including but not limited to the staff of any METRO department and the staff of the Metro Auditor, to inspect, examine, copy and audit the books and records of OPERATOR or subcontractor, including tax returns, financial statements, other financial documents and any documents that may be placed in escrow according to any contract requirements. METRO shall keep any such documents confidential to the extent permitted by Oregon law, subject to the provisions of section (e).
- e) OPERATOR and subcontractors agree to disclose the records requested by METRO and agree to the admission of such records as evidence in any proceeding between METRO and the OPERATOR or subcontractor, including, but not limited to, a court proceeding, arbitration, mediation or other alternative dispute resolution process.
- f) METRO and subcontractors agree that in the event such records disclose that METRO is owed any sum of money or establish that any portion of any claim made against METRO is not warranted, the OPERATOR or subcontractor shall pay all costs incurred by METRO in conducting the audit and inspection. Such costs may be withheld from any sum that is due or that becomes due from METRO.
- g) Failure of the OPERATOR or subcontractor to keep or disclose records as required by this document or any solicitation document may result in debarment as a bidder or proposer for future METRO contracts as provided in ORS 279B.130 and Metro Code Section 2.04.070(c), or may result in a finding that the OPERATOR or subcontractor is not a responsible bidder or proposer as provided in ORS 279(b).110 and Metro Code Section 2.04.052.

8.03 Annual Financial Statements. OPERATOR is required to submit audited financial statements for the operation of the Premises including an independent auditor's report and corresponding audit management letter to METRO within one hundred twenty (120) days after the end of each Operating Year. The audit shall be performed by an independent certified public accountant acceptable to METRO, and the cost of the audit shall be included as a Direct Cost.

8.04 Public Records. All information obtained in connection with METRO's inspections of OPERATOR's records or audits, with respect to the Premises, may be or become subject to public inspection and/or reproduction as public records. All records, documents, books and accounting records shall be open for inspection by Metro at any reasonable time during the term of the agreement, upon three (3) days written notice. At the expiration or termination of the agreement, all records shall be turned over to Metro. Audited financial statements shall be submitted within 120 days after each fiscal year. The audit shall be performed by a certified public accountant selected by Metro.

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8.05 Comparable Market Data. OPERATOR undertakes a fiduciary role for METRO, and covenants to treat METRO's Golf and Tennis Facility in an equitable manner vis-a-vis any other Golf and Tennis Facility it may lease or operate. With a reasonable request of METRO, OPERATOR shall provide non-confidential, comparable market data or information regarding a certain Golf and Tennis Facility Expense or Fee item. The market data or information may not specifically identify a particular Golf and Tennis Facility. If the information being provided is not a public record, then METRO shall keep this information confidential to the extent allowed by law Public Records Act.

8.06 Monthly Reports. Within twenty (20) calendar days after the end of each month, OPERATOR shall provide METRO with the following monthly financial information regarding deposits, sales, expenses and disbursements, reports and documents to allow Metro to reimburse the OPERATOR for agreed upon costs without markup from the OPERATOR.

- a) Year-to-date balance sheet and income and expense statement, including but not limited to, unearned and deferred revenues, all Direct Costs for that month and Gross Revenues for that month (itemizing each source of Gross Revenues including, without limitation, green fees, golf cart rentals, Pro Shop sales, golf food and beverage sales, lesson fees, driving range operations, resident cards);
- b) Duplicate bank statement;
- c) Check register or equivalent report;
- d) A reconciliation between the bank statement and the check register and year-to-date balance sheet;
- e) Consolidated sales report from Point of Sale system for the month reported; and
- f) Total number of golf rounds played by fee categories for the month reported and Operating Year to-date.
- g) Other financial information requested that is a reasonable request; and
- h) Updates and changes to the approved capital and expense plan for upcoming months will be presented to Metro on a monthly basis. Metro will pay all utilities and property taxes directly (gas, electric, water/sewer). Expenses and the monthly management base fee will be paid from this account.

8.07 Annual Plan Submittals. OPERATOR will be required to prepare and submit annual marketing, course maintenance, business plans, and a budget to METRO for review and approval. OPERATOR will be responsible for preparing an annual operating budget to address ongoing operational needs. OPERATOR will provide METRO an annual income and expense report. All records will be retained and made available upon request to METRO for the duration of the contract. METRO reserves the right to request additional information at any time. The budget will specify routine monthly expenses and small capital purchases that are needed to maintain a consistent level of services. A threshold of \$1,000 over the budgeted amount cannot be exceeded without prior approval of METRO.

Hours of operation will be proposed in the submittal of the annual operating plan for the facility. The goal is to maximize the use and enjoyment of the facility by the public while maintaining a profitable operation. Currently the course is open year round and closed only on Christmas and New Year's days. Generally the course is open dawn to dusk except for closures due to inclement weather. METRO will approve all proposed change of hours.

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It is intended that these plans will become the management tool for METRO to evaluate performance, track monthly business and monitor activities.

9.0 INSURANCE

9.01 Insurance. OPERATOR shall purchase and maintain at the OPERATOR's expense, the following types of insurance, covering the OPERATOR, its employees, and agents:

- a) The most recently approved ISO (Insurance Services Office) Commercial General Liability policy, or its equivalent, written on an occurrence basis, with limits not less than \$1,000,000 per occurrence and \$1,000,000 aggregate. The policy shall include coverage for bodily injury, property damage, personal injury, contractual liability, premises and products/completed operations. OPERATOR's coverage will be primary as respects METRO;
- b) Automobile insurance with coverage for bodily injury and property damage and with limits not less than minimum of \$1,000,000 per occurrence;
- c) Workers' Compensation insurance meeting Oregon statutory requirements including Employer's Liability with limits not less than \$500,000 per accident or disease;
- d) Liquor Liability insurance with limits of not less than \$1,000,000 per occurrence;
- e) Excess or Umbrella Liability with limits no less than \$2,000,000 per occurrence. The Excess or Umbrella policy will provide coverage over the Commercial General Liability, Automobile and Liquor Liability insurance policies resulting in a per claim limit of \$3,000,000;
- f) All Risk Physical Damage Insurance covering CONTRACTOR's insurable personal property, equipment, improvements and betterments;
- g) METRO, its elected officials, departments, employees, and agents shall be named as ADDITIONAL INSUREDS on Commercial General Liability, Excess or Umbrella, Automobile and Liquor Liability policies;
- h) OPERATOR shall provide to METRO 30 days notice of any material change or policy cancellation; and
- i) OPERATOR shall provide METRO with a Certificate of Insurance complying with this article upon return of the OPERATOR signed agreement to METRO. Certificate of Insurance shall identify the METRO contract number.

9.01.1 Deductibles and Self-Insured Retentions. Any deductibles in excess of Five Thousand Dollars (\$5,000) or self-insured retentions must be declared to and approved by METRO. At the option of METRO either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects METRO, its officers, officials, employees and volunteers, or (2) OPERATOR shall guarantee payment of losses and related investigations, claim administration and defense expenses.

9.01.3 Other Insurance Provisions.

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

- a) METRO, its officers, officials, employees, agents and volunteers are to be covered as additional insured's as respects: (i) liability arising out of activities performed on behalf of the OPERATOR; (ii) products and completed operations of OPERATOR; (iii) premises owned,

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occupied, or used by OPERATOR (including the Common Areas); or (iv) automobiles owned, leased, hired or borrowed by OPERATOR. The Coverage shall contain no special limitations on the scope of protection afforded to METRO, its officers, officials, employees, agents, or volunteers.

b) OPERATOR's insurance coverage shall be primary insurance as respects the METRO, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the METRO, its officers, officials, employees, agents or volunteers shall be the excess of OPERATOR's insurance and shall not contribute with it.

c) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to METRO, its officers, officials, employees, agents, or volunteers.

d) OPERATOR'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.

e) The insurer shall waive all rights of subrogation against METRO, its officers, officials, employees, volunteers for losses arising from the acts, omissions or use of the premises by the OPERATOR.

f) OPERATOR shall provide thirty (30) days' prior written notice in the event any insurance required under this agreement is suspended, voided, canceled or reduced in limits

g) Insurance is to be placed with insurers with a Best's Financial Strength rating of A- or higher and a financial size category of IX or higher.

9.02 Increases In Limits. Not less than every three (3) years during the term of this Agreement, METRO may require increases in all of OPERATOR's insurance policy limits for all insurance to be earned by OPERATOR as set forth in this Article, if such increases are commercially reasonable.

10.0 INDEMNIFICATION AND HOLD HARMLESS.

10.01 Hold Harmless. OPERATOR shall fully defend, indemnify and hold harmless METRO and its elective and appointive boards, commissions, officers, agents, and employees, from and against any and all damages, liabilities, claims, costs or expenses, including but not limited to reasonable attorneys' fees and costs, for economic damage to third parties, property damage or bodily injury, including but not limited to death:

a) Which result from any act or omission by OPERATOR or any officer, director, employee or subcontractor of OPERATOR in connection with OPERATOR's performance under this Agreement or operation of the Golf and Tennis Facility;

b) Which result from any action taken by OPERATOR relating to the Golf and Tennis Facility (i) that is prohibited by this Agreement, or (ii) that is not within the scope of OPERATOR's duties under this Agreement, or (iii) that is not within OPERATOR's delegated authority under this Agreement;

c) Which result from OPERATOR's violation of Insurance Requirements or Legal Requirements; or

d) Which METRO, by reason of any alleged breach of a "non-delegable duty," is subject to, because of the OPERATOR's violation of any national, state or local law, regulation or order which

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pertains to providing safe working conditions for OPERATOR's employees, or because of OPERATOR's failure to provide safe working conditions for OPERATOR's employees;

e) Which results in a claim up to METRO's property insurance deductible of \$500,000;

The foregoing indemnification shall not apply to any damages or other liability caused by the sole negligence or willful misconduct of METRO, nor shall it limit any right of OPERATOR hereunder to pursue any remedy for METRO's failure to pay the Management Fee or to terminate this Agreement for any breach by METRO.

10.02 Indemnification for Fines. OPERATOR shall fully defend, indemnify and hold METRO and its elective and appointive boards, commissions, officers, agents, and employees, harmless from and against any fines imposed by administrative or regulatory bodies for actions caused by OPERATOR or its officers, employees or agents.

11.0 DEFAULT

11.01 Operator Default: The OPERATOR's breach of any provision of this Agreement or the failure to keep, observe or perform any material covenant, including the occurrence of any one or more of the following events, shall constitute a default and breach of this Agreement by OPERATOR. A violation of one or more of the following events shall not be curable:

a) The violation of any combination of provisions of the Agreement on more than ten (10) occasions during the term of this Agreement, regardless of whether the violations were cured. By way of example, violation of a provision in January, a violation of the same provision in June, and a violation of a different provision in November shall constitute three of the ten occasions of default;

b) OPERATOR's abandonment of vacation of the Premises;

c) OPERATOR's expenditure of Direct Costs exceeds the Direct Cost Budget by 10% annually of, except if the level of such costs is greater than might reasonably be caused by increased patronage of the Premises, results from causes beyond OPERATOR's reasonable control, if OPERATOR has given METRO written notice of the event(s) causing such cost overruns, or if cured by OPERATOR using its own funds.

d) OPERATOR's use of Bank Account funds for any purpose not expressly provided for by this Agreement or approved by METRO in writing.

e) The levy of a writ of attachment or execution on this Agreement or on any of the property of OPERATOR located in or on the Premises and such levy or execution is not stayed prior to the enforcement of such writ of attachment or execution; or

f) An event of bankruptcy or insolvency including but not limited to: (i) OPERATOR applies for or consents to the appointment of a receiver, trustee or liquidator of OPERATOR or of all or a substantial part of its assets; (ii) OPERATOR files a voluntary petition in bankruptcy or commences a proceeding seeking reorganization, liquidation, or an arrangement with creditors; (iii) OPERATOR files an answer admitting the material allegations of a bankruptcy petition, reorganization proceeding, or insolvency proceeding filed against OPERATOR; (iv) OPERATOR admits in writing its inability to pay its debts as they come due; (v) OPERATOR makes a general assignment for the benefit of creditors; or (vi) an order, judgment or decree is entered by a court of competent jurisdiction, on the application of a creditor, adjudicating OPERATOR a bankrupt or insolvent or approving a petition seeking reorganization

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of OPERATOR or appointing a receiver, trustee or liquidator of OPERATOR or of all or a substantial part of its assets, and such order, judgment or decree continues unstayed and in effect for any period of thirty (30) consecutive days.

g) Failure to take advantage of prompt pay strategies; curable by payment of OPERATOR for any additional costs incurred due to lack of prompt payment

11.02 METRO'S Default. METRO'S breach of any provision of this Agreement, the failure to keep, observe or perform any material covenant including, without limitation, the covenant to pay the Management Fee, shall constitute a default and breach of this Agreement by METRO.

11.03 Curing Default. Except as otherwise expressly stated in this Agreement, the defaulting party shall have ten (10) days after receipt of written notice from the other party to cure any monetary default under this Agreement. The defaulting party shall have thirty (30) days after receipt of written notice from the other party or the specific time permitted under this Agreement to cure any default under any other covenant, condition or agreement contained in this Agreement or, in the event that any such default is of a nature such that it cannot be cured within thirty (30) days, the defaulting party shall immediately commence to cure and thereafter diligently pursue such cure to completion. Notwithstanding the foregoing, OPERATOR shall be in default under this Agreement, with or without written notice from METRO, in the event OPERATOR abandons or vacates the Premises for any period exceeding twenty-four (24) hours except if such abandonment or vacating results from a force majeure event or other cause beyond OPERATOR'S control.

11.04 Remedies.

11.04.1 METRO's ability to do the work at OPERATOR'S expense. In the event of OPERATOR's default as described in Section 11.01, if OPERATOR fails to cure the default by the date specified, METRO may elect to undertake the work that OPERATOR has failed to do or any work necessary or appropriate to diligently maintain the Premises. Should METRO elect to undertake such work, it shall serve OPERATOR written notice of its intent to enter the Premises and the exact nature of the work or correction it intends to perform. The performance of the foregoing work by METRO shall be at the sole expense of OPERATOR and shall not be included as a Direct Cost.

If METRO undertakes work pursuant to these procedures, METRO shall make a demand upon OPERATOR for payment of its costs. If OPERATOR fails to pay the costs incurred by METRO within thirty (30) days of the date the demand is made, METRO may bring legal action to collect the sums due and/or may deduct such costs from the Fixed Management Fee and Incentive Management Fee otherwise payable to OPERATOR. If legal action is necessary or appropriate to collect the amounts expended by METRO, OPERATOR shall pay METRO's attorneys' fees and costs, court costs, and staff costs together with interest from the date which is thirty (30) days after METRO has made demand for payment. If METRO, in its sole discretion, elects to use in-house attorneys from the Office of the METRO Attorney, attorneys' fees recovered by METRO pursuant to this section shall be at the hourly rate including fringe benefits. Any actions taken by METRO pursuant to this Section 11.04.1. shall not cure any default by OPERATOR.

11.04.2 Termination of the Agreement. In the event the defaulting party fails to cure any default of this Agreement within the applicable cure period, the other party may terminate this Agreement upon ten (10) days' written notice to the defaulting party.

If METRO terminates this Agreement pursuant to this Section 11.04.2 METRO shall have the following rights:

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- a) Collect from OPERATOR any and all monies owing METRO under this Agreement;
- b) Take sole possession of the Bank Accounts;
- c) Take sole possession of all equipment and materials, and
- d) Pursue any and all other appropriate civil and criminal remedies.

OPERATOR shall be entitled to any unpaid portion of the Fixed Management Fee attributable to performance that occurred prior to OPERATOR's default, less any damages incurred by METRO as a result of OPERATOR's default.

If OPERATOR terminates this Agreement pursuant to this Section 11.04.2, OPERATOR shall have the right to collect from METRO any and all monies owing OPERATOR under this Agreement.

11.04.3 Remedies Cumulative. Neither the right of termination, nor the right to sue for damages, nor any other remedy available to a party under this Agreement shall be exclusive of any other remedy given under this Agreement or now or hereafter existing at law or in equity.

11.05 Effect of Termination. The termination of this Agreement under the provisions of this Article 11 shall not affect the rights of the terminating party with respect to any damages it has suffered as a result of any breach of this Agreement, nor shall it effect the rights of either party with respect to any liability or claims accrued, or arising out of events occurring, prior to the date of termination.

12.0 CONTRACT ENDING TRANSITION PROCEDURES

12.01 Contract Ending Transition Period The "Contract Ending Transition Period" shall mean: (i) the six (6) month period immediately prior to expiration of the term; (ii) the period from the date METRO gives notice of default under Section 11.02 until the date of termination;

12.02 Contract Ending Transition Procedures. During the Contract Ending Transition Period:

- a) OPERATOR shall allow METRO and others to interview and discuss employment opportunities with OPERATOR's on-site employees.
- b) OPERATOR shall not transfer any Management Staff without the consent of Project Manager, said approval not to be unreasonably withheld.
- c) OPERATOR and METRO shall refrain from coercing, threatening or harassing any employee who expresses interest in being employed by METRO, OPERATOR or other party after the Agreement has expired, or has been terminated or cancelled.
- d) OPERATOR and METRO shall cooperate in good faith on post-contract support services, data management, inventory control, transfer of employees and other issues necessary and appropriate to ensure smooth transition of operating responsibilities from one party to another. Nothing in this paragraph shall be construed to require METRO or OPERATOR to hire additional personnel or spend additional monies.
- e) OPERATOR shall deliver to METRO all records and information related to tournaments, banquets and other events booked at the Golf and Tennis Facility for the Contract Transition Period or any time thereafter.

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f) OPERATOR shall deliver to METRO current copies of all contracts, permits and licenses affecting Golf and Tennis Facility operations, including without limitation, leases for golf carts and other Golf and Tennis Facility equipment

g) All real and personal property that is currently located at the Golf and Tennis Facility, together with any real or personal property purchased or leased in accordance with the Direct Cost Budget or otherwise with METRO funds is and shall remain the property of METRO. OPERATOR shall transfer possession of the Premises, Facilities, Furnishings and Equipment, supplies, software, databases, books, records and materials purchased, prepared or maintained under this Agreement to the new OPERATOR or METRO, as METRO shall direct. If METRO determines that the Premises, any Facilities, Furnishings and Equipment or other item is not in an acceptable condition accounting for normal wear and tear and budget constraints, if any, OPERATOR shall have the burden of demonstrating that the item was properly maintained or that the item is useable and in good condition. OPERATOR shall reimburse METRO for the cost of repair or replacement of any item that is not in useable and good condition, normal wear and tear and budget constraints excepted. OPERATOR shall surrender the Premises in broom clean condition.

h) OPERATOR shall transfer all keys, convey all alarm codes and vacate the Premises.

i) OPERATOR shall assign to METRO and METRO shall assume OPERATOR's obligations under any loans and leases incurred or entered into by OPERATOR with respect to Furnishings and Equipment or supplies then in use at the Golf and Tennis Facility, provided that the following conditions are met unless waived by METRO: (i) OPERATOR shall have delivered to METRO written documentation acceptable to METRO showing that OPERATOR has fully performed its obligations under such loans and leases through the date METRO assumes such obligations, and (ii) with respect to any agreements in excess of one year or whose term extended beyond the expiration date of this Agreement, METRO shall have given its written approval to the agreement.

j) OPERATOR shall promptly transfer the liquor license for the premises to the METRO's designee for the sum of \$1.00. METRO shall bear the cost of the escrow fees.

13.0 WORK STOPPAGES, DAMAGE OR DESTRUCTION

13.01 Work Stoppages In the event concerted activities by labor groups (e.g., picketing, strikes, etc.) result in OPERATOR's employees not entering and working at the Premises, OPERATOR shall, if Project Manager so requests in writing, seek appropriate administrative or court orders to return operations to normal. During such period, OPERATOR shall operate the Premises on a best efforts basis until labor relations are normalized. If and only if Project Manager gives OPERATOR a written request to seek administrative or court orders will the cost of doing so shall be a Direct Cost

13.02 Damage or Destruction Should the Golf and Tennis Facility be destroyed or substantially damaged by fire, flood, acts of God, or other casualty, METRO, by written notice to OPERATOR, shall have the right to cancel this Agreement pursuant to Article 12 on the basis that METRO does not choose to rebuild or restore the Golf and Tennis Facility, and in such even neither party shall have any further obligation to the other party under this Agreement, except with respect to liabilities accruing, or based upon events occurring, prior to the effective date of such cancellation. For the purpose of this Section 12.02, the Golf and Tennis Facility shall be deemed to have been substantially damaged if the estimated length of time required to restore the Golf and Tennis Facility substantially to its condition and character just prior to the occurrence of such casualty shall be in excess of six (6) months. If this Agreement is not cancelled in the event of damage to the Golf and Tennis Facility either because (a) the damage does not amount to substantial

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damage as described above, or (b) notwithstanding destruction of or substantial damage to the Golf and Tennis Facility, and METRO elects, in its sole and absolute discretion, to restore the Golf and Tennis Facility, then METRO may proceed, at METRO's own expense, to commence and complete restoration of the Golf and Tennis Facility to its condition and character just prior to the occurrence of such casualty. If as a result of any damage or destruction to the Golf and Tennis Facility as provided in this Section 12.02, the responsibilities of OPERATOR under this Agreement are substantially changed, then the parties shall meet and discuss in good faith appropriate modifications to this Agreement including the Combined Management Fees. Any insurance proceeds made available after such damage or destruction shall be payable to METRO.

13.03 Eminent Domain. If all of the Golf and Tennis Facility shall be taken through the exercise of the power of eminent domain, or by agreement in lieu of the exercise of eminent domain, then upon the date that METRO shall be required to surrender possession of the Golf and Tennis Facility, this Agreement shall terminate and neither party shall have any further obligation to the other party under this Agreement except with respect to liabilities accruing, or based upon events occurring, prior to the effective date of such termination. Likewise, if such a substantial portion of the Golf and Tennis Facility is taken through the exercise of eminent domain, or an agreement in lieu of the exercise of eminent domain, so to make it unfeasible, in the reasonable opinion of METRO, to restore and continue to operate the remaining portion of the Golf and Tennis Facility for the purposes contemplated in this Agreement, then upon the date that METRO shall be required to surrender a substantial portion of the Golf and Tennis Facility, this Agreement shall terminate and neither party shall have any further obligation to the other party under this Agreement except with respect to liabilities accruing, or based upon events occurring, prior to the effective date of such termination. If such taking of a portion of the Golf and Tennis Facility shall not make it unfeasible, in the sole and absolute discretion of METRO, to restore and continue to operate the remaining portion of the Golf and Tennis Facility for the purposes contemplated in this Agreement, then this Agreement shall not terminate, and METRO may proceed, at METRO's own expense, to alter or modify the Golf and Tennis Facility so as to render it a complete architectural unit which can be operated as a Golf and Tennis Facility of substantially the same type and character as before. If as a result of any alteration or modification of the Golf and Tennis Facility as provided in this Section 3.12, the responsibilities or rights of OPERATOR under this Agreement are substantially changed, then the parties shall meet and discuss in good faith appropriate modifications to this Agreement including the Combined Management Fee. Any award pursuant to a taking by light of eminent domain shall belong to and be paid to METRO.

13.04 Force Majeure Events. As used in this Agreement, the term "Force Majeure" means declared or undeclared war, sabotage, riot or acts of civil disobedience, acts or omissions of governmental agencies, accidents, explosions, floods, earthquakes, or other acts of God, shortages of materials, or any other event not within the control of OPERATOR and not caused by the negligence or intentional wrongful conduct of OPERATOR or METRO.

If OPERATOR or METRO is unable by reason of Force Majeure to carry out any obligation under this Agreement, such obligation shall be suspended only so far as it is physically affected by such Force Majeure. The party unable to perform shall give the other party prompt notice of such Force Majeure with a detailed explanation and the probable extent to which it will be unable to perform or be delayed in performing such obligation. The party unable to perform shall use all possible diligence to remove such force Majeure as quickly as possible. The requirement that any Force Majeure shall be removed with all possible diligence shall not require the settlement by the party unable to perform because of strikes, lockouts or other labor disputes or the meeting of any claims of or demands by any supplier or government entity which reasonably may be harmful to the best interests of METRO or OPERATOR.

Costs incurred as a result of a Force Majeure shall be reimbursed by METRO, if the expenditure was approved in advance by METRO, which approval will not be unreasonably withheld.

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If as a result of the occurrence of a Force Majeure, the responsibilities of OPERATOR under this Agreement are substantially changed, then the parties shall meet and discuss in good faith appropriate modifications to this Agreement including the Combined Management Fee.

14.0 SUBMISSION OF INVOICES, REPORTS AND NOTICES

14.01 Invoices Any invoice required by this Agreement shall include the Metro contract number, OPERATOR name, remittance address, invoice date, invoice number, invoice amount, tax amount (if applicable), and an itemized statement of work performed and expenses incurred during the billing period, and will not be submitted more frequently than once a month. OPERATOR's invoices shall be sent to:

Metro Accounts Payable
600 NE Grand Avenue
Portland, OR 97232-2736

or metroaccountspayable@oregonmetro.gov The METRO contract number shall be referenced in the email subject line.

OPERATOR's billing invoices for services through June 30 shall be submitted to Metro by July 15. Payment shall be made by METRO on a Net 30 day basis upon approval of OPERATOR invoice.

14.02 Reports and Other Documents. Any report and other documents required by this agreement shall be submitted to:

Metro
600 NE Grand Avenue
Portland, OR 97232
Attn: Lydia Neill, Parks and Environmental Services

14.03 Other Notices. Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party shall be in writing and shall be deemed given as of time of hand delivery to the addresses set forth below, or three (3) days after deposit into the United States mail, postage prepaid, by first class mail. Unless notice of a different address has been given in accordance with this Article 14, all such notices shall be addressed as follows:

If to METRO:
Metro
600 NE Grand Avenue
Portland, OR 97232
Attn: Allison Kean Campbell, Office of Metro Attorney

If to OPERATOR:

Company Name
Address
City State Zip
Attn:

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15.0 DISPUTE RESOLUTION

15.01 Controversies Subject to Mediation. Any controversy between the parties regarding the construction or application of this Agreement, and any claim arising out of this Agreement or its breach, may first be submitted to mediation if agreed to by the parties.

15.02 Selection of Mediator. The parties may agree on a mediator. If the parties cannot agree on a mediator within ten (10) days after service of the request for mediation, either party may request the American Arbitration Association to provide a list of three (3) possible mediators with each party having the right to strike a name on an alternating basis until one name remains. If either party delays beyond five (5) days in striking a name, then the other party may choose anyone from the remaining list to serve as mediator.

15.03 Mediation Schedule. The mediation shall take place before the mediator at the time and place selected by the mediator unless the parties agree otherwise. The mediator shall select the time and place promptly and shall give each party written notice of the time and place at least ten (10) days before the date selected; provided that the meeting shall take place not less than thirty (30) days after the request for mediation.

15.04 Cost of Mediation Each party hereto shall bear the attorneys' fees, costs, and expenses incurred by it in connection with such mediation, and both parties shall share equally the costs and expenses attributable to the services of the mediator.

15.05 Other Proceedings. If mediation does not prove successful, either party may institute a proceeding in a court of law or the parties may agree to nonbinding or binding arbitration.

16.0 MISCELLANEOUS PROVISIONS

16.01 Tax-Exempt Financing. If METRO decides in the future to finance additional improvements to the course with tax-exempt financing the parties acknowledge that tax-exempt financing is regulated by federal law, including, without limitation, Internal Revenue Service regulations. If any provision of this Agreement conflicts with any applicable law or regulation, the parties shall negotiate in good faith to modify such provision as necessary to bring this Agreement into compliance with such law or regulation. (In the event the parties cannot agree upon a modification of this Agreement, either party may cancel this Agreement in accordance with Article 11.0.)

16.02 Ownership. Ownership of the Golf and Tennis Facility, all Facilities, Furnishings and Equipment, Resale Inventory and Supplies acquired by METRO or acquired by the OPERATOR on behalf of METRO, and all alterations, additions or betterments thereto, shall remain the property of METRO with the exception of the retail inventory not including food and beverage items for sale in the pro shop.

16.03 Warranties.

16.03.1 OPERATOR Warranties. OPERATOR warrants and represents that it has full power and authority to enter into this Agreement and perform the obligations in this Agreement; that consummation of this Agreement will not create a default under any other agreement and will not violate any law, regulations, order, judgment, decree or rule; that OPERATOR has conducted its own review of the plans and specifications for the Golf and Tennis Facility prior to execution of this Agreement; and that OPERATOR is not relying on any representation of METRO in connection with the execution of this Agreement including but not limited to any representation concerning future revenues to be derived from the Golf and Tennis facility.. OPERATOR warrants and represents that it is authorized to transact business in the State

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of Oregon and that all of OPERATOR's employees are properly licensed and trained for their respective positions and responsibilities.

16.03.2 METRO Warranties. METRO warrants and represents that it has full power and authority to enter into this Agreement and perform the obligations in this Agreement and that consummation of this Agreement will not create a default under any other agreement and will not violate any law, regulations, order, judgment, decree or rule. METRO warrants and represents that it is authorized to transact business in the State of Oregon and that all of METRO's employees are properly licensed and trained for their respective positions and responsibilities.

16.04 Premises.

16.04.1 METRO's Right of Possession. This Agreement does not constitute a lease and the right of possession of the Premises shall at all times remain with METRO. METRO and its authorized representatives shall have the right to enter the Premises at any time without notice and for any purpose, including, without limitation, the following: (i) to determine whether the Premises are in good condition and whether OPERATOR is complying with its obligations under this Agreement; (ii) to do any necessary maintenance and to make any restoration to the Premises that METRO has the right to perform; to serve, post or keep posted any notices required or allowed under the provisions of this Agreement; (iii) to show the Premises to prospective brokers, agents, buyers, tenants, OPERATOR's any time during the term of the Agreement; and (iv) to undertake emergency maintenance, repairs or restoration. METRO reserves the right to establish, grant or utilize easements or rights-of way over, under, along and across the Premises.

16.04.2 Condition of Premises. OPERATOR acknowledges that, except as expressly set forth in this Agreement, METRO has made no representations or warranties concerning the condition of the Premises and OPERATOR agrees to commence operations on the Premises on the Effective Date of this Contract, as determined by METRO. This Agreement is subject to all easements, liens and other interests affecting title to the Premises, whether or not they are of record.

16.05 Waiver. No delay or failure on the part of any party in exercising any right hereunder shall impair any such right or any remedy of the party so delaying or failing. No waiver of any provision of this Agreement shall be binding unless executed in writing by the party making the waiver. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver.

16.06 Integration. This Agreement is the entire agreement between the parties, and supersedes all prior and contemporaneous agreements, representations and understanding of the parties concerning the subject matter hereof.

16.07 Modification of Agreement. No modification, amendment or supplement to this Agreement shall be binding unless executed in writing by both of the parties.

16.08 Severability. The parties agree that any provision of this Contract that is held to be illegal, invalid, or unenforceable under present or future laws shall be fully severable. The parties further agree that this Contract shall be construed and enforced as if the illegal, invalid, or unenforceable provision had never been a part of them and the remaining provisions of the Contract shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Contract. Furthermore, a provision as similar to the illegal, invalid, or unenforceable provision as is possible and legal, valid and enforceable shall be automatically added to this Contract in lieu of the illegal, invalid, or unenforceable provision. Any failure by METRO to enforce a provision of the Contract is not to be construed as a waiver by METRO of this right to do so.

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16.09 Time of the Essence Time is of the essence in the performance of all obligations under this Agreement for which specific time periods have been specified.

16.10 Cumulative Remedies. The remedies granted under the terms of this Agreement shall not be exclusive but shall be cumulative and in addition to all other remedies allowed under law.

16.11 Assignment. METRO shall have the right to assign its interest in this Agreement without limitation, except that METRO shall not have the right to assign its interests hereunder without OPERATOR's prior written agreement it; in the reasonable judgment of the OPERATOR, such an assignment will effect OPERATOR's performance of this Agreement or expose OPERATOR's confidential and proprietary information to a competitor. Upon any such assignment, METRO shall be relieved of any further obligation under this Agreement provided such assignee assumes all of METRO's obligations under this Agreement. OPERATOR acknowledges that METRO is entering into this Agreement in reliance on the unique skill and experience of OPERATOR and its employees. OPERATOR shall not subcontract or assign all or any part of its right or obligations under this Agreement, unless approved in writing by Project Manager, said approval not to be unreasonably withheld. Any change in the control of OPERATOR, including, without limitation, any transfer or acquisition of a controlling percentage of OPERATOR's equity or stock or a controlling percentage of the equity or stock of OPERATOR, shall constitute an assignment for purposes of this Agreement.

16.12 Time References. Except as otherwise specifically provided in this Agreement, all references to "days" herein shall mean calendar days and not business days.

16.13 No Third Party Beneficiaries. This Agreement is not intended for the benefit of any specific person, entity or third party beneficiary other than the named parties hereto and no person or entity that is not specifically named as a party herein shall have any right to enforce the provisions of this Agreement.

16.14 Golf and Tennis Facility Name The Golf and Tennis Facility shall be known by such trade name and/or trademark or logo as may from time to time be determined by METRO. The parties acknowledge and understand that the names, logos, and designs used in the operation of the Golf and Tennis Facility, together with appurtenant goodwill, are the exclusive property of METRO. OPERATOR may identify the Golf and Tennis Facility as a Golf and Tennis Facility managed and operated by OPERATOR.

16.15 Independent Contractor. OPERATOR shall at all times be considered an independent contractor under this Agreement. Nothing contained in this Agreement shall be construed to be or create a partnership or joint venture between METRO and its successors and assigns, on the one part, and OPERATOR and its successors and assigns, on the other part. OPERATOR agrees to be solely responsible for its own matters including payment of its employees, compliance with Social Security, withholding and other such personnel regulations. OPERATOR'S employees shall not be entitled to any salary, fringe benefits, pension, workers' compensation, sick leave, insurance or any other benefit or right connected with employment with METRO.

16.16 Headings The Article, Section and Subsection headings contained in this Agreement are for convenience and reference only and are not intended to define, limit or describe the scope or intent of any provision of this Agreement.

16.17 Survival of Covenants Any covenant, term or provision of this Agreement which in order to be effective must survive the termination of this Agreement shall survive any such termination.

16.18 Applicable Law This Agreement shall be construed and interpreted in accordance with, and shall be governed by, the laws of the State of Oregon.

Attachment B- Sample Contract

Request for Proposals (RFP 13-2105)

Glendoveer Golf and Tennis Operations



16.19 No Presumption Regarding Drafter. The language of each and all paragraphs, terms and/or provisions of this Agreement, shall, in all cases and for any and all purposes, and in any way and all circumstances whatsoever, be construed as a whole, according to its fair meaning. METRO and OPERATOR acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between METRO and OPERATOR, and that this Agreement reflects their mutual agreement regarding the subject matter of this Agreement. Because of the nature of such negotiations and discussions, it would be inappropriate to deem either METRO or OPERATOR to be the drafter of this Agreement, and therefore no presumption for or against the drafter shall be applicable in interpreting or enforcing this Agreement.

16.20 Counterparts. This Agreement and any amendment may be executed in counterparts, and upon all counterparts being so executed each such counterpart shall be considered as an original of this Agreement or any amendment and all counterparts shall be considered together as one agreement.

16.21 Authority. The parties represent for themselves that (a) such party is duly organized and validly existing, (b) the person or persons executing this Agreement on behalf of such party is/are duly authorized to execute and deliver this Agreement on behalf of such party, (c) by so executing this Agreement, such party is formally bound to the terms and provisions of this Agreement, and (d) the execution of this Agreement does not violate any provision of any other agreement to which such party is bound.

16.22 Conflict of Interest. OPERATOR shall avoid all conflict of interest or the appearance of conflict of interest in performance of this Agreement. The parties hereto hereby covenant that during the term of this Agreement they will not employ any person to administer any portion of this Agreement that has an interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement effective as of the date first above written.

OPERATOR NAME

METRO

By _____

By _____

Print Name _____

Print Name _____

Date _____

Date _____

Attachment C – Scope of Work

Request for Proposals (RFP 13-2105)

Glendoveer Golf and Tennis Operations



Description of Operational Responsibilities

The following outline describes the roles and responsibilities of Metro as the property owner and the future contractor. Metro's goal is to clearly define how the facility will be managed and operated so that a productive business relationship can be established and maintained over the life of the contractual arrangement. Metro acknowledges that the facility has suffered from deferred maintenance, needs to be modernized and that additional investment is required.

A. Introduction

The purpose of the Scope of Work is to provide a description of the contractor's responsibilities and Metro's level of commitment to operating Glendoveer Golf and Tennis facility. The overall goals are to provide:

- Seamless daily operation of two 18-hole golf courses, driving range, tennis facility and pro shop
- Deliver consistently excellent customer service to the public
- Golf instruction by Class "A" golf professionals and tennis instruction by USTA professionals
- Sales of innovative and quality retail goods for golf and tennis players to enhance their play
- Food and beverage cart service on the golf course
- Quality driving range supply and operation
- Business and marketing strategies to increase rounds, use of the tennis facility and driving range
- Obtain an electric golf cart fleet that is adequate to conduct tournament play and service two 18 hole golf courses
- Daily maintenance of both golf courses and the irrigation system serving the courses by a class "A" golf course superintendent
- Basic daily basic maintenance of grounds, buildings and equipment
- Best Management Practices (BMP's) for sustainable operation of golf courses and grounds, IPM
- BMP's for sustainable daily operations as well as maintenance of buildings
- Development of web based reservation access, a new webpage and utilization of social media in marketing the facility
- Expanded youth golf and tennis programs

Glendoveer Golf Course, located at 14015 NE Glisan Street in Portland, Oregon, was acquired by Metro from Multnomah County in 1996 as part of a transfer of assets that also included the Expo Center, regional parks, pioneer cemeteries and Gleason and Chinook boat ramps. The Glendoveer property contains 242 acres of land zoned for parks and open space and is located within the City of Portland. The site includes two 18-hole golf courses, four covered tennis courts, a restaurant, driving range, clubhouse, and a public soft-surface recreational trail. Two parking lots containing approximately 420 stalls at the main entrance serve the golf/tennis, trail users and restaurant patrons. Two domestic water wells are on the property and serve the golf courses. The restaurant is leased by the Ringside Steakhouse restaurant and is not included in this request for proposal. The restaurant

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currently provides “grab and go” beverages, beer, and snacks from the coffee shop. The restaurant will discontinue this service by 2013, as Metro desires to include this service within the pro shop in the future. This popular facility also has a soft surface walking trail that hosts approximately 650 people per day year round and is maintained by Metro. The trail and a parking lot located at 148th and Halsey and the maintenance yard will be maintained by Metro and will not be part of this contractor’s responsibilities.

Over 100,000 rounds (nines) of golf are played annually at this public facility and it has generated in excess of \$2.5 million on average over the past three years in audited financial reports although rounds and revenues have steadily declined. The current operator, Glisan Street Recreation (GSR) has managed the facilities through a lease and operating contract for over 30 years and the existing operation contract expires December 31, 2012. Metro is seeking competitive bids to operate this facility. A concession type contract will be negotiated to operate the facility.

Metro’s goal is to modernize the operation and the facility to provide moderately priced golf and tennis to patrons. The operation of the golf course must balance agency-wide sustainability goals with fiscal goals, through best management practices and recycling and facility improvements that reduce water, energy and pesticide use. Glendoveer is currently maintained as an Audubon Sanctuary Golf Course. A preliminary assessment of the golf course operation was completed by Salmon Safe and although not eligible at this time, it is desirable to work toward obtaining this certification in the future. The new operator agreement will put strong business practices in place, provide expanded youth programs for tennis and golf and continue to provide recreational benefits to the community. Metro will continue to provide and maintain the walking trail for the community. The restaurant is not included in this request for proposals; that lease will be held directly by Metro with the Ringside Steakhouse restaurant.

The Metro Council has designated \$331,000 in the FY 2012-13 budget for capital expenses to address the following issues: Building a cart barn to store a new fleet of electric golf carts, replacement and ADA improvements of bathroom/locker room facilities and pro shop, and begin design and engineering of a replacement system for the leaking water storage facility on the east course. If these projects can be completed within this budget, any remaining dollars will be used for additional projects. It is expected that additional funding may be available to complete minor projects and address code and maintenance issues. Large capital projects will be evaluated on a fiscal year basis.

B. Use of Premises

Metro is the owner of Glendoveer golf courses, all structures, equipment and the contents of the restaurant property except for personal property in this building. Any future improvements made as part of this contract will become property of Metro. Metro reserves the right to enter the property at any time.

C. Capital or In-kind Contributions

Several unfunded and potentially revenue-generating projects have been identified. The operator’s fee proposal may choose to address some of these unfunded projects. Capital or in-kind contributions should be discussed and a potential dollar value assigned to the proposal. These projects may include irrigation, driving range and maintenance equipment upgrades, tent and patio spaces

Attachment C – Scope of Work

Request for Proposals (RFP 13-2105)

Glendoveer Golf and Tennis Operations



enhancements for events and development of food and beverage services in the pro shop to replace the restaurant coffee shop. Metro recognizes that developing tournament play which includes food and beverage for events would be enhanced by an outdoor tent/patio to accommodate these events, currently not funded.

In order to provide “grab and go” food and beverage options for golfers, tennis players and potentially walkers this capability must be developed in the pro shop. Preliminary plans and a cost estimate have been developed to build out this feature, but construction remains unfunded.

There may also be opportunities including, but not limited to, small improvements, cash investments, cost sharing or in-kind labor from a contractor to address deficiencies in the irrigation system, minor improvements to the golf course, equipment and driving range and any of these enhancements could be part of an operator’s fee proposal. Any improvements made as part of this negotiated agreement will become property of Metro at termination or expiration of the contract.

D. Operator Responsibilities

Metro is seeking to develop a productive business relationship with a professional golf and tennis operator. The operator will be completely responsible for the day to day maintenance and operation, cash handling, booking and reserving tee times and tennis court reservations. Maintenance of the golf course and grounds are included in these management responsibilities as well as basic maintenance of all buildings except the restaurant and the grounds associated with this building. The operator, through their in depth knowledge and experience will develop plans and proposals to increase the quality of the golf and tennis experience at Glendoveer. The operator will be responsible for all facets of the operation of the pro shop, staffing, scheduling, complete golf course and irrigation maintenance, tee time and court reservation scheduling, cash/credit control, website management, retail sales, concessions on the golf course and food and beverage operations within the pro shop and driving range operations. Operator will be required to abide by all state, federal and locally applicable laws and shall obtain and maintain all business licenses and other permits required to conduct business, serve food and alcohol (beer and wine) at the facility.

Metro expects that the operator and all employees maintain the highest level of customer service and awareness of the value of differences in race, color, religion, sex, national origin, age, marital status, familial status, gender identity, sexual orientation and disability. Discrimination of any employee or customer will not be tolerated. Employee personnel manuals and operational standards shall reflect this standard.

E. Public Use and Access

Operator will ensure that continued access is available to the soft surface trail located on the perimeter of the east course and west of the driving range during hours of operation of the golf course.

F. Customer Service Standards

Customer service is an integral part of the business of running Glendoveer. An operator’s commitment to high quality customer service is essential for success. Neighbors, trail users, golfers

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Glendoveer Golf and Tennis Operations



and tennis players should feel equally welcome at Glendoveer. The surrounding neighborhood takes great pride in the open space the golf courses provide, the variety of recreational opportunities and the fine dining the restaurant provides. A service audit program will be required to be developed and implemented at least semi-annually to evaluate customer experiences using the facility. Operator will report results and recommended changes to Metro.

G. Food and Beverage Services

Currently the restaurant operator controls all food and beverage service at the facility with the exception of a single vending machine located in the pro shop. The new lease agreement that Metro will hold with the restaurant will allow food and beverage services to be offered in the pro shop. The restaurant operator will close the coffee shop that currently offers this service and convert the space to another use no later than December 31, 2013. On course beverage service, food and beverage in the pro shop will require licensing and limited food service capabilities that will be developed and managed by the golf course operator. A preliminary plan has been developed to provide food and beverage services in the pro shop. The food and beverage services offered in the pro shop will be “grab and go” (bottled drinks) and beer on tap potentially and not duplicate the level of food/beverage services provided by the restaurant. The food service set up in the pro shop has not been developed or funded. This could be part of a capital contribution from an operator. No hard alcohol is to be served from the pro shop, only beer and wine.

H. Professional Golf and Tennis Qualifications

Staffing by a Class “A” golf professional certified with the Ladies Professional Golf Association (LPGA) or the Professional Golf Association (PGA) and United States Tennis Association (USTA) professional staff to provide lessons and instruction is required. Operator will provide targeted programming for youth, women and underserved portions of the population at Glendoveer or nearby schools. These activities may include partnerships with First Tee and USTA or other groups providing similar services. A Class “A” Superintendent, member of the Golf Course Superintendent’s of America is required to professionally maintain the golf courses.

I. Routine Facility Maintenance

Routine maintenance and cleaning should be performed regularly so that the grounds, buildings and restrooms are kept clean, litter free and in good condition. A cleaning schedule will be included in the contract. Operator will provide all janitorial, landscape and hardscape maintenance within driving range, maintenance shop, future cart barn, pro shop/tennis center and all surrounding property, with the exception of the parking lots, trail and natural area. Major maintenance is not included in this category and is defined as projects that exceed \$1,000 and affect a structure or system. Metro has established best management practices and standards for the use of green cleaning products that comply with Green Seal GS-37 standard certification, materials and products that shall be incorporated into operational standards.

J. Golf Carts

Metro desires to transition the golf cart fleet from gas to electric during the next calendar year to offer customers a better product and to meet agency sustainability standards. Metro will require the operator to either rent or lease a fleet of at least 72 electric golf carts to serve 36 holes of golf and

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allow tournament play (unless seasonal demand can be satisfied with less carts). Golf carts will be leased or rented and maintained by the operator and charged as an operating expense. It is expected that the golf cart fleet will be turned over +/- every five years to keep the rental fleet and revenue stream strong. All equipment is to be kept clean and maintained according to manufacturer's specifications. Metro will erect a cart barn for storage, charging and maintenance in the vicinity of the practice tee located adjacent to the driving range in late fall of 2012 or early 2013. Operator agrees to pass on all trade and discount savings when purchasing, renting or leasing equipment and supplies on Metro's behalf.

K. Golf Course Maintenance Equipment

Metro recognizes that the current golf maintenance fleet is inadequate to maintain a 36-hole golf course efficiently and sustainably. The existing fleet of golf course equipment will be provided for use by the operator. Key pieces of equipment need to be acquired or replaced to conduct proper maintenance and to efficiently maintain the courses for regular golf and tournament play. Metro anticipates beginning to replace and augment the current fleet of golf course maintenance equipment as the operational budget allows. All equipment will remain under Metro's ownership and will be purchased by Metro as needed. An equipment replacement plan has been developed and will be implemented as revenues allow over the next five years. The operator is expected to make recommendations to Metro on the type, brand, number and schedule of equipment needed. All equipment is expected to be cleaned and maintained by a qualified mechanic; maintenance shall be performed and tracked according to all manufacturers' recommendations. Sustainable options that decrease carbon impacts, operate more efficiently or use less toxic products will be incorporated into the golf course operation. Operator agrees to pass on all trade and discount savings when purchasing, renting or leasing equipment and supplies on Metro's behalf.

L. Tennis Facility Operation and Integration

Currently, the tennis facility is managed as a sub-leased operation. Metro seeks to have the tennis operations, booking, lessons and associated services incorporated with golf operations into one seamless operation. Reservations will be tracked electronically, a customer base will be maintained, annual passes will be tracked and the Glendoveer website will provide information about both tennis and golf. Tennis amenities and services will be required to be incorporated into the pro shop.

Operator should have experience running a tennis center and is expected to develop programming that enhances the tennis facility and provide recommendations on improvements to maximize play and improve the experience.

M. Golf Course Best Management Practices

Operator will be required to develop and implement a best management plan for golf courses and grounds maintenance to maintain Audubon Sanctuary status and meet OGCSA Environmental Stewardship Guidelines. This BMP should also address recommendations in the Salmon Safe Golf Course and completed in 2010 and found in Appendix E- Salmon Safe Site Assessment. The objective of requiring the plan is to decrease pesticide and chemical use to manage the golf course and in areas currently used to store, clean and handle related equipment, increase native habitat on the courses and decrease the water usage on the site. Detailed tracking of type, quantity, purpose

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and storage requirements shall be included in the plan. Tracking of water usage including well water shall be reported electronically on a monthly basis. Meeting this requirement will require development of standards, tracking of all pesticide, fertilizer and water usage on the golf course. The golf course weather station and irrigation control software must be maintained and operated to efficiently water the golf course. Metro will require the operator to assess, plan and manage roughs and out of play areas, to transition portions of the golf course to less actively managed areas and incorporate native plants over time. Pesticide and herbicide useage on the golf courses will be reported to Metro on a monthly basis. Material Safety Data Sheets (MSDS) will be maintained in Metro's online MSDS database in addition to storage in binders at the golf course.

Operator will consult Metro prior to any tree trimming or tree removal on the golf courses or grounds. Metro has a professional arborist who is available for consultation and services as needed. Operator will be required to develop a tree management plan for each golf course during the first year of operation that may include trimming, removal and disposal of slash.

N. Signage

Operator shall not install any new or replace existing signage without the prior review and approval by Metro. Bench advertisement is currently being provided by Bench Craft. The continuation of this agreement signed by the current operator is subject to approval by Metro. Any branding or logo changes to signs or the course logo must be approved by Metro.

O. Operations and Maintenance Procedure Manuals

Operator will be required to provide copies of all operations, maintenance and procedure manuals for managing all parts of the facility.

P. Recycling Standards

Currently, there is no recycling standard nor receptacles/sorting areas at the facility to encourage recycling of paper, bottles, cans, etc. Operator is required to establish a facility-wide recycling program that complies with the Business Recycling requirements at <http://www.oregon.gov/index.cfm/901byweb/id26294>. The recycling program should include at a minimum the following requirements:

4. Separating paper, cardboard and containers (aluminum, plastic and glass) for recycling
5. Ensuring that there are containers for collection of these recyclables
6. Posting signs at the collection areas indicating which materials should be recycled

With assistance from Metro, the operator will develop a plan to collect recyclable containers on both golf courses and in the pro shop, driving range and tennis building. The pro shop shall contain a recycling station for collection of all recyclable materials and the golf course shall be outfitted with stations at each hole to collect beverage containers. To aid in Metro's overall reporting, the operator will be required to work with the facility's garbage hauler to establish tracking and monthly reporting of recycling and waste produced at the site. Weights of waste disposed, recycled and composted material will be reported to Metro on a monthly basis. Metro will contract directly with the garbage hauler.

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Q. Point of Sale System

The operator will select, obtain, and implement a fully-functional POS system to improve cash handling and reporting of sales and bookings by each business center for all operations at Glendoveer. The expense for acquiring and maintaining this system will be expensed directly to Metro. The application must handle a multiple golf course venues, including a 9-hole, 18-hole, driving range, lessons, memberships, pro shop and cart rental options and booking of tennis court reservations and lessons. The application must also track tennis center activities, including court fees, rentals, lessons, memberships and pro shop sales. Staff has conducted a high level needs analysis, and determined that the software should meet the following functional requirements:

- **Reservations**
 - Track all reservations (golf and tennis), tournament and group, individuals, and all payment activity
 - Maximize rounds, track, alert and charge for no shows, late cancellations, weather, closures
 - Track all booking and player-specific payment activity, including groups
 - Allow online booking by customers
- **Customer Relationship Management (CRM)**
 - Maintain a marketing database and develop a customer loyalty program
 - Customer contact information, including e-mail address and utilization of social media
 - Identify customer spending in detail
 - Track tee time usage
 - Allow customer classification
 - Allow notes and messages areas
 - Search capability, filter on fields, and export to a spreadsheet
- Application must maintain e-mail and short message service (SMS) functionality that may include reminders, confirmations and events.
- Coupon/discount capability
- Point of Sale (POS) must be integrated with the tee sheet and CRM
 - Transaction processing, including refunds, cash, credit card, split form of payment
 - Real time inventory
 - Cash out reports by cash drawer
 - End of day close out with integrated batch settlement
- Back Office, sales reporting, comparative analysis, calculates cost of sale, profit/loss statements, budget and forecasting
 - Automated reporting and export to spreadsheet

Technical Requirements

- Vendor will develop, administer, maintain and support all aspects of the operating system and application, and website hosting, including upgrades to support new technologies and new functional needs
- Vendor will setup, maintain, monitor and reply to and from e-mail and social networking
- Application must be accessible through a web browser

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- Application must be tested and work on the following combinations. The browser version listed must be at least the minimum version with which the application is compatible: Firefox 3+ (PC, Linux and Mac), Internet Explorer 7.0+ (PC), Opera 6+ (PC and Mac), Safari 4+ (Mac), Chrome 5+
- Application should be both mobile web compatible, and a mobile web application
- Application must be PCI compliant, with evidence provided to Metro
- Application must be hosted with transparent high availability and failover capability with evidence and service level agreement provided to Metro
- Vendor will need to acquire the domain name golfglendoveer.com and glendoveertennis.com for customer access
- Vendor will need to establish links with affiliates, including Oregon Golf Association, National Golf Foundation, The Weather Channel, Greenskeeper.org, etc.
- Read-only access to reporting and forecasting functions within the application must be provided to designated Metro staff

R. Annual Plan Submittals: Marketing, Maintenance, Operating, Business and Budget

Operator will be required to prepare and submit annual marketing, maintenance, business plans, and a budget to Metro for review and approval. Operator will be responsible for preparing an annual operating budget to address ongoing operational needs. Operator will provide Metro an annual income and expense report. All records will be retained and made available upon request to Metro for the duration of the contract. Metro reserves the right to request additional information at any time. The budget will specify routine monthly expenses and small capital purchases that are needed to maintain a consistent level of services. A threshold of \$1,000 over the budgeted amount cannot be exceeded without prior approval of Metro.

Hours of operation will be proposed in the submittal of the annual operating plan for the facility. The goal is to maximize the use and enjoyment of the facility by the public while maintaining a profitable operation. Currently the course is open year round and closed only on Christmas and New Year's days. Generally the course is open dawn to dusk except for closures due to inclement weather. Metro will approve all proposed change of hours.

It is intended that these plans will become the management tool for Metro's representative to evaluate performance, track monthly business and monitor activities.

S. Annual Audit Requirements

All records, documents, books and accounting records shall be open for inspection by Metro at any reasonable time during the term of the agreement, upon three (3) days written notice. At the expiration or termination of the agreement, all records shall be turned over to Metro. Audited financial statements shall be submitted within 120 days after each fiscal year. The audit shall be performed by a certified public accountant selected by Metro.

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T. Insurance and Indemnity

Operator will secure the required insurance coverage naming Metro as additional insured including, but not limited to, workers compensation, General Commercial Liability, and umbrella coverage for a minimum of \$3,000,000 and property insurance that is specified in the golf operator contract. Metro will provide blanket property insurance over the Glendoveer facilities insuring a broad range of perils including fire and earthquake. However, Metro maintains a \$500,000 deductible on this coverage. Proposals should address the handling of this deductible in the event of a loss caused by the operator. Operator will hold harmless and indemnify Metro from any and all claims as required in the golf operator contract.

T. Deposit of Revenues

Operator shall deposit revenues received from operation of Glendoveer on a daily basis from the previous day during the term of the agreement for all fees and sales attributed to the facility.

U. Monthly Reporting Requirements

Operator will be required to submit monthly financial information to Metro regarding deposits, sales, expenses and disbursements from the account established to receive revenue from Glendoveer. Metro will reimburse the operator for agreed upon costs on a monthly basis without a mark-up from the operator. Updates and changes to the approved capital and expense plan for upcoming months will be presented to Metro on a monthly basis. Metro will pay all utilities and property taxes directly (gas, electric, water/sewer). Expenses and the monthly management base fee will be paid from this account.

V. Management Fee and Incentives

A base management fee will be paid on a monthly basis. An incentive package will be negotiated to reward increased revenue performance and expense control. The incentive compensation payment schedule will be negotiated. The operator is expected to propose the base management and incentive structure as part of the proposal. Metro will negotiate final terms with the selected operator.

W. Staffing

The operator is expected to provide adequate professional staffing to provide high-quality customer service, maintain the golf courses and keep conditions and all day-to-day functions in the driving range, pro shop and tennis center in good and safe condition. The level of staffing should reflect the demand for services at the facility and take into consideration the seasonal nature of the business.

X. Tournament Play Food and Beverage

Metro has identified tournament booking and associated food and beverage with these events as a key potential source of increased revenue. The restaurant has catering capability, and as part of the lease agreement with Metro has agreed to provide exclusive catering of Glendoveer events. Terms will be available that detail the menu offerings and minimum/maximum size of events to support development of this business center. As mentioned in "B. Capital and/or in-kind contributions", the outdoor facilities necessary for development of this level of tournament business are unfunded. Metro will receive a percent of net sales from restaurant for catering of tournament events which are booked by the operator. This percentage will be negotiated as part of the lease agreement with the

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restaurant. The operator will be required to market and plan these events and coordinate the food service with restaurant. The clubhouse will provide beverage service for these events.

Y. Retail Merchandise

Operator will acquire and forecast the need for retail stock in the pro shop to support both tennis and golf patrons. Operator will evaluate the efficiency and value of continuing to offer retail sales in the driving range building. Operator is authorized to purchase merchandise for the pro shop and driving range within the limits established in the annual operating budget. In addition, a quarterly plan will be used to forecast need for additional stock and plans to move or discount existing stock. All stock will be purchased by the operator and expensed to Metro. Operator is expected to offer good quality, innovative products for sale in the pro shop. Merchandise will become property of Metro should the contract be terminated. Metro reserves the right to prohibit sale of any merchandise that it deems inappropriate.

Z. Youth and Underserved Golf and Tennis Programs

Metro expects that the operator will provide youth, women and minorities programming to attract players to the game of tennis and golf. The operator will be required to establish a "Sticks for Kids" program for golf. Metro has been awarded a grant from the National Golf Course Association in the form of materials and golf clubs.