

**OCALA GOLF CLUB  
MANAGEMENT AGREEMENT**

THIS MANAGEMENT AGREEMENT ("Agreement") is made as of this 17<sup>th</sup> day of JULY, 2012 by and between **BILLY CASPER GOLF, LLC** ("BCG"), a Virginia limited liability company, having an address at 8300 Boone Boulevard, Suite 350, Vienna, VA 22182, and the **CITY OF OCALA** ("City"), a Florida Municipal Corporation, having an address at 151 SE Osceola Avenue, Ocala, Florida 34471.

WHEREAS, City owns certain real property commonly known as Ocala Golf Club, currently an 18-hole championship golf course, clubhouse, driving range, banquet facilities, and other amenities located in Ocala, Florida (the "Club"); and

WHEREAS, City recognizes the benefit of engaging a third party management company to manage the affairs of the Club; and

WHEREAS, BCG is in the business of managing golf courses and clubs; and

WHEREAS, City desires to utilize the services and experience of BCG in connection with the management and operation of the Club, and BCG desires to render such services, upon the terms and conditions set forth in this Agreement; and

WHEREAS, BCG intends to form a wholly-owned single-purpose subsidiary entity, Ocala Golf Management, LLC, ("OGM") for the purpose of performing some or all of the services outlined herein; and

WHEREAS, neither BCG nor OGM are "related parties" to the City; and

WHEREAS, BCG acknowledges and agrees the formation of OGM shall not relieve BCG from any of its duties, obligations, and responsibilities set forth herein;

NOW, THEREFORE, in consideration of the covenants and agreements of the parties contained herein and it is mutually agreed as follows:

1. **DEFINITIONS.** The following terms, as used in this Agreement, shall have the following meaning, unless otherwise set out in this Agreement.
  - A. Annual Budget and Program: Documents presented by BCG for the operation of the Club to the City as part of the City's annual budget process, including but not limited to the following: Annual Business Plan and Operating Budget, Agronomic Plan, and Marketing Plan.
  - B. BCG: Billy Casper Golf, LLC. a Virginia Limited Liability Company.
  - C. City: The City of Ocala, Florida, a municipal corporation. The City of Ocala owns the Ocala Golf Club.
  - D. Fiscal Year: October 1<sup>st</sup> to September 30<sup>th</sup>.

- E. Ocala Golf Club(s): Public golf course owned by the City of Ocala and commonly known as the Ocala Golf Club; which includes the clubhouse(s), driving range, First Tee facility, banquet facilities, and other amenities.
- F. Gross Revenue: All revenues and income of any nature derived directly or indirectly from the Club or from the use or operation thereof, including, but not limited to: green fees; gross sales proceeds from the sale of green fees; annual passes to the Club; monthly dues from annual pass holders of the Club; rental fees for golf carts; golf clubs and other rental items; net lesson fees; range balls; food and beverage revenues (including mandatory service charges, revenue generated from space rentals and from meetings, banquets, parties, receptions, tournaments and other group gatherings); merchandise sales; advertising fees; sponsorships and partnership revenues; and the proceeds paid for any business interruption, use, occupancy or similar insurance policy claim. *Excluded* from "Gross Revenue" are any credits or refunds made to customers, guests or patrons; any sums and credits received by City for lost or damaged merchandise; any sales taxes, excise taxes, gross receipt taxes, admission taxes, entertainment taxes, amusement taxes, tourist taxes; any proceeds from the sale or other disposition of the Club, Furniture, Fixtures & Equipment (FF&E), or other capital assets; any property and/or liability insurance proceeds; any proceeds of financing or refinancing of the Club; amounts contributed by City pursuant to the terms of this Agreement and Income or interest derived from the Club bank account. Gross Revenues shall be determined on an accrual basis and in accordance with generally acceptable accounting principles ("GAAP").
- G. Minimum Funds Balance: The minimum dollar amount of the budget for all operating expenses for each month for the Club, as set forth in the Annual Budget and Program approved by the City.
- H. Net Operating Income: Gross Revenue from the Club, minus all operating expenses as defined herein, and which are attributable (in accordance with generally accepted accounting principles) to the use and operation of the Club.
- I. Operating Expenses: The costs attributable to the operation of the Club, including but not limited to: Base Management Fees; Club-related payroll; payroll taxes; benefits; employee related costs; insurance related to the operation of the Club; operating and maintenance supplies and equipment; marketing materials; merchandise and food and beverage supplies for resale; golf cart leases and operating costs; services provided for operations and/or maintenance; utilities; grounds and facilities maintenance and repair; service agreements; and personal property taxes (limited to the amount allocable to the Club). Operating expense shall not include any charges for amortization; depreciation; capital expenditure; debt service; State and Federal income taxes; City distributions or overhead allocations; or any Incentive Management Fees paid to BCG as noted hereunder.
- J. "OGC": Ocala Golf Club.
- K. "OGM": Ocala Golf Management, LLC, a wholly-owned subsidiary of Billy Casper Golf, LLC to perform some or all of the services at OGC.
- L. Working Capital: Funds utilized to pay operating expenses of the Club.
- M. First Tee Facility: It is understood by the parties the City is pursuing the designation of a First Tee Facility, and therefore may request advice or consultation on such pursuit. Nothing in this Agreement infers BCG's supervision and/or management of the operations of the First

Tee Facility. BCG shall exercise and put forth good faith efforts to ensure the operations of OGC are complimentary to that of the First Tee, including access to the course and range facilities.

**2. TERM OF AGREEMENT.**

- (a) **TRANSITION TERM.** BCG shall provide transition, oversight, and management services starting August 1, 2012 through September 30, 2012 for a fee of \$5,000 per month. However, the management and responsibility for staffing; course maintenance; insurance; and all accounting by BCG's operating Entity, OGM, will not begin until October 1, 2012.
- (b) **INITIAL TERM.** The full-service golf management agreement shall commence on October 1, 2012 ("Effective Date"), and unless terminated as provided for herein, shall expire after five (5) years on September 30, 2017 ("Initial Term"), and thereafter shall renew for two successive periods of five (5) years each (each such period being an "Extension Term") upon written mutual agreement by Owner and BCG no later than one hundred twenty (120) days prior to expiration date. Effective October 1, 2012, as noted in Section 7A of this Agreement, the full Base Management Fee of \$7,000 will be due monthly.

**3. APPOINTMENT OF BCG AS MANAGER.** BCG represents it is an experienced manager and operator of high quality golf facilities and understands City is relying on BCG's expertise in managing golf facilities in entering into this Agreement. From, and after the Effective Date, City hereby grants to BCG the right, subject to City's input, to supervise and direct the management and operation of the Club for and on the account of City, and BCG hereby accepts said grant and agrees it shall supervise and direct the management and operation of the Club, all pursuant to and in accordance with the terms of this Agreement, and City shall reasonably cooperate so as to permit BCG to carry out its duties hereunder. The City recognizes that BCG is in the business of managing golf courses both for City's benefit and for others. The City agrees that BCG and its affiliates may continue to engage in such activities so long as the facilities are not in direct or indirect competition with City. BCG agrees not to manage or lease any other golf facility which competes directly with the Ocala Golf Club within twenty (20) miles of the City's Golf Course, and additionally any golf course within The Villages community, without the express written consent of the City, which shall not be unreasonably withheld.

**4. BILLY CASPER GOLF, LLC SERVICES.** Services rendered by BCG to City shall be as follows: Subject to the terms of this Agreement, BCG, as an independent contractor, shall have the sole and exclusive right to operate and manage the Club. City and BCG agree they shall cooperate reasonably with each other to permit BCG to carry out its duties under this Agreement. BCG shall have the responsibility of providing, and the authority to provide, general operational management services for the Club in accordance with this Agreement and subject to the City approved budget and any policy and service standards stated herein and as detailed in Exhibit A- Scope of Service and Performance Measures. Such responsibility and authority shall include those listed below, as well as those services which are customarily provided for golf course operations similar to that of OGC, whether or not those services are listed in this Agreement.

- A. Personnel. OGM shall staff the Club with the number of employees necessary to successfully operate the business. All employees of the Club shall at all times be employees of OGM. If an employee of BCG or an affiliate of BCG that is not employed at the Club is assigned temporarily or on a part-time basis to perform services at the Club, such employee's personnel expense (including employee salary, benefits and taxes) in

proportion to the period of time such employee dedicates to the Club shall be reimbursed to BCG by the Club, subject to prior approval by City and any applicable restrictions and limitations provided in the Annual Budget and Program. OGM shall, *as an expense of the Club*, hire, promote, supervise, direct and train all OGM employees at the Club, fix their compensation and fringe benefits, and, generally, establish and maintain all policies relating to employment and employment benefits. Employees wishing to participate in the benefits program shall adhere to the requirements of the BCG benefits program with respect to required contributions, deductibles and eligibility based upon position classification and employee tenure. OGM employee files shall always be the sole property of OGM. All **approved** costs of every kind and nature pertaining to all employees at the Club arising out of the employer-employee relationship, including, without limitation, salaries, fringe benefits, bonuses, relocation costs, employment-related legal costs, and costs incurred in connection with governmental laws and regulations and insurance rules, and any payouts of unused vacation at termination of employment, shall be an operating expense paid from the Operating Account (as defined in Paragraph 5 below), and City shall reimburse BCG for all costs, expenses, and liabilities incurred in connection therewith. A schedule of customary employee expenses must be included annually with the submitted budget.

OGM shall screen and interview all current City golf course, clubhouse, and maintenance employees for positions under OGM, and shall give first priority to employees who have and maintain a track record of satisfactory service to the City, along with being minimally qualified to perform the position's essential job functions. OGM shall make every effort to place, train, and support these employees to a level that will further their chances for success under OGM's operation of the Club. OGM shall communicate fully, and work effectively with all affected employees in order to assure a smooth transition. Nothing herein is intended to limit OGM's ability to effectively supervise, discipline, or even terminate OGM employees as needed to provide a high quality golf program at the Club.

Throughout the term of the Agreement, OGM shall minimally employ the following key personnel: a qualified, full-time on-site Manager (General Manager); a full-time Superintendent; a full-time Food and Beverage Manager (after the capital improvements as set forth in the RFP Response are completed); and a full-time Head Golf Professional; all having the appropriate experience, certifications, and affiliations necessary for management and/or maintenance of the appropriate areas of responsibility at the golf course and who shall be available during normal business hours. These staff members will be delegated sufficient authority to ensure competent performance and fulfillment of the position's responsibilities. These employees shall be part of the Club personnel and the Club's annual budget. The City reserves the right to have input on the hiring of key personnel to include the General Manager, Superintendent, Food and Beverage Manager and Head Golf Professional.

- B. Inventory – Merchandise and Items for Re-sale. BCG shall, at the expense of the Club, obtain merchandise for the pro shop at the Club and food and beverage items, all in accordance with the Annual Budget and Program.
- C. Supervision. BCG shall supervise and manage the Club operations to include golf pro shop, maintenance, food and beverage, annual pass sales efforts, practice facilities,

administration, and other ancillary services at the Club. BCG shall also coordinate with the First Tee program at the Club to ensure access to the course and range facilities.

- D. Equipment. BCG shall, in preparation of the Annual Budget and Program as set forth in Paragraph 4H, develop a list of required equipment, along with a purchase/lease schedule. BCG will maintain, in good working condition and order, the physical plant and all equipment at the Club, including the golf course and all physical structures which are part of the Club. This provision includes all vehicles and other maintenance equipment necessary to the maintenance and operation of the Club in the normal course of business.
  
- E. Purchasing and Procurement. With respect to the duties and responsibilities of BCG as set forth in this Paragraph 4, BCG shall procure all operating supplies, operating equipment, inventories and services as are deemed necessary to the normal and ordinary course of operation of the Club and to operate the Club in accordance with the Annual Budget and Program. In purchasing operating supplies, operating equipment, inventories (including merchandise to be sold in the golf shop) and services for the Club, BCG may utilize its purchasing procurement services and/or other group buying techniques involving other affiliated clubs managed by BCG, provided the cost thereof shall be competitive with that which would be charged by non-affiliated third party vendors in an arms-length transaction. Any available discount, rebate, fee, or value of complimentary or bonus goods and merchandise provided by vendors generated from purchases made on behalf of the Club, or compensation which is directly attributable to the purchases made by BCG for the operation of the Club shall be remitted directly to OGM from the vendor and accounted for in the operating accounts and in accordance with GAAP.
  
- F. Consultation. Except as provided in Paragraph 4A pertaining to the assignment by BCG of temporary or part-time BCG personnel, BCG shall, as part of its services hereunder and without additional compensation, make its staff available to City upon request for consultation regarding the Club, including, but not limited to capital improvements or projects which may include modifications to the vertical structures or golf course.
  
- G. Marketing Plan. BCG shall create, direct, and implement an annual marketing plan for the Club as part of the Annual Budget and Program. The marketing plan for the Club will include a market analysis, a summary of golf programs to include rates, membership structure (if applicable), and strategies for achieving the budgeted financial goals and other marketing-related goals for all Club departments.

BCG shall, as an operating expense of the Club, obtain and manage:

1. Marketing systems, including internet (web site, e-mail, e-commerce); electronic tee sheet program (reservation system, customer database, POS); credit card processing; and branding materials (graphic design, collateral, photography);
2. Customer acquisition programs, including advertising (print, electronic, display); direct marketing (direct mail, broadcast e-mail); promotional offers; and community and vendor partnerships and sponsorships;
3. Customer retention programs, including special events and programs; promotional offers; and membership events and programs;
4. Sales programs, including outing, membership, and event sales management; and
5. Quality assurance programs, including customer surveying; 'secret shopper' on-site visits and telephone sales calls.

BCG shall coordinate and oversee all third party contractors' work in connection with the production and implementation of these programs. BCG shall also include, as appropriate, the Club as a participant in BCG-shared marketing programs, including regional and national advertising and promotions, round sharing and referrals through the reservation system, and use of the name and mark 'Managed by Billy Casper Golf.'

All advertising fees and promotional fees paid by third parties to the Club shall belong to, and constitute Gross Revenue of the Club.

H. Accounting. BCG shall timely pay all vendors of the Club (subject to the availability of funds in accordance with the terms of the Agreement). BCG shall provide separate budgeting, bookkeeping and reporting services to City for the Club (it being understood that copies of all books and records shall be kept at the Club and that all books, records, software, data, programs, manuals and the like shall remain the property of City):

1. Reporting. BCG shall prepare and deliver to the City, in accordance with BCG standard procedures and format, on an accrual basis and generally accepted accounting principles (GAAP) for the single purpose subsidiary entity OGM, regular monthly and annual financial statements which shall include an operating level balance sheet (bank account balances, inventory, accounts payable, accounts receivable if applicable, accrued payables, gift certificate balances, memberships, rain checks, refunds, deposits, loyalty program liabilities, and paid in capital from City), a profit and loss statement for the current month and year to date activity, accounts payable listing, general ledger activity and comments regarding monthly activity related to: rounds played; food and beverage sales; and pro shop sales (both numbers and dollars) with a historical comparison for each; marketing and promotions activities; non-routine expenses; capital improvement status report; insurance claims and/or litigation; safety and environmental incidents; employee training; maintenance and agronomic updates and reports; and variances to the Annual Budget, along with a comparison of the monthly budget to actual monthly financials, and year-to-date reports.

Upon City's request, BCG shall provide all accounting data and reports in electronic form. BCG shall not be responsible for the accounting or tax reporting requirements of the City's entity, including but not limited to, the depreciation, amortization or addition of assets and equipment, City's equity, debt service principle, loan amortization, accounting treatment relating to any full or partially refundable membership initiation fees or deposits, or payment of any invoices which relate to a period prior to the Effective Date. City shall provide BCG opening entry data for the balance sheet within 15 days of the Effective Date.

Final monthly operating statements shall be furnished to City by the 20<sup>th</sup> day following the last day of each month, and annual operating statements shall be furnished by the 45<sup>th</sup> day following the last day of each fiscal year. At City's discretion, the annual operating statement shall be audited and prepared by a certified public accountant chosen by City, the cost of which shall be an operating expense of the Club. This audit shall be performed at the Club site, and BCG shall make every effort to comply with the auditor's requests.

2. Annual Budget and Program. BCG shall prepare and deliver to City no later than March 1st of each year (except for the first full or partial fiscal year when BCG shall prepare and deliver the Budget to City no later than September 1, 2012) for the following fiscal year: (a) an Annual Operating Budget, including revenues and operating expenses and labor burden (to include rates of pay, incentive or commission structures) for each department of the Club; a merchandise buying plan for the pro shop; a comparison to the annual operating budget for the immediately preceding year and a projection of anticipated monthly revenues and expenses and cash flows for the Club for the following fiscal year, including, without limitation, a reasonable contingency and anticipated working capital requirements for the Club for the year; (b) a recommended capital expenditures budget for the next fiscal year; (c) Policies and Procedures Outline for the Club, including, without limitation, operating policies, proposed hours of operation, policies related to complimentary golf course and Club use by City's representatives and employees, standards for operations and quality of service standards; (d) an Agronomic Plan including staffing assumptions, chemical and fertilization applications including planned agronomic practices; (e) Marketing Plan as described in Paragraph 4G (collectively, the "Annual Budget and Program"). BCG and City shall use their mutual best efforts to agree upon the Annual Budget and Program for the following year on or before May 1<sup>st</sup> of each year. **City shall have the final approval and final decision-making authority over the Annual Budget and Program.**

Each party may, from time to time, propose to the other party during the course of the year, such changes or amendments to the Annual Budget and Program as such party may consider necessary or appropriate, and BCG and City shall use their mutual best efforts to act upon such proposal within thirty (30) days after such proposal is made provided any such change or amendment shall be subject to City's prior written approval.

BCG shall secure the prior approval of City for total expenditures which exceed the total expenditure amount approved in Annual Budget and Program, however, as necessary, BCG has the ability to allocate funds from individual expense line item to another expense line item within the Annual Budget and Program, so long as the line item variance does not exceed the Annual Budget for that line item by more than Ten Thousand Dollars (\$10,000), and so long as all such line item variances do not exceed Fifty Thousand Dollars (\$50,000) in the aggregate for the entire Annual Budget and Program, and does not exceed the total approved expenditure budget for the Club without prior approval from the City. Exceptions include expenditures necessary in the event of emergencies for which prompt notice will be given to City.

3. Payroll and Benefits. BCG shall establish, administer, and maintain the payroll procedure and systems for the OGM employees at the Club and shall be responsible for overseeing the benefits to, and handling the appropriate payroll deductions for, individual employees. Benefits will be limited to vacations, sick leave, medical insurance coverage, and 401(k) plan, as approved by City pursuant to the Annual Budget and Program. All employees of the Club shall be employees of OGM, and BCG shall comply with Federal and State employment laws.

4. Vendor Accounts. BCG shall utilize existing vendor accounts which are in the name of the City whenever possible. If necessary, BCG shall coordinate with City and appropriate vendors to establish any new vendor accounts with appropriate credit limits applied for in City's name. OGM shall act as Agent for the City with regards to payment of vendors. City accepts full fiscal liability for all vendor payments which are part of the approved Annual Budget and Program. OGM shall make all payments in a timely manner to capitalize on Early Payment Discounts. The City shall receive all credit for early payment discounts as if such payments were made in accordance with vendor terms except as provided in Paragraph 3 below. The City shall also receive credit for all rebates, discounts, savings provided through cooperative buying partners (BCG National Account Program).

I. Operating Expenses and City's Remittance.

1. Minimum Fund Balance. At the end of each calendar month, after paying the operating expenses of the Club and other expenses authorized by City, OGM shall remit directly to City all amounts (if any) then in the Operating Account (as hereinafter described) in excess of the Minimum Funds Balance (as hereinafter described) by wire transfer or on line transfer to said account as City may from time to time designate by written notice to OGM (the "City's Remittance").

As used herein, the Minimum Funds Balance for the Club shall be defined as the dollar amount of the total budget for all operating expenses (as set forth in the Annual Budget and Program) for the month following the current month within the Term of the Agreement. At no time shall the Minimum Funds Balance be less than fifty thousand dollars (\$50,000).

2. Operating Expenses. OGM shall pay all operating expenses for the Club on behalf of City from the Operating Account. OGM will collect from and remit on behalf of the City, sales, use, value-included and excise taxes on sales and rentals at the Club. OGM will not pay Federal or State income taxes levied on City. Under no circumstances shall BCG be liable for Federal, State, or local taxes of any kind whatsoever levied against City or the Property in relation to City's ownership, leasing, or operations.
3. Initial Funding. BCG will provide the **initial** Annual Budget and Program for the City's review no later than September 1, 2012. City will approve the final budget within 14 days of receiving the budget from BCG. Until such time as the Annual Budget and Program are approved by City, City gives BCG approval to operate the facility in accordance with this Agreement. City shall provide initial funding in the amount of fifty thousand dollars (\$50,000) for operations prior to approval of the Annual Budget and Program (the "Initial Funding") and shall at all times ensure that the Minimum Funds Balance is maintained in the Operating Account upon contract execution. If operating revenues are insufficient to cover expenses, upon BCG's notifying City of such operating revenue shortfall, City shall have fifteen (15) days to deposit into the Operating Account the funds necessary to cover such deficits and to restore the Minimum Funds Balance. If City does not provide the necessary "Working Capital", BCG may, but shall not be responsible to, cover such operating expenses. City shall be liable to reimburse BCG for any such amounts paid by BCG. City shall be responsible



for all late fees, interest, and other penalties charged by vendors and other parties to whom such amounts are owed but only to the extent that said fees are a result of insufficient funds in the operating account and where the City was notified of such insufficiency in accordance with this Agreement.

- J. City's Meeting. BCG shall, as needed, and based on the City's requests, (but no less than monthly), consult with the City regarding the Club and its operations at a time, date and place designated by City.
  - K. Limitations. BCG shall not execute contracts on the City's behalf; in the City's name; nor binding the City in any manner without the strict written permission of the City.
  - L. Assignment of Operations. BCG shall operate the Club via its single-purpose entity, OGM, which shall be a Virginia entity registered to do business in the State of Florida, whose sole member shall be BCG. Upon a termination of this Agreement, OGM shall assign to City's designee all operating accounts, vendor accounts, inventory, accounts receivable, and accounts payable. BCG and OGM shall, without additional payment by the City, cooperate beyond termination with City and any replacement manager for a reasonable period after termination (and not less than two (2) weeks) to facilitate the orderly transition of the management of the Club.
5. **ACCOUNTS.** BCG shall establish the following business checking accounts for the Club: (a) a "Deposit Account," (b) an "Operating Account" and (c) an "On Site Account," (collectively, the "Accounts"), for use in its management and operation of the Club in compliance with the Annual Budget and Program and the terms of this Paragraph 5. All revenues, receipts, and funds deposited into the Accounts from time to time by City or BCG shall be defined as and constitute "Working Capital" herein. BCG shall cause all revenues and receipts to be deposited into the Deposit Account on a daily basis. BCG shall use the Operating Account to pay all expenses of the Club and shall transfer funds from the Deposit Account to the Operating Account as required to pay such expenses. BCG shall maintain in the On-Site Account an amount to be used for customary business operating expenses.

Upon cancellation or termination of this Agreement for any reason or upon the occurrence of a material default by BCG, BCG's rights to access to the banking accounts shall be immediately revoked. Upon direction from City from time to time, BCG shall invest or deposit funds in the Accounts in accordance with City's direction. BCG shall maintain bank accounts for OGM at a local branch agreed upon in advance by the parties, and near the Club. BCG shall establish, administer and maintain the point of sale and credit card procedures and systems for the depositing of revenues into such accounts on a daily basis and ensure the facility is PCI compliant. The City shall reimburse BCG for any costs necessary to ensure the Club and its procedures are PCI compliant. BCG shall provide the City a listing of any additional expenditure needed to ensure PCI compliance within thirty (30) days of the effective date of this Agreement.

- 6. **INSURANCE.** BCG shall secure and maintain a separate general liability, crime, D & O, and workman's compensation insurance coverage for the Club as set forth in Exhibit B, provided BCG has continued access and control of the property.

City shall notify BCG if City desires to have any property insured through BCG Master Insurance policy in writing, 30 days prior to the effective date of such coverage. City shall be liable for the payment of the premiums of said insurance for so long as City shall own the Club during the term of this Agreement.

Such policies shall name BCG, OGM, City, and any applicable third parties as additional insured under such policies. All insurance policies required hereunder shall contain a provision requiring the insurer to notify BCG, City and other named insured at least thirty (30) days in advance of any cancellation or termination of such policy and satisfactory waiver of subrogation provisions. BCG's secured coverage's shall not include D & O coverage for City. Except as provided for elsewhere in this Paragraph, BCG shall be responsible for securing and maintaining all of the insurance policies required hereunder, provided, however, BCG shall have no obligation to pay such premiums from its own funds. BCG shall obtain competitive bids for the coverage each year. BCG contemplates it will secure such insurance as a part of a blanket policy; the premiums attributable to the Club shall be determined by making a reasonable allocation based on the relation of the amount of insurance carried for the Club to the total policy amount provided for other BCG clubs in the blanket policy, and the blanket policies shall have coverage in the amounts set forth in Exhibit B. The premiums for any and all such policies shall be paid from the Operating Account to be provided by City pursuant to Paragraph 5 hereof and in accordance with the Annual Budget and Program, or by City in the event there is insufficient working capital available.

**7. COMPENSATION AND FEES.**

- A. Base Management Fee. For its services hereunder, BCG shall be paid a Base Management Fee (the "Base Management Fee") of **Seven thousand dollars (\$7,000.00) per month**. The Base Management Fee shall be payable on the fifth day of each such month from the Operating Account. The Base Management Fee shall be a net fee to BCG and shall not include Club expenditures as provided for in this Paragraph 7A. Commencing on October 1, 2014, and for each subsequent year and possible Extension Term thereafter, the Base Management Fee shall increase no more than three-percent (3%) based upon the preceding 12 month CPI-U index as published by the U.S. Department of Labor for the term of the Agreement. OGC's fiscal year is October 1-September 30<sup>th</sup>. Included in the Base Management Fee shall be the cost of BCG corporate personnel who supervise, or otherwise participate in the management, administration and operation of the Club, but also do work for BCG and/or other golf courses managed by BCG. These persons include BCG corporate personnel responsible for: (i) the direct supervision of on-site personnel; (ii) training of on-site and supervisory managers by BCG regional staff; (iii) the coordination and supervision of routine repairs and maintenance at the Club; (iv) overseeing inventory and supplies of the type used by the Club; (v) marketing; (vi) administering the payroll for on-site employees, including the administration, withholding and payment of applicable worker's compensation coverage; and (vii) accounting and other services relating to the operation and administration of the Club. City acknowledges that some or all such persons may be simultaneously engaged by and/or for other golf courses managed by BCG, some of whom may (i) be affiliates of BCG and (ii) compete with the City. BCG shall not be separately reimbursed for the time of its executive officers devoted to the City's affairs or to the other overhead expenses of BCG all of which are presumed to be included in the Management Fee
- B. Incentive Management Fee. In addition to the Base Management Fee, BCG shall be entitled to earn an Incentive Management Fee for each full Fiscal Year during the Term. For Fiscal Year-end 2013 and each year thereafter, BCG shall receive an amount calculated as fifteen-percent (15%) of the positive Net Operating Income in excess of two hundred thousand dollars (\$200,000) (collectively, the "Incentive Management Fee"). Notwithstanding anything to the contrary in this Paragraph 7, the Incentive Management

Fee earned by BCG in any Fiscal year shall not exceed one-hundred percent 100% of the Base Management Fee paid to BCG for that Fiscal year. The Incentive Management Fee earned for a fiscal year shall be paid no later than December 31st of the year immediately following the fiscal year for which it is calculated and in which it was earned.

All Base Management Fees and Incentive Management Fees during the term shall be paid to BCG from the Operating Account, however, any fees not payable until after the expiration or termination of this Agreement shall be paid to BCG directly.

1. Travel. BCG's corporate based employees shall be reimbursed for all reasonable travel-related expenses for meetings at the Club pre-approved by the City, including airfare, automobile (mileage reimbursement or rental car), lodging, and meals, in connection with its services hereunder pursuant to the approved line item in the approved Annual Budget and Program, provided any such expenses shall be appropriately allocated among other facilities benefited by such travel. BCG shall provide documentation of all expenses in a form acceptable to City. Of any travel for BCG regional employees, BCG shall pay for and cover all travel expenses up to the first six thousand dollars (\$6,000) per Fiscal Year.
  
- C. City's Review. BCG's services herein shall include management and oversight of the turn-key accounting function as set forth in Paragraph 4H, and upon reasonable notice (which may be verbal) representatives of City shall have the right, at any time during normal business hours, to review all of BCG's books and records including the general ledger, accounts payable, income statement, balance sheet, and budget variance reports relating to the Club including, without limitation, BCG's work papers related to BCG's preparation of operating statements. All expenses related to any such review shall be exclusively borne by City for purpose of this Agreement unless such review reveals an overpayment of any fees or other amounts in which case BCG shall pay for the review. City's exercise of its right of review or to dispute any fee or expense reimbursement claimed by BCG shall not delay payment of the undisputed portion thereof by City within the time frames set forth herein. However, payment by City of a fee or other amount hereunder shall not constitute a waiver of City's right to subsequently dispute the amount thereof. If City and BCG determine that any portion of the Base Management Fee or any other amount was improperly paid to BCG, BCG shall refund such improperly paid fee within five (5) business days after receipt of notice from City to BCG. If there is any dispute between the parties regarding whether or not any payments of the Base Management Fee or any other amount were proper, such disputes shall be resolved by a court of competent jurisdiction as set forth in Paragraph 14B.

**8. CAPITAL EXPENDITURES.** The cost of all Capital Improvements shall be deemed to include any Item purchased in connection with the operation of the Club which:

- A. has an economic useful life in excess of one (1) year, and
- B. has a cost in excess of twenty five hundred dollars (\$2,500). All Capital Expenditures for Capital Improvements shall be the responsibility of City and all decisions as to whether or not to undertake any capital improvements projects or otherwise in respect of any capital improvements shall be made by City in consultation with BCG.

9. **GOLF COURSE IMPROVEMENTS AND PROGRAMS:** BCG shall endeavor to develop and complete and/or implement several capital improvements and/or programs for the Club. BCG shall immediately upon execution of this agreement dedicate the necessary staff and resources to the development, implementation and completion of the list of projects and programs identified below. BCG and the City shall mutually agree to the scope of each project or program, proposed implementation approach, time schedule for completion, and who will handle oversight of same.
- A. Transition of golf course clubhouse operations to begin immediately upon execution of this agreement with complete operational responsibility for same by August 1, 2012.
  - B. Transition of maintenance service to begin immediately upon execution of this agreement and completed by October 1, 2012. BCG understands the City is in a maintenance agreement with Valleycrest Maintenance for which the City must provide sixty (60) days notice for termination.
  - C. Preparation of a Year One budget to be completed by September 1, 2012.
  - D. Development and implementation of a Marketing Plan for Ocala Golf Club. Completion of a Food and Beverage Plan, which shall include upgrades to the Food and Beverage program in the snack bar/grill.
  - E. Market analysis of Banquet Hall/Catering services and related recommendations to be provided within 90 days of execution of this agreement.

10. **CITY APPROVAL**

BCG agrees to obtain prior approval from the City for changes on the following matters.

- A. Changes from the approved budget except as provided for herein.
- B. Modifications to any equipment, facilities, amenities on the course.
- C. Any improvements to be constructed on the golf course property.
- D. Changes to approved hours of daily operation
- E. Any use of the City's name except as authorized herein.
- F. The décor of the golf course, signage, on-course fixtures.
- G. Changes to tee-time reservation and cart use policies.
- H. Changes to fees that vary more than ten percent (10%) over those provided to and approved by the City at the beginning of the fiscal year.

11. **DEFAULT AND REMEDIES.**

- A. City Default. The following shall constitute an event of default ("Event of Default") by City under this Agreement:
  - 1. Failure to timely provide working capital in accordance with Paragraph 4I hereof;
- B. BCG Default. The following shall constitute an event of default ("Event of Default") by BCG under this Agreement:

1. Failure to maintain the amenities of the Club in reasonably good condition, subject to the abnormal weather conditions, acts of God, or other events or conditions beyond the reasonable control of BCG;
  2. Failure to operate the Club in accordance with the approved Annual Budget and Program; or BCG's failure to successfully perform the Scope of Service and Performance Measures as demonstrated in Exhibit A of this Agreement;
  3. Failure of BCG to perform any material obligations set forth in this Agreement; or
  4. Assignment for the benefit of its creditors, or becoming a party for more than thirty (30) days to any voluntary or involuntary insolvency proceedings or bankruptcy proceedings or reorganization.
- C. Notice and Cure. When either party to this Agreement believes that the other party (the "Defaulting Party") has committed an Event of Default, it shall give written notice thereof to the Defaulting Party, and the Defaulting Party shall have ten (10) days from the date of delinquency in the event of a payment default, or such longer period for non-monetary defaults (not to exceed an aggregate period of thirty (30) days unless BCG or City, as applicable, has begun to cure within the thirty (30) day period and is diligently pursuing such cure) as shall be reasonably necessary due to weather, growing conditions, or other factors beyond the reasonable control of the Defaulting Party, within which to cure the default, but in no event will the Defaulting Party have more than sixty (60) days in the aggregate to cure such default. Notwithstanding anything to the contrary, neither City nor BCG shall be entitled to any notice and cure period for a default that occurs more than two (2) times in any twelve (12) month period.
- D. Rights upon Default. If the Defaulting Party does not cure the default within the grace period provided in Paragraph 11C above, the other party may terminate this Agreement on thirty (30) days written notice to the other party and pursue all rights and remedies available in law or equity, including payment of accrued amounts pursuant to Paragraph 7 hereof. Notwithstanding any contrary provisions hereof, BCG's rights to recover damages from City shall be limited to the sum of (i) accrued and unpaid Base Management Fees, Incentive Management Fees, and other amounts due hereunder, and any attorneys fees and costs incurred in collecting or attempting to collect such unpaid amounts; plus (ii) the Cancellation Fee (defined below) as fixed, agreed liquidated damages (it being agreed by the parties that BCG's damages would be extremely difficult to measure and that the Cancellation Fee has been agreed upon, after negotiations, as a reasonable estimate of such damages). The parties also agree that notwithstanding any contrary provision hereof, City's damages shall be limited as provided in this Agreement. In no event will BCG or City be subject to any consequential, special, punitive or similar damages, each party hereby waiving any right it may have to seek or claim such damages.

## 12. TERMINATION AND CANCELLATION.

- A. Either party may terminate this Agreement upon the occurrence of an Event of Default by the other party as provided in Paragraph 11 above.

- B. Cancellation Fee; Default by City. In the event BCG terminates this Agreement *due to the Default of City*, and BCG not being in default, BCG shall receive from City, within sixty (60) days of termination, a cancellation fee (the "Cancellation Fee") of \$75,000.
- C. City's Reserved Right of Termination For Cause. City shall have the right to terminate the Agreement, if, in any two (2) consecutive Fiscal Years (commencing with the first full year ending September 30, 2013, which is the first measurement period), the Club's Net Operating Income, before debt service, does not equal or exceed a minimum of ninety-percent (90%) of the mutually agreed upon budget ("Net Operating Income Threshold"). The Mutually Agreed upon Budget shall be that Budget approved by the Ocala City Council as evidenced by council minutes of such meeting whereby the Budget was approved for each fiscal year, City may exercise such termination right by providing written notice within thirty (30) calendar days after City's receipt of the final determination of Net Operating Income for the second (2nd) of such Fiscal Years (either via the BCG-prepared annual operating statement in Paragraph 4H; provided, however, the methodology for calculation of Net Operating Income shall be as defined herein and shall be consistently applied to any Fiscal Years used in comparison). Failure to give such notice within such thirty (30) day period shall be deemed to be a waiver by City of its right to terminate based on the Fiscal Years in question, but shall not be deemed to be a waiver of such right with respect to subsequent Fiscal Years.

In the event City elects to exercise its performance termination right, BCG shall have the right, but not the obligation, to nullify such termination by paying to City, within sixty (60) calendar days of BCG's receipt of City's termination notice, the aggregate amount by which actual Net Operating Income for the applicable Fiscal Years was less than the Net Operating Income Threshold for such Fiscal Years (the "Cure Amount").

For purposes of determining whether ninety percent (90%) of budgeted Net Operating Income Threshold has been achieved in any Fiscal Year, the Net Operating Income Threshold shall be subject to adjustment for force majeure events or expenses that are agreed upon by City and BCG not to be within the control of BCG.

- D. Termination Fee; Termination for Convenience. After fiscal year ending September 30, 2014, City may terminate the Agreement upon ninety (90) days prior written notice to BCG with the payment of a Termination Fee. The Termination Fee shall be twenty-five thousand dollars (\$25,000).

The City or BCG may cancel this Agreement anytime after the end of the third year of this Agreement on reasonable notice, and, without cause and without payment of a Termination Fee.

- E. No Waiver. By terminating this Agreement in accordance with this Paragraph 12, neither party shall be deemed to have waived any action it might have, in law or equity, by reason of a breach of or default under this Agreement.
- F. Proprietary Material. Upon termination or cancellation of this Agreement, for any reason or under any circumstances, BCG's (i) proprietary software and computer programs relating to accounting, operations, marketing, and forecasting, (ii) operations and employee training materials and manuals of BCG and (iii) the information and processes related to and used by BCG in the marketing and agronomic plan shall remain the sole property of BCG and shall be removed by BCG upon termination of this Agreement.

Additionally, any actual or implied association of the Club or Facility with Billy Casper or Billy Casper Golf, LLC shall cease upon termination.

13. **USE OF CLUB.** During the term of this Agreement, the Club shall be a municipal daily fee facility which shall be open to the public seven (7) days a week, 364 days a year (closed Christmas Day) during hours approved by the City unless otherwise provided and agreed to in the Annual Budget and Program.
14. **LIQUOR LICENSE.** Subject to any relevant Florida Alcoholic Beverage Control ("ABC") licensing requirements, City or BCG shall maintain at all times (except for the application period) a valid liquor license on the premises, and BCG shall comply with all relevant ABC laws regarding the use of such license.
15. **FORCE MAJEURE; CONDEMNATION; FIRE AND OTHER CASUALTY.** If all or any portion of the Club is destroyed by fire or other casualty, or taken by eminent domain, such damage, destruction, or condemnation shall not be a cause for termination hereunder by either party unless such damage or destruction results in the whole or a substantial part of the Club being unusable for its intended purpose for a period of one year or longer, in which case of such total or substantial damage or destruction, City shall decide (i) to not rebuild the damaged portion of the club, or (ii) if City decides to rebuild the damaged portion of the Club, then in any such event, this Agreement shall terminate on notice from City to BCG of such termination and neither party shall have any further rights or obligations hereunder. Notwithstanding the foregoing, if:
  - A. as a result of any damage or destruction to, or condemnation of, any part of the Club, and
  - B. otherwise due to causes beyond BCG's reasonable control (and so long as BCG uses all reasonable diligence to cure such inability), BCG shall be unable to perform its obligations hereunder in respect of the operation of the Club, City and BCG shall use their mutual best efforts to agree upon an amendment to the Annual Budget and Program, including, without limitation, the working capital provisions thereof, to allow payment of necessary Club expenses (including, without limitation, Club employee expenses) until such damage or destruction is repaired or such inability is cured and, if the parties are unable to agree on such an amendment within twenty (20) business days after BCG shall have given City notice of the occurrence of such event, BCG shall have the right to terminate this Agreement by notice to City of such termination and neither party shall have any further rights or obligations hereunder. In the event of a force majeure there is no Cancellation Fee or Termination Fee due to BCG.
16. **INDEMNIFICATION AND LIABILITY.**
  - A. Legal Actions. Legal counsel for BCG and City shall cooperate in the defense or prosecution of any action affecting the Club. BCG shall not institute or defend any legal action or retain counsel affecting the Club without City's consent. BCG shall forward all legal notices or notices of a financial nature which relate to the Club, to City at the address listed under Paragraph 16J. BCG shall advise and assist City in instituting or defending, as the case may be, in the name of Club, City, and/or BCG, but in any event expressly as a Club expense, all actions arising out of the operation of the Club and not attributable to the negligence of BCG, and any and all legal actions or proceedings to collect charges, third party payments, rents, or other incomes for BCG, City, or the Club, or to lawfully evict or dispossess tenants or other persons in possession there under, or to lawfully cancel, modify,

or terminate any lease, license, or concession agreement in the event of default thereof, or to defend any action brought against City, unless otherwise directed by the City. BCG shall assist City to take the acts necessary to protect or litigate to a final decision in any appropriate court or forum, as a Club expense, and any violation, order, rule, or regulation affecting the Club.

B. Choice of Law and Venue. Whereas BCG's principal place of business is in the Commonwealth of Virginia, and the Facility is located in Florida, the parties agree that this Agreement shall be governed by and construed in accordance with the laws of Florida. The parties also agree that any dispute between them in any way arising out of or pertaining to this Agreement shall be exclusively brought in the Circuit Court for Marion County, Florida or in the United States District Court for the State of Florida. The parties agree to submit to the jurisdiction of those courts.

C. Liability of BCG and City.

1. Other persons. BCG shall not be responsible for the acts or omissions of any of City's other contractors or any subcontractor, or any employees of City other than those under supervision of BCG, or any persons representing City performing any services for or in connection with the Club, or any consultants or other persons engaged by City with respect thereto, unless and only to the extent BCG is supervising, or should be supervising the same, and BCG shall be responsible only for the performance of BCG's obligations hereunder in accordance with the terms hereof. Likewise, the City shall not be responsible for the acts or omissions of any of BCG or OGM contractors, subcontractors, consultants, or persons engaged by BCG or OGM with respect thereto, or employees other than those under the direct supervision of the City.
2. Non-recourse. In the event that BCG makes any claim against Club and City, BCG's recourse shall be limited to the provisions of this Agreement. BCG shall have no recourse to members, managers or, employees, and shareholders of the City except to the extent that damages are suffered as a result of individual members, managers, employees, or City's actions.

D. Indemnity.

1. BCG will defend, indemnify and hold City harmless from and against any claims, losses, expenses, costs, suits, actions, proceedings, demands or liabilities that are asserted against, or sustained or incurred by City because of BCG's breach of this Agreement or because of legal actions or regulatory violations arising from BCG's negligence, fraud, or willful misconduct.
2. Subject to the legal and financial limitations in Florida Statute, §768.28, City will defend, indemnify, and hold BCG harmless, from and against any and all claims, expenses losses, costs, suits, actions, proceedings, demands or liabilities, which are asserted against, or sustained or incurred by BCG from any employee, independent contractor, vendor, a party to a contract for services to City, investor, customer, patron, or resident prior to the Effective Date of this Agreement.
3. Recovery upon an indemnity contained in this Agreement shall be reduced dollar-for-dollar by any applicable insurance collected by either City or BCG. The scope of



the foregoing indemnities includes any and all costs and expenses, including reasonable attorney fees and costs, properly incurred in connection with any proceedings to defend, any indemnified claim, or to enforce the indemnity, or both, provided, however, that BCG's liability under all indemnities shall be limited as set forth in Paragraph 14C. The obligations under this Paragraph 14D shall survive the termination of this Agreement.

**17. CONFIDENTIALITY.**

- A. Work performed by BCG and its agents or assigns pursuant to this Agreement (including, without limitation, any correspondence, analysis, reports and related materials prepared), constitutes confidential and privileged work product, and BCG's communications thereon with City or their respective employees or counsel or other professionals retained by City (each a "City Person") and other applicable privileges will be considered private communication. Accordingly, BCG agrees it will not provide such oral or written reports or other work product or disclose such communications to any person other than City, except as may be otherwise requested by City to satisfy public records requests per Florida Statute.
- B. BCG agrees that all information, not publicly available, which is received by it from City in connection with this engagement, will be treated confidentially by BCG, except as required by process of law or as otherwise requested by City. In the event BCG is required to disclose any of such information pursuant to process of law, BCG agrees to provide City with prompt notice so City may seek appropriate remedies, including a protective order. In any event, BCG and its agents, representatives, and employees will furnish only that portion of the information that is legally required to be disclosed.
- C. City shall retain exclusive rights to ownership of all work output hereunder and City shall own the customer database and all data on the Club point-of-sale system related to operation of the Club during BCG's operation of the Club. Work output includes reports issued pursuant to this Agreement, but excludes, among other things, all working papers of BCG, any correspondence, memoranda, calculations, processes, notes, etc. that BCG may have used in the development of the reports above or such working papers or in the performance of any work covered by an authorization under this Agreement.

**18. GENERAL PROVISIONS.**

- A. Entire Agreement. This Agreement represents the entire understanding and agreement between the parties with respect to the subject matter hereof, and supersedes all other negotiations, understandings, and representations (if any) made by and between such parties.
- B. Written Amendments. The provisions of this Agreement may only be amended or supplemented in a writing signed by both parties.
- C. Further Amendments. The parties hereby agree from time to time to execute and deliver such further instruments and documents, and do all such other acts and things, which may be convenient or necessary to more effectively and completely, carry out the intentions of the Agreement.

- D. Compliance with Laws. BCG shall, at all times, operate, use, and conduct the business of the Club in a lawful manner and in full compliance with all applicable governmental laws, ordinances, rules and regulations, and maintain all licenses and permits relating to the Club, with City's full cooperation, in full force and effect and cooperate and endeavor to obtain all licenses and permits first required after the commencement of the term of this Agreement required in connection with the management, use, and operation of the Club.
- E. Environmental Laws. City represents to BCG, to the best of City's knowledge, that no hazardous materials have been released into the environment, or have been deposited, spilled, discharged, placed or disposed of at or within the Club in violation of any Environmental Law (as defined below), nor except as expressly disclosed and described by City to BCG has the Club been used at any time by any person as a landfill or a disposal site for hazardous materials or for garbage, waste or refuse of any kind. City also represents, to the best of City's knowledge, that there are no underground storage tanks of any nature on the Club (fuel, propane, gas etc.). City does not have any knowledge of asbestos-containing products within the Club.

BCG agrees to perform all services contracted hereunder in compliance with Environmental Laws. For the purposes of this Agreement, "Environmental Law" shall mean: All applicable Federal, State, county or local (or other political subdivision thereof) laws, statutes, codes, acts, ordinances, orders, rules, regulations, directives, judgments, decrees, injunctions, directions, permits, licenses, authorizations, decisions and determinations issued, adopted or enacted by any judicial, legislative, regulatory, administrative or executive body of any governmental or quasi-governmental authority, department, branch, division, agency or entity exercising functions of or pertaining to any government having jurisdiction affecting the Club, or any licenses and permits of any governmental authorities, from time to time applicable to the Club or any part thereof regarding hazardous materials.

Subject to the legal and financial limitations in Florida Statute, §768.28, City hereby agrees to indemnify and defend BCG from, and agrees to hold BCG harmless against, any and all liability, loss, cost, damage, penalties, claims, causes of action, proceedings and expense, including without limitation, court costs and reasonable attorneys' fees, incurred by BCG or imposed on BCG by any person whomsoever, caused by, relating to or resulting from or out of or in connection with environmental claims under this Agreement and for which the City is found to be liable or responsible in a court of law. BCG hereby agrees to indemnify and defend City from, and agrees to hold City harmless against, any and all liability, loss, cost, damage, penalties, claims, causes of action, proceedings and expense, including without limitation, court costs and reasonable attorneys' fees, incurred by City or imposed on City by any person whomsoever, caused by, relating to or resulting from or out of or in connection with environmental claims under this Agreement and for which the BCG is found to be liable or responsible during their operation of the Club . The provisions of this Paragraph shall survive the expiration or any termination of this Agreement.

- F. Binding. All of the terms and provisions of this Agreement shall be binding and inure to the benefit of the parties and their respective permitted successors and assigns. This Agreement is solely for the benefit of the parties hereto and not for the benefit of any third party.

- G. Assignment. BCG may not assign or transfer this Agreement without the City's prior written consent, which shall not be provided without approval by the City Council.
- H. Subordination and Estoppel. This Agreement shall be subject and subordinate at all times to the lien of any mortgage (or any such instrument providing a security interest) which may now exist or may hereafter be executed in any amount for which the Club or any portion thereof is specified as security. City agrees to use its commercially reasonable best efforts to obtain from Lender a non-disturbance agreement in Lender's standard form reasonably acceptable to BCG.

Within ten (10) days of any such written request which City may make from time to time, BCG shall execute and deliver to City a statement in a form reasonably satisfactory to City certifying that this Agreement is unmodified and in full force and effect (or if there have been modifications hereto, that this Agreement is in full force and effect, as modified, and stating the date and nature of such modification), the date to which the Base Management Fee and Incentive Management Fee have been paid, the fact that there are no current defaults under this Agreement by City or BCG, except as specified in BCG's statement, and such other matters reasonably requested by City.

- I. Right to Pledge. Any provision herein contained to the contrary notwithstanding, City shall have the right to assign all or any portion of its right, title and interest in, to and under this Agreement and in and to the Club, by way of mortgage or security agreement, in order to secure the repayment of construction and/or permanent loans made for the purpose of financing all or any portion of its costs relating to the acquisition of the Club and the construction of the golf course, clubhouse and improvements thereon, as well as loans for working capital provided that the City shall, upon execution of any such mortgage or security agreement, promptly deliver a true copy of such mortgage or security agreement to BCG. The mortgagee or other secured party, and their respective assigns, may enforce such mortgage or security agreement and may acquire title to the Club and City's interest under this Agreement in any lawful way, and may take possession of the encumbered assets, or cause any person having the relationship of an independent contractor to the mortgagee or secured party to take possession of the encumbered assets, and upon foreclosure thereof (or in the event of any sale thereof in lieu of foreclosure) may without further consent of BCG sell and assign the Club, free and clear of this Agreement. The mortgagee or secured party or its assigns and any independent contractor to the mortgagee or secured party shall be liable to perform the obligations of City hereunder only during the period such person has title to the Club and City's interest hereunder and this Agreement is in effect but in no event shall such person have any responsibility or liability for the payment of the Termination Fee or the Cancellation Fee.
- J. Notices. All notices, requests, consents and other communications required or permitted to be given under this Agreement shall be in writing, shall be given only in accordance with the provisions of the Paragraph 16J, shall be addressed to the parties in the manner set forth below, and shall be conclusively deemed to have been properly delivered, (i) upon receipt when hand delivered (or refused) during normal business hours, (ii) upon the third (3<sup>rd</sup>) business day after delivery if the notice has been deposited in an authorized receptacle of the United States Postal Service as first-class, registered or certified mail, postage prepaid, with a return receipt requested (provided that the sender has in its possession the return receipt to prove actual delivery), or (iii) one (1) business day after the notice has been deposited with either FedEx or United Parcel Service to be delivered

by overnight delivery (provided that the sending party receives a confirmation of actual delivery from the courier).

**In the case of BCG:**

*Legal Department*  
Billy Casper Golf, LLC.  
8300 Boone Blvd., Suite 350  
Vienna, VA 22182  
Telephone: 703.761.1444  
Facsimile: 703.893.3504

**With a copy to:**

*Steven W. Blaine, Esquire*  
LeClair Ryan, P.C.  
123 East Main Street, 8<sup>th</sup> Floor  
Charlottesville, VA 22902  
Telephone: 434.245.3423  
Facsimile: 434.249.4965

**In the case of CITY:**

*Tiffany Kimball, Contract Manager*  
City of Ocala, City Hall  
110 SE Watula Avenue  
Ocala, Florida 34471  
Email: [tkimball@ocalafl.org](mailto:tkimball@ocalafl.org)  
PH: 352-629-8366

**With a copy to:**

*Patrick G. Gilligan, Esquire*  
Gilligan, King, & Gooding, P.A.  
1531 SE 36<sup>th</sup> Avenue  
Ocala, Florida 34471  
Email: [pgilligan@ocalalaw.com](mailto:pgilligan@ocalalaw.com)  
PH: 352-867-7707 FAX: 352-867-0237

or to such other address as either party may designate by notice complying with the terms of this Paragraph.

- K. Headings. The headings contained in this Agreement are for convenience of reference only, and shall not limit or otherwise affect in any way the meaning or interpretation of this Agreement.
- L. Invalidity. If any provision of this Agreement or any other agreement entered into pursuant hereto is contrary to, prohibited by or deemed invalid or unenforceable under applicable law or regulation, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited, invalid or unenforceable, but the remainder of such provision, and this Agreement shall not be invalidated or rendered unenforceable thereby, and shall be given full force and effect so far as possible.

- M. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which, collectively and separately, shall constitute on and the same agreement.
- N. No Waiver. The failure or delay of either party at any time to require performance by the other party of any provision of this Agreement shall not affect the right of such party to subsequently require performance of that provision or to exercise any right, power or remedy hereunder. Waiver by either party of a breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right, power or remedy under this Agreement. No notice to or demand on either party in any event shall, of itself, entitle such party to any other or further notice or demand in similar or other circumstances, except as otherwise herein provided.
- O. No Partnership. Nothing in this Agreement shall be construed to create a partnership or joint venture between the parties. The parties acknowledge that the relationship of BCG to City is that of an independent contractor.
- P. No Exclusive Remedy. No remedy herein conferred upon either party is intended to be exclusive of any other remedy, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.
- Q. Authority. Each party hereby represents to the other party that it has the right, power, authority, and financial ability to enter into this Agreement and to perform its obligations under this Agreement, and that it is not restricted by contract or otherwise from entering into and performing this Agreement.
- R. Exhibits. All Exhibits attached to this Agreement are incorporated herein by reference. The Exhibits are as follows:  
*Exhibit A* – Scope of Service and Performance Measures (Pages A-1 through A-21)  
*Exhibit B* – Billy Casper Golf LLC Insurance Schedule (Page B-1)

**(SIGNATURE PAGE FOLLOWS)**

IN WITNESS WHEREOF, the parties executed this Agreement as of the date first above written.

**CITY OF OCALA**

By:   
Suzy Heibockel, City Council President

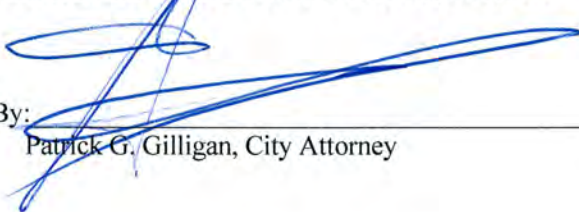
Date: 7/20/2012

**ATTEST:**

By:   
Angel Jacobs, City Clerk

Date: 7-20-12

**APPROVED AS TO FORM AND LEGALITY**

By:   
Patrick G. Gilligan, City Attorney

Date: 7/19/12

**BILLY CASPER GOLF, LLC**

By:   
R. Joseph Goodrich, Executive Vice President

Date: 7-12-12

By:   
R. Alexander Elmore, Chief Operating Officer

Date: 7-12-12

**ACCEPTED BY CITY COUNCIL**  
July 17, 2012  
DATE  
**OFFICE OF THE CITY CLERK**

**EXHIBIT A**  
**SCOPE OF SERVICE AND PERFORMANCE MEASURES**

## **Exhibit A**

### **Scope of Service and Performance Standards**

#### **I. Transition Services**

- A. Contractor shall work closely with the City, current employees and any existing contractors of City to successfully transition the management, operation and maintenance of the golf course. Contractor has established and uses an extensive transition task list and time line for the successful change over and establishment of a new operating entity.
- B. Contractor shall provide corporate resources as necessary to ensure that transition of services is handled in a professional and courteous manner and with as little disruption as possible to customers. It is the City's desire, that transition be seamless and to the extent possible, invisible other than notable improvements to services and facilities.
- C. Contractor understands that the City has in place certain agreements, obligations and commitments that will need to be accommodated by Contractor. These include, but are not limited to, contracts or purchase order for resale inventory, concession supplies, membership agreements, gift cards and rain checks, rental agreements, equipment agreements, etc. During the transition period, Contractor shall evaluate these commitments and obligations and shall ensure that the annual budget accounts for City's commitment to same.
- D. Contractor shall ensure that all player information and statistical data is transferred to the new Point of Sale system and/or backed up before termination of the contract with the existing software provider.

#### **II. Personnel**

- A. The Contractor shall provide and maintain a sufficient number of both BCG regional and corporate level personnel as well as on-site OGM operations personnel as described in the agreement and per the approved budget at all times to accomplish, on schedule, all work under this contract and shall make seasonal or other required labor adjustments to meet services standards.
- B. Contractor shall provide appropriate supervision of all of Contractor's working personnel at the golf course seven (7) days a week. At all times, Contractor shall ensure that there is responsible and competent management level staff with the authority to make decisions for, speak for and act for the Contractor.
- C. Contractor shall provide the City with names and telephone numbers of key Golf Course staff including minimally, the General Manager and Superintendent who can be called by the City or its representatives at any time that a critical or emergency



situation occurs during hours when Contractor's normal work force is not present. Such employees will have full power and authority to take all actions on behalf of Contractor required to address the emergency or said critical situation.

- D. **Qualifications and Training.** The Contractor shall employ qualified personnel with skills and certifications appropriate to the position to which they are appointed. All employees shall be indoctrinated and trained in the schedules, philosophies, customer service and public relations concerns of Contractor and City. Contractor's personnel shall conduct all work operations while dealing with the public in a courteous manner. Maintenance employees shall be trained in the proper method of cleaning, handling and operation of golf course maintenance equipment and supplies. Professional staff shall participate in continuing education to maintain certifications and to keep abreast of issues and trends of the industry.
- E. **Background and Drug Screening/Harassment.** The Contractor shall be committed to promoting a drug-free workplace. To this end, all employees must pass a drug screen and criminal and sexual predator background screening similar to that required of City employees. Contractor shall have in place policies which prohibit any form of harassment in the workplace.
- F. **Employee Identification and Uniform.** Contractor's maintenance employees shall wear a Contractor provided uniform and identification badge. Such uniforms shall identify employees as employees of the Contractor. The logo, seal, or name of the City shall not be used without permission of the City. Contractor's clubhouse and outside services staff shall wear clothing appropriate for a golf setting and in keeping with the professional image that both Contractor and City desire to present to the public.
- G. **Safety/Environmental.** The Contractor is responsible at all times for precautions to achieve the protection of all persons including employees and property. The Contractor shall make special effort to detect hazardous conditions and shall take prompt action where necessary to avoid accident, injury or property damage. EPA, DEP OSHA, and all other applicable safety laws and ordinances shall be followed as well as American National Standards Institute Safety Standards. All spills, accidents, injuries or claims or potential claims shall be reported promptly to the City of Ocala and appropriate emergency officials.
- H. **Equal Employment Opportunity.** Contractor shall be committed to the principle of Equal Employment Opportunity. Contractor shall recruit, hire, train and promote individuals that are qualified; and shall implement and administer all personnel policies and other employment actions without regard to race, color, religion, creed, age, sex, national origin or ancestry, marital status, veteran status, status as a qualified handicapped or disabled individual or any impermissible factor in accordance with applicable laws.

### III. Operations

Contractor shall provide a professionally operated golf course in a manner that is consistent with other comparable upscale public golf facilities and to achieve the performance and service goals of the City golf program. Services to be provided for a full-service golf operation, minimally include:

- A. **Tee Time Management and Reservations.** Contractor shall manage the tee-sheet to ensure that to the extent possible and within Contractor's control tee-times are on schedule and that golf is available from sunrise to sunset. Patrons must be able to make tee times by telephone, in person, or on-line. Any change to tee-time reservation policies shall require prior approval of the City. This includes changes to policies related to walk-ons, partial rounds, advance tee-times, etc. The tee sheet reservation system must accurately capture and maintain customer data, play statistics.
- B. **Point of Sale System.** Contractor shall utilize a point of sale system that accurately records and tracks all cash and credit transaction data, maintains accurate perpetual inventory of golf merchandise, and allows for gift cards, account book and loyalty programs management. The point of sale system used must integrate with an accounting package for daily download and tracking of revenue and inventory activity.
- C. **Collection of Fees.** Patrons must be able to pay by cash, check or major credit card (Visa and MasterCard minimally). Contractor agrees to set all fees so that any credit card charges are incorporated-into and not in-addition-to rates publicized.
- D. **Starter and Marshall/Pace of Play.** Guest assistance shall be provided on the course to manage pace of play, and through the starter to maintain accurate starting times and maximize enjoyment of all golfers. Contractor shall ensure that all personnel are trained on the pace of play expectations and work closely to ensure successful management of same.
- E. **Bag, Cart and Equipment Services.** City shall provide an adequate fleet of golf carts which shall be kept clean and maintained to provide a quality riding experience for customers. Carts shall be prepared with score cards, writing utensils, and sand. Hand/Walking carts shall be provided and available for rent as well. Carts that are in need of repair shall be repaired and returned to service in an expeditious manner. All carts shall be properly stored in a secure area over night. Any change to policies regarding use of carts (i.e. mandatory carts) require prior approval by the City.
- F. **Merchandise Sales.** Contractor shall offer for sale high quality, competitively priced golf retail merchandise at Ocala Golf Club. An adequate supply and variety of inventory for resale in the pro-shop shall be provided at all times. Retail merchandise shall be displayed in such a manner as to maximize exposure and sales. Product shall be rotated to provide a fresh variety and perspective.

- G. **Learning Programs/Lessons.** Contractor shall offer as a service, golf lessons and beginner programs designed to advance and grow the sport and to help patrons improve their game. Development programs designed specifically for underrepresented demographics are highly encouraged. The Contractor understands that the City has a First Tee program in operation at the golf course and agrees to work cooperatively with the Marion County Junior Golf and First Tee of Greater Ocala in further development and advancement of that program. Contractor further understands that the City has an ongoing relationship with area high schools and within reason shall accommodate the provision of golf in support of high school golf programs.
  
- H. **Outings, Leagues, Tournaments and Associations.** Contractor shall administer existing leagues and seek out and develop new leagues to appeal to under-represented demographics and working professionals. Contractor shall support the leagues, tournaments and associations while maintaining a fair and equitable tee sheet. Contractor shall develop and implement an aggressive sales program for outings and tournaments and increase the number of tournaments and outings scheduled at the course. Contractor shall develop, implement and coordinate course offered tournaments. Sponsorships in support of tournaments shall be solicited to further augment revenues.
  
- I. **Handicap Services.** The contractor shall offer and promote USGA golf handicap services to both men and women golfers who patronize the course. Accurate recording and maintenance of handicaps will be ensured for all facility sponsored net tournaments and events.
  
- J. **Practice Facilities.** Contractor shall operate the driving range and other practice facilities with emphasis on convenience and quality. Special programs and offers will be developed in order to maximize utilization of the range and to provide beginners and novices maximum opportunity to build confidence in learning golf. Contractor shall keep in stock an adequate amount of range balls and baskets to ensure that the range ball machine does not run out. The driving range shall provide target greens which shall be properly marked with flags to provide the golfer with a good idea of range for various shots. The driving range tee shall be managed to minimize wear and provide a quality experience.
  
- K. **Banquet Facilities.** Contractor shall operate the banquet facilities to provide a high quality community facility at affordable prices. The facility and equipment shall be maintained in good repair. Contractor shall ensure that users provide adequate collateral to cover any potential damage during use. It is anticipated that the Contractor will make a complete evaluation of potential catering options at the facility and shall make recommendations to the City that will increase the profitability of this facility.

- L. **Food and Beverage.** Contractor shall provide food and beverage services at the clubhouse snack bar and on the course through a beverage cart. All food and beverage equipment shall be maintained in a sanitary condition. The City expects that the Contractor will improve upon current food and beverage offerings including the addition of a grill operation, for which the city will provide approved funding, an upgraded menu and expansion of alcoholic beverages offerings, contingent on approval of liquor license. The Contractor shall be responsible for processing all paperwork and coordinating all processes required to obtain food and beverage permits and licenses regardless of whether said permits and licenses are in Contractor's name or City's name. Contractor shall act as agent of City in regard to food and beverage licensing processed in City's name; however, Contract shall not sign related applications on behalf of City but instead coordinate City staff's review and execution. It is anticipated that the Contractor shall provide some level of food and beverage operation in support of tournaments, events held in the banquet facility, etc. The nature and extent of that event/rental food and beverage operation shall be evaluated and recommendations made by Contractor to ensure maximum revenue potential is derived from the banquet, tournament and event operations. Contractor shall provide regular and consistent on-course beverage cart services.
- M. **Special Events/Programs.** Contractor understands that there are traditional events that have been held at the Ocala Golf Club that the City desires to continue to provide for the public. These include (but are not necessarily limited to) the Camp Tournament, The Oswald Tournament, Symphony Under the Stars, High School Golf, etc. Contractor understands that standard policies in regard to food and beverage, etc. might need to be waived to accommodate the tradition of these events. Contractor agrees to work with City and these event coordinators to ensure that they are accommodated.
- N. **Marketing, Public Relations and Advertising.** Contractor shall analyze and use customer data to develop specific marketing programs that maximize tee sheet utilization an enhancement of rounds, revenue and cash flow. This includes target marketing programs, bundling specials, etc. Contractor shall prepare a marketing plan as specified in the agreement and with emphasis on growth in rounds and rounds related revenue. Contractor shall engage local media for promotional opportunities and shall network with organizations in the community to broaden the exposure of the course. The Contractor shall prepare high quality marketing materials to ensure a high quality image for Ocala Golf Club. The City seal shall not be used in any advertising or promotional materials without the City's approval. The Contractor shall perform independent evaluations of the competitive market to establish the most advantageous positioning of the Ocala Golf Club in the local market. Through this market analysis, Contractor shall make recommendations on rates and membership program price points. All rates shall be approved by the City. The Contractor shall conduct pricing and promotional offerings in such a way that the customer will recognize the value but not in a manner that results in devaluation of the course through discounting and inferior pricing models. The branding of the Ocala Golf Club as an "Ocala Tradition" shall resonate through Contractor's marketing and

promotions program. The Contractor shall maintain an active on-line presence including a website that is kept current and contains pertinent information and a regular social media presence (facebook; twitter; etc.). The Contractor shall use the domain name that is currently registered by the City; and shall utilize a hosting system that provides a dynamic and useful website. The Contractor shall utilize broadcast emails and direct mailings that are targeted to address the specific user's golfing habits. The Contractor shall seek out cross marketing opportunities with complimentary service providers that are likely to drive sales in one or more profit centers. The Contractor shall review the appropriateness of including the Ocala Golf Club in the Contractor's Buffalo Golf Trail and shall implement other customer programs that might include reciprocal play privileges, interclub competitions and stay and play packages. Buffalo Communications (Contractor's in-house public relations agency) will develop and implement an aggressive, comprehensive and on-going local and regional publicity campaign to expose the golf course as a "must play" course in the region. Buffalo's work shall include pitching feature stories, securing reviews, etc, some of which may be fee based.

- O. **High Quality Customer Service.** All employees of Contractor shall be provided with BCG's ACE the GUEST Experience Training program and shall ensure that the principles outlined therein are incorporated at all levels of operation. Contractor shall conduct regular Mystery Shopping by professional, independent evaluators. Results and feedback shall be reviewed with staff and City representatives. Contractor shall ensure that a system of feedback and communication is provided to allow the customer to comment on services provided. Minimally this shall include a toll-free Guest Comment Line; web site based feedback forms; on-site comment cards; and periodic guest surveys. Contractor shall ensure that the customer receives a timely appropriate response to feedback provided.

**IV. General Maintenance Criteria**

- A. Contractor shall furnish all labor, materials, supplies, and equipment to maintain the golf course, clubhouse and common areas in accordance with the parameters contained herein.
- B. Areas of maintenance include but are not limited to: maintenance of all equipment, buildings, equipment storage areas, irrigation systems, greens, tees, approaches, collars, fairways, roughs, golf cart paths, driving range, practice areas, lakes, water hazards, sand and grass bunkers, clubhouse grounds and golf course grounds along entrance roadways and right of ways. Such maintenance also includes care of all shrubs, plants, existing landscaped features and trees.
- C. Contractor shall propose and execute corrective actions in an expeditious manner to bring substandard play and amenity areas of the golf course to the standards reflected in this Agreement.

- D. Contractor shall furnish all labor and supervision required to professionally maintain and improve upon the existing course in accordance with specifications. This work force will include at a minimum, a Golf Course Superintendent who is a member of the Golf Course Superintendent's Association of America (GCSAA) and other personnel in accordance with the approved budget.
- E. Contractor shall maintain in good repair and condition at all times the clubhouse and surrounding passageways ensuring that they are kept free of debris. The clubhouse and clubhouse restrooms shall be cleaned and restocked daily.
- F. Contractor shall perform all normal functions, which are essential to providing quality playing conditions, e.g. mowing, cup changing, tee marker management, grooming, aerification, fertilization, pest and disease treatment, etc.
- G. Contractor shall develop and perform necessary turf management programs and actions to maintain and improve playing conditions.
- H. Contractor is responsible for the expeditious repair of any damage to City property that is caused by the Contractor or by and through the Contractor's negligence. Any needed repairs shall restore the damaged area/facility to the original condition or better.
- I. Contractor shall regularly evaluate the course and make recommendations for capital improvements.
- J. To obtain maximum performance, the Contractor shall supplement trained maintenance personnel with professional turf consultants, entomologist, certified plant biologist, and such other professional specialists as are necessary to support the on-site staff. At a minimum of once per quarter, or more as required by substandard course conditions, the Contractor's Director of Agronomy shall review the entire golf course to personally assess turf conditions and make formal recommendations for corrections, treatments or improvements as needed. Advance notification of these scheduled visits shall be provided to the City of Ocala.
- K. The Contractor shall incorporate its full service golf course maintenance program based upon generally accepted southeastern turf management principles and standards
- L. The Contractor shall guarantee that the on-site superintendent assigned to Ocala Golf Club will have the educational background and experience necessary to provide ongoing maintenance programs, which shall fulfill the terms and conditions of this agreement. The Contractor's on-site superintendent must have at least three (3) years supervisory experience in golf course maintenance in warm season turf grass environments.

- M. In particular, the Contractor shall retain personnel approved as a Certified Pest Control Operator licensed by the Florida Department of Agriculture and Consumer Services. Application of such pesticides on the premises of the City's golf course shall be performed by or under the supervision of such licensed Certified Pest Control Operator. Applications must follow label guidelines, directions and restrictions. The Contractor shall maintain completed documentation of all pesticide, herbicide and fertilizer applications and storage, in accordance with prevailing regulations and laws. The Contractor shall have and practice an Integrated Pest Management (IPM) Program at the golf course.
- N. Within six (6) months of the start of the contract, Contractor shall enroll the Ocala Golf Club in the Audubon International Cooperative Sanctuary Golf Program. The City shall be responsible for all registration and membership fees. The Contractor is expected to actively and consistently pursue Audubon certification and achieve such designation before the start of any optional contract renewal period.
- O. In the event of a natural disaster, such as a hurricane, tornado, etc. the City may issue written authorization to the Contractor to allow overtime as approved by the City to repair the golf course. The City shall pay the cost of said overtime and the cost of unusual golf course repairs caused by the natural disaster.
- P. A written golf course evaluation report will be issued monthly by the Golf Course Superintendent under the direction of Contractor and delivered to the City.
- Q. The Recreation and Parks Director, or designee, shall on a frequent basis, inspect some or all of the golf courses for purposes of ensuring Contractor's compliance with the scope of services. In conducting such inspection and evaluation, the City representative shall complete applicable portions of the Golf Course Operations and Maintenance Standards Form (Attached), and shall promptly thereafter provide Contractor a copy of the completed form or applicable portion. The City representative shall act reasonably and in good faith in making the determination of whether the Contractor has met the standards identified in the scope of services for the applicable areas being evaluated.
- R. The golf course operations and maintenance components shall be rated as "Acceptable," "Needs Improvement," or "Unacceptable." The Director's or Designee's rating of an item as "Unacceptable" or "Needs Improvement" shall, upon Contractor's receipt of the Golf Course Operations and Maintenance Standards Form, constitute a Notice of Golf Course Deficiency with respect to the deficient item(s).
- S. Within one (1) week after receipt of the Golf Course Operations and Maintenance Standards Form, the City representative and the golf course superintendent shall meet to review the deficiency item(s), including the corrective actions the superintendent intends to take to correct the deficiency item(s), and the time schedule for completion of corrective action. The proposed corrective action and the time schedule shall be

approved by the Director or Designee. When a deficient item has been satisfactorily corrected, the superintendent of the golf course shall notify the City representative.

- T. If Contractor obtains an overall rating of “Unacceptable,” for a period of two (2) consecutive months, or fails to take action to timely correct any deficiency item(s), a vendor complaint shall be submitted to the City Contract Administrator notifying them that the Contractor is in material breach of their contract, which may result in contract termination. In addition, any failure to achieve an overall rating of “Acceptable” for any four (4) months within any single operating year, or any three (3) consecutive months, will be considered as a material breach of the contract, which may result in contract termination.
- U. The following items shall be considered exclusions for the purpose of determining whether there have been two consecutive months with overall ratings of “Unacceptable” and for the purpose of determining whether an outstanding deficiency item has been timely corrected:
- V. Any outstanding deficiency item that the superintendent is diligently and timely correcting in accordance with the time schedule jointly agreed to by the Director or Designee and the superintendent of the Golf Course;
- W. Any deficiency item in which the correction is considered a Capital Improvement but only if and to the extent Contractor, in light of its expertise and experience as a manager of first class golf courses, could not have taken reasonable measures to prevent or mitigate the deficiency item from occurring;
- X. Any deficiency item that superintendent is unable to correct because of the occurrence of a “Force Majeure Event”, but only to the extent the Contractor, in light of its expertise and experience as a manager of first class golf courses, could not have taken reasonable measures to prevent or mitigate the Force Majeure Event;
- Y. Any deficiency item that superintendent is unable to correct due to City’s failure to provide sufficient funds to effect such correction.
- Z. **Emergency Maintenance.** In the event that the City at any time determines that any portion of the golf course is in immediate jeopardy of sustaining some type of serious harm due to a maintenance failure on the part of the Contractor, and the Contractor is unable to immediately respond, the City may utilize their own work force or contracted services to go on the golf course and perform such tasks as are necessary to prevent such serious harm from taking place. The cost of such preventative maintenance incurred by the City shall be itemized by the City and submitted to the Contractor to be accounted for as a course expense (to the expense that it meets the definition of an operating expense).
- AA. **Inclement Weather.** During periods of severe inclement weather conditions, Contractor will provide sufficient personnel on a twenty-four (24) hour call basis for



the purpose of sandbagging, keeping drains clear, and/or any other tasks required to minimize damage to the Golf Course's improvements and facilities. These emergency services are provided on a pre-approved basis by the City and payable as an expense of the City.

- BB. **Course Temporarily Out of Play.** Whenever play must be temporarily suspended on the golf course due to inclement weather or other conditions, the decision of when to allow play to resume, and when to allow carts to go out on the course, will be made by the Contractor.
  
- CC. **Course Closure.** In the event that the Golf Course is not playable for a period of seven (7) consecutive days, for any reason, including acts of nature or vandalism, the City may declare, for purpose of maintenance, that an emergency condition exists on such Golf Course(s), except for seasonal closures which have already been taken into account in determining the annual fee for maintenance services. The City and the Contractor will then jointly determine what changes in the normal level of maintenance staffing and services, if any, may be necessary, including additional hours of labor and/or materials.
  
- DD. **Equipment.** The City shall own all equipment needed for course operations and maintenance and Contractor shall ensure that City equipment is utilized in accordance with industry standards and manufacturer's recommends and that equipment will be properly maintained.
  
- EE. **Regulatory Compliance.** Maintenance facilities shall conform with all regulatory compliances and requirements as set forth by the American National Standards Institute (ANSI) and the Occupational Safety and Health Administration (OSHA). Contractor shall be responsible for maintaining a clean appearance inside and out of building.
  
- FF. **Vandalism.** Contractor shall repair and/or replace, at the City's cost, property owned by the City, whether real or personal, which is lost, or damaged, or destroyed through vandalism. Contractor shall ensure that proper and necessary forms are completed and submitted to the City to document such damage for insurance and/or replacement purposes.
  
- GG. **Hazardous Substances.** Contractor represents and warrants that all maintenance services provided, the methods of application to be used, and the products to be used will not violate any federal, state, or local environmental laws, statues, ordinances, codes, rules, regulations, orders, decrees, or similar authoritative pronouncements. For purposes of this Agreement "Hazardous Substances" shall have the meaning ascribed in and shall include those substances listed in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq, and the regulations promulgated thereunder and includes oil and oil waste as those

terms are defined in the Clean Water Act, 33 U.S.C. §1251 et seq. and the regulations promulgated thereunder, the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq., as amended from time to time, and shall include any other elements or compounds which are contained in the list of hazardous substances adopted by the United States Environmental Protection Agency (The "EPA") and the list of toxic pollutants designated by Congress or the EPA or defined by any other federal, state, local or quasi-governmental statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, now existing or at any time hereafter in effect.

- HH. **Material Safety Data Sheets.** MSDS sheets for all products will be the responsibility of the Contractor. Two (2) books will be kept current one located at the clubhouse and the other will be located at the maintenance shop.

## V. Minimum Grounds Maintenance Standards

The maintenance practices included in this section are intended to be an overall outline for the agronomic, horticultural, and recurring service practices of Contractor's golf course maintenance operations. While the guidelines are detailed, they are intended to be only minimum rules of operation. **The Contractor's primary responsibility is for ensuring the integrity of the golf course.** Variances from the guidelines will be necessary at times to allow for adjustments resulting in climatic conditions, pest infestations, golf course traffic, tournaments and other unforeseen problems.

### A. **Mowing Guidelines:**

1. **Greens** will be mowed every day the course is open for play at a height of cut that is acceptable to the City without causing undue stress to the turf. Typically, a cutting height between .110" to .165" will be maintained. Greens should be maintained to achieve at least an '8' "stimpmeter" reading. The integrity of the original size of greens shall be maintained.
2. **Tees** will be mowed three times per week. A mowing height of ¼" to ½" will be maintained. No more than 33% of the leaf surface will be removed at any one mowing. The integrity of the original size and design of tees shall be maintained.
3. **Fairways, Approaches, and Collars** will be mowed three times per week during the active growing season and two times per week during the cooler periods. A reduction of the frequency of fairway mowing may be considered after consultation and agreement by the Facility Manager. A height of cut of ½" to ¾" will be maintained. There may be certain times during the summer when this frequency may increase due to changes in climatic conditions. No more than 33% of the leaf blade shall be removed at any one mowing. The integrity of the original size of fairways shall be maintained.

4. **Tee and green slopes and roughs** will be mowed weekly during the active growing season and as needed the balance of the year. A height of cut of 1 ¼” to 1 ½” will be maintained.
5. Note: Growth regulators will be utilized in wet areas during the summer months when excessive rainfall is predicted to keep the turf under a manageable condition.

**B. Aerification Guidelines:**

1. **Greens** will be aerified as needed to provide the soil with the proper air, water, and soil ratio required for healthy putting surfaces. Two to three conventional core aerifications (2 inches deep on 2 inch centers, minimally) coupled with one deep tine aerification during the summer months will be performed annually. Spiking of all greens shall be performed between aerifications to maintain proper water infiltration.
2. **Tees** will be aerified two times, minimally, during the year with a conventional aerifier to alleviate compaction and help control thatch.
3. **Fairways/Roughs** will be aerified one time, minimally, during the summer months to alleviate compaction. Also, supplemental aerifications will be done on the heavily compacted areas and may be accomplished with a deep-tine aerifier.

**C. Verticutting/Spiking Guidelines:**

1. **Greens** will be vertically mowed during the active growing season to help promote quality putting surfaces. Typically, every two weeks during the active growing season would be considered minimal. A deeper verticutting will be accomplished following aerifications in two to three directions to help promote the healing of the damage on the putting surfaces caused by aerifications. Spiking of the greens will be performed regularly during the summer months to prevent algae build-up and to help maintain proper water infiltration.
2. **Tees** will be vertically mowed in conjunction with the aerification services during the summer. The frequency of vertical mowing will be adjusted accordingly should the playing areas become “spongy”.
3. **Fairways and roughs** will be vertically mowed or scalped, if necessary, in order to prevent matting and/or the build-up of thatch in these areas.

**D. Topdressing Guidelines:**

1. **Greens** will be topdressed in conjunction with the verticutting/spiking and aerification operations. This will be accomplished with a soil mix or sand that is similar to the make-up of the existing soil profile.
2. **Greens** will be topdressed every two weeks during the active growing season to help maintain a smooth putting surface.
3. **Tees** will be topdressed two times during the summer in conjunction with the aerification operations. In addition, the divots will be filled in on a weekly basis, minimally, to ensure an even playing surface.
4. **Sand** will be made available during the "Season" (December 1 through May 1) for topdressing of the practice range tee and to fill sand buckets on the golf carts.

**E. Fertilization Guidelines:**

1. **Greens** will be fertilized at a rate of .5 to 1 pounds of nitrogen per month during the growing season and with an analysis or ratio of N, P, & K determined by soil and tissue testing. Only "mini prill" and materials specifically used on putting surfaces will be utilized. Minor nutrients will be applied as a foliar application in addition to what is available in the granular fertilizer. Only fertilizer specifically formulated for putting greens shall be applied.
2. **Tees** will be fertilized at a rate of .5 to 1 pound of nitrogen per month during the growing season with a fertilizer analysis to be determined by soil testing. During overseeded months, the applications of fertilizer will be adjusted as necessary to ensure that quality teeing areas are present.
3. **Fairways, irrigated roughs and slopes** will be fertilized with 4-6 pounds of nitrogen annually through either granular or liquid applications that will be applied throughout the course of the year. Supplemental amounts of fertilizer will be applied to weak and thin areas. Any additional amounts of N, P, & K will be determined by soil tissue tests at the expense of the contractor and adjusted accordingly.
4. Dolomite lime applications, in conjunction with aerification, will be used as necessary to assist in keeping the pH at a desirable level.

**F. Overseeding Guidelines:**

1. **Greens** will not be overseeded.

2. **Tees** will be overseeded each fall with a perennial ryegrass blend at a seeding rate of twelve (12) pounds per 1,000 square feet on par 4's and par 5's and a fifteen (15) pounds per 1,000 square feet seeding rate will be utilized on par 3's. Regular seeding and sanding of divots will be performed throughout the overseeded months.
3. **Fairways** will not be overseeded.

**G. Bunker Maintenance Guidelines:**

1. **Mechanical raking** of the bunkers will be performed five times per week. Bunkers will be raked all days with the exception of Tuesday and Sunday, or as designated by the Facility Manager. In addition to mechanical raking, the bunkers will be spot hand raked during the days the bunkers are not mechanically raked. The integrity of the original size and design of each bunker shall be maintained.
2. **Edging** of the bunkers will be performed monthly throughout the year to ensure a manicured appearance at all times.
3. **Mowing** of the bunker faces will be performed weekly throughout the growing season and as needed throughout the remainder of the year.
4. Additional sand will be added as needed and determined by the facility manager throughout the year to maintain an average depth of 2-4" on the slopes and a 4" depth in the bottom of the bunkers.

**H. Irrigation Guidelines:**

1. The Contractor shall be responsible for irrigating the Golf Course in the manner required to maintain the Golf Course. The City shall furnish an adequate quantity and quality of irrigation water with which to irrigate the Golf Course. In the absence of an adequate supply of irrigation water, Contractor will not be responsible for any loss of plant life. Contractor shall monitor the quality of the irrigation water to ensure that it is acceptable to use for irrigation at the Golf Course. Any deficiencies shall be immediately reported to Owners Representative in writing.
2. The irrigation systems will be repaired and maintained on a regular basis by qualified Contractor staff. This includes adjusting irrigation head heights, nozzles, spray patterns, sequence, grouping and timing and replacement and elimination as necessary.
3. Repairs - The Contractor shall repair or replace all heads, valves controllers, wiring, and pipe as needed to maintain the proper operation of the entire golf course irrigation system (including greens, tees, fairways, planter, flower beds, etc.) on an ongoing basis.
4. Application - All turf and landscape areas shall be irrigated. Irrigation should be utilized

along with natural rainfall to provide water as necessary for optimum growth conditions while at the same time conserving water use when possible and avoiding over watering. Contractor shall ensure that the application of irrigation shall be properly balanced to ensure the most efficient and effective use of the irrigation system.

5. Controllers - Irrigation controllers shall be checked and maintained on a regular basis to ensure proper operation and protection which will include insuring that all connections for grounding controllers are clean and clear of pest and pest mounds, and all surge protection devices are in place and functional.
6. Changes - Changes to irrigation system must be clearly noted on schematic and approved in advance by the City representative. Contractor shall supply an updated irrigation plan annually to the City Representative.
7. Water and Sewer Designee will have sole discretion of pumping of ponds.

**I. Integrated Pest Management Guidelines:**

1. The goal is to have Ocala Golf Club as weed and insect free as possible and to prevent any damaging outbreaks of pests. Contractor's approach to the control of damaging pests and weeds will include curative and preventative types of control measures using the most appropriate products available.
2. Contractor will be responsible for the implementation of an integrated pest management (IPM) program for all playing areas of the courses including roughs via regular monitoring, problem and potential problem identification, preventative measures, diagnosis and treatment. All greens will be inspected daily for the presence of damaging pests, insects or fungus. All greens shall be treated as required to prevent or control fungus and insect activity and damage to the turf. An application of Chipco Choice (or equivalent) shall be applied to control the insect population in the fairways and roughs to allow optimum turf root growth.
3. Fire ant mounds throughout the golf course will be controlled on an as-needed basis.

**J. Other Maintenance/Service:**

1. Contractor will be responsible for properly moving the cups and tee markers and repairing ball marks every day the course is open for play. In addition, all trash will be removed, divot buckets will be filled and the ball washers checked for clean towel and soap solution daily. The ball washer soap will be changed a minimum of once per week throughout the year.

2. **Trash and Debris.** During the course of the day, any trash, organic and non-organic and/or tree debris on the golf courses will be picked up. Removal from the property, when necessary, will be at the expense of the City including dumpster rental. As required by the Code of the City of Ocala, all waste will be disposed of by City forces and billed to the Contractor according to its schedule of fees.
3. **Deep Rough/Natural Areas.** Contractor will maintain the natural areas within the boundaries of the play areas. These areas are to be kept free of fallen limbs, sucker growth, undesirable vegetation and weeds. Any removal of trees greater than 2" in caliper is not the responsibility of Contractor.
4. **Cart Paths.** All golf cart paths will be kept clean of cut grass and shall be edged monthly during the active growing season and as needed the balance of the year. Contractor will be responsible for pruning any plant material and clearing debris that obstructs the cart paths throughout the golf course. Standing water problems on cart paths will be promptly corrected by the Contractor. Contractor will repair or is responsible for repair to cart path breaks due to irrigation repairs.
5. **Lakes, Ponds and Streams Maintenance.** Aquatic weed control is the responsibility of the City. Contractor shall notify the appropriate City staff immediately if aquatic vegetation becomes an issue in between treatments. Contractor personnel will remove litter and trash from the water bodies on a regular basis. All water hazards are to be staked or marked with correct color indicator. The Golf Course Professional will assist in the determination of these areas to be marked as water hazards.
6. **Landscape Beds.** Contractor will install (3 plantings per year) and maintain flowering plants in select landscape beds throughout the golf courses. This will include weekly weed control, and watering, fertilization, and pest control as needed. Contractor will work with the City in determining planting designs.
7. **Out of Bounds.** Contractor shall stake all areas that are out of bounds. The golf professional will assist in determining these areas. Check and maintain out of bounds markers on a regular basis.
8. **Drainage.** Installation of additional drainage or repair of existing drainage as necessary to alleviate any standing water problems that may occur on the golf course or grounds around the Clubhouse, Pro Shop/Cart Barn and Maintenance area.

**K. Buildings:**

1. Contractor will maintain the buildings on the golf courses in a good, operable and sanitary order. Any required repairs, replacement, rebuilding and restoration would be brought to the attention of the Facility Manager immediately. All costs for such repairs, replacements, rebuilding and restoration will be the responsibility of the City.

2. Contractor shall provide routine janitorial services in accordance with the minimum maintenance standards.
3. Contractor shall not make any changes to the maintenance building without the prior consent of the Golf Department. Structural changes to the buildings will require written consent and are not included in this contract.
4. Contractor shall provide routine systems preventative maintenance services in accordance with the minimum maintenance standards.
5. The City shall conduct facility audits on a regular basis and will submit their findings with recommended repairs and changes to the Contractor. Within the scope of this contract, the Contractor shall make the necessary repairs or implement recommended changes in a timely fashion.
6. Equipment - The air compressor, fuel tanks, and wash down system shall be maintained on a regular basis. Wells on the fuel tank should be checked on a monthly basis and a report should be filed. Fuel tanks shall be repainted as needed to comply with regulations. Fuel tanks should be visually inspected on a weekly basis for damage, leaks and rust. These inspections should be logged and any necessary repairs made.
7. Facility - Equipment shall be parked inside wherever possible; facility shall be properly secured at the end of the day. Surrounding areas shall be kept in a neat and sanitary condition.
8. Contractor shall make repairs to the facility or equipment which is caused by the carelessness or negligence of contractor's staff and agents.



**OCALA GOLF CLUB**

**GOLF COURSE MAINTENANCE STANDARDS REVIEW**

DATE: \_\_\_\_\_

SUPERINTENDENT: \_\_\_\_\_ AUDITORS: \_\_\_\_\_

<u>Area</u>	<u>UNACCEPTABLE</u>	<u>NEEDS IMPROVEMENT</u>	<u>ACCEPTABLE</u>
Greens	_____	_____	_____
Fairways & Roughs	_____	_____	_____
Driving Range	_____	_____	_____
Maintenance Records & Schedules	_____	_____	_____
Lakes & Other Water Bodies	_____	_____	_____
Maintenance Employees	_____	_____	_____
Maintenance Shop & equipment	_____	_____	_____
Traffic Control	_____	_____	_____
Clubhouse/Entryway	_____	_____	_____
Rest Rooms	_____	_____	_____
<b>OVERALL COURSE OPERATIONS</b>	_____	_____	_____

**GREENS**

**QUALITY STANDARD:** Smooth, uniform, turf, firm but not hard, well-defined, consistent, of suitable speed for the location. Cups placed in accordance with USGA recommendations. Flags stand up straight. Cups, poles and flags are uniform, clean and in good repair. Pin placement indicators uniform and properly used only where necessary.

**1. QUALITY. How do they Putt and Play?**

100% Turf cover, smooth and uniform. Do the greens hold approach shots? Are the cups cut cleanly and in proper locations? No diseases, weeds, insects or bare spots.

\_\_\_\_\_ Unacceptable                      \_\_\_\_\_ Needs Improvement                      \_\_\_\_\_ Acceptable

**2. APPEARANCE. How do they look?**

Color and texture of the greens turf, uniformity of the mowing, condition of cup, flag and pole, condition of the areas around the greens. No diseases, weeds, insects or off-color areas.

\_\_\_\_\_ Unacceptable                      \_\_\_\_\_ Needs Improvement                      \_\_\_\_\_ Acceptable

**3. SAND TRAPS GREENS. How do they play and look?**

Sand surface is uniform and smooth; sand is adequate depth for play. No weeds or debris in traps. Rakes adequate in number and condition, properly placed. Quality of mowing/trimming around traps. As necessary, edge traps to always maintain a neat lip.

\_\_\_\_\_ Unacceptable                      \_\_\_\_\_ Needs Improvement                      \_\_\_\_\_ Acceptable

**FAIRWAYS AND ROUGHS**

**QUALITY STANDARD:** Fairways: Smooth, uniform turf cover, smooth mowing and trimming, clean, firm but not hard, well defined, that properly supports the ball for play. Roughs: Properly mowed and trimmed, clean and adequately uniform for play, distinct in height from fairways.

**1. QUALITY. How do they play?**

Mowing height of fairways and roughs is within USGA specifications, mowing frequency is appropriate for the turf type and season. Fairway turf properly supports the ball for play. Able to find the ball in the roughs. Absence of wet or dry spots in play areas.

\_\_\_\_\_ Unacceptable                      \_\_\_\_\_ Needs Improvement                      \_\_\_\_\_ Acceptable

**2. APPEARANCE. How do they look?**

Uniformity of color and irrigation, texture, quality mowing. Appearance of being "Manicured" turf coverage in traffic areas. No weeds, disease, insects, or off-color areas.

\_\_\_\_\_ Unacceptable                      \_\_\_\_\_ Needs Improvement                      \_\_\_\_\_ Acceptable

**3. SAND TRAPS / ROUGHS. How do they play and look?**

Sand surface is uniform and smooth, sand is adequate depth for play. No weeds or debris in traps. Rakes adequate in number and condition, properly placed. Quality of mowing/trimming around trees. As necessary, edge traps to always maintain a neat lip.

\_\_\_\_\_ Unacceptable                      \_\_\_\_\_ Needs Improvement                      \_\_\_\_\_ Acceptable

**4. TREES AND SHRUBS.**

Pruned to maintain specimen health and safety to golfers and maintenance employees. No exotics.

\_\_\_\_\_ Unacceptable                      \_\_\_\_\_ Needs Improvement                      \_\_\_\_\_ Acceptable

**TEES**

**QUALITY STANDARD (TEES):** Tees smooth, completely turfed, leveled, firm but not hard, clean, properly directed, with amenities trash cans, signs tee markers, monuments, ball washers, towels, sand and seed containers, as appropriate in good condition and repair, consistent and uniform.

**1. APPEARANCE, MANICURED AND CLEAN.**

100% turf cover, smooth and uniform. No weeds, diseases or insects. Consistent, adequate top dressing program. Minimal litter or broken tees.

\_\_\_\_\_ Unacceptable                      \_\_\_\_\_ Needs Improvement                      \_\_\_\_\_ Acceptable

**2. PERIMETER AREAS AROUND TEES.**

Area between cart path (if any) and tee-uniformly and smoothly turfed, no mud or dirt, ball washers are clean, in good repair and properly located for the tee positions, cart paths are clean and properly placed as necessary; no identifiable traffic wear into tee.

\_\_\_\_\_ Unacceptable                      \_\_\_\_\_ Needs Improvement                      \_\_\_\_\_ Acceptable

**DRIVING RANGE**

**1. APPEARANCE – MANICURED AND CLEAN.**

Uniformity of mowing, color, texture of turf, smoothness of surface, clean mowing on perimeters, absence of scalping.

\_\_\_\_\_ Unacceptable                      \_\_\_\_\_ Needs Improvement                      \_\_\_\_\_ Acceptable

**2. PERIMETER AREAS AROUND TEES.**

Area between cart path (if any) and tees – uniformly and smoothly turfed, no mud or dirt, benches, club washers, bag stands are clean, in good repair and properly located for the tee positions, cart path is clean and

properly edged, curbing or ropes/stakes are clean and properly placed as necessary; no identifiable traffic pattern into tee.

\_\_\_\_\_ Unacceptable                      \_\_\_\_\_ Needs Improvement                      \_\_\_\_\_ Acceptable

**3. RANGE LANDING AREA.**

Turf clean and mowed per fairway maintenance section of audit.

\_\_\_\_\_ Unacceptable                      \_\_\_\_\_ Needs Improvement                      \_\_\_\_\_ Acceptable


**MAINTENANCE RECORDS AND SCHEDULES**

All of the following maintenance records properly kept, on site, and up-to-date.

	<u>ACCEPTABLE</u>	<u>UNACCEPTABLE</u>	<u>NEEDS IMPROVEMENT</u>
1. Maintenance plan Visible and in use	_____	_____	_____
2. Irrigation Logs	_____	_____	_____
3. Pesticide Use Logs	_____	_____	_____
4. Maintenance Logs	_____	_____	_____
5. Equipment main- tenance records	_____	_____	_____
6. Labor scheduling	_____	_____	_____
7. Inclement weather core staffing program in place	_____	_____	_____
8. Gasoline log	_____	_____	_____

**EXHIBIT B**  
**BCG INSURANCE SCHEDULE**

**EXHIBIT B**

 <b>Billy Casper Golf, LLC</b> <i>Schedule of Insurance</i> <b>January 1, 2011 - January 1, 2012 **</b> <b>Property, Policy Number: 35891360</b>		
Coverage	Limits	Deductibles
Building	\$25,000,000 Primary - Any One Occurrence subject to the following Sub-limits	\$2,500
Personal Property	Included in Above Policy Limit	\$2,500
Carts & Equipment	Included in Above Policy Limit	\$500
Business Income/Extra Expense	Included in Above Policy Limit	24 Hour Waiting Period
Golf Course Property - Tees, Greens and Fairways (Named Perils Only)	\$2,500,000 Per Location	\$2,500
Trees, Shrubs and Plants on course	\$5,000 Per Tree/Shrub/Plant \$250,000 Per Occurrence Including Debris Removal	\$2,500 - All Other Courses \$25,000 - High Hazard Locations
Damage to Dams, Dikes and Retaining Walls for Property Damage (Named Perils Only)	Included in Real and Personal Property	\$2,500
Earthquake	<b>CA, HI and AK Only:</b> \$2,500,000 Occurrence \$2,500,000 Aggregate <b>All Other Zones:</b> \$5,000,000 Occurrence \$5,000,000 Aggregate	<b>CA, HI and AK Only:</b> 5% per Unit Subject to \$500,000 Minimum <b>All Other Zones:</b> \$100,000
Flood	<b>Flood Zones A and V:</b> \$2,500,000 Occurrence \$2,500,000 Aggregate <b>Flood Zone: C, X, B or X500 Only:</b> \$5,000,000 Occurrence \$5,000,000 Aggregate	<b>Flood Zones A and V:</b> 5% of TIV Subject to \$500,000 Minimum for locations wholly or partially within Special Flood Hazard Areas of 100 Year Flooding, as defined by FEMA. <b>Flood Zone: C, X, B or X500 Only:</b> \$50,000
<b>Excess Property, Policy Number: LHD370014</b>		
Building	\$75,000,000 Excess of \$25,000,000	Per Primary Coverage
Personal Property	\$75,000,000 Excess of \$25,000,000	Per Primary Coverage
Business Income/Extra Expense (Including Rental Value)	\$75,000,000 Excess of \$25,000,000	Per Primary Coverage
<b>General Liability, Policy Number: 3594173000</b>		
General Aggregate	\$15,000,000	\$0
Products - Completed Operations Aggregate	\$2,000,000	\$0
Each Occurrence	\$1,000,000	\$0
Personal & Advertising Injury Liability	\$1,000,000	\$0
Damage to Premises Rented by You	\$100,000	\$0
Medical Expenses	\$10,000	\$0
Liquor Liability	\$1,000,000 Each Incident \$2,000,000 Aggregate	\$1,000
Employee Benefits Liability	\$1,000,000 Each Employee \$1,000,000 Aggregate	\$1,000
<b>Automobile, Policy Number 70215985 AOS, 70215986 HI only, 70215994 VA only</b>		
Auto Liability	\$1,000,000	\$0
Uninsured Motorists	\$1,000,000	\$0
Underinsured Motorists	\$1,000,000	\$0
Medical Payments	\$10,000	\$0
Comprehensive Physical Damage	Actual Cash Value	\$500
Collision Physical Damage	Actual Cash Value	\$500
<b>Workers Compensation, Policy Number 7171554005</b>		
Workers Compensation	Statutory	Policy Deductible - \$0
Employers Liability:		
Bodily Injury by Accident - Each Accident	\$1,000,000	
Bodily Injury by Disease - Policy Limit	\$1,000,000	
Bodily Injury by Disease - Each Employee	\$1,000,000	
<b>Umbrella Liability, Policy Number: M0052718A</b>		
Per Occurrence Limit	Per Terms of Management Agreement	\$0
Aggregate Limit		\$0
<b>Excess Liability, Policy Number: SHX00024015612</b>		
Per Occurrence Limit	Per Terms of Management Agreement	\$0
Aggregate Limit		\$0
<b>Pollution Legal Liability, Policy Number 899300</b>		
Clean-Up Costs - Onsite New Conditions		
Clean-Up Costs - Offsite New Conditions		
Emergency Response Expenses		
Third Party Claims - Onsite New Conditions	\$2,000,00 Per Incident / Per Aggregate	\$25,000
Third Party Claims - Offsite New Conditions	\$16,000,000 Per Policy Aggregate	
Transportation - New Conditions		
Waste Disposal Activities		
<b>Crime, Policy Number 82094018</b>		
Employee Theft	\$2,000,000	\$15,000
Premises Coverage	\$2,000,000	\$15,000
In Transit	\$2,000,000	\$15,000
Forgery or Alteration	\$2,000,000	\$15,000
Money Order & Counterfeit Fraud	\$2,000,000	\$15,000
Credit Card Fraud	\$2,000,000	\$15,000
Client Coverage	\$2,000,000	\$15,000
Computer and Funds Transfer Fraud	\$2,000,000	\$15,000
Expense	\$250,000	\$15,000
<b>Directors &amp; Officers*, Employment Practices &amp; Fiduciary, Policy Number: G25033267001</b>		
Directors & Officers	\$5,000,000	\$25,000
Employment Practices Liability	\$5,000,000	\$75,000 - EPL \$100,000 - Third Party Only
Fiduciary Liability	\$5,000,000	\$0
<b>Storage Tank Liability, Policy Numbers: USC5876829006 (Cincy Only) &amp; USC9417731003 (AOS)</b>		
Each Claim Limit	\$1,000,000 - AOS \$5,000,000 - Cincy Only	\$5,000
Aggregate Limit of Liability	\$5,000,000 - AOS \$5,000,000 - Cincy Only	
<b>Special Crime, Policy Number: 11362020</b>		
Each Loss - Ransom Monies	\$2,000,000	\$0
Each Loss - In Transit/Delivery	\$2,000,000	\$0
Consulting Expenses	Unlimited	\$0
<b>Professional Liability Policy Number: ECN000052991101</b>		
Each Claim Limit	\$3,000,000	\$25,000
Aggregate Limit of Liability	\$3,000,000	\$10,000 - Buff Comm Only

\*Directors & Officers coverage applies to BCG only - Clients are not covered by this D&O policy

\*\* Terms, Carriers, Limits, and deductibles are subject to change in subsequent policy years.

NOTE: This is a summary of your program only. For detailed explanation of terms and conditions, please refer to your policies or contact Wells Fargo