



CANYON LAKE PROPERTY OWNERS ASSOCIATION

REQUEST FOR PROPOSAL TO PROVIDE GOLF PRO SERVICES



Released: **June 21, 2010**
Initial Questions Submittal Deadline: **July 12, 2010**
Mandatory Pre-Bid Conference / Course Tour: **July 19, 2010**
Final Questions Submittal Deadline: **July 21, 2010**
Proposals Due: **August 2, 2010 by 5 p.m.**
Services to Begin: **October 2010**

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INTRODUCTION

The Canyon Lake Property Owners Association (CLPOA) is a California nonprofit corporation that manages a community association under the Davis Sterling Common Interest Development Act. The CLPOA is soliciting requests for proposals from qualified vendors to provide Golf Pro Services to operate its 18-hole golf course and driving range. CLPOA is seeking a 3-year agreement with 2 independent one-year options at the CLPOA's sole discretion. Grounds and facility maintenance services are not sought through this RFP.

CLPOA is a community of 4800 residential units and lots within a gated community located in western Riverside County. The community has many resources and activities that include a lake for water sports and fishing, an equestrian facility, tennis, golf, and swimming facilities, as well as a senior facility, and restaurant facilities. The finance base of the community is primarily funded by association dues, and secondarily by fees, assessments, and revenues from operations. CLPOA employs a staff of 47 full-time, 25 part-time, and 8 seasonal employees.

CLPOA is governed by a 5-member Board of Directors, herein referenced to as the "Board".

DESCRIPTION OF GOLF COURSE AND PRO SHOP

Established in the early 1970's as a 9-hole course, the Canyon Lake Golf Course is now a private SCGA-rated 18-hole, par-71 5,927-yard regulation course with a driving range, putting green, and Pro Shop. The course rating is 68.7 and has a slope rating of 123 on Bermuda grass and was designed by Ted Robinson, ASGCA.

PRE-BID CONFERENCE / COURSE TOUR

The Canyon Lake Property Owners Association believes it is important for all proposing vendors and golf professionals to attend a pre-bid conference to obtain a proper understanding of the engagement and to demonstrate the proposer's interest in the engagement. Failure to attend the pre-conference will invalidate a vendor's proposal. The pre-bid conference is **mandatory** and is considered as critical in establishing a vendors' interest in the engagement, as well as its understanding of the scope of the engagement. The pre-bid conference for all interested vendors will be held on **Monday, July 19, 2010 at 10:00 a.m.** at the CLPOA County Club, located at:

CLPOA County Club, Magnolia Room
32001 Railroad Canyon Road
Canyon Lake, CA 92587

INQUIRIES

In order to promote transparency and ensure that all potential vendors receive the same information, CLPOA will be conducting two formal question and answers sessions for this RFP. All questions should be prepared and submitted in writing. CLPOA will respond to all questions in writing. Responses will be posted on the CLPOA Golf webpage, located at <http://www.canyonlakepoa.com/sports-recreation/golf-course.asp>.

All questions should be emailed to golfrfp@canyonlakepoa.com.

Initial questions must be submitted by **Monday, July 12, 2010 by 5 p.m.** Responses will posted to the aforementioned website by 5 p.m. on Friday, July 16, 2010.

Final questions must be submitted by **Wednesday, July 21, 2010 by 5 p.m.** Responses will posted to the aforementioned website by 5 p.m. on Monday, July 28, 2010.

PROPOSAL SUBMITTAL

To be considered, ten (10) copies of the proposal must be submitted in a sealed envelope and submitted before **Monday, August 2, 2010 by 5 p.m.** (postmarks on this date that do not meet the delivery time will not be accepted). Proposals should be addressed to:

Canyon Lake Property Owners Association
RE: GOLF SERVICES RFP RESPONSE
31512 Railroad Canyon Road
Canyon Lake, CA 92587

Phone: 951-244-6845, ext. 210

GOLF PRO RESPONSIBILITIES

The minimum scope of services and responsibilities of the operator shall include tasks described below:

1. Have a PGA Pro (Class A or Class B) on site before during and after all Tournaments, including SCGA/WSCGA Team Play, Temecula Valley League, SB&R and all in house club tournaments. In addition it would be expected that a PGA Pro be on site for at least 8 hours on every day that the course is open for play.
2. Manage all pro shop operations including collection and accounting of daily greens fees, categorical recording of rounds played, and selecting and acquiring all golf related merchandise and supplies for retail merchandising adequate to respond to demand.
3. Develop and implement critical business systems including but not limited to scheduling all tournaments/events and daily tee times, collecting all fees, preparing and submitting audits, completing asset inventories, developing personnel management procedures consistent with CLPOA policy, paying all taxes and license fees, and providing quarterly reports and accounting of business activity to the CLPOA.
4. Operate and maintain a fleet of carts adequate to respond to demand for public rental.
5. Develop a complete golf instruction program and employ at least one other fulltime certified golf professional with sufficient knowledge and experience to provide quality golf instruction.
6. Actively coordinate golf activities with golf course maintenance to minimize interference with play and smooth administration of tournaments and special events.
7. Maintain appropriate insurance in accordance with **Section 4.04** of the attached "Sample Golf Pro Contract", Exhibit A.
8. Enforcement of all rules and regulations which are adopted by the Board.
9. Regulate the pace of play and the conduct of the players in such a way as to provide for the safety of the player and others.

10. Daily policing of the Golf Course through a regularly scheduled marshalling program at key times, minimizing slow play and preserving order, including keeping off trespassers, preventing injury to the Golf Course by players and others.
11. Prevent any person from playing without first having paid green fees unless otherwise directed by Board or General Manager.
12. Actively promote the Junior Golf Clinics and Tournaments.
13. Act as starter of play, and supervising cart usage.
14. Keep the Golf Course and practice area open for play during a schedule of reasonable hours approved by Board.
15. Maintain all necessary licenses, permits, and certifications.
16. Employ those necessary to assist in the effective operation of the golf course, rental carts, driving range and pro shop.

In addition to the aforementioned, specific duties shall include the following:

- A. **Tournaments** - Meet with sponsors and organizers for the purposes of planning and implementing the details of the tournament, including but not limited to; securing carts, assigning starting times, assigning carts, preparing scorecards and scoring sheets, keep the tournament and field on starting times, keep players moving, record scores, determine winners, be on site for rules decisions and have marshals available if requested.
- B. **Junior Golf Clinics and Tournaments** – Determine which juniors are qualified to play; instruct and test juniors in the knowledge of golf rules and courtesies; advise parents and/or the Junior Golfers Committee of problems and rule infractions; prepare and plan Junior golf clinics and junior tournaments.
- C. **Golf Cart Operations** – Provide a safe, well maintained operating fleet of cars to handle the requirements of the course; take cart reservations either by phone or in person; account for all carts at end of the day; collection of fees for use of carts. Make arrangements for the rental, delivery and pick-up of outside rental golf carts when the existing fleet is insufficient to provide enough rental carts for participants in outside tournaments.

Note: *The current Golf Pro, David Lindeman, has a fleet of 41 golf carts that can be purchased and used by a succeeding Vendor. Below is a table that provides details on the current fleet and sales price for each unit. Any agreement between a succeeding Vendor and the current Golf Pro for the purchase of the existing golf cart fleet shall be treated as a private party sale and shall not be binding or place financial obligations on the CLPOA.*

Manufacturer	Year	Quantity	Unit Price	Sum
<i>Club Car</i>	<i>2008</i>	<i>25</i>	<i>\$ 2,000</i>	<i>\$ 50,000</i>
<i>Ez-Go</i>	<i>2004</i>	<i>8</i>	<i>\$ 950</i>	<i>\$ 7,600</i>
<i>Ez-Go</i>	<i>2004</i>	<i>8</i>	<i>\$ 600</i>	<i>\$ 4,800</i>
Total		41		\$ 62,400

Contact information for the current Golf Pro for the purposes of discussing golf cart fleet acquisition is provided below:

David Lindeman
 Email: dindeman@canyonlakepoa.com
 Phone: (951) 244-6841 ext 821

- D. **Pro Shop Operation** – Maintain the Pro Shop in a clean, presentable, and well stocked condition; keep the Pro Shop open during normal hours of operation; keep knowledgeable staff on hand to help until all bags and carts have been returned each day and play is finished. The Vendor shall purchase, take on consignment or otherwise procure for resale golf and golf-related equipment, supplies, attire, merchandise and related materials of a value (at wholesale cost) of at least Twenty Thousand Dollars (\$20,000.00).
- E. **Golf Range** – Provide range balls that are marked and designed for range use (i.e. Top Flight Super Range) and are in good condition for rental; develop convenient system for dispensing range balls through an automated machine; pick up and clean, sort and replace worn or damaged range balls on a daily basis; keep range tee area neat; provide and maintain all equipment necessary to operate the driving range.
- F. **Course Markings** - Continuously maintain golf course markings for Out of Bounds, hazards and ground under repair.

Based on the above general information, the Board has prepared this Request for Proposals for distribution. All related information necessary to submit a proposal is provided in the following pages for Vendor consideration. More information on the specific duties and services of the Vendor are outlined in the attached “Sample Golf Pro Contract”, Exhibit A.

PHILOSOPHY AND CONCEPT OF OPERATION STATEMENTS

The following information is intended to assist with the preparation of the proposal and solicit information from the applicant as to the philosophy of CLPOA and the methodology by which the applicant will deliver services. The proposal narrative should include a philosophy statement demonstrating the applicants approach to service delivery to the general golf community with specific reference to the tasks defined in this RFP.

Statements shall include: Please provide specific examples where appropriate.

- Description of the applicant’s goals and overall approach to operation of golf facilities with specific reference as to how these goals apply to CLPOA.
- Delineate the applicants approach to customer service and relationships with local golf groups affiliated with the golf course. State specific examples of past experience.
- Describe the methods and basis for budget development and fiduciary responsibility.
- Describe business practices and methods.
- Describe methods and philosophy for evaluating services.
- Describe the applicant’s anticipated relationship with the CLPOA and any member clubs and/or committees.
- Describe marketing strategies and approach.
- Provide a description of the Vendor’s philosophy towards and methodology for providing the following programs:
 1. Marshalling program and pace of play
 2. Use of private carts on the course
 3. Fee structure development, with the exception of Green Fees and Annual Memberships
 4. Instructional programs
 5. Establishment of discount programs, play incentives, resident priority, and comps.
 6. Use of facility by schools and development of junior programs

7. In House and Outside Tournament policies
8. Pro shop design and dress code for golf professional staff

EXPERIENCE

Minimum qualifications include that the applicant has at least five (5) years experience as a Class A golf professional with management experience and responsibility in at least a similar size facility. Proposals should include a detailed description of all previous experience in working with public/private agencies and list specific references and appropriate contact information. Applicants must include any golf management operations contracts, which have been cancelled or otherwise terminated in the last ten years with appropriate contact information. Applicant shall list any additional golf related operations currently under contract and the remaining length of those contracts. Applicant shall include a copy of their PGA Class A certification.

PERSONNEL REQUIREMENTS

Proposals shall include a list of the applicants anticipated personnel to be employed in the Pro Shop and the qualifications and duties for each position. If a person other than the applicant is intended to be the Head Pro present, then that shall be specified in the proposal. Operator is expected to employ at least one other fulltime professional with sufficient knowledge and experience to provide quality golf instruction, rules interpretation and management when the Head Pro is not on site. The CLPOA recommends the current full time staff at the Golf Course, other than the Pro, to be given consideration for hire by the incoming applicant or to be retained for a reasonable period of time to be negotiated in the agreement.

COMPENSATION

Flat Rate Compensation – Golf Pro Services

CLPOA will compensate the Vendor at a flat rate of compensation for Golf Pro Services. The Vendor should propose a flat rate compensation that will allow them to successfully meet the specifications and requirements of this RFP.

Income from Concessions

In addition to the flat-rate compensation, the Vendor will be entitled to the following income from concessions:

- a. All income from the sales of pro shop inventory, golf equipment, supplies, attire and related merchandise.
- b. All income from all instructional courses and individual golf lessons. The Vendor will be granted the exclusive right to offer golf instruction at the golf course.
- c. All income from the use of driving range balls.
- d. All income from lake balls. The Vendor will be granted the exclusive right to retrieve any golf balls lost in the golf course lakes and may resell or reuse any such retrieved balls.
- e. All income from the rental of golf carts.
- f. A portion of income from nonresident/outside tournaments.

Vendor shall receive a ten percent (10%) commission on the first Twenty-five Thousand Dollars (\$25,000.00) in annual total of outside green fees. Any such tournament greens fees over Twenty-five Thousand Dollars (\$25,000.00) shall entitle the Vendor to receive a fifteen percent (15%) commission of the annual outside greens fees received over Twenty-five Thousand Dollars (\$25,000.00).

A full explanation of compensation policies can be found in “Article 3 – Compensation” of the attached “Sample Golf Pro Contract”, Exhibit A.

INSURANCE REQUIREMENTS

The insurance requirements are set forth in **Section 4.04** of the attached “Sample Golf Pro Contract”, Exhibit A.

PROPOSAL PROCEDURES

A. Form and Style of Proposals.

1. Describe in a detailed narrative, with supporting data or tabular materials as appropriate, the proposed approach and procedures to be used in completing the tasks described in the Scope of Services capable of meeting CLPOA’s expectations as described. Include a proposed schedule showing implementation of the various tasks as needed. The final agreement with the Pro will include a schedule for completion of the major milestones based upon selected vendor’s transition schedule.
2. Proposals shall include a detailed description and history of the applicants experience related to and necessary for the successful completion of the tasks defined in this RFP. Include references and contact information.
3. Proposals shall include a statement as to whether the applicant is sole proprietor, partnership or corporation, or other legal entity and include contact information.
4. Each proposal shall include a statement that all information included in the proposal is true and accurate as represented by the presenter. Any proposal containing information proven false shall be considered rejected by CLPOA.

B. Consideration of Proposals.

1. It is the intent of the CLPOA to award a contract to the applicant whose proposal is in the best interest of the CLPOA, and based upon but not limited to the applicants demonstrated experience and ability. Applicants selected for an oral presentation shall be prepared to present evidence of professional and financial ability to perform.
2. Selection of the successful applicant shall be based upon a qualitative comparative analysis of professional qualifications, quality of proposal and oral presentation in addition to a financial analysis of proposals.
3. The CLPOA shall rank acceptable proposals received and conduct oral interviews with the top ranking applicants. The CLPOA will then initiate negotiations with the top candidate(s). Should negotiations be unsuccessful, the CLPOA will then initiate negotiations with the next highest-ranking candidate(s).
4. As part of the evaluation process, the CLPOA may contact the applicant’s current or most previous employer, in house clubs, maintenance supervisor or visit facilities currently operated by the applicant.

C. Agreement for Services

Attached to this RFP is a sample agreement for professional services. A substantially similar agreement shall be executed between the CLPOA and the successful applicant and shall include the specific terms and conditions resulting from the negotiation process.

D. References

Provide a list of at least three client references who have received services from the Vendor. Provide names of contact person, addresses and telephone numbers for all references. Provide a copy of each PGA Pro's respective class certificate.

E. Exceptions

Identify any exceptions you are proposing with respect to the Scope of Services. Additionally, if there are any exceptions to the CLPOA's insurance requirements and/or the CLPOA's contract provisions as shown in the attached exhibits, the applicant should list the exceptions in the proposal.

CRITERIA FOR EVALUATION

- a. **Experience with golf course management – 20 points**
List examples and comparisons to the CLPOA Golf Course, which demonstrate vendor's experience in course management.
- b. **Cost to the POA - 20 points**
Review of the financial portion of the proposal to determine total cost to the POA.
- c. **Management of Pro Shop - 15 points**
List examples and time periods that demonstrate vendor's actual experience in operation and management of a golf pro shop facility.
- d. **Experience as a Class A Golf Professional - 15 points**
List dates and actual experience as a Class A Professional; include actual duties and activities performed.
- e. **Tournament Experience – 10 points**
List vendor's experience in developing tournaments and working with in house clubs and outside groups that are putting on tournaments.
- f. **Experience in providing Golf instruction and conducting clinics – 10 points**
List actual time spent and the type of golfers instructed; include examples of clinics conducted and the direct involvement.
- g. **Experience in the Junior Golf Program – 5 points**
List actual experience, as a Pro, in the Junior Golf Program, including examples of activities, and direct actions taken to assist or develop the program.
- h. **Experience in Golf Cart provision - 5 points**
List actual experience in the provision, storage, servicing, and maintenance of golf carts for golf course(s).

AWARD OF CONTRACT

The award shall be made to the responsible Vendor whose proposal is most advantageous to CLPOA, taking into consideration the evaluation factors set forth in this request for proposal. After initial ranking of the proposals, at the CLPOA's option, the CLPOA may decide to interview the top three (3) ranked firms to develop final rankings or may consider the rankings based on the proposals as final. Discussions may be conducted with Vendors which submit proposals determined to be reasonably susceptible of being selected for award, but proposals may be accepted without such discussions.

Notices

Good Faith

This RFP has been compiled in good faith. The information contained within is selective and subject to the CLPOA updating, expansion, revision and amendment which will be available on the CLPOA website.

Right to Cancel

The CLPOA reserves the right to change any aspect of, terminate, or delay this RFP, the RFP process and/or the program which is outlined within this RFP at any time, and notice shall be given in a timely manner thereafter.

Not an Award

Recipients of this RFP are advised that nothing stated herein, or any part thereof, or any communication during the evaluation and selection process, shall be construed as constituting; offering or awarding a contract, representation or agreement of any kind between the CLPOA and any other party, save for a formal written contract, properly executed by both parties.

Property of the CLPOA

Responses to this RFP will become the property of the CLPOA, and will form the basis of negotiations of an agreement between the CLPOA and the apparent successful vendor.

Not Liable for Costs

The CLPOA is not liable and will not be responsible for any costs incurred by any Vendor(s) for the preparation and delivery of the RFP responses, nor will the CLPOA be liable for any costs incurred prior to the execution of an agreement, including but not limited to, presentations by RFP finalists to the CLPOA or any site visit costs.

Criminal Background Checks

The selected Vendor will be required to provide the name, date of birth, and Social Security number of all personnel who will be assigned to do the work, for the purpose of obtaining a criminal background check from the Riverside County Sheriffs Office. This information must be furnished prior to the commencement of services and shall be supplied for all subsequent employees. CLPOA reserves the right to conduct updated background check on existing personnel as deemed appropriate by CLPOA.

Interpretation of Documents

The CLPOA reserves the right to make corrections or clarifications of the information provided in the RFP. If any person is in doubt as to the true meaning of any part of the specifications or other contract

documents, or finds discrepancies in the specifications, he/she may submit to the CLPOA a written request for an interpretation or correction.

Irregularities

The CLPOA reserves the right to waive non-material irregularities if such would be in the best interest of the CLPOA as determined by the Board of Directors.

Business Licenses and Other Certificates

Vendors are hereby noticed that a City of Canyon Lake business licenses may be required to perform the services outlined in this RFP. It is the responsibility of the selected Vendor to obtain all licenses, certificates, and registrations necessary to perform the specifications outlined in this RFP.

EXHIBIT A: SAMPLE GOLF PRO CONTRACT 2010

CANYON LAKE PROPERTY OWNERS ASSOCIATION CONTRACT FOR SERVICES GOLF PROFESSIONAL

This agreement is made this X day of September, 2010, between CANYON LAKE PROPERTY OWNERS ASSOCIATION, a California nonprofit mutual benefit corporation, having its principal place of business at Canyon Lake, California, hereinafter referred to as the "ASSOCIATION" or "POA," and an independent contractor golf professional, hereinafter referred to as "CONTRACTOR" or the "GOLF PRO."

ARTICLE 1 - TERM OF CONTRACT

SPECIFIED TERM

Section 1.01. This agreement will become effective on or around the 1st day of October, 2010, and will continue in effect for a period 36 months with an option for the CLPOA to extend the term for two independent 12 month terms at the sole discretion of the CLPOA, unless sooner terminated.

Section 1.02. This agreement may be extended for successive periods of one (1) year. Any such extension(s) shall be in writing, executed by both parties and attached to this agreement and, if modifying any term or condition of this agreement, shall set forth with specificity each and every change to be made to this Contract. Notice of either party's intent to extend this agreement for an additional year shall be given to the other party sixty (60) days prior to the final day of the current agreement term. The other party shall respond to the notice of intent to extend the agreement within thirty (30) days by accepting, declining or making a counteroffer to the same. In the absence of an express termination at the end of its term or an express extension, this agreement shall remain in effect from month-to-month upon the same terms and conditions, terminable upon thirty (30) days' written notice by either party.

ARTICLE 2 - DUTIES AND SERVICES TO BE PERFORMED BY CONTRACTOR

GENERAL DUTIES AND SERVICES

Section 2.01. The primary and general duty and responsibility of the GOLF PRO shall be to safely, efficiently, successfully and fiscally responsibly operate the golf course, including driving range, and pro shop located at the Canyon Lake development. To that end, the GOLF PRO shall do such things as are reasonable, ordinary and/or necessary, including, but not necessarily limited to, the specific duties and services set forth in Section 2.02 of this agreement, with due diligence and efficiency and in a manner comparable to the operations of other pro shops and golf courses in the area, so as to promote harmony and

goodwill among all golfers making use of the Canyon Lake golf course and so as to produce the greatest possible amount of greens fee and cart rental revenues.

SPECIFIC DUTIES AND SERVICES

Section 2.02. In addition to and in further definition of the general services referred to in Section 2.01 above, the GOLF PRO shall perform the following duties and services for the benefit of the ASSOCIATION and its membership during the term of this Contract and any extension thereof:

- (a) Pro Shop - Maintain a well-stocked and supplied pro shop. The GOLF PRO shall purchase, take on consignment or otherwise procure for resale golf and golf-related equipment, supplies, golf attire, merchandise and related materials of a value (at wholesale cost) of at least Twenty Thousand Dollars (\$20,000.00). Said equipment and goods shall be of such sizes, character and quality as is necessary to provide all Canyon Lake golfers with adequate merchandise from which to choose at competitive prices. In January of each year, for that month only, the value of the inventory may be permitted to temporarily be less than Twenty Thousand Dollars (\$20,000.00), provided the minimum inventory shall be sufficient during January to afford golfers the equipment they would expect from comparable Riverside County country clubs. By February 1 of each year, the inventory level shall again be at least Twenty Thousand Dollars (\$20,000.00) in value.
- (b) Enforcement of Rules - Enforce, without inducing or permitting a breach of the peace, the dress code and all other Golf Course Rules and Golf Course Operations Policies of the ASSOCIATION and such other rules and regulations as reasonably bear upon the proper and safe operation of the golf course, driving range and pro shop. The GOLF PRO shall use his reasonable best efforts to enforce the ASSOCIATION's policy that members who are not in good standing with the ASSOCIATION shall not be permitted to use the golf course or related facilities.
- (c) Golf Instruction - Provide golf instruction services (personally and by the services of an assistant pro) at the golf course for all groups and levels of players, provided that such lessons shall not be scheduled at such times which will interfere with the GOLF PRO's primary responsibilities of operating the pro shop and the golf course.
- (d) Tournaments - Coordinate the arrangements for and conduct such tournaments as shall, from time to time, be approved by the ASSOCIATION. Make arrangements and pay for the rental, delivery and pick-up of additional golf carts as needed for outside tournaments when the existing fleet is not in sufficient numbers to provide rental carts for all participants. As a note this should be a pass through cost to the tournament organizers.
- (e) Golf Course Maintenance - Coordinate with and provide advice and assistance to the General Manager, Green Committee and golf course maintenance contractor to

preserve and enhance the beauty, value and proper operation of the course and to ensure that proper maintenance of the golf course is accomplished in a timely manner. The GOLF PRO shall promptly report to the General Manager and golf course maintenance contractor any and all deficiencies which, in the reasonable judgment of the GOLF PRO, could adversely affect the rating or standing of the course.

- (f) Administration - Administer the daily usage of the golf course, golf carts, driving range and pro shop, including, but not be limited to: providing starter services; keeping the pro shop, driving range and golf course open every day of the week, including Saturdays, Sundays and holidays (As a note the course is currently closed on the Christmas day, the 2nd Monday of the Month for Maintenance Day, and a period in at the end of September and the first part of October for over seeding, in 2010 the period is from September 27th through October 15th). In addition it is the expectation that the driving range will remain open for use until one hour prior to almanac sunset. Establishing and maintaining hours of operation for the golf course, driving range and pro shop in accordance with instructions issued by the General Manager and in accordance with the Golf Course Operations Policy then in effect; supervising proper charging of greens fees and season privileges fees; supervising rental and use of golf carts; and supervising competent personnel, such as assistant professionals, starters, shop managers, rangers or marshals, etc., in the performance of their duties.
- (g) Rates - Recommend greens fee and cart fee rates to be charged for each class of golfer, subject to review and approval by the POA's Board of Directors, except that GOLF PRO may increase cart rental fees by up to 10% over the previous year's cart rental fee level without Board approval. The GOLF PRO shall post in a conspicuous place or places in and about the pro shop/golf course the approved fee schedule, collect such fees, and account for and remit all greens fees in full to the POA on a pre-determined basis.
- (h) Records - Maintain complete and detailed records of all activity in and about the golf course, pro shop and driving range, including, but not limited to: records regarding the number of golfers using the course and the classification thereof (e.g., member, nonmember). Greens fees collected and remitted, the gross rental revenues received from powered golf carts of all kinds, business transactions and employment of GOLF PRO's employees. Deliver to a person or place designated by the POA all cash, receipts and reports daily. The authorized agents of the ASSOCIATION shall be allowed at all reasonable times to inspect all records maintained by the GOLF PRO required by this section, including, but not limited to, any cash register receipts, tax receipts, tax reports and the daily golf registry book. The GOLF PRO shall prepare a quarterly financial statement of income and expenses contemplated by this agreement and shall submit such financial statement to the ASSOCIATION within sixty (60) days of quarter end.

- (i) Maintenance of Pro Shop and Golf Carts - Perform all routine custodial maintenance of the pro shop and cart-storage area. Maintain golf carts and other equipment in a clean and appealing condition. The GOLF PRO shall be responsible for and supervise all repair, maintenance and inspection of golf carts. GOLF PRO and his employees must use reasonable care while moving the carts in and out of the cart-storage facility.

- (j) Golf Cart Maintenance Program - The GOLF PRO shall provide a fleet of golf carts to be used for daily rentals. The GOLF PRO shall be solely responsible for the repair, maintenance, replacement and safety for the golf cart rental fleet. GOLF PRO shall replace golf carts with new golf carts as needed to make sure that each golf cart is in a neat and attractive condition and operates satisfactorily. The cart rental fleet shall consist of E-Z Go, Club Car or any golf carts approved by the POA Board that meet the definition of a Golf Cart set forth at California Vehicle Code Section 345. The Golf Pro shall, at a minimum, perform the following activities as well as any other actions that may be needed or recommended to promote and ensure the safe operation and maintenance of the golf carts and that the golf carts are maintained in a neat and attractive condition:

Daily Maintenance

- (i) Remove trash from bag well, floorboard, dash and drink well.
- (ii) Maintain proper tire pressure.
- (iii) Wipe equipment with a damp cloth or wash as required.
- (iv) Inspect equipment for damage.
- (v) Change and/or repair flat tires.
- (vi) Charge batteries to proper levels.
- (vii) Check brakes for proper working order.
- (viii) Check reverse-warning buzzer for proper operation.
- (ix) Ensure that all warning and instruction labels are on equipment and in good condition.
- (x) Check equipment for proper and safe operation.
- (xi) Check charger plug and receptacle for damage and snug fit.

(xii) Provide and fill two (2) sand bottles to be used for divot repair.

Weekly Maintenance

- (i) Wash exterior of equipment, including seats and bag well.
- (ii) Check water level in batteries and fill if necessary.
- (iii) Check batteries and remove dirt, grime and corrosion from terminals.
- (iv) Check battery terminals and wiring for tight connections and frayed wires.

The GOLF PRO shall also be responsible for staging the carts to the rental pick-up area in accordance with demand.

The GOLF PRO shall maintain a preventative maintenance schedule on each cart and shall report any equipment problems to the golf cart repair contractor.

- (k) Meeting/Working With Association Committees - Meet with Men's and/or Women's Tournament Committee chairpersons and event chairpersons upon their request for the purposes of preparing and planning the details of golf events, pursuant to the established calendar for such, as previously approved by the ASSOCIATION's Board. The GOLF PRO shall: secure adequate golf carts for each Men's or Women's Tournament Committee event; handle starting times; assign golf carts; prepare score cards and scoring sheets; post all event information on the Bulletin Board, assist if requested in the distribution of event information sheets for participants; keep the tournament field on starting time schedule; record scores; determine winners; and be available for rules decisions for men's and women's tournaments. In addition, the GOLF PRO shall meet with the ASSOCIATION's Green Committee or such other sanctioned ASSOCIATION bodies and groups as the ASSOCIATION may, from time to time, request. The GOLF PRO shall attend monthly Board Meetings of all golf related sanctioned clubs and the Green Committee.
- (l) Junior Golf Clinics and Tournaments - Prepare and plan junior golf clinics. The GOLF PRO shall determine which juniors are eligible and qualified to play in junior golf clinics and/or junior tournaments, instruct and test juniors in the knowledge of golf rules and etiquette, advise parents and/or the Junior Golf Committee of problems with juniors or rule infractions thereby, and shall prepare and plan with the Junior Golf Committee junior golf tournaments to be held in June, July and August.
- (m) Golf Play - Devote a reasonable number of hours, as established by the ASSOCIATION from time to time, to play golf with members, regardless of their golfing abilities. Such play is not to be considered a golf lesson.

- (n) Cart Rentals - The GOLF PRO shall ensure that prior to any individual using or taking any golf cart on to the golf course where that individual does not own that golf cart, that individual shall have completed a cart-usage and liability waiver agreement provided by the POA and signed by the individual.

METHOD OF PERFORMING SERVICES

Section 2.03. CONTRACTOR will determine the method, details and means of performing the services described above in Section 2.02.

MINIMUM STAFFING/EMPLOYMENT OF ASSISTANTS

Section 2.04. The GOLF PRO shall, at his own expense, employ one certified Class B PGA Apprentice as assistant pro, and such pro shop assistants, starters, ball retrievers and other help, all as employees of the GOLF PRO, as is necessary for the consistent and quality performance of the GOLF PRO's responsibilities which are defined in this agreement. The GOLF PRO shall provide supervision and training for all persons so employed and shall be responsible for paying all salaries, payroll taxes, applicable insurance and benefits of said employees and shall hold the POA harmless from the same.

- a. The GOLF PRO shall employ the number of persons reasonably required to perform duties pursuant to this Contract. GOLF PRO's exercise of his personal skill and expertise as a golf professional requires his regular presence at the Country Club to perform and oversee the duties herein.
- b. All GOLF PRO employees permitted to operate equipment on POA property shall be holders of valid California driver's licenses, copies of which shall be provided to the ASSOCIATION. The ASSOCIATION may withhold permission to enter upon POA property from one or more of the GOLF PRO's employees if the ASSOCIATION determines, in its reasonable discretion, that said employee(s) pose(s) a risk to the health, safety or welfare of the ASSOCIATION or its members, guests or employees. The ASSOCIATION's exercise of this right shall not relieve the GOLF PRO of his duty to provide adequate staffing.
- c. Golf Pro shall employ, at his sole expense, marshals who shall fulfill the usual and customary role of golf course marshals, enforce the rules to ensure safe, efficient play on the golf course and otherwise facilitate safe, efficient operation of the golf facilities under the supervision of the Golf Pro. In the event of rules violations, disorderly conduct or destructive behavior toward the golf course or equipment, the marshals are authorized to issued citations by authority granted to the GOLF PRO by the CLPOA Board of Directors. The Golf Pro shall staff the course with marshals when and in the manner necessary to assure safe, efficient play and operation of the golf facility.

- d. Golf Pro shall provide accounting and payroll books and records to demonstrate Golf Pro's employment of marshals at the minimum required annual staffing level on a quarterly basis.

ARTICLE 3 - COMPENSATION

FLAT RATE

Section 3.01.

- a. In consideration for the services to be performed by CONTRACTOR during the term of this agreement, the ASSOCIATION agrees to pay CONTRACTOR the sum of _____ (to be proposed by vendor) per year.

DATE FOR PAYMENT OF COMPENSATION

Section 3.02. For services rendered under this agreement, the ASSOCIATION agrees to pay the GOLF PRO twelve (12) equal installments on the sum set forth in Section 3.01 of this agreement by the fifteenth (15th) day of the following month.

ADDITIONAL INCOME FROM CONCESSIONS

Section 3.03. The GOLF PRO shall, in addition to the flat-rate compensation set forth in Section 3.01 above, be entitled to the following income from concessions:

- (a) All profits from the sales of pro shop inventory, golf equipment, supplies, golf attire and related merchandise.
- (b) All income from all instructional courses and individual golf lessons. The GOLF PRO is granted the exclusive right to offer golf instruction at the golf course. The GOLF PRO may offer such golf instructions through his assistant pro(s).
- (c) All income from the sale of driving range balls.
- (d) All income from lake balls. The GOLF PRO is hereby granted the exclusive right to retrieve any golf balls lost in the golf course lakes and may resell or reuse any such retrieved balls.
- (e) All income from the rental of golf carts.
- (f) For nonresident/outside tournaments, i.e. golfing groups of twenty-four (24) or more tournament players solicited and booked by the GOLF PRO, which groups shall not consist of more than ten percent (10%) of members of the ASSOCIATION or play without booking at least seven (7) days in advance. A ten percent (10%) commission will be paid on the first Twenty-five Thousand Dollars (\$25,000.00) in annual total of outside green fees. Any such tournament greens fees over Twenty-

five Thousand Dollars (\$25,000.00) shall entitle GOLF PRO to a commission of fifteen percent (15%) of the annual outside greens fees received over Twenty-five Thousand Dollars (\$25,000.00). All nonresident/outside tournaments must be approved prior to booking by the Board of Directors. Nonresident/outside tournaments sponsors must be disclosed to the Board of Directors at the time Board approval is sought. No commission shall be paid for groups not approved in advance by the Board of Directors or for groups given unpublished or special rates. The outside greens fees commission shall be computed and paid upon reaching such milestones.

GUEST AND EMPLOYEE PRIVILEGES

Section 3.04. The GOLF PRO will have the privilege of hosting guests at the golf course for the purpose of promoting golf at Canyon Lake; provided, however, no such guests may play more than two (2) times in a calendar year.

Section 3.04. The GOLF PRO will have the privilege of having all employees employed under this contract provided with golfing privileges by the CLPOA. Such privileges will be utilized during agreed upon times by the GOLF PRO and the CLPOA, as to not interfere with Prime Time or revenue producing events. In addition the GOLF PRO will provide the CLPOA with updated employee list if and when changes occur.

ARTICLE 4 - OBLIGATIONS OF CONTRACTOR

MINIMUM AMOUNT OF SERVICE

Section 4.01. The GOLF PRO agrees to devote the time necessary as described in 2.04a for the performance of the above-described services; The GOLF PRO may, in the ASSOCIATION's discretion, be permitted absences for purposes of participation in off-site tournaments, provided the same are approved at least one (1) week in advance by the ASSOCIATION, acting through its General Manager. In addition the GOLF PRO shall not schedule absences during major tournaments conducted by any sanctioned golf club. Either the Golf Pro or his PGA assistant shall be on site before during and after all scheduled tournaments and for at least 8 hours during each day that the course is open of play. If one of the two PGA Pros (Class A or assistant) is to be absent for any reason including scheduled vacation, the other Pro will fill in full time and have full authority to manage operations until his return.

HOURS DURING WHICH SERVICES MAY BE PERFORMED

Section 4.02. The GOLF PRO agrees to perform the above-described services during business hours as established by POA, and the GOLF PRO agrees to ensure that the golf course and pro shop are fully staffed by himself and/or his employees at all times during normal operating hours.

TOOLS, INSTRUMENTALITIES AND QUALIFICATIONS

Section 4.03.

- a. Except as indicated in subsection b herein, the GOLF PRO shall supply and/or provide all tools and instrumentalities reasonable or necessary for him to perform the services under this agreement, including, but not limited to: golf carts, all driving range equipment, including range balls, distance markers, tee markers, driving tee pads, and an automatic ball dispensing unit; and custodial supplies and/or services for the pro shop display room and office, as necessary to establish a consistently clean, orderly appearance.
- b. The ASSOCIATION will provide all starter's equipment; office equipment, including an electronic cash register; a counter; a chair; a showcase; telephone; and public address equipment.
- c. The GOLF PRO shall, at all times, maintain his status as a member in good standing of the Professional Golf Association (PGA).

INSURANCE

Section 4.04. Except as expressly provided otherwise in this agreement, GOLF PRO shall, at all times and at his sole cost and expense, procure and maintain insurance on all of his operations with companies acceptable to the ASSOCIATION as follows:

- (a) Statutory workers' compensation insurance covering all of GOLF PRO's employees.
- (b) General liability insurance for all operations by or on behalf of CONTRACTOR, including, but not limited to, liability for injury or damage related to the operations on the premises (including the pro shop, cart-storage facilities and driving range) and blanket contractual broad-form coverage for property damage caused by CONTRACTOR or his employees on or to the premises or equipment, with limits of not less than One Million Dollars (\$1,000,000.00) aggregate liability or in such larger amounts as may be reasonably required by the ASSOCIATION.
- (c) CONTRACTOR shall provide certificates of insurance to the ASSOCIATION, which shall name the POA as an additional insured on all liability policies of CONTRACTOR. CONTRACTOR's insurance shall be primary and without right of contribution from insurance carried by the ASSOCIATION. The requirements for carrying the foregoing insurance shall not derogate from the provisions for indemnification of the ASSOCIATION by CONTRACTOR under the law or the indemnity provisions of this agreement.
- (d) The ASSOCIATION represents that it will maintain fire and liability insurance for the premises, including the pro shop, cart-storage facilities, driving range, putting green

and the golf course. Any fire or other insurance coverage on the pro shop display fixtures, furnishings and/or inventory shall be the responsibility of the GOLF PRO and shall be maintained at the GOLF PRO's expense.

INDEMNIFICATION

Section 4.05. The GOLF PRO agrees to hold harmless and indemnify the ASSOCIATION and its directors, officers, agents and employees for any and all claims arising out of any injury, disability or death of any of the GOLF PRO's employees or agents. The GOLF PRO further agrees to hold the ASSOCIATION and its directors, officers, agents and employees free and harmless from any and all claims arising from any tortious acts or omissions committed by the GOLF PRO or his employees or agents during the performance of any duties under this agreement, including, but not limited to, reimbursement of any and all ASSOCIATION funds which may be collected by or entrusted to GOLF PRO or his employees or agents.

ASSIGNMENT

Section 4.06. Neither this agreement nor any rights, duties or obligations under this agreement may be assigned by the GOLF PRO without the prior written consent of ASSOCIATION; provided, however, GOLF PRO shall have the right to delegate GOLF PRO's duties to stock and sell merchandise in the pro shop to a third party with the GOLF PRO ensuring the third party's performance of merchandise stocking and sales in accordance with the terms of this agreement as set forth in Section 2.02a. Any such delegatee must satisfy the same requirements and duties as GOLF PRO under this agreement, including insurance and performance standards.

ARTICLE 5 - OBLIGATIONS OF PARTIES

COOPERATION

Section 5.01. ASSOCIATION agrees to comply with all reasonable requests of CONTRACTOR and to provide access to all documents, all as may be reasonably necessary to the performance of the GOLF PRO's duties under this agreement.

FACILITIES

Section 5.02. The ASSOCIATION shall furnish the GOLF PRO, at no cost to the GOLF PRO, except as otherwise herein provided, the following facilities and services:

- (a) Pro shop building/facility, including the furniture, fixtures and equipment described above in Section 4.03.b. The POA will take reasonable steps to maintain these facilities and equipment in good condition, which conforms to local standards. All structural maintenance and repair of the pro shop will be performed by the ASSOCIATION.

- (b) Electricity for GOLF PRO's use in charging the golf cart rental fleet. Said electricity shall be provided through a circuit or circuits that run off a separate sub meter (meter numbers 1, 2, and 3, referred to herein as the "Golf Cart Charging Meters").
- (c) Electricity and water for the pro shop and other golf course facilities.
- (d) One (1) telephone line (telephone number 951/246-1782), including toll calls pertaining to POA business. The GOLF PRO shall pay for all non-golf course related long-distance calls.

GOLF CART FLEET

Section 5.03.

- (a) GOLF PRO shall procure and maintain additional liability insurance coverage, above and beyond those specified in the Contract, to cover the golf cart rental fleet and any other golf carts owned or controlled by GOLF PRO. Said coverage's shall include all the items mentioned in Section 4.04(b) of the Contract with a limit of not less than \$1,000,000.00 aggregate, or in such larger amount as may be reasonably required by the POA.
- (b) GOLF PRO shall not conduct a golf cart sale business; this will not preclude GOLF PRO from selling golf cart fleet at the end of its useful life at the Golf Course. No cart may be rented in excess of one day at a time.
- (c) The golf cart rental fleet to be maintained by GOLF PRO shall number at least twenty five (25) golf carts in good condition and working order. All such golf carts shall meet the definition of a golf cart set forth at California Vehicle Code Section 345 and shall be Club Car or E-Z Go golf carts unless the POA Board approves some other type of golf cart.
- (d) The GOLF PRO shall defend, indemnify and hold the POA and its officers, directors, agents and employees harmless from any and all claims that may be made, including claims of accidental death and claims of active or passive negligence, arising out of, in connection with or related in any way to the golf carts owned and/or controlled by GOLF PRO.
- (e) Right of First Refusal. In the event of termination of the Contract, whether by expiration, for cause, mutual consent or otherwise, the POA and GOLF PRO agree that the POA, at its option, shall have a right to buy the golf cart rental fleet from GOLF PRO at a price to be determined as set forth below, or to require GOLF PRO to transfer the golf cart rental fleet to the successor golf pro at a price to be determined as set forth below. Further, the POA shall, at all times, have a right of first refusal applicable to any cart owned or controlled by GOLF PRO in the event GOLF PRO attempts to sell or transfer the same.

- (f) The POA and GOLF PRO shall attempt to agree upon a price for any golf cart or carts to be acquired by the POA from GOLF PRO or transferred by GOLF PRO to a successor golf pro. In the event the parties can not agree on a price, the price per golf cart shall be set by the trade in value that would be offered by the manufacturer for said cart or carts.
- (g) GOLF PRO shall be responsible for all aspects of the provision of golf carts for rental and shall ensure that enough carts are available to meet the reasonably anticipated demand for golf cart rentals.

ARTICLE 6 - TERMINATION OF AGREEMENT

EXPIRATION OF AGREEMENT

Section 6.01. Unless otherwise sooner terminated as provided herein, this agreement shall continue in force during the term of the agreement set forth in Section 1.01 hereof and during the term of any period of extension agreed to in accordance with the provisions of Section 1.02 hereof.

TERMINATION FOR CAUSE

Section 6.02. Should either party to this agreement determine that the other has materially breached the agreement, they shall give the other written notice thereof; and in the event that said material breach is not corrected within sixty (60) days of said notice, the agreement may be deemed terminated, and the ASSOCIATION shall be obligated to GOLF PRO for only a pro rata percentage of the flat-rate compensation set forth in Section 3.01, due through the date of such termination. Failure by the GOLF PRO to properly collect all greens fees and cart rental fees, to provide adequate personnel or to supervise his personnel for the performance of GOLF PRO's obligations under this agreement, adequately maintain golf carts per the terms of this agreement or provide sufficient merchandise for the pro shop in sizes, character and quality in the minimum amount specified shall each be deemed a material breach. Upon notification of termination by the POA, the GOLF PRO shall be allowed sixty (60) days to remove and/or dispose of all inventory and equipment owned by the GOLF PRO.

TERMINATION ON OCCURRENCE OF STATED EVENTS

Section 6.03. This agreement shall terminate automatically on the occurrence of any of the following events:

- (a) Bankruptcy or insolvency of either the ASSOCIATION or of the GOLF PRO CONTRACTOR.
- (b) Sale of the golf course/pro shop.

- (c) Immediately upon the death of the GOLF PRO. In the event of incapacity of the GOLF PRO, termination shall occur upon thirty (30) days' written notice by the ASSOCIATION. At the ASSOCIATION's discretion, the agreement may continue in force and effect despite the incapacity of the GOLF PRO if, at the GOLF PRO's sole cost and expense, all duties and obligations pursuant to this agreement are provided for by the GOLF PRO during his incapacity.
- (d) Illegal, dishonest or immoral conduct of the GOLF PRO or continued inattention to or neglect of duties of the GOLF PRO and/or his employees in the performance of this Agreement.

TERMINATION WITHOUT CAUSE

Section 6.04. Either party may terminate this agreement without cause upon the delivery of written notice to the other party not less than thirty (30) days before the date of termination. Provided, however, that if the ASSOCIATION exercises its right to terminate this agreement without cause, the ASSOCIATION shall, at GOLF PRO's request, purchase GOLF PRO's inventory at GOLF PRO's cost for a sum not to exceed Twenty Thousand Dollars (\$20,000.00).

ARTICLE 7 - GENERAL PROVISIONS

NOTICES

Section 7.01. Any notices to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid, with return receipt requested. Mailed notices shall be addressed to:

ASSOCIATION: Canyon Lake Property Owners Association
 31512 Railroad Canyon Road
 Canyon Lake, CA 92587

GOLF PRO: Name, Address

Each party may change the address by written notice in accordance with this paragraph. Notices delivered personally will be deemed communicated as of actual receipt; mailed notices will be deemed communicated as of 48 hours after mailing.

ENTIRE AGREEMENT OF THE PARTIES

Section 7.02. This agreement supersedes any and all understandings and agreements, either oral or written, between the parties hereto with respect to the subject matter of this agreement and contains all of the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Each party to this agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party,

which are not embodied herein and that no other agreement, statement or promise not contained in this agreement shall be valid or binding. No other conversation, discussion or understanding is valid unless an amendment, in writing, is made part of this Contract and properly executed and dated by signature of both parties.

PARTIAL INVALIDITY

Section 7.03. If any provision in this agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

ATTORNEYS' FEES

Section 7.04. If any action at law or in equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this agreement, the prevailing party will be entitled to reasonable attorneys' fees, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which that party may be entitled.

GOVERNING LAW

Section 7.05. This agreement will be governed by and construed in accordance with the laws of the State of California.

WAIVER

Section 7.06. Failure to insist upon strict compliance with terms, covenants or conditions of this Contract or its amendments shall not be deemed a waiver of such nor shall any waiver or relinquishment of such right or power at any time be taken to be a waiver of any other breach.

WAIVER OF MODIFICATION

Section 7.07. Any waiver, alteration or modification of any of the provisions of this Contract, or its amendments, or cancellation or replacement of this Contract, or its amendments, shall not be valid unless executed in writing and signed by both parties.

BENEFIT AND BURDEN

Section 7.08. This Contract, and its amendments, shall inure to the benefit of and bind the parties hereto and their respective legal representative, successors, heirs, personal representatives and assignees.

RELATIONSHIP BETWEEN PARTIES

Section 7.09. The GOLF PRO is an independent contractor. He shall perform all duties and obligations as such with no implication of any employee-employer relationship. All actions under this Contract, and its amendments, shall be in accordance with the provision cited herein.

NONBREACH

Section 7.10. Termination of this Contract, and its amendments, as set forth herein, by reason of death or incapacity of the GOLF PRO shall not be deemed as breach of this Contract, and its amendments, by the GOLF PRO.

EXECUTED at Canyon Lake, California, on the date and year written below.

CANYON LAKE PROPERTY OWNERS ASSOCIATION

By: _____ Date: _____

"GOLF PRO"

By: _____ Date: _____



BOARD OF DIRECTORS

Canyon Lake Property Owners Association

31512 Railroad Canyon Road

Canyon Lake, CA 92587

PROJECT: To Provide Golf Pro Services