

City of Stillwater
Lakeside Memorial Golf Course
RFP Proposal



PREPARED BY



Michael Henderson, PGA

4001 Fairfax Drive
Edmond, Oklahoma 73034
(405) 464-6666
henderson@pga.com

www.hgolfm.com



October 31, 2016

John McClenny
723 South Lewis Street
Stillwater, Oklahoma 74074

Dear Mr. John McClenny:

Thank you for the opportunity to submit the following proposal in reference to the Lakeside Memorial Golf Course RFP issued on September 26, 2016. Our firm understands the current requirements and the future needs of the facility to insure the ongoing stability of the golf program. Our previous management experience at Lakeside Memorial Golf Course and demonstrated success in local golf markets, uniquely qualifies us to provide management and operational services for the Citizens of Stillwater.

We have been fortunate to successfully navigate the ever-changing evolution of golf in the Oklahoma region. Competition in our industry has increased at a rapid rate and the benchmark for achieving and maintaining success has been raised. This translates into greater variety and additional choices for the consumer. For municipal operations, this means implementing higher service standards, providing better conditions and amenities, and developing more creative marketing programs to attract, retain and service existing customers and future guests.

Our management proposal will make a commitment to the Citizens of Stillwater to operate its facility at the highest level of professionalism which will include a seamless transition for the existing employees. We believe that the presentation and service to your citizens will thrive under our expertise and positively impact the quality of life for both current and future residents. Through our branding and community involvement, we will anchor your facility as an indispensable asset to the offerings of the City of Stillwater.

Again, thank you for the opportunity to submit the following proposal. Should you have any questions or require further information, please feel free to contact us at henderson@pga.com or by calling us at (405) 464-6666. We look forward to the opportunity to discuss our proposal at greater length.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael Henderson'.

Michael Henderson
Henderson Golf Management

A handwritten signature in black ink, appearing to read 'Carey Henderson'.

Carey Henderson
Henderson Golf Management

About Henderson Golf Management

Henderson Golf Management is an Oklahoma Limited Liability Company based out of Stillwater, Oklahoma. This family owned Golf Management Company has a proven track record of transforming distressed properties into financial winners. Our firm has the experience and industry knowledge to assist owners in achieving their desired financial results by providing the following services:

Golf Course Ownership

Henderson Golf Management is currently looking to acquire properties. Please contact us if you are interested in selling your facility.

Total Facility Management

We pride ourselves on our proven track record of financial success. Facility Management includes all of the following: Accounting, Course Maintenance, Event Planning, Food & Beverage, Instructional Programs, Marketing, Merchandising, and Player Development Initiatives.

Monthly Course Management

Our professionals evaluate course operations, and attend monthly meetings in order to make recommendations to staff and implement training.

Agronomy Plan Development

GCSAA professionals assess current maintenance practices and develop a comprehensive plan to improve playing conditions.

Facility Renovations

Our staff has extensive experience in cost-effective golf course and clubhouse renovations.

Business Plan Development

Our team performs a total facility evaluation of operational management, course maintenance, infrastructure, and market analysis. Based on the results, we develop a comprehensive plan that covers all aspects of facility management and planning for long range capital improvement.

As Needed Consulting Services

All consulting services may be tailored to a client's specific needs.

Leadership



Michael Henderson, PGA
henderson@pga.com

Michael Henderson is one of only three PGA Certified Class "A" Professionals in Golf Operations in the State of Oklahoma. This PGA designation is held by less than 2% of all PGA Members for continuing education in specialized fields. Mr. Henderson is one of the most decorated PGA Professionals in the State of Oklahoma and has been honored by his peers with the following recognitions for his work with junior golf, golf operations, instruction, and playing ability:

2014 SCPGA Oklahoma Chapter PGA Professional of the Year
2014, 2012, & 2011 South Central PGA Junior Player Development Leader
2015 & 2014 PGA of America Merchandiser of the Year National Finalist
2013 South Central PGA Merchandiser of the Year
2012 & 2011 US Kids Golf Top 50 Kids Teacher
2015, 2013, 2012 SCPGA Oklahoma Chapter Youth Player Development Leader
2005 Northern Texas PGA Player of the Year
2005 Northern Texas PGA Ben Hogan Award

He is a second generation PGA Member and is currently serving as the President of the South Central PGA. The South Central PGA provides employment services and educational support to over 475 members and the facilities they serve across the States of Oklahoma, Arkansas, and Kansas. He has also been elected to serve in the following capacities:

President, South Central PGA (2015-Current)
Vice President, South Central PGA (2014-2015)
Secretary, South Central PGA (2012-2014)
Chairman, South Central PGA Junior Golf Foundation (2014-Present)
Chairman, South Central PGA Board of Directors (2012-Current)
Board Member, Oklahoma Golf Hall of Fame (2014-Current)

As a player, Michael has qualified for nine PGA tour events and has captured over 20 professional events including the following notable championships:

2003 PGA of America Western Championship (Seattle, WA)
2008, 2006, & 2005 Northern Texas PGA E-Z-GO Championship (Dallas, TX)
2006 Straight Down Invitational (San Luis Obispo, CA)
2003 North Texas PGA Section Championship (McKinney, TX)

Leadership



Carey Henderson
carey@golfedmond.com

Carey Henderson is the Co-Owner & General Manager of The Golf Club of Edmond. She also has an extensive accounting background and serves as the Chief Financial Officer of Henderson Golf Management. Her responsibilities include accounting, finance, and all compliance matters for the Henderson Golf Management properties.

Before she joined Henderson Golf Management in 2014, Carey was a lifelong educator. She taught elementary education for 17 years for the Fort Worth, Arlington, Dallas, and Stillwater School Districts. Carey retired from Richmond Elementary as the Gifted Resource Coordinator in 2016 to assume the financial helm of the company. Before her retirement, she was the 2013 Skyline Teacher of the Year and named a top 100 teacher in the Fort Worth Independent School District.



James Henderson, PGA
henderson@pga.com

James Henderson is a PGA Life Member that currently operates Stevens Park Golf Course in Dallas, Texas. Stevens Park is the 18th ranked municipal in the country by GolfWeek Magazine and has been one of the most successful municipal golf operations in the country. Jim has been an independent contractor for the City of Dallas since 1987 and has won numerous awards and honors from the PGA of America.

This past September, Jim organized and raised \$72,000 for the families of the 5 fallen Dallas police officers killed in the line of duty on July 7, 2016.

Success Stories

Please contact us for specific information regarding each facility's unique challenges and the role that our staff played in helping ownership realize their financial goals.

Buffalo Rock Golf & Gun - Cushing, Oklahoma

Perry Maxwell Designed 18 Hole Golf & Sporting Facility

Dallas National Golf Club - Dallas, Texas

Ranked #59 on Golf Digest's Top 100 Courses in the United States

Fairfax Golf Club – Edmond, Oklahoma

Privately owned golf & residential community

Golf Performance Institute of Dallas - Dallas, Texas

Recipient of the 2007 North Texas PGA Merchandiser of the Year

Lakeside Memorial Golf Course - Stillwater, Oklahoma

*Recipient of the 2013 South Central PGA Merchandiser of the Year &
2014 GRAA Top 50 Public Practice Facility*

Perry Golf & Country Club - Perry, Oklahoma

Ranked #2 on Golf Digest Top 9 Hole Courses in Oklahoma

Stevens Park Golf Course - Dallas, Texas

Ranked #18 on Golf World Magazine's Top 50 Municipal Courses in the USA

The Golf Club of Edmond - Edmond, Oklahoma

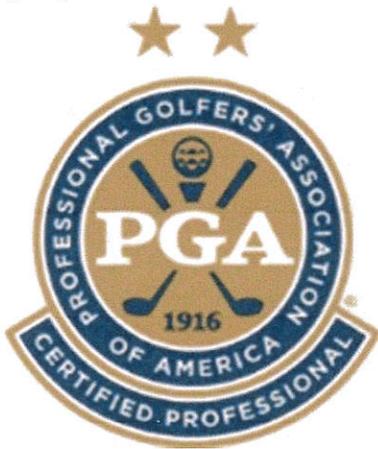
Oklahoma's Premier Daily Fee Golf Facility

Clubhouse Operations

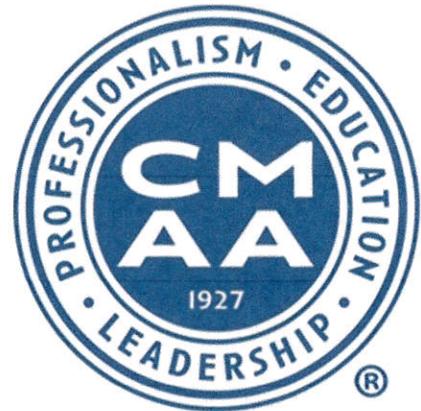
Henderson Golf Management will be responsible for all clubhouse operations. Duties will entail promoting and taking tee time reservations, managing daily play, checking in and collecting fees from golfers, merchandising of inventory for retail sale, management and care of a golf cart fleet and performing starter and ranger duties.



The point of sale module allows for the complete demographic data capture process: Number of times played, reservations history, purchasing history, playing partners, and contact information. This is valuable data with which we use to market directly to individual members and guests.



Henderson Golf Management will provide highly skilled direction of the on-site manager who has the ability to manage, operate, and maintain a quality golf operation. Henderson Golf's on site manager/superintendent will provide expert oversight and retain complete responsibility for their respective areas; recruit, hire, train, and evaluate member service-oriented personnel and work together as a team to consistently deliver high quality and cost effective golf course services.



Customer Experience

The Henderson Golf Team will implement a customer-centric staff focused on exceeding the guest's expectations during their "journey" at the facility. The staff will be warm and welcoming while anticipating each member's needs. The owners of HGM have successfully transformed facilities with staff that are apathetic towards the customer with our trained "Service Behaviors".

These skills include:

- Acknowledge all guests with eye contact and a smile each and every time
- Greet and welcome every guest while using their name if possible
- Dress in a professional manner and display appropriate body language at all times
- Actively seek out guest contact and offer assistance
- Provide immediate service resolution
- Promote the facility in a positive and professional manner
- Thank and invite back every guest while using their name if possible.

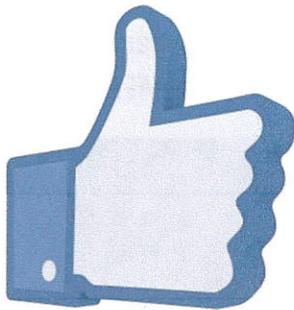
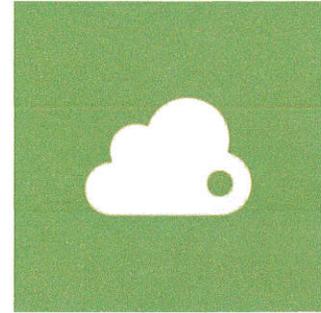


In addition, guests are afforded several means to share comments and suggestions to HGM's management. All are designed to help Henderson Golf understand the importance of each customer's experience and how we are performing in relation to their unique expectations. We value all input from our membership to continuously improve our product and cement consumer loyalty.

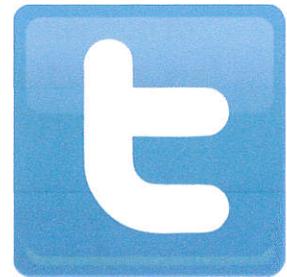


Marketing

Marketing in today's golf economy requires operators to know their guests. It is essential to collect contact information, playing habits and consumer preferences. Traditional means of attracting new guests such as print advertising and coupons must be bolstered by highly directed offers to attract and retain new members. By collecting and tracking each member's individual playing history and spending habits, HGM will be able to maximize revenue. Specific marketing tactics for the golf course will include retention and acquisition



programs. HGM will be squarely focused on retaining the existing guests and acquiring new golfers who demand a better quality golf experience. A number of marketing initiatives will be implemented once the new website and POS system is in place.



Weekly e-mail blasts to communicate activities, events, sales, and promotions will be sent to current and future members. The complete design of the club's website will help catch customer contact information. Increased advertising in local media, in particular to promote golf course special events and direct contact with local businesses and organizations will result in the addition of more corporate group



outings. Direct contact and partnerships with local hotels will result in attracting new customers to the course who are visiting Stillwater and surrounding areas. New golf shop promotions will be added to increase merchandise sales.

Communication with members will be greatly advanced through e-mail, Facebook, Twitter, and other forms of social media.

Grounds Maintenance

Henderson Golf Management's agronomy team tackles the quest to deliver an outstanding playing experience to every golfer each day.

Agronomy is more than just growing grass; it's about creating a playing environment for our golfers to enjoy repeatedly.

Our group is committed to achieving agronomic excellence by utilizing and improving upon reliable techniques. Our approach encourages the use of nature-friendly compounds and prudent chemical applications to achieve turf health at the most reasonable cost while ensuring that the golf course remains a sanctuary for native plants and wildlife. HGM's approach to maintaining Lakeside Memorial Golf Course will



emphasize the quality of course conditions, attention to detail throughout the property, efficiency in staffing, and full compliance with all environmental regulations.

HGM will maintain Lakeside Memorial in a high quality manner, consistent with the quality expected of the customers. Our staff will perform all of the work and will continuously improve on existing conditions.

Specifically, HGM will:

- Provide expert oversight as needed by a proven superintendent *familiar* with the conditions of maintaining local turf grass in the area.
- Henderson Golf Management will provide the necessary equipment to improve turfgrass health and playability.
- Implement modern agronomy practices with improved efficiencies, utilizing a highly qualified and expert staff.
- Work closely with the City of Stillwater to deliver an overall, high-quality golf experience that serves to maximize revenue for the course.
- Designing an annual Agronomic Plan specific to Lakeside Memorial Golf Course.



Food & Beverage Operation

The Henderson Golf Team will offer high quality, competitively priced food and beverage menu items. Under the guidance of our experienced Food & Beverage background, HGM will develop an annual buying and operating plan to provide for a profitable and efficient operation.

Food and beverage will be served as appropriate for the season and level of play at the facility. All appropriate licenses and permits necessary to run a food service facility in the City of Stillwater and State of Oklahoma will be obtained and kept current. All health standards and regulations will be strictly followed and all equipment will be kept in good working order.



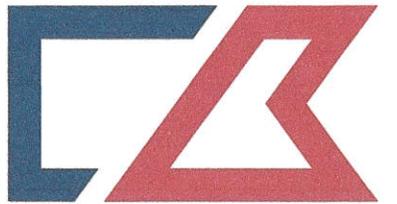
HGM will develop a menu based on the success of historical offerings at the facility, offerings at similar facilities, the kitchen's capabilities, and guest's tastes. Surveying customers is done for regular feedback on improvement and enhancements of service levels, food and beverage quality, and menu options. The attractive use of display elements, prominent and tasteful signage, appealing



pricing, easy availability of impulse items, and package pricing will be implemented. Promotion of food and beverage is included at the golf shop point-of-sale, on-course, and in golf tournament packages.

Retail Merchandising

HGM will offer high quality, competitively priced golf retail merchandise at Lakeside Memorial. Under the direction of multiple South Central PGA Merchandisers of the Year, HGM will develop an annual buying plan, maintain national accounts with preferred partner vendors, design exceptional displays, and establish pride in the logo of the course. HGM will appropriately stock and display retail merchandise using attractive displays, prominent and tasteful signage, appealing pricing, rotation of merchandise throughout the shop, easy availability to impulse items, and package pricing.

The PING logo is displayed in a bold, black, sans-serif font with a registered trademark symbol (®) to the upper right of the word.

CUTTER & BUCK™

Using both the national schedule of holidays and the local market's seasons, HGM will develop and implement appropriate promotions to increase sales of retail merchandise during higher than usual shopping times.

Lakeside will utilize HGM's group buying power to reduce our inventory costs that we can pass along to customers. The vendors utilized will agree to credit merchandise not sold through a particular season and credit the old merchandise towards the purchase of new merchandise. The merchandise assortment will reflect the changing trends towards more desirable brands geared towards current buying habits of the marketplace. To date Cutter & Buck, PING, and Titleist have agreed to participate with Henderson Golf Management.



Player Development

From its small beginnings in 2010, Henderson Golf Management has grown our player development program at Lakeside to the largest in the State of Oklahoma. The programs meet the learning needs of men, women, seniors, juniors, beginners, avid players and disadvantaged youth in the area. As leaders in the PGA community, HGM's philosophy in all learning programs is to provide fun, non-threatening and inexpensive opportunities that bring and retain all golfers permanently into the game.



GET GOLF READY
5 lessons only \$99

Give us **5 days** and we'll give you **FUN** for a lifetime!

The PGA of America's most successful and innovative Player Development Programs that will be continued at Lakeside include:

- Women in Golf
- Get Golf Ready
- SNAG (Starting New At Golf)
- PGA Junior League
- Lessons and Clinics
- League Play



Community Involvement

Henderson Golf will anchor Lakeside as an asset to the quality of life in the community of Stillwater. The facility will serve as hosts to the high school practices and matches. Staff will work to provide complimentary programs that will impact the youth of the community and provide access to local junior golfers. The facility will also be used as host for various fundraising and philanthropic endeavors as supported by the membership.



You're Invited!



Dear Junior Golfer,

The South Central PGA invites you to join the Section as a special guest at this weekend's Foundation event to celebrate all of your achievements this year.



To thank you for your participation in our junior golf programs this season, your admission to the event is free of charge!

We hope you will come out for a night of fun with your fellow junior golfers and our South Central PGA members and friends.



Event Details:

Gaillardia Country Club
5300 Gaillardia Boulevard Oklahoma City, OK 73142
Saturday, August 16th from 7pm-9pm

Featuring entertainment from
golf trick shot artist Kevin Compare

Guest speaker Paul Levy,
PGA of America Secretary

SNAG Golf demonstrations

Food and beverage available for purchase



Relationship with the City of Stillwater

Henderson Golf's philosophy in working with our partners is to *always ensure that our shared financial and customer service goals are aligned perfectly*. With that philosophy guiding HGM's relationship with the City of Stillwater, we will implement the following systems and methods of management, *all which are available for review and comment by the City Manager's Office at any time*.

The City Manager's Office will be directly involved on all green fee pricing, expectations for customer play, and the facility operating budget. *The final operating budget will be jointly approved by Henderson Golf Management and the City Manager's Office*.

Henderson Golf will direct an *annual planning process* that includes development of an Annual Plan (including Annual Budget, Business Plan, Marketing Plan, and Agronomy Plan) for review by the City of Stillwater. The 2016 Annual Plan will be completed during the transition period and first month of operation. Thereafter, the Annual Plan will be completed in the fall of each year for the upcoming calendar year.

In summary, HGM's "strategic plan" addresses the current infrastructure, and implements proven tactics for increasing rounds, revenue, and profitability. Such a plan is best done by a group with years of onsite experience and a proven record of operating similar facilities in comparable rural and semi-rural markets.

Our budgeted financial goals are reasonable and achievable. We welcome the level of involvement desired by the City of Stillwater to provide the necessary feedback, guidance, or direction to achieve our shared financial and service goals.



PGA Visibility

The addition of Henderson Golf Management brings instant credibility and PGA branding to Lakeside Memorial Golf Course. The South Central PGA offers professional support, growth of the game initiatives, and facility support for the States of Oklahoma, Arkansas, and Kansas. Our principal is currently the President of the South Central PGA and has served in the following capacities:



Michael

Henderson, PGA

Certified Member

President, South Central PGA
Chairman, South Central PGA Junior Golf Foundation
Chairman, South Central PGA Board of Directors
Board Member, Oklahoma Golf Hall of Fame
Presidents Council, PGA of America
Voting Delegate for Oklahoma, PGA of America



PGA

South Central Section

Junior Golf

Professional Advisory Team

Accounting

Paige Watkins, CPA
Duncan & Onley Accounting Firm
paige@duncanandonley.com
(405) 372-7744

Financial

Fawn Sachleben
Executive Banking Director
Citizens Bank of Edmond
fsachleben@citizensedmond.com
(405) 715-5152

Insurance

Max Glasson
Messer Bowers Insurance
max@messerbowers.com
(405) 742-4199

Legal

William Baker, Attorney
Baker, Ihrig, & Corley
Willie.baker@bkilaw.com
(405) 377-8644

Professional References

Brian Davis

Executive Director, South Central PGA

bdavis@pgahq.com

(918) 430-8442

Alan Bratton

Head Golf Coach, Oklahoma State University

alan.bratton@okstate.edu

(405) 269-6293

Rodney Armstrong

Owner, Fairfax Golf Club

Rodney@armstrongdevelopments.com

(405) 990-2100

Dan Galloway

City Manager, City of El Reno

dgalloway@cityofelreno.com

(405) 262-4070

Eric Gudgel

President, Stillwater School Board

ericgudgel@sbcglobal.net

(405) 714-0005

Larry Hessler

Head Golf Coach, Stillwater High School

lhessler@stillwaterschools.com

(405) 612-3394

David Hough

Owner, Buffalo Rock Golf & Gun

dahough@hotcoservices.com

(918) 223-5183

Fees & Compensation

Henderson Golf Management's proposal will be structured as an operator agreement that provides complete turn-key management of Lakeside Memorial Golf Course within the timeline detailed in the RFP. These services include:

- *Golf operations*
- *Food & beverage operations*
- *Golf course and facility maintenance*
- *Marketing and promotion*
- *General and administrative functions*
- *Operating and capital budgeting*
- *Employee hiring and training (all current employees will be retained)*
- *Financial management and reporting*

All employees will be employees of Henderson Golf Management and not the City of Stillwater. Henderson Golf Management will be paid a fixed management fee for its services. Henderson Golf Management will have exclusive rights to all revenue generated by Lakeside Memorial Golf Course, but will also be responsible for all financial shortfalls between revenue and expenditures. Other than the fixed management fee and assistance with water expenses during periods of extended abnormally dry or drought conditions as determined by the USDA Drought Monitor, the City of Stillwater will have no other financial costs associated with this proposal.

The rationale behind this structure is to closely align the interests of Henderson Golf Management and The City of Stillwater. This goal is achieved by allowing the management company to operate the facility and provide services that the City of Stillwater has grown accustomed to over the past 6 years without drastically increasing fees. Without proper funding, resources, and accurate revenue projections, the agreement will result in the degradation of the golf course and erosion in competitive positioning, market share, and financial performance. This structure promotes growth of rounds and gross revenue for the benefit of both parties.

Henderson Golf Management proposes the following compensation for golf management services of Lakeside Memorial Golf Course. Henderson Golf looks

Fees & Compensation (continued)

forward to discussing our proposal with the City Council in order to develop the most advantageous partnership for both parties.

Proposed Term: 60 months with a 60 month renewal option, at mutual consent.

Structure: Henderson Golf Management will form a single-purpose subsidiary (e.g.: Lakeside Golf Management, LLC) for purposes of operating Lakeside Memorial whose sole member shall be Henderson Golf Management. Henderson Golf Management shall remain solely responsible for all obligations of the agreement and the City of Stillwater shall have full recourse to Henderson Golf Management for any liabilities caused by this entity. The entity shall offer employment to all of the staff at Lakeside Memorial at their current or higher than their current pay scale. This entity will be operated on a discreet basis and shall not commingle any assets or liabilities with any other HGM managed property. All financial statements will be prepared in this single-purpose entity and HGM will provide financial statements annually to the City of Stillwater upon request.

Operation: HGM shall operate Lakeside Memorial pursuant to an annual operating, marketing, and agronomic plan agreed to by the City of Stillwater.

Employees: All employees at Lakeside Memorial Golf Course will work exclusively for Henderson Golf or subsidiary. Henderson Golf will retain the exclusive right to hire and terminate employees. Henderson Golf shall conduct an extensive pre-employment criminal background investigation of all personnel and volunteers. Said background investigation process shall be subject to periodic review upon request from The City of Stillwater.

Procurement: Henderson Golf will purchase all new equipment, materials, and supplies for the operation of Lakeside Memorial Golf Course. The City of Stillwater will transfer ownership of all

Fees & Compensation (continued)

equipment, supplies, inventory, and materials currently used to operate Lakeside Memorial to Henderson Golf Management or subsidiary.

Henderson Golf will purchase all materials and supplies for the operation of Lakeside. These procurements include golf course operation supplies and equipment. These materials and purchases include, but are not limited to: *maintenance equipment, driving range balls, golf carts, office supplies, employee uniforms, food & beverage for resale, hard goods for resale, soft goods for resale, food prep equipment, coolers, advertising, website creation, pull carts, displays, receipt paper, and merchandise bags*. Capital investment required for maintenance equipment replacement will be approximately \$360,000.

- Media and PR:** Henderson Golf will handle all media and PR needs of Lakeside Memorial Golf Course.
- Golf Carts:** Henderson Golf will assume the existing golf cart lease and be responsible for providing future golf carts replacement. The number of carts on site will vary depending upon season and demand. Capital investment required for cart fleet replacement is approximately \$220,000 for sixty (60) Club Car/ E-Z-Go electric golf carts due in 2018.
- Merchandise:** Henderson Golf will be responsible for providing both hard and soft goods for resale in the golf shop. Henderson Golf will provide top-tier merchandise in line with consumer tastes and preferences.
- F&B:** Henderson Golf will be responsible for providing food and beverage service for resale in the golf shop. Henderson Golf will not allow customers and guest to bring outside food, beverages, or alcohol on the property for consumption. All food & beverage sales will come from the golf shop.

Fees & Compensation (continued)

Instruction: Henderson Golf agrees to continue and maintain a program of golf instruction adequate to meet the demands of the public and to employ a sufficient number of competent golf instructors to meet demand. HGM shall have the exclusive right to provide lessons at the facility, although sufficient allowance will be made to Stillwater Public Schools golf teams and coaches to be able to use the facility. Such school activities shall be undertaken with the approval of the Henderson Golf Management.

Management

Fees: The City of Stillwater will pay \$10,000 monthly, (\$120,000 per year) to Henderson Golf Management for above management services. The monthly payments will cover the operational losses to be expected based on historical operation of the golf facility while encouraging the operator to increase revenues. Initial payment will be upon execution of said agreement and due on the first of every month.

Utilities: The Operator will purchase water & electrical service from the City of Stillwater for the clubhouse, cart barn, superintendent house, and maintenance building. The City of Stillwater will provide fire hydrant water usage in times of drought to insure the health of the turf grass. The City of Stillwater will also continue to allow telephone usage through the City of Stillwater integrated telephone system at no charge. The Operator will be responsible for natural gas, cable, and Wi-Fi service.

Insurance: Henderson Golf Management will maintain a general liability insurance policy in the necessary minimum amounts as required by the RFP and shall name the City of Stillwater, its officers, employees, and agents, as additional insured in such amounts, during the term of this agreement. Henderson Golf further agrees to hold harmless and indemnify The City of Stillwater, its officers, employees, and agents or invitees for any liability occasioned by the intentional act or negligence of officers, employees or agents while conducting operations authorized

Fees & Compensation (continued)

herein in or upon the premises, facilities, or buildings during the term of this agreement. In addition to the foregoing, Henderson Golf shall maintain Workers' Compensation insurance in the statutory amounts. Henderson Golf Management shall provide proof of all insurance coverage mandated by this agreement to the City of Stillwater upon request.

Building Repair: The City of Stillwater shall remain responsible for all repairs and major maintenance of the buildings, including without limitation, maintenance and repair of roofs, load bearing surfaces and/or structures, electrical systems, HVAC systems, mechanical systems, and plumbing systems (except for clogs that result from normal use and are unrelated to a plumbing defect).

**Golf Course
Repair:**

The City of Stillwater shall be responsible for all facility breakdowns in excess of \$1,000. Such breakdowns may include, but are not limited to: irrigation, pump house, electrical system breakdown, drainage, bridge repair, retaining wall repair, and driving range barriers. Henderson Golf Management will pay the first \$1,000 of all repairs and the City of Stillwater will cover 100% of all costs in excess of \$1,000.

Termination: It is understood and agreed that either party may terminate this agreement one hundred eighty (180) days after delivering to the other party, notice in writing, of its intentions to terminate. If the City of Stillwater elects to terminate, for any reason, upon one hundred eighty (180) days' notice, the City of Stillwater agrees to purchase Henderson Golf Management's inventory and equipment at a fair-market price to be negotiated.

Proposed Operating Budget

2017 Proposed Operating Budget	ACCT	ITEM	2016 Jan-Dec Projected
EXPENDITURES			
GOLF ADMINISTRATION			
	1001	Full Time	\$ 100,000.00
	1002	Part Time	\$ 90,000.00
	1003	Overtime	\$ 2,500.00
	1021	Social Security	\$ 14,437.50
	1022	Health Insurance	\$ 8,000.00
	1025	Workers Comp	\$ 259.88
	Personnel Sub Total		\$ 215,197.38
	2020	Tournament Expenses	\$ 1,500.00
	2034	Other Equipment Parts	\$ 2,500.00
	2036	Driving Range Materials	\$ 8,000.00
	2039	Printed Materials	\$ 2,500.00
	2041	Office Supplies	\$ 3,000.00
	2044	Stamps and Postage	\$ 75.00
	2051	Clothing and Uniforms	\$ 1,500.00
	2052	Food	\$ 150.00
	2059	Minor Supplies	\$ 2,500.00
	2073	Food for Resale	\$ 15,000.00
	2074	Beverages for Resale	\$ 40,000.00
	2079	Soft Goods for Resale	\$ 30,000.00
	2080	Hard Goods for Resale	\$ 40,000.00
	Materials Sub Total		\$ 146,725.00
	3001	Natural Gas	\$ 4,000.00
	3004	Credit Card Processing	\$ 15,000.00
	3005	Park Refuse Disposal	\$ 550.00
	3006	Alarm Service	\$ 1,500.00
	3009	Cable Service	\$ 4,000.00
	3013	Golf Cart Lease/Purchase	\$ 45,846.00
	3015	Other Rentals	\$ 250.00
	3022	Repair Golf Carts	\$ 5,000.00
	3023	Repair Buildings and Structures	\$ 2,500.00
	3034	Repair Other Equipment	\$ 1,500.00
	3067	Cash Short	\$ 300.00
	3070	Licenses and Fees	\$ 3,500.00
	3072	Dues and Subscriptions	\$ 2,500.00
	3073	In-Service Training	\$ 2,500.00
	3075	Advertising/Legal Publications	\$ 5,000.00
	3076	Insurance	\$ 25,000.00
	3082	Miscellaneous Services	\$ 10,000.00
	3084	Travel Expense	\$ 500.00
	Services Sub Total		\$ 129,446.00
GOLF ADMINISTRATION TOTALS			\$ 491,368.38
GOLF MAINTENANCE			
	1001	Full Time	\$ 110,000.00
	1002	Part Time	\$ 60,000.00
	1003	Overtime	\$ 2,500.00
	1021	Social Security	\$ 12,937.50
	1023	Health Insurance	\$ 8,000.00
	1025	Workers Comp	\$ 232.88
	Personnel Sub Total		\$ 193,670.38
	2011	Top Dressing	\$ 6,600.00
	2012	Landscaping	\$ 2,500.00
	2013	Seed and Sod	\$ 4,400.00
	2022	Tractor and Machinery Parts	\$ 2,500.00

Proposed Operating Budget

2017 Proposed Operating Budget	ACCT	ITEM	2016 Jan-Dec Projected
	2023	Building Materials	\$ 5,000.00
	2024	Irrigation Parts	\$ 5,000.00
	2036	Driving Range Materials	\$ 500.00
	2037	Fertilizers	\$ 17,000.00
	2041	Office Supplies	\$ 250.00
	2043	Medicine and Drugs	\$ 250.00
	2045	Ag/Hort Supplies	\$ 250.00
	2049	Chemicals	\$ 26,700.00
	2051	Clothing and Uniforms	\$ 1,500.00
	2052	Food	\$ 750.00
	2053	Motor Vehicle Fuel and Oil	\$ 10,000.00
	2058	Tools	\$ 1,800.00
	2059	Minor Supplies	\$ 4,500.00
		Materials Sub Total	\$ 89,500.00
	3004	Telephone	\$ 1,050.00
	3005	Park Refuse Disposal	\$ -
	3012	Machinery Rental	\$ 1,500.00
	3013	Equipment Lease Payments	\$ 60,000.00
	3023	Repair Buildings and Structures	\$ 2,000.00
	3034	Repair Other Equipment	\$ 1,000.00
	3040	Maintenance of Cart Paths	\$ 500.00
	3042	Driving Range Maintenance	\$ 750.00
	3043	Lake Maintenance	\$ 500.00
	3070	Licenses and Fees	\$ 500.00
	3072	Dues and Subscriptions	\$ 500.00
	3073	In Service Training	\$ 750.00
	3082	Miscellaneous Services	\$ 6,500.00
	3084	Travel Expense	\$ 500.00
		Services Sub Total	\$ 76,050.00
GOLF MAINTENANCE TOTALS			\$ 359,220.38
		Water, Electric, Sewer, Sanitation Sub Total	\$ 45,000.00
TOTAL			\$ 895,588.75
REVENUE			
GOLF			
	4650	Annual Passes/Storage	\$ 61,000.00
	4651	Daily Green Fees	\$ 237,806.00
	4652	Cart Rental/Trail Fees	\$ 200,706.00
	4653	Locker Rent	\$ 2,500.00
	4654	Range Fees	\$ 47,115.00
	4656	Lessons	\$ 630.00
	4660	Sales of Merchandise	\$ 110,000.00
	4661	Sales of Food	\$ 15,505.00
	4662	Sales of Beverages	\$ 54,750.00
	4871	Sales of Liquor	\$ 15,000.00
	4873	Miscellaneous	\$ 25,755.00
	4875	Teaching	\$ 5,000.00
	4878	Management Fee	\$ 120,000.00
TOTAL			\$ 895,767.00
NET REVENUE/(SUBSIDY)			\$ 178.25