

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra S. Winqest
Interim General Manager

FROM: Darren Howard
Director of Golf/Community Services

Paul Navazio
Director of Finance

SUBJECT: Review, discuss, and possibly adopt Resolution No. 1890 authorizing a Medium-Term Installment Purchase Agreement (via DLL Finance, LLC) for a lease term of 54-months, in the amount not to exceed \$379,469, through a Fair Market Value Lease Agreement to procure eighty (80) Club Car Tempo lithium battery-powered golf carts for the Championship Golf Course.

DATE: November 10, 2021

I. RECOMMENDATION

1. Review, discuss and possibly approve Resolution No. 1890 authorizing a Lease Agreement with DLL Finance, LLC for 80 (eighty) Club Car Tempo lithium battery-powered golf carts in the amount of \$379,469, which will be repaid through 54 (fifty-four) monthly payments of \$7,027.20.
2. Authorize Staff to execute all documents based on a review as to form by General Counsel and Staff and after determining compliance with the State of Nevada Department of Taxation Guidance Letter 16-004 relative to leasing agreements and medium-term obligations.

II. BACKGROUND

At its meeting of October 13, 2021, Staff presented to the Board of Trustees several options for replacement of the current fleet of 80 golf carts serving the Championship Golf Course, based on the proposals received in response to a Request for Proposal issued by the District. The information provided to the Board

included quotes for the purchase of 80 battery-powered replacement golf carts, as well as several lease financing options provided by the two vendors who responded to the Districts' RFP. Options presented included: straight purchase, 48-month leases, 60-month leases, and a 48-month lease with a purchase option.

The Board of Trustees took action at the October 13, 2021 meeting to authorize Staff to accept the low-bid quote from Club Car, LLC. for the manufacture and delivery of 80 Tempo - Lithium Battery electric golf carts.

The Board of Trustees further directed Staff to return to the Board with the option of a 54-month lease as well as the possibility of including purchase options under each of the lease terms.

Finally, the Board of Trustees provided direction to Staff to return to the Board of Trustees with a Resolution of Intent to enter into a medium-term obligation financing, subject to approval by the State of Nevada Department of Taxation, pursuant to NRS 350.089.

III. DISCUSSION

This agenda item has been prepared so as to be responsive to the Board's direction at October 13, 2021.

Financing Options for 80 Club Car Tempo - Lithium Battery Electric Golf Carts

The following table summarizes the available options for procurement of 80 Tempo-lithium battery golf carts, to include additional financing options requested by the Board of Trustees at their meeting of October 13, 2021. (*See Attachment 4 for additional information related to each financing options*).

(Note – the pricing for the 60-month lease has been revised from the October 13th Board agenda item upon clarification from Club Car).

Review, discuss, and possibly adopt Resolution No. -3-
 1890 authorizing a Medium-Term Obligation via a
 Lease Agreement with DLL Finance, LLC, in the
 Amount not to exceed \$379,469, to procure eighty (80)
 Club Car Tempo lithium battery-powered golf carts
 serving the Championship Golf Course

November 10, 2021

| Championship Golf Course Cart Replacement Proposals | | | |
|--|---------------|-------------------------------|---------------|
| Purchase Options | CLUB CAR | | |
| | Base | w/ GPS Package Visage 10.1 | Salvage Value |
| Lithium Batteries | \$ 533,360.00 | \$ 533,360.00 | Y |
| 48-Month Lease Term | | | |
| Lithium Batteries | \$ 191,116.80 | \$ 352,396.80 | N |
| Annual Cost | \$ 47,779.20 | \$ 88,099.20 | |
| <i>Note: Provides for OPTION to purchase at Fair Market Value (TBD) at end of Least Term</i> | | | |
| 54-Month Lease Term | | | |
| Lithium Batteries | \$ 176,025.60 | \$ 379,468.80 | N |
| Annual Cost | \$ 44,006.40 | \$ 84,326.40 | |
| <i>Note: Provides for OPTION to purchase at Fair Market Value (TBD) at end of Least Term</i> | | | |
| 60-Month Lease Term | | | |
| Lithium Batteries | \$ 218,832.00 | \$ 420,432.00 | N |
| Annual Cost | \$ 43,766.40 | \$ 84,086.40 | |
| <i>Note: Provides for OPTION to purchase at Fair Market Value (TBD) at end of Least Term</i> | | | |
| 48-Month Installment Purchase Lease Term | | | |
| Lithium Batteries | | | |
| Total Cost | \$ 420,825.60 | \$ 582,185.60 | Y |
| Annual Cost | | \$ 145,546.40 | |
| Ballon Payment (\$1.00) | | \$ 80.00 | |
| Total Cost | \$ 435,718.40 | \$ 596,998.40 | Y |
| Annual Cost | | \$ 84,249.60 | |
| Ballon Payment (\$3,025) | | \$ 260,000.00 | |
| 54-Month Installment Purchase Lease Term | | | |
| Lithium Batteries | | | |
| Total Cost | \$ 438,158.40 | \$ 619,598.40 | Y |
| Annual Cost | | \$ 137,688.53 | |
| Ballon Payment (\$3,000) | | \$ 240,000.00 | |
| 60-Month Installment Purchase Lease Term | | | |
| Lithium Batteries | | | |
| Total Cost | \$ 442,752.00 | \$ 644,352.00 | Y |
| Annual Cost | | \$ 128,870.40 | |
| Ballon Payment (\$3,000) | | \$ 240,000.00 | |

Staff Recommendation for Preferred Financing Option:

Based on a review of the financing options available to the District for procurement of the 80 Club Car Tempo lithium-battery electric golf carts, staff recommends that the Board of Trustees authorize the District to enter into a 54-month Fair Market Value Lease, in the amount not to exceed \$379,469, with monthly payments of \$7,027,20.

Note: This option would provide for an option for the District to purchase the golf carts at the end of the least term at the “fair market value” to be determined at that time.

Pursuing this option requires that the District follow the requirements of NRS 350.089, related to medium-term financing obligations. These include Board action to approve Resolution No. 1890, with final approval pending review by the State of Nevada Department of Taxation. (*This process must be completed prior to first lease payment, estimated to be May 2022*).

Alternative Procurement Option – Outright Purchase

Should the Board favor a financing option that results in ownership of the golf carts, staff would recommend the Board authorize procurement of the 80 Club Car Tempo Lithium Battery electric carts through an outright purchase, rather than any of the lease-purchase options presented in this memo.

An outright purchase of replacement carts for the Championship Course golf cart fleets represents the lowest-cost option when compared to any of the lease-purchase options. However, this option requires a significant up-front payment (\$533,360) which exceeds the funding currently budgeted for this purpose, and thus would require Board approval of a supporting budget augmentation appropriating \$155,360 from available funding within the Community Service Enterprise Fund reserves.

This option nonetheless would have the advantage of the District owning the golf carts which would carry a significant trade-in value at the end of their use.

IV. FISCAL IMPACT

The overall cost and budget implications of replacing the Championship Course golf carts is dependent on a number of factors, and deserve due consideration.

The FY2021/22 Capital Improvement Budget includes appropriations carried-over from the FY2020/21 CIP budget, in the amount of \$378,000 (Golf Fund 340).

Staff's recommendation to lease 80 Club Car Tempo - Lithium Battery electric golf carts through a 54-month lease would result in total cost over the term of the lease of \$379,469 (or \$84,326 per year). This option would provide the District with the option to purchase the golf carts at the end of the lease term, based on the "fair market value" of the carts, to be determined at that time.

Alternative options considered for the replacement of the Championship Course golf carts include out-right purchase, lease-financing options (to include 48-, 54, and 60-month terms), and lease-purchase options (including fully-amortized level annual costs for a four-year term, or lump-sum balloon payment at end of 48- 54- or 60-month terms).

The financial analysis of all of the options considered support the staff recommendation for procuring the Club Car Tempo Lithium-battery electric golf carts through a 54-month Fair Market Value lease, based on total payments over the term of the lease, and the expected useful life of the lithium-battery carts.

As noted, should the Board prefer any of the procurement options that result in District ownership of the golf carts, staff would recommend pursuing an outright purchase as this represents lower-cost option in comparison to any of the lease-purchase options.

V. ALTERNATIVES

The Board could choose any of the financing options presented in this report, as an alternative to the staff recommendation to procure the 80 Club Car Tempo lithium battery electric carts through a 54-month fair-market lease. Should the Board prefer a procurement option that results in District ownership of the 80 Club Car Tempo Lithium battery electric golf carts, staff recommends the Board approve the following:

- 1) Authorize purchase of 80 Club Car Tempo Lithium Battery Electric Golf Carts through lump-sum purchase payment of \$533,360, per bids received September 15, 2021 (and again on October 15, 2021); and
- 2) Authorize budget augmentation appropriating of \$155,360 to the Golf Fund (320) from available resources within the Community Services Enterprise Fund unrestricted net position.

VI. BUSINESS IMPACT

This item is not a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.

VII. COMMENTS

The Nevada Department of Taxation issued Guidance Letter 16-004 on September 27, 2016 relating to lease agreements that could be considered alternative financing. Under that guidance, the District will be filing a request for approval of any Board-approved lease agreement with the Department of Taxation.

Once approval is received from the State, Staff will notify the Board of Trustees, at their next regular meeting, and proceed with executing remaining portion of the transaction.

Attachments:

- 1) Resolution No, 1890
- 2) Sample Lease Agreement
- 3) Club Car Financing Proposals (Updated)
- 4) Club Car Golf Cart Replacement – Fiscal Analysis (Summary)
- 5) Club Car Golf Cart Replacement – Fiscal Analysis (Cash Flows)



**RESOLUTION NUMBER 1890
A RESOLUTION AUTHORIZING A MEDIUM-TERM OBLIGATION
INSTALLMENT PURCHASE AGREEMENT**

WHEREAS, the Incline Village General Improvement District serving the communities of Incline Village and Crystal Bay, Nevada, at a regular meeting held on November 10, 2021 at 6 P.M. PST determined that the public interest requires a Medium-Term Installment Purchase Agreement; and the following findings of fact determined: the Incline Village General Improvement District operates the Championship Golf Course which utilizes a eighty (80) cart fleet of golf carts and has determined that the best use of public funds is to acquire this replacement of this equipment, for a period of **fifty-four (54) months** through the use of an **Equipment Lease/Purchase Agreement** with DLL Finance, LLC, which by its terms is deemed an installment purchase agreement.

WHEREAS, proper notice was given of the intention to act upon the Resolution Authorizing a Medium-Term Obligation (**Installment Purchase Agreement**) pursuant to Nevada Revised Statutes 350.087 and Nevada Administrative Code 350.100 through 350.160.

NOW, THEREFORE, IT IS HEREBY RESOLVED THAT THE BOARD OF TRUSTEES OF THE INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT proposes to enter an **Installment Purchase Agreement** with a principal amount not to exceed **\$379,469**, at an annual interest rate not to exceed 4% as of the time of closing the equipment’s lease, and to be repaid over **fifty-four** months.

The purpose for which the funds are to be used is the acquisition of eighty (80) Club Car Tempo - lithium-battery powered golf carts for use at the Championship Golf Course.

The obligation will be repaid from operating revenues of the Community Services Enterprise Fund, through scheduled payments under an Equipment Lease/Purchase Agreement with DLL Finance, LLC. The dollar amount available to repay the obligation is from lease payments made in **54** monthly installments, subject to annual budget appropriations. This form of acquiring the use of this equipment is considered the best net outflow of resources to the operations of the Community Services Enterprise Fund.

IT IS FURTHER RESOLVED that the District Clerk forward the necessary documents to the Executive Director, Department of Taxation, Carson City, Nevada.

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted at a regularly held meeting of the Board of Trustees of the Incline Village General Improvement District on the 10th day of November, 2021, by the following vote of the Incline Village General Improvement District Board of Trustees (consisting of five (5) members):

AYES, and in favor thereof, Trustees:

NOES:

ABSENT:

(Two-thirds vote required)

Tim Callicrate
IVGID Board of Trustees Chairman

ATTEST By _____
Susan A. Herron
District Clerk

LEASE AGREEMENT (Golf and Turf) (Use in FL only for Irregular Payments; Not for use in AZ)

DLL FINANCE LLC ("Lessor")

| | | | | | |
|---------------|---------------|-------------------------|-----------|---|--|
| LESSEE | LEASE # | Case ID # | FA-210704 | EQUIPMENT LOCATION (if different from Lessee's address) | |
| | NAME | INCLINE VILLAGE G.C. | | | |
| | ADDRESS | INCLINE VILLAGE, NEVADA | | | |
| | CITY & STATE | | | | |
| | ZIP CODE | | | | |
| EMAIL ADDRESS | TELEPHONE NO. | 858-675-8450 | | | |

**MAKE PAYMENTS TO:
DLL FINANCE LLC
P.O. Box 77122
Minneapolis, MN
55480-7702**

| | | | | |
|------------------------------|----------------------------------|---------------------------|-------------------|--------------|
| SUPPLIER INFORMATION: | Supplier Name: | CLUB CAR NATIONAL ACCOUNT | Telephone Number: | 706-228-2636 |
| Supplier Address: | PO BOX 204658, AUGUSTA, GA 30917 | | | |

DESCRIPTION OF LEASED EQUIPMENT

Pursuant to the terms of this contract (this "Lease"), the undersigned Lessee (if more than one, jointly and severally), hereby agrees to lease the property described below (the "Equipment") from the Lessor on the terms and conditions hereof.

| Make and Model of Equipment | Serial Number (s) | Minimum Insurance Required | Hours at Delivery | Hours During Lease Term | Rate per Excess Hour |
|-----------------------------|-------------------|----------------------------|-------------------|-------------------------|----------------------|
| | | | | | |

If box is checked, see the attached Exhibit titled "Equipment/Trade-In Addendum" incorporated herein by reference for a full description of the Equipment.

LEASE TERM AND PAYMENT SCHEDULE

This Lease shall become effective upon execution by Lessor and shall be for the Term provided herein. Lessee shall make Payments at the times and in the amounts as follows:

LEASE TERM: This Lease shall commence on: OR the 1st day of the month immediately following Lessee's signature on the Delivery and Acceptance Certificate and Lessor's receipt thereof (the "Commencement"). The Initial Term ("Term") shall be 61 months from the Commencement.

LEASE PAYMENT SCHEDULE - EQUAL PAYMENTS:

IRREGULAR PAYMENTS:

| | | | |
|---|--------------------------------------|---|-----------------------------------|
| Monthly - <input checked="" type="checkbox"/> | Quarterly - <input type="checkbox"/> | Semiannual - <input type="checkbox"/> | Annual - <input type="checkbox"/> |
| Number of Payments | | Amount of Each Payment | |
| First Payment Due On: | | the 1st day of the month following the Commencement | |
| All other Payments due on: | | The 1st day of each month | |

PURCHASE OPTION

If no Default exists under this Lease or under any other agreement between Lessee and Lessor or Lessor's affiliates or related parties, Lessee will have the option (if checked by Lessor below) at the end of the Term or any Renewal Term to purchase all (but not less than all) of the Equipment for:

Fixed price of \$1
Plus any applicable taxes. The Amount Financed is \$524,896.00, Interest / Finance Charge is \$55,038.60 (assuming all Payments are made on their due date) and Total Amount of Payments, including any advance payments, is \$579,933.60.

TERMS AND CONDITIONS

Taxes. Property Taxes are not included in the Lease Payment set forth above. Sales and use tax may be, depending on state law, collected at the time this Lease is entered into or added to each Payment. Property tax will be billed annually and is due on invoice; however, if a purchase option for a Fixed Price of \$1 is selected above, Lessee shall be responsible for filing and payment of all property taxes.

Administration Fee / Third Party Fees. Lessee agrees to pay a fee of \$0.00. Lessee understands that Lessor may make a profit on this fee. Lessee shall also pay a UCC fee of \$0.00 Lessee shall be responsible for all 3rd party fees incurred by Lessor in connection with this Lease, including without limitation, UCC filing fees.

Late Payments and Dishonored Payments. Each Payment past due more than 10 days shall be subject to a late charge accrued at an interest rate equal to 1.75% per month from the due date until paid or \$1, whichever is greater. In the event any check or other form of payment made by Lessee is returned for any reason, Lessee agrees to pay Lessor the lesser of \$30 or the maximum amount permitted by law. Such amount shall, as specified by Lessor, be paid on demand or be added to the Payments payable hereunder and Lessee promises to pay the resulting increase in the Payments. In no event shall amounts due hereunder exceed the amount permitted under applicable law.

Prepayment Fee. If a purchase option for a Fixed Price of \$1 is selected above and in the event of Lessee's prepayment in whole or in part prior to the end of the Term, a prepayment fee may be assessed in an amount of up to \$100. Lessee understands Lessor may make a profit on this fee. Lessor may offset such amount from any amounts owed to Lessee including, without limitation, any applicable prepayment refund.

Net Lease. THIS LEASE IS NON-CANCELABLE. LESSEE'S OBLIGATION TO PAY IN FULL THE PAYMENTS HEREUNDER IS ABSOLUTE, IRREVOCABLE AND UNCONDITIONAL AND IS NOT SUBJECT TO AND ANY ABATEMENT, SET-OFF, DISPUTE, CLAIM, COUNTERCLAIM, DEDUCTION, DEFENSE OR OTHER RIGHT WHICH LESSEE MAY HAVE AGAINST ANY SUPPLIER, DEALER OR MANUFACTURER OF ANY EQUIPMENT OR ANY OTHER PARTY FOR ANY REASON WHATSOEVER, ALL OF WHICH LESSEE HEREBY EXPRESSLY WAIVES AS AGAINST LESSOR. LESSEE AGREES NOT TO ASSERT AGAINST LESSOR ANY CLAIMS OR DEFENSES LESSEE MAY HAVE WITH RESPECT TO ANY EQUIPMENT.

Delivery and Acceptance; DISCLAIMER OF WARRANTIES. Lessee will acknowledge receipt of the Equipment in good order and condition and, to the extent permitted by applicable law, waive any and all rights Lessee may have to rescind this Lease, reject the Equipment or revoke acceptance of the Equipment. Lessee agrees to accept each item of Equipment in its as-is condition when delivered and to execute the Delivery and Acceptance Certificate supplied by Lessor as evidence thereof. **You acknowledge that Lessor makes NO WARRANTY, EITHER EXPRESS OR IMPLIED WITH RESPECT TO ANY EQUIPMENT, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.** Lessee also agrees that neither the manufacturer nor the supplier identified in this Lease ("Supplier") is an agent of Lessor's and any representations or warranties or modification of any term or condition of this Lease purportedly made by Supplier are not binding on Lessor. If any Equipment is covered by a manufacturer's warranty, such warranty shall be extended to Lessee if automatically assignable. Lessee agrees that there shall be no abatement of any Payment obligation because of unavailability of the Equipment during periods of its warranted or non-warranted repair. **IN NO CASE SHALL LESSOR BE LIABLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES BASED UPON ANY LEGAL THEORY, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, LOSS OF USE OF THE EQUIPMENT, THE CLAIMS OF THIRD PARTIES AND INJURY TO THE EQUIPMENT.**

Insurance. Lessee shall purchase and maintain, at Lessee's expense, standard all-risk type property damage insurance for the full replacement value of the Equipment, and in no event less than the Minimum Equipment Insurance Amount Required, with a maximum deductible equal to the greater of \$500.00 or five percent (5.0%) of the adjusted loss in a form and from an insurer satisfactory to Lessor and shall keep such insurance in effect until all Payments have been made. **There is no insurance coverage for personal liability or property damage caused to others.**

Default. Lessee is in default of this Lease if any of the following occurs (each a "Default"): a) failure to pay any Lease payment or other sum when due; b) Lessee's breach of any warranty or other obligation under this Lease, or any other agreement with Lessor; c) Lessee or any partner or guarantor dies; Lessee becomes insolvent or unable to pay its debts when due; Lessee stops doing business as a going concern; Lessee transfers all or substantially all of its assets; Lessee makes an assignment for the benefit of creditors; or d) Lessee or any guarantor or partner voluntarily file or have filed against it or if involuntarily, a petition for liquidation, reorganization, adjustment of debt or similar relief under the Federal Bankruptcy Code or any other present or future federal or state bankruptcy or insolvency law, or a trustee, receiver or liquidator is appointed for Lessee or a substantial part of its assets.

Additional Terms and Conditions. Lessee acknowledges and agrees that in addition to the terms and conditions contained on this page, the terms and conditions as set forth at www.seernyterms.com: 433L28K ("Additional Terms and Conditions"): (i) were read and understood by Lessee prior to signing below; (ii) are incorporated herein by reference as if fully set forth herein; and (iii) any capitalized terms not defined herein shall have the meaning given them in the Additional Terms and Conditions. The Additional Terms and Conditions address the following items, among others: insurance, taxes, default conditions, default remedies, maintenance, risk of loss, purchase options and automatic renewal, governing law and assignment of the lease.

BY SIGNING BELOW, LESSEE AGREES TO THE TERMS AND CONDITIONS SET FORTH ON THIS PAGE AND IN THE ADDITIONAL TERMS AND CONDITIONS. This Lease may be executed and accepted in any number of counterparts, including facsimile or electronic mail counterparts.

| | | | | | | | |
|---------------|----------------------|-------|------|---------------|---|-------|------|
| LESSEE | INCLINE VILLAGE G.C. | | | LESSOR | Accepted by DLL FINANCE LLC in Johnston, Iowa | | |
| | Signature | | | | Signature | | |
| | Print Name | Title | Date | | Print Name | Title | Date |

DLL FINANCE LLC

DELIVERY AND ACCEPTANCE CERTIFICATE

TO: DLL FINANCE LLC

RE: CONTRACT NO. _____ WITH CASE ID FA-210704 ("THE "CONTRACT")

The undersigned ("Customer") hereby certifies that Customer has financed all items described below ("Equipment") pursuant to the Contract and further certifies that:

- (i) the Equipment has been delivered to and has been received by Customer;
- (ii) all installation or other work necessary prior to the use thereof has been completed;
- (iii) all Equipment has been examined by Customer, is in good operating order and condition, and is in all respects satisfactory to Customer;
- (iv) the Equipment is accepted by Customer for all purposes under the Contract; and
- (v) a facsimile or electronic signature of this Delivery and Acceptance Certificate may be treated as an original.

| New or Used | Make, Model Number(s), and Description | Serial Number(s) |
|-------------|--|------------------|
| NEW | CLUB CAR, TEMPLION, ELEC GOLF CAR (QTY 80) | |
| NEW | | |
| NEW | | |

| | | | |
|-----------------|----------------------|-------|------|
| CUSTOMER | INCLINE VILLAGE G.C. | | |
| | Signature | | |
| | Print Name | Title | Date |

Please return signed copy via email at golf@dllgroup.com or fax to: (515) 334-7897

**DLL FINANCE LLC
CUSTOMER AGREEMENT TO PROVIDE PHYSICAL DAMAGE INSURANCE**

Date: 10/21/2021

Customer's Name INCLINE VILLAGE G.C.
Address INCLINE VILLAGE, NEVADA RE: City SAN MARCOS State CA ZIP 92069-1163
Agreement dated 04/01/2022 with DLL FINANCE LLC, P.O. BOX 3000, JOHNSTON, IA 50131-0300
as Assignee, Lender, or Lessor (the "Lender").

I have entered into the above agreement under which I am responsible for providing insurance against ALL RISKS of direct physical loss or damage for the actual cash value of the equipment listed in the Agreement set forth above, subject to common exclusions such as damage caused by corrosion, rust, mechanical or electrical breakdown, etc. The minimum amount of coverage required by Lender is \$524,896.00.

| Make | Model | <u>EQUIPMENT</u> Description | Serial Number |
|------------------------|-------|---------------------------------|---------------|
| SEE EQUIPMENT ADDENDUM | | | |

I affirm that I will be providing my own physical damage insurance coverage through the BELOW LISTED INSURANCE AGENT.
TO DEBTOR'S INSURANCE AGENT

I hereby instruct you to add DLL FINANCE LLC as a payee through a Lender's Loss Payable Clause or similar clause which provides that any acts of the Customer will not void the policy as to the Loss Payee.

To my existing policy number _____ with _____
which now provides the coverage required.

Lender must be given written notice within 30 days of any cancellation or non-renewal. It is also understood and agreed that a breach of the insuring conditions by the customer, or any other person, shall not invalidate the insurance to Lender.

PLEASE FORWARD A COPY OF THE POLICY, ENDORSEMENT, OR CERTIFICATE EVIDENCING COVERAGE TO DLL FINANCE LLC, P.O. BOX 3000, JOHNSTON, IA 50131-0300. FAX (515) 334-5831, CALL (800) 863-3660 OR EMAIL DSMinsurance@DLLgroup.com.

PLEASE ATTACH A COPY OF THIS NOTICE TO THE PROOF OF INSURANCE.

ACKNOWLEDGEMENT OF CUSTOMER: I acknowledge that copies of this document sent to Lender are for informational purposes only. I am responsible for notifying my agent of my obligation to obtain physical damage insurance.

I understand I am responsible for insurance coverage for personal liability or property damage caused to others.

PLEASE BE SURE TO COMPLETE THE INFORMATION BELOW

Insurance Agency/Agent's Name _____ Agent's E-Mail Address _____

Mailing Address / PO Box _____ Agent's Phone Number _____ Agent's Fax Number _____

City _____ State _____ Zip Code _____

This Proposal is Designed
Especially for:

Incline Village GC



Incline Village, Nevada

October 15, 2021

By
Allen Lee
Territory Manager
Club Car, LLC
530-624-1106 cell
951-735-4675 work



This proposal shall expire thirty days from its date, unless Club Car, LLC agrees to extend the time frame. In consideration of receipt of this proposal, Incline Village GC agrees that it will hold its contents in confidence and will not disclose, use or copy the same in whole or in part for any purpose other than to evaluate this proposal.

Tempo "Lead Trade Valuation

To: Incline Village GC - Championship
955 Fairway Drive - Incline Village, NV 89451

Date: October 15, 2021

| Model Year | Quantity | Unit Price | Extension |
|----------------------------|----------|------------|--------------|
| 2017 Club Car Ele w/Visage | 80 cars | \$2,050.00 | \$164,000.00 |

1. All trade-ins must be in fleet running condition, with operating chargers if electric, and canopy tops. Any cars not running or damaged will be reduced in value accordingly.
2. Club Car, LLC will remove the canopy tops from trade-ins to make them ready for transport at no cost to the club.
3. All trade-ins must be free and clear of any liens and encumbrances.

Accepted By:
Incline Village GC

By: _____

Title: _____

Date: _____

Club Car, LLC

By: Allen Lee

Title: Territory Manager

Date: 10-15-21

This proposal shall expire thirty days from its date, unless Club Car, LLC agrees to extend the time frame. In consideration of receipt of this proposal, Incline Village GC agrees that it will hold its contents in confidence and will not disclose, use or copy the same in whole or in part for any purpose other than to evaluate this proposal.

Warranties and Special Considerations

Warranty

Club Car, Inc.'s sole warranty will be its standard warranty for golf cars, Club Car Limited Lifetime Warranty for 2022 Fleet Golf Cars in the United States and Canada, as attached hereto. Club Car warrants that the goods are fit for the purpose only to the extent stated in the attached warranty and owner's manuals accompanying the vehicle.

Special Considerations

Club Car, LLC includes the following with the lease/purchase of (80) new 2022 Club Car Tempo golf cars:



Club Car will provide **Incline Village GC** with the following parts package

- Five (5) Tow Bars
- Ten (10) Spare Wheel/Tire Assembly
- Five (5) CaddyMaster Cooler's
- Two (2) Diagnostic Tools
- Ten (10) Logo's
- One (1) Service & Parts Manuals

Accepted By:
Incline Village GC

By: _____

Title: _____

Date: _____

Club Car, LLC

By: Allen Lee

Title: Territory Manager

Date: 10-15-21

REPLACEMENT PARTS AND SERVICE

Factory authorized replacement parts; service and warranty work is handled through the local, Club Car authorized dealer &/or factory trained technician. It is Club Car's objective that **Incline Village GC's** fleet will receive professional, timely and systematic service

This proposal shall expire thirty days from its date, unless Club Car, LLC agrees to extend the time frame. In consideration of receipt of this proposal, Incline Village GC agrees that it will hold its contents in confidence and will not disclose, use or copy the same in whole or in part for any purpose other than to evaluate this proposal.

CLUB CAR

| Purchase Price Proposal | | Qty | Unit \$ | Total \$ | Min. Addtl. Order Quantity | w/ Visage Pricing 10.1 Screen | | |
|--|--|---|---------------|-----------------|-------------------------------|----------------------------------|---------------|-----------------|
| Purchase Price - Lithium Batteries with Trade Credit (@ \$2,050) | | 80 | \$ 8,717.00 | \$ 697,360.00 | | Included | \$ 8,717.00 | \$ 697,360.00 |
| | | 80 | \$ (2,050.00) | \$ (164,000.00) | | | \$ (2,050.00) | \$ (164,000.00) |
| | | | \$ 6,667.00 | \$ 533,360.00 | | | \$ 6,667.00 | \$ 533,360.00 |
| Lease Option Proposals | | w/ Visage Rental Pricing 10.1 Screen | | | | | | |
| 48-month Fair Market Vaue Lease - Lithium with Trade Credit (@ \$2,050) | | 80 | \$ 49.77 | \$ 3,981.60 | | \$ 42.00 | \$ 91.77 | \$ 7,341.60 |
| | | 80 | \$ 49.77 | \$ 3,981.60 | per month | Monthly | \$ 91.77 | \$ 7,341.60 |
| | | | | \$ 47,779.20 | per year | Annual | \$ 88,099.20 | |
| | | | | \$ 191,116.80 | 48 months | 48-month term | \$ 352,396.80 | |
| 54-month Fair Market Value Lease - Lithium with Trade Credit (@ \$2,050) | | 80 | \$ 45.84 | \$ 3,667.20 | | \$ 42.00 | \$ 87.84 | \$ 7,027.20 |
| | | 80 | \$ 45.84 | \$ 3,667.20 | per month | Monthly | \$ 87.84 | \$ 7,027.20 |
| | | | | \$ 44,006.40 | per year | Annual | \$ 84,326.40 | |
| | | | | \$ 176,025.60 | 54 months | 54-month term | \$ 379,468.80 | |
| 60-month Fair Market Vaue Lease - Acid with Trade Credit (@ \$2,050) | | 80 | \$ 38.49 | \$ 3,079.20 | | \$ 42.00 | \$ 80.49 | \$ 6,439.20 |
| | | 80 | \$ 38.49 | \$ 3,079.20 | per month | Monthly | \$ 80.49 | \$ 6,439.20 |
| | | | | \$ 36,950.40 | per year | Annual | \$ 77,270.40 | |
| | | | | \$ 184,752.00 | 60 months | 60-month term | \$ 386,352.00 | |
| 60-month Fair Market Vaue Lease - Lithium with Trade Credit (@ \$2,050) | | 80 | \$ 45.59 | \$ 3,647.20 | | \$ 42.00 | \$ 87.59 | \$ 7,007.20 |
| | | 80 | \$ 45.59 | \$ 3,647.20 | per month | Monthly | \$ 87.59 | \$ 7,007.20 |
| | | | | \$ 43,766.40 | per year | Annual | \$ 84,086.40 | |
| | | | | \$ 218,832.00 | 48 months | 60-month term | \$ 420,432.00 | |
| Lease/Purchase Option Proposals | | w/ Visage Rental Pricing 10.1 Screen | | | | | | |
| 48-month Installment Purchase Lease - Lithium with Trade Credit (@ \$2,050) | | 80 | \$ 109.59 | \$ 8,767.20 | | \$ 42.00 | \$ 151.59 | \$ 12,127.20 |
| | | 80 | \$ 109.59 | \$ 8,767.20 | per month | Monthly | \$ 151.59 | \$ 12,127.20 |
| | | | | \$ 105,206.40 | per year | Annual | \$ 145,526.40 | |
| | | | | \$ 420,825.60 | 48 months | 48-month term | \$ 582,185.60 | |
| w/ Balloon Payment | | 80 | \$ 45.76 | \$ 3,660.80 | | \$ 42.00 | \$ 87.76 | \$ 7,020.80 |
| | | 80 | \$ 45.76 | \$ 3,660.80 | per month | Monthly | \$ 87.76 | \$ 7,020.80 |
| | | | | \$ 43,929.60 | per year | Annual | \$ 84,249.60 | |
| | | | | \$ 175,718.40 | 48 months | 48-month term | \$ 336,998.40 | |
| | | Balloon payment | \$ 3,250.00 | \$ 260,000.00 | | \$ 3,250.00 | \$ 260,000.00 | |
| | | | | \$ 435,718.40 | | | \$ 596,998.40 | |
| 54-month Installment Purchase Lease - Lithium with Trade Credit (@ \$2,050) | | 80 | \$ 45.87 | \$ 3,669.60 | | \$ 42.00 | \$ 87.87 | \$ 7,029.60 |
| | | 80 | \$ 45.87 | \$ 3,669.60 | per month | Monthly | \$ 87.87 | \$ 7,029.60 |
| | | | | \$ 49,539.60 | per year | Annual | \$ 84,355.20 | |
| | | | | \$ 198,158.40 | 54 months | 54-month term | \$ 379,598.40 | |
| w/ Balloon Payment | | Balloon payment | \$ 3,000.00 | \$ 240,000.00 | | \$ 3,000.00 | \$ 240,000.00 | |
| | | | | \$ 438,158.40 | | | \$ 619,598.40 | |
| 60-month Installment Purchase Lease - Lithium with Trade Credit (@ \$2,050) | | 80 | \$ 42.24 | \$ 3,379.20 | | \$ 42.00 | \$ 84.24 | \$ 6,739.20 |
| | | 80 | \$ 42.24 | \$ 3,379.20 | per month | Monthly | \$ 84.24 | \$ 6,739.20 |
| | | | | \$ 50,688.00 | per year | Annual | \$ 80,870.40 | |
| | | | | \$ 202,752.00 | 60 months | 60-month term | \$ 404,352.00 | |
| w/ Balloon Payment | | Balloon payment | \$ 3,000.00 | \$ 240,000.00 | | \$ 3,000.00 | \$ 240,000.00 | |
| | | | | \$ 442,752.00 | | | \$ 644,352.00 | |

Championship Golf Course Cart Replacement Proposals

| | | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Total Cost |
|---|--------------------|-----------|----------------------|-----------|-----------|------------|-----------|-----------------|---------------------|
| | | FY2021/22 | FY2022/23 | FY2023/24 | FY2024/25 | FY 2025/26 | FY2026/27 | FY2027/28 | Net Future Trade-In |
| Purchase Options - Lithium Batteries | | | | | | | | | |
| Club Car | | | | | | | | | |
| Quantity | 80 | | | | | | | | |
| Unit Price | \$ 8,717.00 | quote | \$ 697,360.00 | | | | | | |
| Trade-in value | \$ (2,050.00) | quote | \$ (164,000.00) | | | | | | |
| Net Purchase Price | \$ 6,667.00 | | \$ 533,360.00 | | | | | | |
| Future Trade In Value | \$ (2,615.10) | est. | | | | | | \$ (209,208.00) | \$ (209,208.00) |
| Net Cash Flow | | | \$ 533,360.00 | \$ - | \$ - | \$ - | \$ - | \$ (209,208.00) | \$ 324,152.00 |

48-Month Lease Term - Lithium Batteries

| | | | | | | | | | |
|--------------------------|----------|-------|--------------|--------------|--------------|--------------|--------------|------|---------------|
| Club Car | | | | | | | | | |
| Quantity | 80 | | | | | | | | |
| Unit Price | \$ 49.77 | quote | \$ 47,779.20 | \$ 47,779.20 | \$ 47,779.20 | \$ 47,779.20 | | | |
| Trade-in value | incl. | quote | | | | | | | |
| Net Payment | \$ 49.77 | | \$ - | \$ 47,779.20 | \$ 47,779.20 | \$ 47,779.20 | \$ 47,779.20 | | \$ 191,116.80 |
| Visage Technology Rental | \$ 42.00 | quote | \$ - | \$ 40,320.00 | \$ 40,320.00 | \$ 40,320.00 | \$ 40,320.00 | | \$ 161,280.00 |
| | | | \$ - | \$ 88,099.20 | \$ 88,099.20 | \$ 88,099.20 | \$ 88,099.20 | \$ - | \$ 352,396.80 |
| Future Trade In Value | N/A | | | | | | | | \$ - |
| Net Cash Flow | | | \$ - | \$ 88,099.20 | \$ 88,099.20 | \$ 88,099.20 | \$ 88,099.20 | \$ - | \$ 352,396.80 |

54-Month Lease Term - Lithium Batteries

| | | | | | | | | | |
|--------------------------|----------|--|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Club Car | | | | | | | | | |
| Quantity | 80 | | | | | | | | |
| Unit Price | \$ 45.84 | | \$ 44,006.40 | \$ 44,006.40 | \$ 44,006.40 | \$ 44,006.40 | \$ 22,003.20 | | |
| Trade-in value | incl. | | | | | | | | |
| Net Payment | \$ 45.84 | | \$ - | \$ 44,006.40 | \$ 44,006.40 | \$ 44,006.40 | \$ 44,006.40 | \$ 22,003.20 | \$ 198,028.80 |
| Visage Technology Rental | \$ 42.00 | | \$ - | \$ 40,320.00 | \$ 40,320.00 | \$ 40,320.00 | \$ 40,320.00 | \$ 20,160.00 | \$ 181,440.00 |
| | | | \$ - | \$ 84,326.40 | \$ 84,326.40 | \$ 84,326.40 | \$ 84,326.40 | \$ 42,163.20 | \$ 379,468.80 |
| Future Trade In Value | N/A | | | | | | | | \$ - |
| Net Cash Flow | | | \$ - | \$ 84,326.40 | \$ 84,326.40 | \$ 84,326.40 | \$ 84,326.40 | \$ 22,003.20 | \$ 379,468.80 |

60-Month Lease Term - Lithium Batteries

| | | | | | | | | | |
|--------------------------|----------|-------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Club Car | | | | | | | | | |
| Quantity | 80 | | | | | | | | |
| Unit Price | \$ 45.59 | quote | \$ 43,766.40 | \$ 43,766.40 | \$ 43,766.40 | \$ 43,766.40 | \$ 43,766.40 | | |
| Trade-in value | incl. | quote | | | | | | | |
| Net Payment | \$ 45.59 | | \$ - | \$ 43,766.40 | \$ 43,766.40 | \$ 43,766.40 | \$ 43,766.40 | \$ 43,766.40 | \$ 218,832.00 |
| Visage Technology Rental | \$ 42.00 | quote | \$ - | \$ 40,320.00 | \$ 40,320.00 | \$ 40,320.00 | \$ 40,320.00 | \$ 40,320.00 | \$ 201,600.00 |
| | | | \$ - | \$ 84,086.40 | \$ 84,086.40 | \$ 84,086.40 | \$ 84,086.40 | \$ 84,086.40 | \$ 420,432.00 |
| Future Trade In Value | N/A | | | | | | | | \$ - |
| Net Cash Flow | | | \$ - | \$ 84,086.40 | \$ 84,086.40 | \$ 84,086.40 | \$ 84,086.40 | \$ 84,086.40 | \$ 420,432.00 |

Championship Golf Course Cart Replacement Proposals

| | | FY2021/22 | Year 1 FY2022/23 | Year 2 FY2023/24 | Year 3 FY2024/25 | Year 4 FY 2025/26 | Year 5 FY2026/27 | Year 6 FY2027/28 | Total Cost Net Future Trade-In |
|---|---------------------------|---------------|---------------------|---------------------|---------------------|----------------------|---------------------|---------------------|-----------------------------------|
| 48-Month Installment Purchase Lease Term Lithium Batteries | | | | | | | | | |
| Club Car | | | | | | | | | |
| Quantity | 80 | | | | | | | | |
| Unit Price | \$ 109.59 <i>quote</i> | \$ 105,206.40 | \$ 105,206.40 | \$ 105,206.40 | \$ 105,206.40 | \$ 105,206.40 | | | |
| Final Payment (\$1) | <i>quote</i> | | | | | \$ 80.00 | | | |
| Trade-in value | <i>incl. quote</i> | | | | | | | | |
| Net Payment | \$ 109.59 | \$ - | \$ 105,206.40 | \$ 105,206.40 | \$ 105,206.40 | \$ 105,286.40 | | | \$ 420,905.60 |
| PACE 10EX Teck Pkg. | \$ 42.00 <i>quote</i> | \$ - | \$ 40,320.00 | \$ 40,320.00 | \$ 40,320.00 | \$ 40,320.00 | | | \$ 161,280.00 |
| | | \$ - | \$ 145,526.40 | \$ 145,526.40 | \$ 145,526.40 | \$ 145,606.40 | \$ - | \$ - | \$ 582,185.60 |
| Future Trade In Value | \$ (2,615.10) <i>est.</i> | | | | | | \$ (209,208.00) | | \$ (209,208.00) |
| Net Cash Flow | | \$ - | \$ 145,526.40 | \$ 145,526.40 | \$ 145,526.40 | \$ 145,606.40 | \$ (209,208.00) | \$ - | \$ 372,977.60 |
| Club Car w/ Balloon Payment | | | | | | | | | |
| Quantity | 80 | | | | | | | | |
| Unit Price | \$ 45.76 <i>quote</i> | \$ 43,929.60 | \$ 43,929.60 | \$ 43,929.60 | \$ 43,929.60 | \$ 43,929.60 | | | |
| Final Payment (\$3,250) | <i>quote</i> | | | | | \$ 260,000.00 | | | |
| Trade-in value | <i>incl. quote</i> | | | | | | | | |
| Net Payment | \$ 45.76 | \$ - | \$ 43,929.60 | \$ 43,929.60 | \$ 43,929.60 | \$ 303,929.60 | | | \$ 435,718.40 |
| Visage Technology Rental | \$ 42.00 <i>quote</i> | \$ - | \$ 40,320.00 | \$ 40,320.00 | \$ 40,320.00 | \$ 40,320.00 | | | \$ 161,280.00 |
| | | \$ - | \$ 84,249.60 | \$ 84,249.60 | \$ 84,249.60 | \$ 344,249.60 | \$ - | \$ - | \$ 596,998.40 |
| Future Trade In Value | \$ (2,615.10) <i>est.</i> | | | | | | \$ (209,208.00) | | \$ (209,208.00) |
| Net Cash Flow | | \$ - | \$ 84,249.60 | \$ 84,249.60 | \$ 84,249.60 | \$ 344,249.60 | \$ (209,208.00) | \$ - | \$ 387,790.40 |
| 54-Month Installment Purchase Lease Term | | | | | | | | | |
| Club Car w/ Balloon Payment | | | | | | | | | |
| Quantity | 80 | | | | | | | | |
| Unit Price | \$ 45.87 <i>quote</i> | \$ 44,035.20 | \$ 44,035.20 | \$ 44,035.20 | \$ 44,035.20 | \$ 44,035.20 | \$ 22,017.60 | | |
| Final Payment (\$3,250) | <i>quote</i> | | | | | | \$ 240,000.00 | | |
| Trade-in value | <i>incl. quote</i> | | | | | | | | |
| Net Payment | \$ 45.87 | \$ - | \$ 44,035.20 | \$ 44,035.20 | \$ 44,035.20 | \$ 44,035.20 | \$ 262,017.60 | | \$ 438,158.40 |
| Visage Technology Rental | \$ 42.00 <i>quote</i> | \$ - | \$ 40,320.00 | \$ 40,320.00 | \$ 40,320.00 | \$ 40,320.00 | \$ 20,160.00 | | \$ 181,440.00 |
| | | \$ - | \$ 84,355.20 | \$ 84,355.20 | \$ 84,355.20 | \$ 84,355.20 | \$ 282,177.60 | \$ - | \$ 619,598.40 |
| Future Trade In Value | \$ (2,615.10) <i>est.</i> | | | | | | | \$ (209,208.00) | \$ (209,208.00) |
| Net Cash Flow | | \$ - | \$ 84,355.20 | \$ 84,355.20 | \$ 84,355.20 | \$ 84,355.20 | \$ 52,809.60 | \$ (209,208.00) | \$ 410,390.40 |
| 60-Month Installment Purchase Lease Term | | | | | | | | | |
| Club Car w/ Balloon Payment | | | | | | | | | |
| Quantity | 80 | | | | | | | | |
| Unit Price | \$ 42.24 <i>quote</i> | \$ 40,550.40 | \$ 40,550.40 | \$ 40,550.40 | \$ 40,550.40 | \$ 40,550.40 | \$ 40,550.40 | | |
| Final Payment (\$3,250) | <i>quote</i> | | | | | | \$ 240,000.00 | | |
| Trade-in value | <i>incl. quote</i> | | | | | | | | |
| Net Payment | \$ 42.24 | \$ - | \$ 40,550.40 | \$ 40,550.40 | \$ 40,550.40 | \$ 40,550.40 | \$ 280,550.40 | \$ - | \$ 442,752.00 |
| Visage Technology Rental | \$ 42.00 <i>quote</i> | \$ - | \$ 40,320.00 | \$ 40,320.00 | \$ 40,320.00 | \$ 40,320.00 | \$ 40,320.00 | | \$ 201,600.00 |
| | | \$ - | \$ 80,870.40 | \$ 80,870.40 | \$ 80,870.40 | \$ 80,870.40 | \$ 320,870.40 | \$ - | \$ 644,352.00 |
| Future Trade In Value | \$ (2,615.10) <i>est.</i> | | | | | | | \$ (209,208.00) | \$ (209,208.00) |
| Net Cash Flow | | \$ - | \$ 80,870.40 | \$ 80,870.40 | \$ 80,870.40 | \$ 80,870.40 | \$ 71,342.40 | \$ (209,208.00) | \$ 435,144.00 |