



City of Las Vegas

Office of the City Attorney
Civil Division

John Redlein
Chief Deputy City Attorney

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Las Vegas, Nevada 89101

(702) 229-6201
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April 17, 1997

Theodore Kahan, General Counsel
Golf Enterprises Inc.
2951 28th Street
Santa Monica CA 90405

Dear Mr. Kahan,

Thank you for responding to my letter of February 21, regarding the relationship between Golf Enterprises Inc. (GEI) and the City of Las Vegas at our municipal golf course. I appreciate your careful explanation of the recent changes at GEI. I do not, however, agree with your conclusion regarding the significance of those changes.

GEI has never leased a golf course from the City of Las Vegas. In a lease arrangement, assignability is often fairly free and most issues are easily resolved. Instead, GEI was engaged, by an approved succession, as the manager of our municipal golf course. Our golf course manager has never been free to assign contractual responsibilities. The contract specifically requires that the principal stockholders of our managing company remain in control of the corporation throughout the term of the agreement. We now learn that our manager, GEI, sold 100% of its stock to another company nine months ago. Additionally, regional management responsibility for our golf course --- which I assume is superior to all local management --- has been transferred by GEI to yet another company. Considering the identity of that regional management company, it appears that ultimate management authority has now been transferred to a person whom we never chose to manage our golf course.

It is not for me to make a judgment regarding the suitability of a successor in this contractual arrangement, but I must report to the City Council that a significant term of the management agreement appears to have been overlooked in the merger process you have described and will recommend review by the City Council.

Sincerely,

John Redlein



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B McDonald is planning to have this on the May 12th agenda JR

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