

**AMENDMENT No. 1 to the
GOLF COURSE LEASE DATED NOVEMBER 2, 2017 BETWEEN
CITY OF VISALIA and VALLEY OAKS GOLF, LLC**

WHEREAS, City of Visalia, a charter city organized under the laws of the State of California (hereinafter “City” or “Landlord”) and Valley Oaks Golf, LLC a California limited liability company, (hereinafter “Tenant”) entered into a Ground Lease Agreement (hereinafter "LEASE") dated November 2, 2017, (“2017 Lease Agreement” or “Lease Agreement”) and

WHEREAS, LESSOR and LESSEE agree that the Lease remains in effect except that they wish to modify certain provisions as detailed in this Amendment of the 2017 Lease Agreement, and

NOW, THEREFORE, for the consideration described herein and performance of the covenants to be performed by the City and Tenant pursuant to this Amendment No. 1, agree to the following modifications to the 2017 Ground Lease Agreement:

1. Lease Agreement Otherwise Unmodified. Except as otherwise provided in this Agreement, the terms of the 2017 Lease Agreement, shall continue in full force and effect between the parties.
2. Term of Lease Extended an Additional Five Years. The 2017 Lease Agreement commenced on February 1, 2018 and was set to expire on December 31, 2037. By this Amendment, the Parties are hereby agreeing to extend the term of the Lease Agreement and additional five years. The revised expiration date shall be amended to December 31, 2042.
3. Base Rent for Years 21 through 25. The 2017 Lease Agreement sets an annual Base Rent payment that is due every of under the Lease, and this Base Rent increases over term of the Lease Agreement. Under this Amendment with the term of being extended from twenty to twenty-five years, the Parties agree that the Base Rent shall be set at the rate of \$130,000 per year during Years 21 through 25 of the Lease Agreement.
4. Modification of Land and Premises Being Leased. The 2017 Lease Agreement defined the Premises to include the specified Land, meaning real property designated by a map of the area, and Improvements, meaning the buildings, structures, fixtures, and other improvements constructed or installed on the Land. The real property included the Valley Oaks Golf Course, a 27-hole golf course, driving range, clubhouse, pro shop, parking areas and related facilities, but did not include any areas outside the fenced boundaries of the Valley Oaks Golf Course. This amendment is modifying the Land subject to the Lease Agreement to include an additional open area adjacent to the current parking area that is outside the fenced boundaries. This space is owned by the City and currently used as storage space or occasional overflow parking. This area, shown on the attached Exhibit to this Amendment, will now be included within the Land being leased to Tenant.

Tenant acknowledges that if this additional area will be utilized as a permanent parking space and not storage or occasional overflow parking, then Tenant will be required to submit improvement plans to the City of Visalia Community Development Department for a change

in use of this area and complete any and all required improvement to the land in same manner as any other space that is used as a permanent parking space.

Parties agree that this modification of the Land and Premises shall not alter the terms of payment under the Lease Agreement and that from the date this Amendment is signed this space will be considered part of the Premises and subject to the Lease Agreement.

5. Modification to Responsibility for Maintenance. Parties hereby agree to modify Article 9.2 of the Lease Agreement to revise the City's Responsibility for Maintenance and Repair. The Lease Agreement currently calls for Tenant to be responsible for minor repairs, or repairs costing \$1,000 or less, and the City responsible for major repairs, defined as repairs costing more than \$1,000. Parties hereby agree to modify the cost amounts so that major repairs will be defined as repairs costing more than \$2,500 and that each year this amount shall be increased annually by the Consumer Price Index, All Consumers, with cost increases rounded to the nearest 10 dollars through the remainder of the Lease Agreement. Minor repairs shall be those repairs that are less than the major repairs.

IN WITNESS WHEREOF, the Parties have entered this Amendment to the 2017 Ground Lease Agreement upon the date that this document is fully executed by both Parties.

CITY OF VISALIA

By: _____
City Manager Date

TENANT

By: _____
Date

Approved as to Form

By: _____
City Attorney Date