

**GOLF COURSE LEASE**

**Valley Oaks Golf Course**

Landlord: **City of Visalia**

Tenant: **Valley Oaks Golf, LLC an affiliate of CourseCo, Inc.**

Premises: **1800 S. PLAZA STREET, VISALIA, CALIFORNIA**

## **GOLF COURSE LEASE**

Landlord: **City of Visalia**

Tenant: **Valley Oaks Golf, LLC an affiliate of CourseCo, Inc.**

### **1800 S. PLAZA STREET, LOCATED IN THE CITY OF VISALIA, CALIFORNIA**

THIS GOLF COURSE LEASE ("Lease") dated for reference purposes as of November 2, 2017 ("Effective Date"), is by and between the City of Visalia, a Charter City of the State of California ("City" or "Landlord"), and Valley Oaks Golf, LLC, a California limited liability company ("Tenant").

### **RECITALS**

A. City owns certain real property commonly known as the Valley Oaks Golf Course ("Golf Course") located in the City of Visalia, County of Tulare, State of California, as more particularly described in **Exhibit A** attached hereto, which includes an operating 27-hole golf course, driving range, irrigation system, club house, restaurant, parking areas and related facilities.

B. The Golf Course is currently being operated and managed by CourseCo, Inc., an Affiliate of Tenant, pursuant to a written "Management Agreement by and between the City of Visalia and Visalia Golf. LLC" dated January 17, 2000, as amended ("Management Agreement").

C. City has determined that Tenant has the necessary experience and qualifications to manage, operate and maintain the Golf Course to the mutual advantage of Tenant and the City, and to enhance and maximize the public use thereof by providing a safe and attractive place to enjoy the game of Golf.

D. City desires, with the cooperation and mutual consent of CourseCo, to terminate the Management Agreement and concurrently to enter into this Lease with Tenant.

E. Tenant desires to lease from City and City desires to lease to Tenant, the Premises described herein upon and subject to the terms and conditions set forth below in this Lease.

Therefore, for valuable consideration, the Parties hereby covenant and agree as follows:

## ARTICLE 1

### BASIC LEASE INFORMATION

The following is a summary of basic lease information applicable to the Lease. Each item below shall be deemed to incorporate all of the terms set forth in this Lease pertaining to such item. In the event of any conflict between the information in this Article and any more specific provision of this Lease, the more specific provision shall control.

<b>Landlord:</b>	<b>City of Visalia</b>
<b>Tenant:</b>	<b>Valley Oaks Golf, LLC, a California limited liability company</b>
<b>Premises:</b>	Land located in Visalia, owned by City, as more particularly described in <b>Exhibit A</b> attached hereto, together with the existing <b>Golf Course</b> and related <b>Improvements</b> thereon.
<b>Effective Date:</b>	November 2, 2017
<b>Commencement Date:</b>	February 1, 2018
<b>Term:</b>	The initial Term of this Lease shall be for twenty (20) years from the Commencement Date.
<b>Expiration Date (initial Term):</b>	December 31, 2037
<b>Extension Options:</b>	<b>None</b>
<b>Initial Base Rent:</b>	\$90,000.00 per year for years 1 through 13 \$110,000.00 per year for years 14 through 20
<b>Percentage Rent:</b>	Percentage Rent shall be paid in addition to Base Rent calculated on Gross Revenue as described in <b>Article 5.2</b> .
<b>Permitted Use:</b>	Operation of public golf course, driving range and related facilities, including food and beverage service and other uses, such as special events, as agreed upon by City, and subject to all applicable laws and ordinances.
<b>Tenant's Contribution to Capital Improvement Fund:</b>	<b>Minimum of 3% of Gross Revenues every year</b> (See Article 8.3) In addition to the minimum amount of 3% of Gross Revenues per year, Tenant agrees to contribute at least \$300,000 of Tenant's funds to the Capital Improvement Fund within the first three years and shall expend at least \$150,000 from the Capital Improvements Fund on eligible capital projects within the first three years.

**City's Contribution to  
Capital Improvement Fund:**

**None** (See Article 8.3)

**Notice Address of City:**

City Manager

City of Visalia

220 N. Santa Fe Street, Visalia, CA 93291

**Telephone:**

(559) 713-4332

**Facsimile:**

(559) 713-4800

**Notice Address of Tenant:**

**Valley Oaks Golf, LLC**

Post Office Box 1019

Petaluma, California 94953-1019

Fax: (707) 763-8355

**Primary Tenant Contact:**

Tom Isaak

**Telephone:**

(707) 763-0335

**Alternate Tenant Contact:**

John Telischak

**Telephone:**

(415) 945-9982

**List of Exhibits and Schedules:**

**Exhibit A Description of Premises**

**Exhibit B Maintenance Standards**

**Exhibit C Schedule of Personal Property**

## **ARTICLE 2 DEFINITIONS**

For purposes of this Lease, the following capitalized terms shall have the meanings ascribed to them in this Article:

“Additional Charges” means all real and personal property taxes, possessory interest taxes and other costs, impositions and expenditures described in Article 6 hereof or otherwise payable by Tenant under this Lease.

“Advance Deposits” means and includes any payments for reservations or other events, which have been received by Landlord prior to the Commencement Date but not yet earned. Advance Deposits shall include, but are not limited to, outstanding gift certificates, annual passes, and other vouchers.

“Affiliate of Tenant” means any person or entity, which directly or indirectly, through one or more intermediaries, controls, is controlled by or is under the common control with, Tenant. As used above, the words “control”, “controlled” and “controls” mean the right and power, directly or indirectly through one or more intermediaries, to direct or cause the direction of substantially all of the management and policies of a person or entity through ownership of voting securities or by contract, including, but not limited to, the right to fifty percent (50%) or more of the capital or earnings of a partnership or, alternatively, ownership of fifty percent (50%) or more of the voting stock of a corporation.

“Agents” means, when used with reference to either Party to this Lease, the officers, directors, employees, agents and contractors of such Party, and their respective heirs, legal representatives, successors and assigns.

“Alterations” means any alterations, installations or additions to any Improvements or to the Premises, but excluding maintenance and repair work.

“Assignment” has the meaning given in Article 15.1 hereof.

“Award” means all compensation, sums or value paid, awarded or received for a Taking, whether pursuant to judgment, agreement, settlement or otherwise.

“Base Rent” means the annual Base Rent specified in the Basic Lease Information and described in Article 5.1 hereof.

“Basic Lease Information” means the information with respect to this Lease summarized in Article 1 hereof.

“Capital Improvement Fund” means the account described in Article 8.3 and all moneys deposited therein and interest accrued thereon.

“City” means the City of Visalia, a charter city of the State of California.

“City Manager” means the City Manager of the City.

“Commencement Date” means the date described as such on the Basic Lease Information.

“Date of Taking” means the earlier of (i) the date upon which title to the portion of the Premises taken passes to and vests in the condemner or (ii) the date on which Tenant is dispossessed pursuant to an order of possession issued in the subject eminent domain proceeding.

“Default Rate” means a rate of interest equal to eight percent (8%) per annum.

“Effective Date” means the date set forth as such in the Basic Lease Information.

“Encumber” means create any Encumbrance; “Encumbrance” means any mortgage, deed of trust, assignment of rents, fixture filing, security agreement, or similar security instrument, or other lien or encumbrance.

“Encumbrancer” means a mortgagee, beneficiary of a deed of trust or other holder of an Encumbrance.

“Environmental Laws” means any present or future federal, state or local Laws or policies relating to Hazardous Material (including, without limitation, its use, handling, transportation, production, disposal, discharge or storage) or to human health and safety, industrial hygiene or environmental conditions in, on, under or about the Premises (including any permitted Improvements) and any other property, including, without limitation, soil, air and groundwater conditions.

“Event of Default” means any one of the events of default described in Article 16.1 hereof.

“Expiration Date” means the date that is 20 years from the Commencement Date.

“Force Majeure” means circumstances that delay or prevent the performance of obligations hereunder due to (i) acts or the failure or delay of action of government, (ii) rain or other inclement weather, (iii) acts of God, and/or other circumstances beyond the reasonable control of Tenant.

“Golf Course” means the 27-hole golf course, driving range, clubhouse, pro shop, parking areas and related facilities currently existing and being operated on the Premises.

“Gross Revenues” means the gross revenues derived from green fees, tournament fees, membership and club dues and other fees and dues of any kind including nonrefundable deposits, driving range use fees and ball fees, rental fees for motorized golf carts, and from the selling price of merchandise, golf clubs and other golf equipment, golf supplies, goods and, clothing whether for cash or on credit (whether collected or not), including the gross amount received by reason of orders taken on the Premises although filled elsewhere, and from selling food, beverages, food items, food service, beverage service, revenue earned by Tenant from third party food or beverage catering services, and revenue derived from any food and beverage related sub lessees, assignees, licensees or concessionaires on the Premises.

“Gross Revenue Baseline” means the sum of \$2,400,000 per calendar year.

“Hazardous Material” means any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. Hazardous Material includes, without limitation, any material or substance defined as a “hazardous substance,” or “pollutant” or “contaminant” pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (“CERCLA”, also commonly known as the “Superfund” law), as amended, (42 U.S.C. Sections 9601 et seq.) or pursuant to Section 25281 of the California Health & Safety Code; any “hazardous waste” listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of any existing improvements on the Land, any Improvements to be constructed on; the Land by or on behalf of Tenant, or are naturally occurring substances on, in or about the Land; and petroleum, including crude oil or any fraction thereof, and natural gas or natural gas liquids.

“Hazardous Material Claims” means any and all enforcement, Investigation, Remediation or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental Laws, together with any and all Losses made or threatened by any third party against City, its Agents, or the Premises or any Improvements, relating to damage, contribution, cost recovery compensation, loss or injury resulting from the presence, release or discharge of any Hazardous Materials, including, without limitation, Losses based in common law. Hazardous Materials Claims include, without limitation, Investigation and Remediation costs, fines, natural resource damages, damages for decrease in value of the Premises or any Improvements, the loss or restriction of the use or any amenity of the Premises or any Improvements, and attorneys’ fees and consultants’ fees and experts’ fees and costs.

“Improvements” means all buildings, structures, fixtures and other improvements constructed, installed or placed on the Premises by or on behalf of Tenant pursuant to this Lease, including, without limitation, any signs, roads, trails, driveways, parking areas, curbs, walks, fences, walls, stairs, poles, plantings and landscaping.

“Indemnified Parties” means the Party being indemnified and such Party's officers, Agents, shareholders, partners, employees, and their respective Agents, heirs, legal representatives, successors and assigns.

“Indemnify” means indemnify, protect, defend and hold harmless forever.

“Institutional Lender” means any commercial, national or savings bank, savings and loan association, trust company, insurance company, real estate investment trust or pension or retirement fund or similar source of funds.

“Investigation” when used with reference to Hazardous Material means any activity undertaken to determine the nature and extent of Hazardous Material that may be located in, on, under or about the Premises, any Improvements or any portion thereof or which have been, are being, or threaten to be Released into the environment. Investigation shall include, without limitation, preparation of site history reports and sampling and analysis of environmental conditions in, on, under or about the Premises or any Improvements.

“Invitees” when used with respect to Tenant means the clients, customers, invitees, guests, members and licensees, assignees and subtenants of Tenant.

“Land” means the real property located in Visalia, more particularly described in the attached **Exhibit A**.

“Landlord” means the City.

“Law” means any law, statute, ordinance, resolution, regulation, proclamation, order or decree of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties.

“Lease” means this Lease as it may be amended in accordance with its terms.

“Lease Year” is a calendar year.

“Losses” means any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenditures, including, without limitation, reasonable attorneys’ and consultants’ fees and costs.

“Management Agreement” means the "Management Agreement by and between the City of Visalia and Visalia Golf, LLC" dated January 17, 2000, as amended between the City and CourseCo.

“Maintenance” means maintenance of the Premises including maintenance of the facilities and structures, greens, tees, fairways, ponds/lakes, rough, cart paths and other turf areas comprising the Golf Course including parking lot and landscaped medians in accordance with the provisions of **Exhibit B**.

“Official Records” means the official records of Tulare County.

“Party” means City or Tenant; “Parties” means both City and Tenant.

“Percentage Rent” means additional rent payable by Tenant in the amounts calculated as a percentage of Gross Revenue as more particularly described and provided in Article 5.2 hereof.

“Percentage Rent Period” means each calendar year.

“Personal Property” means all of the furnishings, fixtures, equipment, tools, golf carts and other moveable personal property used to operate the Golf Course which is more particularly described and itemized on **Exhibit C** and any additions and replacements thereof and referenced in Article 3.3.

“Premises” means the Land and the Improvements, together with any additions, replacements, modifications or other Alterations thereto permitted hereunder and together with and including, any and all riparian rights, water and water rights (subject to compliance by Tenant with any applicable requirements of law generally applicable to the use of such water rights),

including, but not limited to (i) any and all surface water and surface water rights, including, without limitation, riparian rights and appropriative water rights to surface streams and the underflow of streams, and (ii) any and all groundwater and subterranean water rights; provided, however, subject to the right of Tenant's first priority for the use of the foregoing water rights in respect of the Premises, City may use such additional water as may be available at its sole cost and expense and without interference with Tenant's use of the Premises including the foregoing water rights.

"Release" when used with respect to Hazardous Material means any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside any existing improvements or any Improvements constructed hereunder by or on behalf of Tenant, or in, on, under or about the Premises.

"Remediation" when used with reference to Hazardous Material means any activities undertaken to clean up, remove, contain, treat, stabilize, monitor or otherwise control Hazardous Materials located in, on, under or about the Premises or which have been, are being, or threaten to be Released into the environment. Remediate includes, without limitation, those actions included within the definition of "remedy" or "remedial action" in California Health and Safety Code Section 25322 and "remove" or "removal" in California Health and Safety Code Section 25323.

"Rent" means the Base Rent together with Percentage Rent calculated pursuant to the provisions of Article 5.2 hereof, and any and all Additional Charges.

"Taking" means a taking or damaging, including severance damage, by eminent domain, inverse condemnation or for any public or quasi-public use under Law. A Taking may occur pursuant to the recording of a final order of condemnation, or by voluntary sale or conveyance in lieu of condemnation or in settlement of a condemnation action.

"Tenant" means the Party identified as Tenant in the Basic Lease Information and the successors and assigns of Tenant's interests under this Lease, provided that the rights and obligations of Tenant's successors and assigns shall be limited to only those rights and obligations that this Lease permits to be transferred and that have been transferred in accordance with this Lease.

"Term" means the term of this Lease as determined under Article 4.1 hereof.

"Transfer" means any Assignment or Sublease.

"Transferee" means any recognized assignee of any part of Tenant's leasehold interest hereunder or any recognized subtenant of any portion of the Premises, pursuant to a Transfer that complies with Article 15 hereof.

### **ARTICLE 3 LEASE OF PREMISES AND PERSONAL PROPERTY**

3.1 Lease. Conditioned upon the mutual termination of the Management Agreement by City and CourseCo, City hereby leases to Tenant and Tenant hereby leases from City, the

Premises, the Improvements and the Personal Property, subject to all of the terms, covenants and conditions set forth in this Lease.

### 3.2 Condition of Premises.

(a) City Disclosure. City represents to Tenant that City has provided Tenant with all documents and information in the possession and control of the City concerning the physical condition of the Premises including the presence of any Hazardous Material. To the best knowledge of the City, no Hazardous Material is present on or has been released from the Premises in amounts or under circumstances, which violate Environmental Laws, and there are no Hazardous Material Claims pending or threatened in respect of the Premises.

(b) Premises As-Is. Except as expressly provided in subparagraph (a) above or elsewhere in this Lease, Tenant acknowledges and agrees that the Premises are being leased and accepted in their present condition, without representation or warranty of any kind, and subject to all applicable Laws governing the use, occupancy, management, operation and possession of the Premises.

3.3 Personal Property. All of the Personal Property specifically described and itemized on **Exhibit C** is leased to Tenant along with, and as part of, the Premises. All of the Personal Property itemized on **Exhibit C** shall remain the property of Landlord, but is leased to Tenant pursuant to the terms of this Lease. Tenant, at its sole cost and expense shall insure, repair and maintain the Personal Property during the term of this Lease. Tenant agrees to keep said Personal Property in good condition and repair, normal obsolescence and reasonable wear and tear excepted, and to obtain policies of casualty insurance for such Personal Property in an amount equal to their full insurable value naming Landlord and Tenant as co-insureds as their interests may appear. Notwithstanding the fact that Landlord is the owner of the Personal Property, during the term of this Lease, Tenant shall have the right to dispose of any of said Personal Property provided concurrently Tenant replaces it with additional Personal Property having the same or greater value and having substantially the same use. Any Personal Property acquired by Tenant in replacement of any of the specific Personal Property that is itemized on Exhibit C shall belong to Tenant during the term of this Lease. Upon the termination of the Lease said Personal Property shall, upon the expiration or termination hereof, be surrendered to Landlord and shall thereupon, without further consideration, belong to Landlord (but subject to wear and tear and to any lease financing which may be applicable to any of the Personal Property). Tenant acknowledges that if it acquires any Personal Property subject to financing that could extend beyond the terms of this Agreement, then it shall consult with Landlord prior to finalizing such financing arrangements. Any and all additional Personal Property acquired by Tenant during the Term for the exclusive use in connection with the operation of the Premises, shall be owned by Tenant during the Term and shall, upon the expiration or termination of this Lease, be surrendered to Landlord and shall thereupon, without further consideration, belong to Landlord (but subject to any lease financing which may be applicable to any of the Personal Property). Any and all additional Personal Property acquired by Tenant that is not for the exclusive use in connection with the operation of the Premises, shall be owned by Tenant during the Term and shall thereafter remain the property of Tenant and be retained by Tenant upon the expiration or termination of this Lease. Landlord, shall at its cost and expense inventory all items on Exhibit C and provide a value of the Personal Property assets. At the end of this lease the Tenant shall, at Tenant's cost and expense, provide

an inventory list of Personal Property. Parties acknowledge that the purpose of these inventory lists is to provide an accounting for the Personal Property at the beginning of the Lease, and that at the end of the Lease, the Tenant is agreeing to return the Premises with substantially equal or greater value in the Personal Property on hand.

3.4 Personal Property As-Is. Tenant acknowledges that (a) Landlord is not the manufacturer of the Personal Property or manufacturer's agent; (b) Tenant has accepted the Personal Property based solely on Tenant's inspection, and expressly disclaims any reliance upon any statements or representations made by Landlord, and (c) that the Personal Property is of a design, size, fitness and capacity acceptable to Tenant and that Tenant is satisfied that the same is suitable and fit for its use and purposes. Tenant is leasing the Personal Property "AS-IS" without warranty, express or implied, including but not limited to the fitness for any particular purpose, use, quality, design, condition, durability, suitability, merchantability or any other matter. Tenant specifically waives all right to make any claim against Landlord for breach of any warranty of any kind whatsoever. Tenant agrees that Landlord is not responsible to Tenant for any loss, damage, claim or expense of any kind or nature caused, directly or indirectly by the Personal Property, the use thereof, the failure of operation thereof, the repairs, services, or adjustments thereto or by any interruption of service or loss of business or damage whatsoever and howsoever caused. No defect or unfitness of the Personal Property shall relieve Tenant of the obligation to pay rent or of any of the other obligations under this lease.

3.5 Golf Carts. Tenant shall be responsible for acquiring or leasing golf carts to replace the current fleet of City-owned golf carts and to lease or purchase additional carts as needed. Tenant shall procure new or additional power-driven golf carts in sufficient numbers to reasonably meet the public demand. Golf carts will be considered Personal Property subject to Section 3.3 of this Agreement. Tenant acknowledges that the costs to acquire or lease sufficient golf carts shall not be considered a capital improvement project under Section 8.3c of this Agreement.

3.6 Advance Deposits. Landlord has delivered to Tenant a written accounting and description of all Advance Deposits. Tenant received a credit toward the purchase price of the Personal Property described on **Exhibit C**, in the full amount of any outstanding and unused Advance Deposits on the Commencement Date including the pro rata amount of outstanding annual passes. Landlord included true, correct, and complete copies of all written agreements and commitments pertaining to the Advance Deposits. Landlord represents and warrants to Tenant that Landlord's written account and description of Advance Deposits and copies of all agreements and commitments were complete, true, and correct. Tenant has agreed to honor all such Advance Deposits.

3.7 Resale Inventory. Prior to the Commencement Date, Landlord sold and delivered to Tenant all undamaged Resale Inventory, including food and beverage inventory, together with invoices showing Landlord's acquisition cost thereof, and Tenant shall pay to Landlord an amount equal to 80% of Landlord's actual cost for such Resale Inventory delivered to Tenant.

**ARTICLE 4**  
**TERM; OPTIONS TO EXTEND**

4.1 Term of Lease. The initial Term of this Lease shall commence on the Commencement Date specified in the Basic Lease Information, a twenty (20) year period and shall end on the Expiration Date .

**ARTICLE 5**  
**RENT**

5.1 Base Rent. Subject to the terms and conditions set forth herein, Tenant shall, beginning on the Commencement Date, pay to City during the Term of this Lease, the annual Base Rent specified in the Basic Lease Information (the "Base Rent"). The Base Rent shall be payable in equal consecutive monthly installments on or before the first day of each month and prorated for any partial year.

5.2 Percentage Rent. In addition to the Base Rent, Tenant, commencing at the end of each calendar year following the Commencement Date, shall pay 15% of Revenues exceeding the Gross Revenue Baseline amount of \$2.4m. Percentage Rent is subject to the following terms and conditions:

(a) Payment. Commencing for the Percentage Rent Period beginning on the Commencement Date and ending on December 31st thereafter, and for each Percentage Rent Period thereafter during the Term, Tenant shall pay Percentage Rent in addition to Base Rent to the extent that Percentage Rent is greater than zero. Percentage Rent shall be equal to 15% of the amount, if any, by which Gross Revenues during the Percentage Rent Period exceeds the Gross Revenues Baseline. The Gross Revenues Baseline for Year 1 shall be \$2.4m and baseline shall be increased annually by the Consumer Price Index, All Consumers. Tenant shall not be required to accrue or pay Percentage Rent for any period prior to the Commencement Date of the Lease. Tenant shall compute and pay to City, the Percentage Rent for each Percentage Rent Period on or before the sixtieth (60th) day following the close of each Percentage Rent Period (December 31<sup>st</sup>). Percentage Rent shall be in addition to the Base Rent that Tenant has paid during the Percentage Rent Period.

(b) Reports. Tenant shall furnish to City a statement of Gross Revenues within twenty (20) days after the end of each calendar quarter and an annual statement of Gross Revenues within sixty (60) days after the end of each calendar year. Such statements shall be in a form acceptable to City. Each statement shall be signed and certified correct by Tenant. In addition, each annual statement shall be reviewed by an independent certified public accountant, at Tenant's expense, reasonably acceptable to City. Tenant shall keep at the Premises or at Tenant's business office in Petaluma, California, complete and accurate books of account, records, cash receipts and other pertinent data, in accordance with good accounting practices and in a form approved by City, showing its Gross Revenues, including without limitation, accurate records of every sale and other transaction made from the Premises. Such books of account, records, cash receipts and other pertinent data shall be kept for a period of five (5) years after the end of each calendar year. The receipt by City of any statement, or any payment of Percentage Rent for any period, shall not bind City as to the correctness of the statement or payment.

(c) Inspection and Audit. City shall be entitled at any time and from time to time during the Term and within three (3) years after the Expiration Date or other termination of this Lease, to inspect, examine, copy and audit Tenant's books, records and, cash receipts as related to Gross Revenues. The purpose of such examination is to enable City to ascertain, clearly and accurately, Tenant's Gross Revenues and to verify that the form and method of Tenant's record keeping provide adequate and proper control and check of all such revenues. Tenant shall cooperate fully with City and City's Agents in making the examination. City shall also be entitled at City's option, once during each Lease Year and once after the Expiration Date or other termination of this Lease, to cause an independent audit of such records to be performed by a certified public accountant designated by City. The audit shall be conducted during usual business hours at the Premises. If the audit shows that there is a deficiency in the payment of any Percentage Rent, then Tenant shall immediately upon notice pay the deficiency to City, together with interest thereon at the Default Rate, which interest shall accrue from the date on which such deficient amount would have been due until such deficiency is paid. City shall pay the costs of the audit unless the audit shows that Tenant understated Gross Revenues by more than two percent (2%), in which case Tenant shall pay all City's costs of the audit. Tenant's understatement of Gross Revenues for any Lease Year by more than five percent (5%) due to Tenant's gross negligence or willful misconduct shall constitute an Event of Default

5.3 Late Charge. If Tenant fails to pay any Rent within fifteen (15) days after the date the same is due and payable, such unpaid amount will be subject to a late payment charge equal to three percent (3%) of the unpaid amount in each instance; provided, however, such late payment charge shall not be due in respect of the first occurrence in any twelve (12) month period during the Term that would otherwise entitle the City to impose a late payment charge. City and Tenant have agreed upon the late payment charge, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that City will incur because of any such failure by Tenant, the actual costs thereof being extremely difficult if not impossible to determine. The late payment charge constitutes liquidated damages to compensate City for its damages resulting from such failure to pay and Tenant shall promptly pay such Late Charge to City together with the unpaid Rent.

5.4 Default Interest. If any Rent is not paid within ten (10) days following the due date, such unpaid amount shall bear interest from the due date until paid at the Default Rate. However, interest shall not be payable on late charges incurred by Tenant nor on any amounts on which late charges are paid by Tenant to the extent this interest would cause the total interest to be in excess of that which an individual is lawfully permitted to charge. Payment of interest shall not excuse or cure any default by Tenant.

## **ARTICLE 6**

### **TAXES, ASSESSMENTS AND OTHER EXPENDITURES**

6.1. Personal Property Taxes. Tenant shall pay before delinquency all taxes, assessments, license fees and other charges levied and assessed against Tenant or Landlord with respect to any Personal Property ("Personal Property Taxes") which may become payable during the Term or are attributable to Tenant's use or occupancy of the Premises. On demand by

Landlord, Tenant shall furnish Landlord with satisfactory evidence of these payments. Notwithstanding the foregoing, Tenant shall have the right to contest the imposition or collection of any such Personal Property Taxes that Tenant reasonably believes was improperly assessed or calculated.

6.2. Statement Regarding Possessory Interest Taxes. This Lease creates a possessory property interest in Tenant. Tenant acknowledges and agrees that Tenant's leasehold and/or other property interests may be subject to property taxation. Such taxes are referred to herein as "Possessory Interest Taxes," and shall be paid by Tenant during the term of this Lease. Any and all Possessory Interest Taxes shall be the responsibility of the Tenant.

6.3. Taxes. Tenant shall pay all before delinquency, taxes, impositions, general or special assessment, surcharge, fee, levy, penalty, bond, or similar charge levied on any business conducted on the Premises (or any portion thereof) general and special taxes including gross receipts tax, excise tax levied by any Taxing Authority (defined below) including with respect to Landlord's receipt of Rent or ownership, management or operation of the Premises (collectively, "Taxes"), now or in the future levied and assessed against the Premises, or any improvements, any portion thereof, or any improvements thereon by any authority having the power to tax, including any federal, state or county government or any political subdivision thereof ("Taxing Authority"). In the event any Personal Property Taxes, and other Taxes, as described in this Article 6 or any other costs to be borne by or due from Tenant are not assessed or charged against the Premises separately from other Landlord-owned property, Landlord shall reasonably allocate such on a pro-rata basis.

6.4. Tenant's Tax Liability Prorated. Tenant's liability to pay any Taxes and new assessments shall be prorated based on a 365-day year to account for any fractional portion of a fiscal tax year included in the Term at its inception and expiration or other termination in accordance with this Lease.

6.5. Evidence of Payment of Taxes. Tenant shall, upon City's request, furnish to City within ten (10) days after the date when any charges are due and payable, official receipts of the appropriate taxing authority or other evidence reasonably satisfactory to City, evidencing payment thereof.

6.6. Other Expenditures. Tenant shall be responsible for any and all other costs and expenditures for garbage pickup, utilities, cable television, internet services or other services for its use, occupancy, operation or enjoyment of the Premises or any Improvements permitted thereon. Notwithstanding the foregoing:

(a) During the term of this Lease, Landlord agrees to be responsible for delivering reclaimed water for irrigation purposes and shall pay for the production and delivery of this reclaimed water to the Premises on the terms stated below. Tenant acknowledges that Landlord is still in the process of meeting applicable requirements to begin these water deliveries and that until these water deliveries start the Tenant will be solely responsible for the cost of operating the irrigation system from the existing irrigation wells. Once these deliveries of reclaimed water begin, then Tenant acknowledges that operation of the wells may continue to be necessary for irrigation.

Maintenance responsibilities for the irrigation wells and irrigation system are stated in Article 9 of this Agreement. Tenant shall at all times during the Lease be solely responsible for operating and maintaining the irrigation system as necessary for the Premises whether the irrigation water is being supplied from the wells or the reclaimed water delivered by the Landlord, this includes complying with all applicable water conservation requirements or water use requirements under state or local law, including but not limited to City of Visalia ordinances.

(b) Landlord to deliver to Tenant reclaimed water as it is available from the nearby water treatment plant for use on the Premises. Landlord is not guaranteeing any specific amount to Tenant and Tenant acknowledges Landlord may prioritize deliveries of reclaimed water to other entities or areas. Tenant agrees that the Landlord shall set the date that these water deliveries begin and end. Tenant acknowledges that Landlord may not deliver sufficient reclaimed water to completely irrigate the Premises and Tenant shall be responsible for the costs of operating the irrigation system on the Premises and wells to provide additional irrigation as needed. All production costs, delivery costs, and line maintenance costs incurred by delivering the reclaimed water to Tenant through the separate water delivery system as required under state law are the sole responsibility of Landlord. Tenant shall be responsible for compliance with all applicable federal, state, and local laws and regulations regarding the use of reclaimed water on the Premises from the points of delivery. The points of delivery are the discharge pipes along Plaza Drive feeding into the Lakes Course pond at the Lakes #9 hole and the middle pond on the Oaks Course closest to hole #2. The responsibilities of the Tenant include, but are not limited to, posting and maintaining signs indicating that the water is recycled water and nonpotable. Once the reclaimed water is delivered to Tenant at the points of delivery, maintenance of the irrigation system beyond the points of delivery, including redundant irrigation piping identifying water as recycled, shall be the responsibility of the Tenant.

(c) Parties agree that the delivery of the recycled water by Landlord is not considered by either party to be sale or lease of water by Landlord, and that Landlord is only delivering reclaimed water from the wastewater treatment plant that it separately operates for the irrigation of the golf course owned by the Landlord.

(d) The reclaimed water delivered by Landlord is treated under current treatment standards required by Title 22 of the California Code of Regulations. Landlord and Tenant agree to meet and confer if state regulatory requirements change and to modify this contract if the reclaimed water can no longer be used to irrigate the Premises. Tenant accepts and agrees that the reclaimed water is acceptable for landscape irrigation on the Premises under current requirements. Tenant shall monitor the quality of the reclaimed water and notify Landlord if it ascertains the reclaimed water does not meet the regulatory standards. Tenant shall be solely responsible for managing irrigation and shall continue to operate the existing irrigation wells as needed irrigate the Premises if the reclaimed water is not sufficient to irrigate the Premises or if the landscaping should be irrigated with the irrigation wells or with blended water due to the chemical nature of the reclaimed water.

**ARTICLE 7**  
**USE; COVENANTS TO PROTECT PREMISES AND CITY FACILITIES**

7.1 Tenant's Permitted Use. Tenant may use the Premises and any Improvements allowed hereunder only for the use specified in the Basic Lease Information, as more fully described in this Article 7, and for no other purpose.

7.2 Covenants Regarding Use. As a material inducement to City to enter into this Lease, Tenant covenants with City as follows:

(a) No Unlawful Uses or Nuisances. Tenant shall not use or occupy any of the Premises or any Improvements, or permit the use or occupancy thereof, in any unlawful manner or for any illegal purpose, or permit to be carried on any use in violation of the conditions of any use or occupancy permit. Tenant shall take all precautions to eliminate immediately any nuisances or hazards relating to its activities on or about the Premises or any Improvements permitted hereunder.

(b) Covenant Against Waste. Tenant shall not cause or permit any waste, damage or injury to the Premises.

(c) Covenant Against Dumping; Waste Disposal. Tenant shall not cause, or permit the dumping or other disposal on, under or about the Premises of landfill, refuse, Hazardous Material or other materials that are unsightly or could pose a hazard to the human health or safety, native vegetation or wildlife, or the environment.

(d) Golf Course Operation. Tenant shall at all times operate the Premises and conduct all operation on the Premises in a good and businesslike manner and at least comparable to the standards of comparable golf courses. Tenant shall provide services customarily associated with the operation of a golf course and the related facilities located on the Premises.

(e) Inventory and FF&E. Tenant shall inherit all existing inventory, FF&E and at its sole expense (except for allowable use of the Capital Improvement Fund), acquire and maintain throughout the Term sufficient levels to operate the Golf Course and related facilities located on the Premises as contemplated by this Lease. At the end of the lease, inventory and FF&E will be left at the same or improved quantities and condition as when inherited.

(f) Golf Carts. Tenant shall provide, through purchase or lease, a sufficient number of golf carts to meet the public demand therefor at the Premises. Tenant shall provide all maintenance, repair and service required by such golf carts, and shall replace them as reasonably required or appropriate.

(g) Food and Beverage Service. Tenant shall operate a restaurant, bar, banquet facilities and related facilities serving food and beverages (including alcoholic beverages) on the Premises throughout the Term. Tenant shall acquire and maintain throughout the Term such furniture, equipment, personal property and inventory as is required to operate a restaurant, bar, banquet facilities and related facilities serving food and beverages. All food and beverages sold on

the Premises shall be properly prepared and served in compliance with all applicable health and sanitary standards.

## ARTICLE 8 CAPITAL; IMPROVEMENTS

8.1 Tenant's Capital Investment. Tenant's minimum obligation to contribute to the Capital Improvement Fund is provided in Article 8.3 below, Tenant shall not otherwise be obligated to expend moneys for improvements, additions or upgrades. Tenant acknowledges that all improvements, additions, or upgrades, funded by the Capital Improvement Fund shall at the end of this Lease become the property of Landlord.

8.2 Construction of Improvements. Except as otherwise expressly provided in this Lease, Tenant shall not construct or install any Improvements nor make or permit any Alterations in, to or about the Premises or any Improvements, without City's prior written consent in each instance, which City shall not unreasonably withhold or delay. Subject to City's consent as provided above, any permitted Improvements or Alterations shall be done at Tenant's sole expense (i) in strict accordance with plans and specifications approved in advance by City in writing, (ii) by Tenant or duly licensed contractors, (iii) in a good and professional manner, and (iv) in compliance with all Laws. Tenant acknowledges that the City's role as landlord hereunder is separate and distinct from its role as the issuer of building permits, grading permits, etc., and that the terms and conditions of this Lease pertain to the review and reasonable approval by City of plans for Improvements and construction in its capacity as landlord hereunder.

### 8.3 Capital Improvement Program.

(a) Parties agree that successful management of the Premises requires improvements to the Premises over time to keep the Premises from becoming obsolete or out of date. On the Commencement Date Tenant shall, establish and maintain a separate, interest-bearing trust account (the "Capital Improvement Fund") for the funding of capital acquisitions and improvements to the Premises. Commencing on and after January 1, 2018, Tenant shall, each quarter, on or before the twentieth day following each date upon which Tenant furnishes to City the statement of Gross Revenues as required by Article 5.2(b), deposit into the Capital Improvement Fund an amount equal to at least three percent (3%) of the Gross Revenues from the preceding calendar quarter (the total amount contributed will be at least three percent (3%)). Tenant acknowledges the amount deposited by Tenant into the Capital Improvement does not reduce the Gross Revenues for purposes of calculating the Percentage Rent paid to City. In addition to the 3% of Gross Revenues, Tenant agrees to contribute a total of at least \$300,000 of tenant's own funds within the first three years of this Lease to the Capital Improvement Fund, in addition, Tenant shall expend from the capital Improvement Fund on eligible capital improvements, not less than a total of \$150,000 in eligible capital improvementfunds within the first three years of this Lease.

(b) All such funds are to be held by Tenant in trust for the benefit the Premises. Interest earned on funds held in such account shall become part of the Capital Improvement Fund and all amounts remaining in the Capital Improvement Fund at the end of the Term or any earlier termination of this Lease shall be remitted to City unless an alternative management company or

Premises owner is managing the Premises, in which case it shall remain in trust to be used for capital acquisitions or improvements on the Premises. City and Tenant will develop written procedures for approval and release of funds from the Capital Improvement Fund, including the accounting and auditing procedures with respect thereto.

(c) Funds held in the Capital Improvement Fund shall be used exclusively for additional capital items or the repair and replacement of capital items which are needed to repair or replace, over time, capital items which are subject to wearing out after a useful life and which are included in, located on or used in connection with the Premises, and which if not replaced or repaired, could adversely affect Premises, including Gross Revenues and its reversionary interest upon the expiration or earlier termination of this Lease, and for the reimbursement of funds advanced for such purposes by Tenant in accordance with Article 8.3(e) below. Funds held in the Capital Improvement Fund may be expended only in accordance with a Capital Improvement Plan approved by City in accordance with Section 8.3(d). As used in this Section 8.3, the term "capital items" does not include, golf carts, golf course maintenance equipment, and other Personal Property used in the normal course of operating and maintaining the Premises.

(d) Not later than the first June 30 following the creation of the Capital Improvement Fund and thereafter on April 1st of every second year of the Term thereafter, Tenant shall submit to City a biannual plan for the use of the Capital Improvement Fund moneys in the subsequent two Lease Years (each, a "Capital Improvement Plan"). Each Capital Improvement Plan shall include the description of each proposed expenditure of Capital Improvement Fund monies, the purpose for each expenditure, and the proposed timeframe for such expenditure. This plan shall include a specific budget for each proposed expenditure and shall be updated when each proposed improvement project begins. City shall review each Capital Improvement Plan and shall not unreasonably withhold its consent thereto. The failure of City to respond within forty-five (45) days of delivery of any proposed Capital Improvement Plan shall be deemed to be the consent of City to such plan.

(e) If Tenant is proposing expenditures that exceed the Capital Improvement Fund, the Tenant may request to complete the project at Tenant's own expense and to be reimbursed (with interest at the prime rate) from the Capital Improvements Fund for any expenditure incurred by Tenant prior to the accumulation of funds for such expenditures in the Capital Improvement Fund if, and to the extent, such expenditures otherwise meet the requirements of Article 8.3(c) and would have been appropriate to be approved (including the approval of the City as provided in subparagraph (c) above) for inclusion in the Capital Improvement Plan if there had been sufficient funds in the Capital Improvement Fund at the time such expenditures were made. City is not required to approve such requests by Tenant and approvals shall be at the sole discretion of the City.

Parties acknowledge Tenant has committed to spending at least \$450,000 on capital improvements within the first three years of the Lease, at least \$300,000 of Tenant's funds in addition to \$150,000 of the required three percent of Gross Revenues.

(f) To the full extent required by law, Tenant and its contractors and agents shall comply with applicable federal or state laws and any applicable regulations adopted pursuant thereto during construction of capital improvements. Tenant shall be solely responsible for

carrying out the requirements of such provisions and for the construction of capital improvements in a good and workmanlike manner. Tenant shall indemnify, defend (with counsel reasonably acceptable to both Tenant and City) and hold the City and its elected and appointed officers, officials, employees, agents, consultants, and contractors, harmless from and against all liability, loss, cost, expense, (including without limitation attorneys' fees and costs of litigation) claim, demand, action, suit, judicial or administrative proceeding, penalty, deficiency, fine, order, and damage which directly or indirectly in whole or in part, is caused by, arise in connection with, result from, relate to, or is alleged to be caused by, the construction of capital improvements under this Agreement arising from breach of duty or violation of law.

## ARTICLE 9 REPAIRS AND MAINTENANCE

9.1 Tenant's Responsibility for Maintenance and Repair. Except as otherwise provided in Section 9.2 below, Tenant assumes full and sole responsibility for the condition, operation, repair and maintenance and management of the Premises and any permitted Improvements or Alterations, including but not limited to the irrigation system, wells, ponds/lakes, parking lot, building interiors, building improvements (except as noted below in Section 9.2), perimeter fencing, trees, creek and ditch banks, golf courses, cart paths, and driving range, from and after the Commencement Date; provided, however, this obligation shall not include the assumption of any liability or responsibility by Tenant for the presence of any Hazardous Materials or underground tanks or the failure of the Premises to comply with any Environmental Laws, in each case as of the Commencement Date. In addition, if any portion of the Premises or any of City's property located on or about the Premises is damaged by any of the activities conducted by Tenant or its Agents or Invitees hereunder, Tenant shall repair any and all such damage and restore the Premises or City's property to its previous condition. Tenant shall also be responsible for maintaining all required golf course maintenance equipment that is subject to this Agreement and replacing or purchasing such equipment as reasonably necessary to maintain the Premises. Tenant acknowledges that acquiring necessary golf course maintenance equipment shall not be considered a capital improvement project under Section 8 of this Agreement and that this equipment shall be considered Personal Property under Section 3.3 of this Agreement.

9.2 City's Responsibility for Maintenance and Repair. Costs to maintain exterior roofs, sewer facilities, potable water facilities, building improvements, such as heating and cooling systems, electrical systems, plumbing fixtures, and mechanical systems, shall be shared between City and Tenant as follows, all normal maintenance and minor repairs, (minor repairs shall be defined as equipment failures that can be fixed for \$1,000 or less) shall be the responsibility of the Tenant. Major repairs (when an equipment failure costs more than \$1,000 to repair) or replacement of such items, shall be the responsibility of the City.

9.3 Maintenance Standards. Tenant shall perform the Maintenance of all facilities, equipment, and fixtures, the greens, tees, fairways, rough, and other turf areas comprising the Golf Course and the parking lot and landscaped medians in accordance with the standards for Maintenance described on **Exhibit B**.

## ARTICLE 10 LIENS

10.1 Liens. Tenant shall keep the Premises and all of City's property free from any liens arising out of any work performed, material furnished or obligations incurred by or for Tenant. In the event Tenant does not, within five (5) days following the recordation of any such lien, cause the lien to be released of record by payment or posting of a proper bond, City shall have in addition to all other remedies provided herein and by Law or equity the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including, but not limited to, payment of the claim giving rise to such lien. All such sums paid by City and all expenditures it incurs in connection therewith (including, without limitation, reasonable attorneys' fees) shall be payable to City by Tenant upon demand. City shall have the right at all times to post and keep posted on the Premises any notices permitted or required by Law or that City deems proper for its protection and protection of the Premises and City's property, from mechanics' and materialmen's liens. Tenant shall give City at least fifteen (15) days' prior written notice of the commencement of any repair or construction on any of the Premises. Notwithstanding the foregoing, Tenant shall have the right, upon posting of an adequate bond or other security acceptable to the City Manager, to contest any such lien, and in such case City shall not seek to satisfy or discharge such lien unless Tenant has failed to do so within ten (10) days after final determination of the validity thereof. Tenant shall Indemnify City, the other Indemnified Parties and the Premises against any and all Losses arising out of any such contest.

## **ARTICLE 11 COMPLIANCE WITH LAWS**

11.1 Compliance with Laws. Tenant shall promptly, at its sole expense, maintain the Premises and Tenant's use and operations thereon in compliance with all Laws, including, without limitation, the Americans with Disabilities Act, 42 U.S.C.S. §§ 12101 et seq. and Title 24 of the California Code of Regulations, and all Environmental Laws with respect to Hazardous Materials first released on the Premises during the Term.

Tenant acknowledges that operation of the irrigation system is subject to applicable state and local water regulations, including water conservation requirements. Tenant will comply with all applicable water conservation statutes, regulations, and ordinances.

11.2 Regulatory Approvals. Tenant understands and agrees that Tenant's use and operation of the Premises and construction of the Improvements and Alterations permitted hereunder may require authorizations, approvals or permits from governmental regulatory agencies with jurisdiction over the Premises. Tenant shall be responsible for obtaining any and all such regulatory approvals and City shall use its best efforts to cooperate with Tenant and expedite the processing of such regulatory approvals.

## **ARTICLE 12 FINANCING; ENCUMBRANCES; SUBORDINATION**

12.1 Encumbrance of Landlord's Fee Interest. The following provisions shall apply notwithstanding anything to the contrary contained in this Lease.

(a) Encumbrance by City. To the extent permitted by applicable Law, City may at any time sell or otherwise transfer or encumber its fee estate in any portion of the Premises

provided that (i) any such sale or Encumbrance shall be subject and subordinate to all of the terms of this Lease and the leasehold estate created hereby, (ii) the right of possession of Tenant to the Premises shall not be affected or disturbed by any such sale or Encumbrance, or by the exercise of any rights or remedies by any purchaser or Encumbrancer arising out of any instrument reflecting such sale or Encumbrance.

(b) Encumbrance by Tenant. Tenant shall not under any circumstances whatsoever Encumber in any manner the Landlord's interest in the Premises, the City Facilities, City's estate in the Premises or any adjoining property, City's interest under this Lease, or any portion thereof.

### **ARTICLE 13 DAMAGE, DESTRUCTION OR ROAD CLOSURE**

13.1 Insured Damage or Destruction to the Premises or Improvements. In the case of insured damage to or destruction of the Premises or Improvements by fire or any other casualty, Tenant shall, with reasonable promptness and diligence and as soon as reasonably possible, restore, repair, replace or rebuild the Premises as nearly as possible to the same condition, quality and class the Premises and Improvements were in immediately before such damage or destruction.

13.2 Uninsured or Underinsured Damage or Destruction. In the case of uninsured damage to or destruction of the Premises or Improvements by fire or any other casualty, and available insurance proceeds are not sufficient to effect such repair, Tenant may elect by written notice to Landlord within 10 days after such determination to: (i) contribute the shortage in proceeds necessary to make such restoration and repair, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. In either case, Tenant shall contribute any available insurance proceeds, to the repair or reconstruction of the Premises. In the event Tenant elects to terminate this Lease under this provision, Landlord shall have the right within 30 days after receipt of the termination notice from Tenant to give written notice to Tenant of Landlord's commitment to pay for the repair of such damage without reimbursement from Tenant. In such event, this Lease shall continue in full force and effect, and Tenant shall proceed to make such repairs at Landlord's expense as soon as reasonably possible. If Landlord does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

13.3 Abatement in Rent. The Base Rent (but not Percentage Rent) payable hereunder during the period from the date of the casualty until completion of the restoration, repairs, replacement or rebuilding shall be abated; provided, however, any such abatement in rent shall be limited to the extent to which Tenant does not receive proceeds from business interruption insurance in respect of the occurrence that would otherwise entitle Tenant to abatement of rent.

13.4 Waiver. The Parties understand and agree that the foregoing provisions of this Article are intended to govern fully the rights and obligations of the Parties in the event of any damage or destruction of the Premises or Improvements, and City and Tenant each hereby waives and releases any right to terminate this Lease in whole or in part under sections 1932 subdivision 2 and 1933 subdivision 4 of the Civil Code of California or under any similar Laws now or hereafter in effect, to the extent such rights are inconsistent with the provisions hereof.

## ARTICLE 14 EMINENT DOMAIN

14.1 General. If during the Term, any Taking of all or any part of the Premises or any interest in this Lease occurs, the rights and obligations of the Parties hereunder, and, to the extent applicable, Tenant's Encumbrancer, shall be determined pursuant to this Article. City and Tenant intend that the provisions hereof govern fully in the event of a Taking and accordingly, the Parties each hereby waives any right to terminate this Lease in whole or in part under Sections 1265.120 and 1265.130 of the California Code of Civil Procedure or under any similar Law now or hereafter in effect.

14.2 Total Taking; Automatic Termination. If a Total Taking of the Premises occurs, then this Lease shall terminate as of the Date of Taking. For purposes of this Article 14 a "Total Taking" shall occur when the whole of the Premises shall be permanently taken by exercise of the right of eminent domain or if so much of the area of the Golf Course is taken that it is not reasonably feasible to operate a golf course in the Premises, or at Tenant's election, where the fair market value of the Premises as golf courses as a consequence of the Taking is seventy-five percent (75%) or less after the Taking then before the Taking. In the event of a Total Taking, Tenant shall continue to pay Rent hereunder and observe all of the terms and conditions of this Lease until the Date of Taking, but not thereafter, provided that Tenant and City shall remain subject to those provisions of this Lease that expressly survive the termination of this Lease.

14.3 Partial Taking. In case of a condemnation of a portion of the Premises that is not a Total Taking (a "Partial Taking"), this Lease shall remain in full force and effect as to the portion of the Premises remaining immediately after such taking, without any abatement or reduction of Rent (other than Base Rent, as set forth below) or any other sum payable hereunder, and, Tenant shall promptly repair, reconstruct and restore the Premises so as to render the same as nearly as possible a complete and satisfactory architectural unit of the same type and class immediately preceding such Partial Taking. In the event of a Partial Taking, Tenant and any Tenant's Encumbrancer shall be entitled to participate in such condemnation proceedings if, and to the extent, Tenant and/or Tenant's Encumbrancer is entitled to any award or compensation as provided herein.

14.4 Reduction of Rent on Partial Taking. Effective as of the date of any such Partial Taking, the Base Rent payable by Tenant during the remainder of the term of this Lease shall be reduced in proportion to the reduction in the fair market value of the Premises as a golf course as a consequence of such Partial Taking, provided however, that in no event shall the monthly Base Rent be reduced to less than seventy-five percent (75%) of the monthly Base Rent immediately prior to the Date of Taking. Any Base Rent becoming due and payable hereunder between the date of any such Partial Taking and the date of final determination of the amount of the Base Rent reduction, if any, to be made in respect thereof, shall, subject to correction upon such final determination, be temporarily adjusted so that Tenant shall pay, in the interim, as Base Rent, a sum of money equal to such portion of the then current Base Rent as shall be reasonably estimated by Landlord in accordance with the foregoing proportion formula; provided, however, that after such final determination Landlord, within fifteen (15) days after Tenant's request, shall pay to Tenant an amount equal to the amount by which any Base Rent theretofore paid by Tenant for such interim period shall exceed the amount of the Base Rent for such period as so finally determined; provided

further, that in the event such final determination shall disclose that the Base Rent paid during such interim period was at a rate less than that finally determined, Tenant covenants and agrees to pay the deficiency as Rent within fifteen (15) days after Landlord's request therefor.

14.5 Collection and Distribution of Condemnation Awards. If this Lease shall terminate pursuant to the provisions of Article 14.2 or if there is a Partial Taking as described in Article 14.3, the total award in the condemnation proceedings for the taking shall be apportioned and paid, to the extent available, in the following order of priority:

(a) If the taking is a Partial Taking, from the remaining portion of the award Tenant shall be paid (1) the cost of restoring the affected portion of the Premises, provided Tenant actually so restores the Premises and (2) any additional amounts attributable to Tenant's use or occupancy of the Premises;

(b) From the remaining portion of the award, Landlord shall be entitled to an amount equal to the value, on the date of the taking, of its reversionary interest in the whole or the affected portion of the Premises taken;

(c) From the remaining portion of the award, Tenant's Encumbrancer shall be paid the amount of any indebtedness then owed by Tenant to Tenant's Encumbrancer up to the value of the Tenant Improvements or portion thereof taken and not restored, valued as of the date of the taking, less the value of the Landlord's reversionary interest in the Tenant Improvements;

(d) From the remaining portion of the award (i) Landlord shall be paid the value of its reversionary interest in improvements made by Tenant pursuant to Article 8 ("Tenant Improvements") on the Premises or that portion thereof taken and not restored, such reversionary interest being determined on the basis of the unexpired Term and (ii) Tenant shall be entitled to an amount equal to the value, on the date of the taking, of its remaining interest in the leasehold of the Premises, such remaining interest being determined on the basis of the unexpired Term, provided, however, if there is not sufficient funds available to pay all of the amounts provided for in this subparagraph (e), Landlord and Tenant shall share the amounts pro rata based upon the amounts they would have been entitled to under clauses (i) and (ii) if sufficient funds were available.

Tenant shall also be entitled to apply for a separate award made with respect to a taking of its personal property and/or to compensate Tenant for Tenant's loss of good will and its removal or relocation costs, so long as such award does not otherwise reduce Landlord's award.

14.6 Temporary Taking. If the temporary use of the whole or any part of the Premises shall be taken by any lawful power or authority by the exercise of the right of condemnation or eminent domain, or by agreement between Tenant and those authorized to exercise such right, Tenant shall promptly so notify Landlord, the Term shall not be reduced or affected in any way, Tenant shall continue to pay in full the Rent and other charges herein reserved, without reduction or abatement, and, except to the extent that Tenant is prevented from so doing by reason of any order of the condemning authority, shall continue to perform and observe all of the other covenants, conditions and agreements of this Lease to be performed or observed by Tenant as though such taking had not occurred; and Tenant shall be entitled to receive for itself any and all

awards or payments attributable to Tenant's use or occupancy of the Premises during the Term; provided, however, that if possession of the whole or any such part of the Premises as shall have been taken for such temporary use shall revert to Tenant prior to the expiration or earlier termination of the Term, Tenant promptly shall, at Tenant's sole cost and expense, repair any damage to the Premises, or any part thereof; resulting from such taking and shall restore the Tenant Improvements as nearly as may be reasonably possible to the condition existing prior to the taking. The proceeds of any award or payment, up to the total rent owing by Tenant for the period of the Taking, shall be made available for such restoration and shall be paid to Tenant for such purposes. City shall be entitled to receive the balance of any award.

14.7 Award of Subtenants. Any provision in this Article 14 to the contrary notwithstanding, in the event any subtenant, licensee or concessionaire of Tenant or anyone hold under Tenant shall become entitled to any portion of the award or awards in any condemnation proceedings or by the exercise of any right to eminent domain as provided in this Lease, such award or the aggregate thereof, together with any additional sums to which any such Person, its legal representatives, successors or assigns shall become entitled in connection therewith, shall be deducted entirely from the share of Tenant in each and every instance, and Landlord's share not in any way or in any instance be affected or decreased thereby.

14.8 Participation in Eminent Domain Process. Landlord shall not prevent Tenant from participating in any eminent domain proceeding to the extent participation is provided for or otherwise available under applicable law and is consistent with the terms and conditions of this Article 14.

14.9 Eminent Domain Proceeds Initiated by City. The provisions of this Article 14 shall not apply to any eminent domain proceeding initiated in respect of Tenant's interest in the Premises of the City. Any such eminent domain proceedings initiated by the City shall be treated as a breach of the Lease by the City.

## **ARTICLE 15 ASSIGNMENT AND SUBLETTING**

15.1 Assignment. Subject to Article 12.1 relating to Leasehold Encumbrances, Tenant may assign its interest in this Lease, sublet any portion of the Premises (each, and "Assignment"), only with Landlord's written consent, which shall not be unreasonably withheld. For purposes of this provision, the term "Assignment" shall include the transfer of any interest in the ownership of Tenant that results in a change of control of Tenant to any person other than, Tom Isaak or John Telischak or Michael Sharp. In the event of the death or disability of both Tom Isaak and John Telischak, and continued major ownership and active management by Michael Sharp, no assignment shall be deemed to occur if the Lease is thereupon assigned to CourseCo Inc. or a wholly owned subsidiary of CourseCo Inc. Tenant agrees that it shall not be unreasonable for Landlord to condition its approval, among other things, upon the proposed assignee or subtenant having a financial net worth, according to a current financial statement, which is reasonably acceptable to Landlord, and upon the proposed assignee having a reputation for, and qualifications and at least five (5) years' experience in, operating and maintaining golf course properties comparable to the Premises. Tenant shall promptly provide Landlord with any information

reasonably requested by Landlord relating to the identity of any proposed assignee, the nature of such assignee's business and the proposed assignee's financial responsibility.

15.2 Notice of Proposed Transfer. If Tenant desires to enter into an assignment or a sublease, then it shall give not less than 30 days written notice (a "Notice of Proposed Transfer") to City of its intention to do so. The Notice of Proposed Transfer shall identify the Transferee and state the terms and conditions under which Tenant is willing to enter into such proposed Assignment or Sublease, including a copy of the proposed assignment or sublease agreement. Tenant shall provide City with financial statements for the proposed Transferee and such additional information regarding the proposed Transfer as City may reasonably request. In connection with any assignment, to be effective, the assignee shall be obligated to assume all of the obligations of Tenant hereunder accruing from and after the effective date of such assignment.

## **ARTICLE 16 DEFAULT; REMEDIES**

16.1 Events of Default. Any of the following shall constitute an event of default ("Event of Default") by Tenant hereunder:

(a) Rent. Any failure to pay any Rent or other sums as and when due, provided Tenant shall have a period of three (3) business days from the date of written notice of such failure from City within which to cure any default in the payment of Rent or other sums.

(b) Covenants, Conditions and Representations. Any failure to perform or comply with any other covenant, condition or representation made under this Lease (including Tenant's obligation to make the deposits into the Capital Improvement Fund pursuant to Article 8.3) and perform the Maintenance pursuant to Article 9.3, provided Tenant shall have a period of thirty (30) days from the date of written notice of such failure from City (or if such matter was the subject of any court proceeding, then following final resolution of such proceeding) within which to cure such default under this Lease, or, if such default is not capable of cure within such 30-day period, Tenant shall have a reasonable period to complete such cure if Tenant promptly undertakes action to cure such default within such 30-day period and thereafter diligently prosecutes the same to completion and Tenant uses its best efforts to complete such cure within sixty (60) days after the receipt of notice of default from City;

(c) Vacation or Abandonment. Any vacation or abandonment of the Premises for more than fourteen (14) consecutive days; and

(d) Bankruptcy. The appointment of a receiver to take possession of all or substantially all of the assets of Tenant, or an assignment by Tenant for the benefit of creditors, or any action taken or suffered by Tenant under any insolvency, bankruptcy, reorganization, moratorium or other debtor relief act or statute, whether now existing or hereafter amended or enacted, if any such receiver, assignment or action is not released, discharged, dismissed or vacated within sixty (60) days.

16.2 Remedies. Upon the occurrence of an Event of Default by Tenant, City shall have the following rights and remedies in addition to all other rights and remedies available to City at Law or in equity:

(a) Terminate Lease and Recover Damages. The rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including, but not limited to, the right to terminate Tenant's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Base Rent and Additional Charges for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that Tenant proves could be reasonably avoided, as computed pursuant to subsection (b) of such Section 1951.2. City's efforts to mitigate the damages caused by Tenant's breach of this Lease shall not waive City's rights to recover damages upon termination.

(b) Continue Lease and Enforce Rights. The rights and remedies provided by California Civil Code Section 1951.4 (continuation of lease after breach and abandonment), which allows City to continue this Lease in effect and to enforce all of its rights and remedies under this Lease, including the right to recover Rent as it becomes due, for so long as City does not terminate Tenant's right to possession, if Tenant has the right to sublet or assign, subject only to reasonable limitations. For purposes hereof, none of the following shall constitute a termination of Tenant's right of possession: acts of maintenance or preservation; efforts to relet the Premises or the appointment of a receiver upon City's initiative to protect its interest under this Lease; or withholding consent to an Assignment or Sublease, or terminating an Assignment or Sublease, if the withholding or termination does not violate the rights of Tenant specified in subdivision (b) of California Civil Code Section 1951.4. If City exercises its remedy under California Civil Code Section 1951.4, City may from time to time sublet the Premises or any part thereof for such term or terms (which may extend beyond the Term) and at such rent and upon such other terms as City in its sole discretion may deem advisable, with the right to make alterations and repairs to the Premises. Upon each such subletting, Tenant shall be immediately liable for payment to City of, in addition to Base Rent and Additional Charges due hereunder, the cost of such subletting and such alterations and repairs incurred by City and the amount, if any, by which the Base Rent and Additional Charges owing hereunder for the period of such subletting (to the extent such period does not exceed the Term) exceeds the amount to be paid as Base Rent and Additional Charges for the Premises for such period pursuant to such subletting. No action taken by City pursuant to this subsection shall be deemed a waiver of any default by Tenant and, notwithstanding any such subletting without termination, City may at any time thereafter elect to terminate this Lease for such previous default.

(c) Self Help. After final adjudication of Tenant's default in respect of any obligation hereunder, City may (but shall not be obligated to) perform the obligation that Tenant failed to perform in respect of such adjudication and charge Tenant for the reasonable cost and expenditures, including attorneys' fees, incurred by City in connection therewith.

## **ARTICLE 17 WAIVER OF CLAIMS; INDEMNIFICATION**

17.1 Waiver of Claims. Tenant covenants and agrees that City shall not be responsible for or liable to Tenant for, and, to the fullest extent allowed by law, Tenant hereby waives all rights against City and releases City from, any and all losses, including, but not limited to incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises from any cause whatsoever except for (i) a breach of this Lease by City, (ii) the negligence or willful misconduct of City or its employees, Agents or

contractors, or (iii) the presence of any Hazardous Materials or underground tanks or the failure of the Premises to comply with any Environmental Laws, in each case in respect of this clause (iii) as of the Commencement Date (collectively "Exceptions").

17.2 Tenant's Indemnity. Except for the Exceptions described in Section 17.1, Tenant, on behalf of itself and its successors and assigns, shall Indemnify City and the other Indemnified Parties from and against any and all claims for injuries or damages to persons and/or property incurred in connection with or arising directly or indirectly, whole or in part, out of (a) the use of the Premises; (b) a condition of the Premises arising after the Commencement Date; (c) any construction or other work undertaken by Tenant; (d) any acts, omissions or negligence of Tenant, its Agents or Invitees; (e) any accident, injury to or death of a person, including Agents and Invitees of Tenant.

## **ARTICLE 18 INSURANCE**

18.1 Tenant's Insurance. Tenant shall procure and maintain throughout the Term of this Lease and be solely responsible for paying the cost thereof, insurance in the following amounts and coverages:

(a) Property insurance, on an all-risk form, excluding earthquake and flood, for 100% of the full insurable value of the Premises and the permitted Improvements, with any deductible not to exceed \$10,000 each occurrence. Such insurance shall be in Tenant's name and City shall be named as additionally insured, as their respective interests may appear. With respect to the City's interests, such insurance shall include rental interruption coverage in an amount equal to twelve months Base Rent. "Full insurable value" shall mean the actual replacement cost of the Improvements and the existing improvements that are included in the Premises (excluding foundation and excavation costs but without deduction for physical depreciation).

(b) Boiler and Machinery insurance, comprehensive form, covering damage to pressure vessels, heating and air conditioning systems, electrical apparatus and similar property in an amount not less than One Million Dollars (\$1,000,000) each occurrence, including Tenant and City as named insureds as their respective interests may appear, with any deductible not to exceed \$10,000 each accident.

(c) Comprehensive or commercial general liability insurance with limits not less than Five Million Dollars (\$5,000,000) each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Broad form Property Damage, Independent Contractors, Liquor Liability, Personal Injury, Products and Completed Operations.

(d) Comprehensive Builder's Risk insurance, on an all-risk form, excluding earthquake and flood, for 100% of the completed value of any Improvements, Alterations or other new construction, including materials in transit and storage off-site, in the event that such construction is beyond the scope of coverage in the property policy for remodeling or renovation. Such policy shall include as named insureds Tenant, City, any contractor in connection with such

construction and subcontractors of all tiers, with any deductible not to exceed \$10,000 each occurrence.

(e) Worker's compensation insurance with coverage in compliance with State statutory limits.

(f) Comprehensive or Business Automobile Liability Insurance Code 1 (any auto) with limits not less than Two Million Dollars (\$2,000,000) each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

18.2 General Requirements. All insurance provided for under this Lease shall be affected under valid enforceable policies issued by insurers of recognized responsibility (with an A.M. Best Rating of A.VII or higher, or its equivalent) and reasonably approved by the City Manager.

(a) Should any of the required insurance be provided under a claims-made form, Tenant shall maintain such coverage continuously throughout the Term of this Lease and, without lapse, for a period of three (3) years beyond the expiration or termination of this Lease, to the effect that, should occurrences during the Term give rise to claims made after expiration or termination of this Lease, such claims shall be covered by such claims-made policies.

(b) Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claim investigation or legal defense costs are included in such general annual aggregate limit, such general aggregate limit shall double the occurrence or claims limits specified above.

(c) All General Liability and Automobile Liability Insurance policies shall be endorsed to provide the following:

(i) Name Tenant as the insured and the City, its officers, Agents and employees (and unpaid City volunteers), as Additional Insured, as their respective interests may appear hereunder.

(ii) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Lease, and that insurance applies separately to each insured against whom claim is made or suit is brought. Such policies shall also provide for severability of interests and that an act, or omission of one of the named insureds which would void or otherwise reduce coverage shall not reduce or void the coverage as to any insured, and shall afford coverage for all claims based on acts, omissions, injury or damage which occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period.

(d) All policies shall be endorsed to provide thirty (30) days' advance written notice by certified mail to City of cancellation, non-renewal or reduction in coverage, mailed to the address(es) for City set forth in the Basic Lease Information.

18.3 Proof of Insurance. Tenant shall deliver to City certificates of insurance and endorsements in form and with insurers satisfactory to City, evidencing the coverages required hereunder, on or before the Commencement Date, together with complete copies of the policies promptly upon City's request, and Tenant shall provide City with certificates and endorsements or policies thereafter at least thirty (30) days before the expiration dates of expiring policies. In the event Tenant shall fail to procure such insurance, or to deliver such policies or certificates, the City Manager may, at its option, procure the same for the account of Tenant, and the cost thereof shall be paid to City within five (5) days after delivery to Tenant of bills therefor.

18.4 Review of Insurance Requirements. Tenant and City shall periodically review the limits and types of insurance carried pursuant to this Article. If the general commercial practice in the City is to carry liability insurance in an amount or coverage materially greater than the amount or coverage then being carried by Tenant with respect to risks comparable to those associated with the Premises, then, at the City Manager's option, Tenant shall increase at its sole cost the amounts or coverages carried by Tenant to conform to such general commercial practice.

18.5 No Limitation on Indemnities. Neither Tenant's compliance with the provisions of this Article, nor any approval by City of Tenant's insurance coverage, shall in any way relieve or decrease Tenant's indemnification obligations under Articles 17.2 above and 22.2 below, or any of Tenant's other obligations or liabilities under this Lease.

18.6 Lapse of Insurance. Notwithstanding anything to the contrary in this Lease, this Lease shall terminate immediately, at the City Manager's election, made in his or her sole and absolute discretion by delivery of written notice to Tenant, upon the lapse of any required insurance coverage, unless Tenant reinstates the required insurance coverage within thirty (30) days of such lapse and no event shall have occurred which gives rise to any Claim.

18.7 Tenant's Personal Property. Tenant shall be responsible, at its expense, for separately insuring its personal property.

18.8 City's Self Insurance. Tenant acknowledges that City self-insures against casualty, property damage and public liability risks and agrees City shall not be required to carry any third party insurance with respect to the Premises or otherwise.

18.9 Waiver of Subrogation. Notwithstanding anything to the contrary contained herein, to the extent permitted by their respective policies of insurance, City and Tenant each hereby waive any right of recovery against the other party and against any other party maintaining a policy of insurance covering the Premises or other City property and their contents, or any portion thereof, for any loss or damage maintained by such other party with respect to the Premises, other City property or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party. If any policy of insurance relating to the Premises or other City property carried by Tenant does not permit the foregoing waiver or if the coverage under any such policy would be invalidated due to such waiver, Tenant shall obtain, if possible, from the insurer under such policy a waiver of all rights of subrogation the insurer might have against City or any other party maintaining a policy of insurance covering the same loss, in connection with any claim, loss or damage covered by such policy.

**ARTICLE 19**  
**ACCESS BY CITY**

19.1 Access to Premises by City.

(a) General and Emergency Access. City reserves for itself and its designated Agents, the right to enter the Premises and any portion thereof at all reasonable times for any of the following purposes:

(i) To determine whether the Premises are in good condition and to inspect the Premises (including, without limitation, soil borings or other Hazardous Material Investigations);

(ii) To determine whether Tenant is in compliance with its obligations hereunder and to cure or attempt to cure any such default in accordance with the provisions of Article 16.1 hereof;

(iii) To serve, post or keep posted any notices required or allowed under any of the provisions of this Lease;

(iv) To do any maintenance or repairs to the Premises that City has the right or the obligation, if any, to perform hereunder; and

(v) To show it to any prospective purchasers, brokers, Encumbrancers or public officials, or, during the last year of the Term of this Lease, exhibiting the Premises to prospective tenants, bidders, proposers, operators or other occupants, and to post any "for sale" or "for lease" signs in connection therewith.

(b) Minimize Disruption. City shall use its reasonable good faith efforts to conduct any activities on the Premises allowed under this Article in a manner that, to the extent practicable, will minimize any disruption to Tenant's use hereunder.

**ARTICLE 20**  
**ESTOPPEL CERTIFICATES**

20.1 Estoppel Certificates. Either Party hereto shall, from time to time during the Term upon not less than twenty (20) days' prior written notice from the other Party, execute, acknowledge and deliver to the other Party, or such persons or entities designated by such other Party, a statement in writing certifying: (a) the Commencement Date and Expiration Date of this Lease, (b) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the Lease is in full force and effect as modified and stating the modifications), (c) that there are no defaults under this Lease (or if so, specifying the same), (d) the dates, if any, to which the Rent has been paid, and (e) any other information that may be reasonably required by any such persons or entities. Any such certificate delivered pursuant to the provisions hereof may be relied upon by the other Party or any prospective purchaser or Encumbrancer of its estate. The City Manager shall be authorized to execute, acknowledge and deliver any such certificate on behalf of City.

**ARTICLE 21**  
**SURRENDER OF THE PREMISES**

21.1 Surrender of Premises. Upon the Expiration Date or any earlier termination of this Lease pursuant hereto, Tenant shall surrender to City the Premises, in as good condition as it was on the Commencement Date (normal obsolescence, wear and tear excepted), free from debris and hazards, and free and clear of all liens, easements and other Encumbrances created or suffered by, through or under Tenant. On or before the Expiration Date or any earlier termination hereof, Tenant shall, at its sole cost, remove any and all of Tenant's personal property from the Premises. In addition, Tenant shall, at its sole expense, repair any damage to the Premises resulting from the removal of any such items and restore the Premises to their condition immediately prior to the presence of any Improvements or Alterations, which are removed, normal obsolescence, wear and tear excepted. In connection therewith, Tenant shall obtain any and all necessary permits and approvals, including, without limitation, any environmental permits, and execute any manifests or other documents necessary to complete the demolition, removal or restoration work required hereunder. Tenant's obligations under this Article shall survive the Expiration Date or other termination of this Lease. Any items of Tenant's personal property remaining on or about the Premises after the Expiration Date of this Lease may, at City's option, be deemed abandoned and in such case City may dispose of such property in accordance with Section 1980 et seq. of the California Civil Code or in any other manner allowed by Law.

**ARTICLE 22**  
**HAZARDOUS MATERIALS**

22.1 No Hazardous Materials. Tenant covenants and agrees that, except as provided below, neither Tenant nor any of its Agents shall cause any Hazardous Material to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises or any Improvements or transported to or from the Premises or any Improvements. Notwithstanding the foregoing, Tenant may keep, store and use such substances in and on the Premises and Improvements in such limited amounts as are customarily used for general office purposes (such as, but not limited to, copy toner and cleaning supplies), or for maintenance, repair and operation of golf carts and other equipment (such as, but not limited to, lubricants and fuels), so long as such storage and use is at all times in full compliance with all applicable Environmental Laws and further provided Tenant may store and use other Hazardous Materials customarily used in connection with the operation, care and maintenance of golf courses (such as, but not limited to, paints, pesticides, herbicides and fertilizers), so long as such storage and use is at all times in compliance with all applicable Environmental Laws. Tenant shall immediately notify City if and when Tenant learns or has reason to believe there has been any Release of Hazardous Material in, on or about the Premises or any Improvements. City may from time to time request Tenant to provide adequate information for City to determine that any Hazardous Material permitted hereunder is being handled in compliance with all applicable Environmental Laws, and Tenant shall promptly provide all such information. City and its Agents shall have the right to inspect the Premises for Hazardous Material and compliance with the provisions hereof at all reasonable times upon reasonable advance oral or written notice to Tenant (except in the event of an emergency).

22.2 Tenant's Environmental Indemnity. If Tenant breaches any of its obligations contained in Article 22.1 above, and such breach results in any Release of Hazardous Material in,

on, under or about the Premises, without limiting Tenant's general Indemnity contained in Article 17.2 above, Tenant, on behalf of itself and its successors and assigns, shall Indemnify City and the Indemnified Parties, and each of them, from and against all Hazardous Materials Claims arising during or after the Term of this Lease and relating to such Release. The foregoing Indemnity includes, without limitation, all costs associated with the Investigation and Remediation of Hazardous Material and with the restoration of the Premises or any other City property to its prior condition including, without limitation, fines and penalties imposed by regulatory agencies, natural resource damages and losses, and revegetation of the Premises or other City property.

22.3 Landlord's Environmental Indemnity. Landlord agrees to indemnify and hold harmless Tenant from and against any and all losses, liabilities and claims arising out of the presence, use, generation, storage, release, or disposal of Hazardous Materials occurring prior to the Commencement Date or by Landlord, its agents or contractors whether before or after the Commencement Date. In no event shall Tenant be liable or responsible for any Hazardous Materials existing at the Premises prior to the Commencement Date.

## **ARTICLE 23 REQUIREMENTS FOR AIRPORT PROPERTY**

23.1 Tenant Acknowledgment of Additional Airport Requirements. Tenant acknowledges that the Premises are, due to the proximity of the Visalia Airport, subject to the regulations described in this Section. Tenant agrees that the following shall apply during the term of this Agreement and that this Agreement and all rights conferred thereby shall at all times be subject to current and future regulations governing any and all activities at the Visalia Municipal Airport to the same extent that such current and future regulations govern the activities of all persons using the facilities of the Visalia Municipal Airport and occupying structures thereon

23.2. Tenant shall not conduct, or allow to be conducted upon the Demised Premises, any dangerous or hazardous activities, or any activities considered to be a nuisance to the airport or its tenants and neighbors, and Tenant agrees to abide by all applicable F.A.A. and U.S. Government rules and regulations, including, but not limited to the following:

(a). The Tenant for himself, his heirs, personal representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the property described herein for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted programs of the Department of Transportation and as said Regulations may be amended.

(b) The Tenant for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

- (1) No person on the grounds of race, color, sex, age or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of said facilities;
  - (2) No person on the grounds of race, color, sex, age or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination in the construction of any improvements on, over or under such land and the furnishing or services thereon, n; and
  - (3) That the Tenant shall use the Demised Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted programs of the Department of Transportation, and as said Regulations may be amended.
- (c) It is understood and agreed that nothing contained herein shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958.
- (d). Tenant agrees to furnish service on a fair, equal and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit or service, provided, that Tenant may make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.
- (e) The Landlord reserves the right (but shall not be obligated to Tenant) to maintain and keep in repair the landing area of the airport and all publicly owned facilities of the airport, together with the right to direct and control all activities of the Tenant in this regard.
- (f) The Landlord reserves the right to further develop or improve the landing area and all publicly owned air navigation facilities of the airport as it sees fit, regardless of the desires or views of the Tenant, and without interference or hindrance.
- (g) The Landlord reserves the right to take any action it considers necessary to protect aerial approaches of the airport against obstructions, together with the right to prevent Tenant from erecting, or permitting to be erected, any building or other structure on the airport which in the opinion of the Landlord would limit the usefulness of the airport or constitute a hazard to aircraft.
- (h) During the time of war or national emergency the Landlord shall have the right to enter into an agreement with the United States Government for military or naval use of part or all of the landing area, the publicly owned air navigation facilities and/or other areas or facilities of the airport. If any such agreement is executed, the provisions of this Lease, insofar as they are inconsistent with the provisions of the agreement with the Government, shall be suspended.
- (i) It is understood and agreed that the rights granted by this Lease will not be exercised in such a way as to interfere with or adversely affect the use, operation, maintenance or development of the airport.

(j) There is hereby reserved to the Landlord, its successors and assigns, for the use and benefit of the public, a free and unrestricted right of flight for passage of aircraft in the airspace above the surface of the Demised Premises herein conveyed, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, using said airspace or landing at, taking off from, or operating on or about the airport.

(k) The Lease shall become subordinate to provisions of any existing or future agreement between the Landlord and the United States of America, or any agency thereof relative to the operation, development, or maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the airport.

## ARTICLE 24 GENERAL PROVISIONS

### 24.1 Notices; Reasonable Approvals.

(a) Except as otherwise expressly provided in this Lease, any notice given hereunder shall be effective only if in writing and given by delivering the notice in person, or by sending it first-class mail or certified mail with a return receipt requested or reliable commercial overnight courier, return receipt requested, with postage prepaid, to: (a) Tenant (i) at Tenant's address set forth in the Basic Lease Information, if sent prior to Tenant's taking possession of the Premises, or (ii) at the Premises if sent on or subsequent to Tenant's taking possession of the Premises, or (iii) at any place where Tenant or any Agent of Tenant may be found if sent subsequent to Tenant's vacating, abandoning or surrendering the Premises; or (b) City at City's address set forth in the Basic Lease Information; or (c) to such other address as either City or Tenant may designate as its new address for such purpose by notice given to the other in accordance with the provisions of this Article at least ten (10) days prior to the effective date of such change. Any notice hereunder shall be deemed to have been given two (2) days after the date when it is mailed if sent by first-class or certified mail, one day after the date it is made if sent by commercial overnight courier or upon the date personal delivery is made. For convenience of the Parties, copies of notices may also be given by telefacsimile to the telephone number set forth in the Basic Lease Information or such other number as may be provided from time to time; however, neither party may give official or binding notice by facsimile. The effective time of a notice shall not be affected by the receipt, prior to receipt of the original, of a telefacsimile copy of the notice.

(b) Wherever the approval or consent (or similar words or phrases) of either Party is required hereunder, such Party shall not unreasonably withhold or delay such approval or consent.

24.2 Amendments. This Lease nor any term or provisions hereof may be neither changed, waived, discharged, terminated nor amended, except by a written instrument signed by the Parties hereto.

24.3 Authority. If Tenant signs as a corporation, a partnership or a limited liability company, each of the persons executing this Lease on behalf of Tenant does hereby covenant and warrant that Tenant is a duly authorized and existing entity, that Tenant has and is qualified to do business in California, that Tenant has full right and authority to enter into this Lease, and that each and all of the persons signing on behalf of Tenant are authorized to do so. Upon City's request, Tenant shall provide City with evidence reasonably satisfactory to City confirming the foregoing representations and warranties.

24.4 Interpretation of Lease. The captions preceding the articles and sections of this Lease and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Lease. This Lease has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the Party responsible for drafting any part of this Lease. Provisions in this Lease relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or City holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this Lease, whether or not language of non-limitation, such as "without limitation" or similar words, are used.

24.5 Successors and Assigns. Subject to the provisions of Article 12 and Article 15 hereof relating to Leasehold Encumbrances and Assignment and Subletting, the terms, covenants and conditions contained in this Lease shall bind and inure to the benefit of City and Tenant and, except as otherwise provided herein, their personal representatives and successors and assigns; provided, however, that upon any sale, assignment or transfer by City named herein (or by any subsequent landlord) of its interest in the Premises as owner or lessee, including any transfer by operation of Law, City (or any subsequent landlord) shall be relieved from all subsequent obligations and liabilities arising under this Lease subsequent to such sale, assignment or transfer.

24.6 Brokers. Neither Party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the lease contemplated herein except as identified in the Basic Lease Information, whose commission, if any is due, shall be paid pursuant to a separate written agreement between such broker and the Party through which such broker contracted. In the event that any other broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the Party through whom the broker or finder makes a claim shall be responsible for such commission or fee and shall Indemnify the other Party from any and all Losses incurred by the indemnified Party in defending against the same. The provisions of this Article shall survive any termination of this Lease.

24.7 Severability. If any provision of this Lease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons, entities or circumstances other than those as to

which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Lease shall be valid and be enforceable to the fullest extent permitted by Law.

24.8 Governing Law. This Lease shall be construed and enforced in accordance with the Laws of the State of California. Venue for any action shall be in the County of Tulare.

24.9 Entire Agreement. This instrument (including the exhibits hereto, which are made a part of this Lease) contains the entire agreement between the Parties and supersedes all prior written or oral negotiations, discussions, understandings and agreements. The Parties further intend that this Lease shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts of this Lease and any changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Lease. Tenant hereby acknowledges that neither City nor City's Agents have made any representations or warranties with respect to the Premises or this Lease except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Tenant by implication or otherwise unless expressly set forth herein.

24.10 Attorneys' Fees and Costs. If any action is commenced that arises out of or related to this Lease, the prevailing party shall be entitled to recover from the other party such sums as the court may adjudge to be reasonable attorneys' fees, expert fees, and expenditures in the action, in addition to costs and expenditures otherwise allowed by law. In any matter arising out of or relating to the bankruptcy of Tenant, Tenant agrees to pay all of Landlord's costs and expenditures, including attorneys' fees and expert fees, which may be incurred in enforcing or protecting Landlord's rights or interests.

24.11 Holding Over. Any holding over after the expiration of the Term with the express consent of the City Manager shall be construed to automatically extend the Term of this Lease on a month-to-month basis only, at a Base Rent equal to one hundred twenty-five percent (125%) of the latest Base Rent payable by Tenant hereunder prior to such expiration, together with an amount estimated by City for the monthly Additional Charges payable under this Lease, and shall otherwise be on the terms and conditions herein specified so far as applicable (except for those pertaining to the Term). Any holding over without City's consent shall constitute a default by Tenant and entitle City to exercise any or all of its remedies as provided herein, notwithstanding that City may elect to accept one or more payments of Rent, and whether or not such amounts are at the holdover rate specified above or the rate in effect at the end of the Term of the Lease.

24.12 Cumulative Remedies. All rights and remedies of either party hereto set forth in this Lease shall be cumulative, except as may otherwise be provided herein.

24.13 Transition Procedures. Upon the expiration of the Term or earlier termination of this Lease, for whatever reason, Tenant and City shall do the following (and the provisions of this Article 24.13 shall survive the expiration or termination of this Lease until they have been fully performed) and, in general, shall cooperate in good faith to effect an orderly transition of the management of the Premises.

(a) Transfer of Licenses. Upon the expiration or earlier termination of the Lease, Tenant shall use its best efforts (i) to transfer to City or City's nominee all licenses,

operating permits and other governmental authorizations and all contracts which City elects to assume, including contracts with governmental or quasi-governmental entities and management contracts, that may be necessary for the operation of the Premises and completion of any repairs, maintenance, Improvements or Alterations (collectively, "Licenses"), or (ii) if such transfer is prohibited by law or City otherwise elects, to cooperate with City or City's nominee in connection with the processing by City or City's nominee of any applications for all Licenses; provided, in either case, that the costs and expenditures of any such transfer or the processing of any such application shall be paid by City or City's nominee.

(b) Leases and Concessions. Tenant shall assign to City or City's nominee simultaneously with the termination of this Lease, and the assignee shall assume all leases, subleases, and concession agreements in effect with respect to the Premises then in Tenant's possession, which City or City's nominee elects to assume.

Tenant shall negotiate in good faith with City or City's nominee for the sale of all or any portion of Tenant's personal property that City or City's nominee elects to purchase.

24.14 Survival of Indemnities. Termination of this Lease shall not affect the right of either Party to enforce any and all indemnities and representations and warranties given or made to the other Party under this Lease, nor shall it affect any provision of this Lease that expressly states it shall survive termination hereof. Tenant specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Lease, Tenant has an immediate and independent obligation to defend City and the other Indemnified Parties from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Tenant by City and continues at all times thereafter.

24.15 Relationship of Parties. City is not, and none of the provisions in this Lease shall be deemed to render City, a partner in Tenant's business, or joint venture or member in any joint enterprise with Tenant. Neither Party shall act as the agent of the other Party in any respect hereunder, nor shall neither Party have any authority to commit or bind the other Party without such party's consent as provided herein. This Lease is not intended nor shall it be construed to create any third party beneficiary rights in any third party, unless otherwise expressly provided. The granting of this Lease by City does not constitute authorization or approval by City of any activity conducted by Tenant on, in or relating to the Premises. Tenant, its employees, assignees, subcontractors, or agents shall at no time be deemed employees of City.

24.16 Transfer by City. If City sells or otherwise transfers the Premises, City shall be released from its obligations hereunder arising on or after the date of such sale or transfer and Tenant shall look solely to the successor-in-interest to City. Upon a sale of the Premises by City, Tenant shall attorn to the purchaser or transferee, such attornment to be effective and self-operative without the execution of any further instruments on the part of the Parties to this Lease. This Lease shall not be deemed to constitute any commitment by City, or create any priority or right in favor of Tenant, with regard to any future sale or other disposition of the Premises, or any portion thereof.

24.17 Non-Liability of City Officials, Employees and Agents. No elective or appointive board, commission, member, officer, employee or other Agent of City shall be personally liable to Tenant, its successors and assigns, in the event of any default or breach by City or for any amount that may become due to Tenant, its successors and assigns, or for any obligation of City under this Agreement.

24.18 Consents, Approvals, Elections and Options. Any consent or approval required by the City, or any election or option exercisable by the City, must be given or exercised by the City Manager of the City.

24.19 Counterparts. This Lease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute the same instrument.

24.20 Voluntary Agreement; Authority to Execute. City and Tenant each represent that they have read this Lease in full and understand and voluntarily agree to all provisions herein. The Parties further declare that prior to signing this Lease they each had the opportunity to apprise themselves of relevant data, through sources of their own selection, including consultation with legal counsel of their choosing if desired, in deciding whether to execute this Lease. The signatories to this Lease represent that they have the proper authority to execute this Lease on behalf of the respective Party.

City and Tenant have executed this Golf Course Lease in triplicate as of the date first written above.

TENANT:

By:  Its: MEMBER

By: \_\_\_\_\_ Its: \_\_\_\_\_

CITY:

By:  Its: City Manager

Per Ordinance 2017-10, adopted by the City Council at its meeting of October 2, 2017.

APPROVED AS TO FORM:

By:  Its: City Attorney

**Exhibit A**  
**Description of Premises**



DATE:	2/01/18
JOB NO.:	ENGR
DRAWN BY:	JL
SCALE:	1"=600'
SHEET NO.:	EXHIBIT A

DESCRIPTION:  
**VALLEY OAKS GOLF COURSE**

---

TITLE:  
**EXHIBIT "A"**



**Exhibit B**  
**Maintenance Standards**

Valley Oaks Golf Course

Maintenance Standards

GREENS			TEES		
	Peak Season	Shoulder Season		Peak Season	Shoulder Season
Species/Variety	Bent/Poa	Bent/Poa	Species/Variety	Bermuda	Bermuda/Pren Rye
HOC	.100-.155	.125-.165	HOC	.400-.600	.500-.750
Target Speed	9.0	9.0	Mowing Freq.	1-2x's/wk	1-2x's/wk
Mowing Freq.	5-7 x's/wk	3-5 x's/wk	Mower Type	Reel	Reel
Clean up cut Freq.	1-3 x's/wk	1-3 x's/mo	Verticut Freq.	As Needed	As Needed
Mower Type	Reel	Reel	Topdress Freq.	2x's/yr	N/A
Verticut Freq.	1-2 x's/mo	As Needed	Aerification Freq.	2x's/yr	N/A
Topdress Freq.	1-2 x's/mo	As Needed	Divot Repair Freq.	1x/wk	As Needed
Aerification Freq.	1-2x's/yr(PA)	As Needed	Accessory Re-Paint	1x/yr	N/A
Tine size & spacing	1/4-1/2"x 2"	1/4-1/2"x 2"	Logo-ed Accessories	Yes	Yes
Ball Mark Repair Freq.	Daily	Daily	Access. Repl. Sched.	As Needed	As Needed
Logo-ed Flags	Yes	Yes	Time to Repair Damage	24 Hours	24 Hours
Pin Placement Rotation	5-7 x's/wk	3-5 x's/wk	Overseeding Rate	N/A	10-15 LBS/M
Time to Repair Damage	Immediately	Immediately	Preventive Fungicides	As Needed	As Needed
Access. Repl. Sched.	Annually	N/A	Insect Control	As Needed	As Needed
Pinspotter/Pin Sheets	No	No	Weed Control	As Needed	As Needed
Overseeding Rate	1 LB/M	N/A	Yardage plate edging freq	3x's/yr	N/A
Prev. Fungicide Apps	Yes	Yes			
Insect Control	As Needed	As Needed	BUNKERS		
Weed Control	As Needed	As Needed	Raking Freq.	3-5x's/wk	As Needed
FAIRWAYS			Sand depth slopes	1-2"	1-2"
	Peak Season	Shoulder Season	Sand depth bottom	4"	4"
Species	Bermuda	Bermuda	Raking Method	Machine/Hand	Machine/Hand
HOC	.375-.750	.500-.750	Hand Rakes (avg/bunker)	1-2/bunker	1-2/bunker
Mowing Freq.	2-3x's/wk	1-2x's/mo	Edging Freq.	1x/mo	As Needed
Mower Type	Reel	Reel	Mechanical	Yes	Yes
Lely Dethatching Freq.	N/A	N/A	Chemical	Yes	Yes
Topdress Freq.	N/A	N/A	Time to Repair Damage	48 Hours	48 Hours
Aerification Freq.	1x/yr	N/A	CART PATHS		
Divot Repair Freq.	N/A	N/A	Edging Freq.	2x's/year	N/A
Edge Yardage Markers	1x/mo	N/A	Sweep/Blow Freq.	1-2x's/wk	As Needed
Irrig. Head Yardage	N/A	N/A	Traffic Control	Daily	Daily
Irrig. Head Trim Freq.	2x's/yr	N/A	TC Rotation schedule	As Needed	As Needed
Time to Repair Damage	24 Hours	48 Hours	GREEN SURROUNDS		
Overseeding Rate	N/A	N/A	Cutting Height	1 1/2"- 2"	1 1/2"- 2"
Preventive Fungicides	As Needed	As Needed	Cutting Freq	1x/wk	As Needed
Insect Control	As Needed	As Needed	Mower Type	Rotary	Rotary
Weed Control	As Needed	As Needed	ROUGHS		
GREENS			Species	Bermuda	Bermuda
	Peak Season	Shoulder Season	HOC	1 1/2"- 2"	1 1/2"- 2"
Species	Bermuda	Bermuda	Mowing Freq.	1x/wk	As Needed
HOC	1 1/2"- 2"	1 1/2"- 2"	Mower Type	Rotary	Rotary
Mowing Freq.	1x/wk	As Needed	Trimming Freq.	1x/wk	As Needed
Mower Type	Rotary	Rotary	Trimming Type	Weedeater	As Needed
Trimming Freq.	1x/wk	As Needed	Verticut Freq.	N/A	N/A
Trimming Type	Weedeater	As Needed	Aerification Freq.	N/A	N/A
Verticut Freq.	N/A	N/A	Yardage Markers	1x/yr	N/A
Aerification Freq.	N/A	N/A	Irrig. Head Yardage	N/A	N/A
Yardage Markers	1x/yr	N/A	Time to Repair Damage	72 Hours	72 Hours
Irrig. Head Yardage	N/A	N/A	Overseeding Rate	N/A	N/A
Time to Repair Damage	72 Hours	72 Hours	Preventive Fungicides	As Needed	As Needed
Overseeding Rate	N/A	N/A	Insect Control	As Needed	As Needed
Preventive Fungicides	As Needed	As Needed	Weed Control	As Needed	As Needed
Insect Control	As Needed	As Needed	COURSE RESTROOMS		
Weed Control	As Needed	As Needed	Cleaning Freq.	Daily	Daily
GROUNDS/PARKING			LAKES/STREAMS		
	Peak Season	Shoulder Season		Peak Season	Shoulder Season
Turf Mowing Freq.	1x/wk	1x/wk	Hazard Stakes	1x/wk	As Needed
HOC	1 1/2"- 2"	1 1/2"- 2"	Trim Mow Freq.	1x/wk	As Needed
Mower Type	Rotary	Rotary	%Aquatic Weed Allow.	50%	50%
Trimming Freq.	1x/wk	1x/wk	RANGE TEE		
Trimming Type	Weedeater	Weedeater		Peak Season	Shoulder Season
Overseeding Rate	N/A	10-15 LBS/M	Species	Bermuda	Bermuda/Pren Rye
Preventive Fungicides	As Needed	As Needed	HOC	.400-.600	.500-.750
Insect Control	As Needed	As Needed	Mowing Freq.	1-2x's/wk	1-2x's/wk
Weed Control	As Needed	As Needed	Mower Type	Reel	Reel
Edging Freq.	1x/mo	1x/mo	Trimming Freq.	N/A	N/A
Sweep/Blow Freq.	As Needed	As Needed	Verticut Freq.	As Needed	As Needed
Time to Repair Holes	72 Hours	72 Hours	Topdress Freq.	1x/mo	1x/mo
Time to Repair Drainage	72 Hours	72 Hours	Aerification Freq.	1-2x/yr	N/A
			Divot Repair Freq.	1-2x's/wk	1-2x's/wk
			Yardage Markers	2-4x's/yr	N/A
			Time to Repair Damage	24 Hours	48 Hours
			Overseeding Rate	N/A	10-15 LBS/M
			Preventive Fungicides	As Needed	As Needed
			Insect Control	As Needed	As Needed
			Weed Control	As Needed	As Needed
			Turf/Mat Rotation Freq.	1x/wk	1x/wk
			NATIVE AREAS		
				Peak Season	Shoulder Season
			Species	Variety	Variety
			Chem Weed Control	No	No
			Hand Weed Control	2x/yr	N/A
			Trimming Freq.	1-2x/yr	N/A
			Trimming Type	Rotary	N/A

**Exhibit C**  
**Schedule of Personal Property**

**Valley Oaks Golf Course**  
 Restaurant Inventory

01/18/2018

Description	Quantity		
2x4 Metal Kitchen Racks	5		
2x6 Stainless Steele Table	1		
32 inch Flat Screen TV Magnavox	2		
3x3 Restraurant Tables	10		
3x6 Metal Table	1		
3x6 Plastic Folding Tables	7		
3x6 Restraurant Tables	10		
4 Ft Round Ceramic Patio Table	2		
4 Ft Round Rod Iron Patio Table	7		
50 Ft Extension Cord	5		
50 inch Flat Screen TV Vizio	1		
8 Ft Wood Picnic Tables	2		
Bag Boy Push Cart	20		
BBQ Grill	1		
BBQ Smoker	1		
Black Desk Chair	1		
Black Trash Can With Silver Lid	3		
Brewmatic Coffee Maker	1		
Chafing Dishes	3		
Champion Automatic Dish Washer	1		
Cobalt Cog Microphone with cable	1		
Dell Register	2		
Direct TV Recievers	3		
Double Door Pepsi Cooler	1		
Easy-up Canopy	2		
Harbinger Speaker Set with Proline Tripod Stand	1		
Ice-o-matic Ice Maker	1		
Large Outside Black Trash Can	3		
Magic Chef Microwave	1		
Oscillating Pedestal Metal Fan	1		
Partition	2		
Patio Umbrella with Stand	6		
Red Barstools with Back	10		
Red Stackable Banquet Chairs	102		
Restaurant White Board	1		
Biscayne Bronze 5-piece Dining Set (1 table, 4 chairs)	7	4731.58	Feb-15
Round Barstool Tables	5		
Samsung DVD Player	1		
Single Door Pepsi Cooler	1		
Smokers Outpost Metal Smokers Receptacles	4		
Traulsen 3 Door Freezer	1		
Vacumm Cleaner	2		
Wicker Patio Chairs	13		
Wood Desk	1		
Zephyr ZMX52 Compact 5 channel mixer	1		

Valley Oaks Golf Course

01/18/2018

Description	Quantity	Value	Purchased
2012 BUFFALO KB4 BLOWER	1		
24FT EXTENSION LADDER	1		
BUFFALO BLOWER	1		
CARRYALL TURFII GAS UTILITY VEHICLE	1		
CLUB CAR TURF 272W CANO	2		
DAKOTA 410 TURF TENDER/SPREADER	1		
EQ-JACOBSEN SV TRUCK W/6	1		
EQ-PEERLESS SPIN&REEL GRINDER	1		
EQUIP--JUNIOR SOD CUTTER	1		
EQUIP-TORO GROUND MASTER	1		
GOLF BALL WASHING MACHINE	1		
GREENS FAN, BM50-5-3-230	1	\$13,380	15-Dec
GREENS GROOMER BRUSH	1		
IVORY ELEC CART W/SUN AS	3		
JOHN DEERE 1200A BUNKER RAKE	1		
JOHN DEERE 2030 PROGATOR	1		
JOHN DEERE 2500 EPLEX	1		
JOHN DEERE 2500A DIESEL MOWER	1		
JOHN DEERE 2653A UTILITY MOWER	1		
JOHN DEERE 460 SKIP LOADER	1		
JOHN DEERE 5065E TRACTOR	1		
JOHN DEERE 7700A FAIRWAY UNIT	1		
JOHN DEERE 7700A FAIRWAYS	1		
KUTTING EDGE-CART PATH	1		
LELY SPREADER	1		
MOWER-MOTT FLAIL	1		
PLANET AIR AERATOR	1		
PLANET AIR, TRI-FECTA 50	1		
POST HOLE AUGER	1		
RANGE PICKER	1		
RYAN GREENS AIR AERIFIER	1		
SAFETY NET AT #1 & #3	1		
SAND PRO 5020, 18 HP W/A	1		
SERVICE TRUCK-METE-R-MA	1		
SPRAYER-300 GAL FIFTH W	1		
SUPA VERTICUTTER SYSTEM	1		
TOR WORKMAN 2110 UTILITY VEHICLE	2		
TORO 55800 MULTI SPRAYER	1		
TORO GREENS MOWER GM 3250	2		
TORO GREENS MOWER GM3250	2		
TORO GROUND MASTER	1		
TORO GROUNDSMASTER 3500D TRIPLEX MOWER	1		
TORO PROCORE 648 GREENS AERATOR	1		
TORO WORKMAN GTX	1		
TY-CORPMH-400	1		
UNIVERSAL ROLLERS	1		
VEH-CHEVY CC31403 W/DUMP	1		
WORKMAN HDX-HEAVY DUTY	1		
WORKMAN MD-LIGHT DUTY	1		
YAMAHA 48V CHARGERS	104		
YAMAHA BALL PICKER	1		

YAMAHA BEVERAGE CART	1		
YAMAHA GOLF CARTS	100		
YAMAHA SUPER HAULER	1		
530# capacity ice machine with bin and water filter	1	3729.84	for cart barn for igloos Feb-18
water cooler enclosure	11	12975.91	igloo stand w/ enclosure Jun-17
Country Club Elite Golf Mats, 5'x5', w/ ball trays	27	10367.73	driving range mats Aug-15

Total cost for inventory on hand of 1/18/2018     \$39,850.00

**Valley Oaks Golf Course**  
 Restaurant Inventory

01/18/2018

Description	Quantity		
2x4 Metal Kitchen Racks	5		
2x6 Stainless Steele Table	1		
32 inch Flat Screen TV Magnavox	2		
3x3 Restraurant Tables	10		
3x6 Metal Table	1		
3x6 Plastic Folding Tables	7		
3x6 Restraurant Tables	10		
4 Ft Round Ceramic Patio Table	2		
4 Ft Round Rod Iron Patio Table	7		
50 Ft Extension Cord	5		
50 inch Flat Screen TV Vizio	1		
8 Ft Wood Picnic Tables	2		
Bag Boy Push Cart	20		
BBQ Grill	1		
BBQ Smoker	1		
Black Desk Chair	1		
Black Trash Can With Silver Lid	3		
Brewmatic Coffee Maker	1		
Chafing Dishes	3		
Champion Automatic Dish Washer	1		
Cobalt Cog Microphone with cable	1		
Dell Register	2		
Direct TV Recievers	3		
Double Door Pepsi Cooler	1		
Easy-up Canopy	2		
Harbinger Speaker Set with Proline Tripod Stand	1		
Ice-o-matic Ice Maker	1		
Large Outside Black Trash Can	3		
Magic Chef Microwave	1		
Oscillating Pedestal Metal Fan	1		
Partition	2		
Patio Umbrella with Stand	6		
Red Barstools with Back	10		
Red Stackable Banquet Chairs	102		
Restaurant White Board	1		
Biscayne Bronze 5-piece Dining Set (1 table, 4 chairs)	7	4731.58	Feb-15
Round Barstool Tables	5		
Samsung DVD Player	1		
Single Door Pepsi Cooler	1		
Smokers Outpost Metal Smokers Receptacles	4		
Traulsen 3 Door Freezer	1		
Vacumm Cleaner	2		
Wicker Patio Chairs	13		
Wood Desk	1		
Zephyr ZMX52 Compact 5 channel mixer	1		

Description	Quantity	Value	Purchased
2012 BUFFALO KB4 BLOWER	1		
24FT EXTENSION LADDER	1		
BUFFALO BLOWER	1		
CARRYALL TURFII GAS UTILITY VEHICLE	1		
CLUB CAR TURF 272W CANO	2		
DAKOTA 410 TURF TENDER/SPREADER	1		
EQ-JACOBSEN SV TRUCK W/6	1		
EQ-PEERLESS SPIN&REEL GRINDER	1		
EQUIP--JUNIOR SOD CUTTER	1		
EQUIP-TORO GROUND MASTER	1		
GOLF BALL WASHING MACHINE	1		
GREENS FAN, BM50-5-3-230	1	\$13,380	15-Dec
GREENS GROOMER BRUSH	1		
IVORY ELEC CART W/SUN AS	3		
JOHN DEERE 1200A BUNKER RAKE	1		
JOHN DEERE 2030 PROGATOR	1		
JOHN DEERE 2500 EPLEX	1		
JOHN DEERE 2500A DIESEL MOWER	1		
JOHN DEERE 2653A UTILITY MOWER	1		
JOHN DEERE 460 SKIP LOADER	1		
JOHN DEERE 5065E TRACTOR	1		
JOHN DEERE 7700A FAIRWAY UNIT	1		
JOHN DEERE 7700A FAIRWAYS	1		
KUTTING EDGE-CART PATH	1		
LELY SPREADER	1		
MOWER-MOTT FLAIL	1		
PLANET AIR AERATOR	1		
PLANET AIR, TRI-FECTA 50	1		
POST HOLE AUGER	1		
RANGE PICKER	1		
RYAN GREENS AIR AERIFIER	1		
SAFETY NET AT #1 & #3	1		
SAND PRO 5020, 18 HP W/A	1		
SERVICE TRUCK-METE-R-MA	1		
SPRAYER-300 GAL FIFTH W	1		
SUPA VERTICUTTER SYSTEM	1		
TOR WORKMAN 2110 UTILITY VEHICLE	2		
TORO 55800 MULTI SPRAYER	1		
TORO GREENS MOWER GM 3250	2		
TORO GREENS MOWER GM3250	2		
TORO GROUND MASTER	1		
TORO GROUNDSMASTER 3500D TRIPLEX MOWER	1		
TORO PROCORE 648 GREENS AERATOR	1		
TORO WORKMAN GTX	1		
TY-CORPMH-400	1		
UNIVERSAL ROLLERS	1		
VEH-CHEVY CC31403 W/DUMP	1		
WORKMAN HDX-HEAVY DUTY	1		
WORKMAN MD-LIGHT DUTY	1		
YAMAHA 48V CHARGERS	104		
YAMAHA BALL PICKER	1		

YAMAHA BEVERAGE CART	1		
YAMAHA GOLF CARTS	100		
YAMAHA SUPER HAULER	1		
530# capacity ice machine with bin and water filter	1	3729.84	for cart barn for igloos Feb-18
water cooler enclosure	11	12975.91	igloo stand w/ enclosure Jun-17
Country Club Elite Golf Mats, 5'x5', w/ ball trays	27	10367.73	driving range mats Aug-15

Total cost for inventory on hand of 1/18/2018     \$39,850.00