

FOXTAIL GOLF COURSE LEASE

by and between

**CITY OF ROHNERT PARK,
a California Municipal corporation
("Landlord")**

and

**ROHNERT PARK GOLF, LLP,
a California limited partnership
("Tenant")**

TABLE OF CONTENTS

	Page
BASIC INFORMATION.....	1-A, 1-B
ARTICLE 1. BUILDING AND PROPERTY; GOLF REVIEW COMMITTEE	1
1.1 Condition of Building and Site	1
1.2 Lease of Site	2
1.3 Golf Review Committee	2
ARTICLE 2. TERM	3
2.1 Term.....	3
2.2 Commencement Date	3
2.3 Expiration Date.....	3
2.4 Extension of Term	3
ARTICLE 3. RENT.....	3
3.1 Base Rent	3
3.2 Maintenance Credit.....	4
3.3 Manner of Payment.....	4
3.4 Percentage Rent	5
3.5 Capital Improvement Fund.....	8
3.6 Driving Range Capital Improvement Fund Loan	9
ARTICLE 4. TAXES AND ASSESSMENTS.....	9
4.1 Personal Property Taxes.....	9
4.2 Statement Regarding Possessory Interest Taxes	9
4.3 Taxes	9
4.4 Tenant's Tax Liability Prorated.....	9
ARTICLE 5. USE, CHARACTER, OPERATION AND MAINTENANCE COVENANTS	10
5.1 General	10
5.2 Operating Covenant.....	10
5.3 General Use Prohibitions	10
5.4 Non-Discrimination.....	11
5.5 Rules.....	11
5.6 General Standards of Maintenance.....	11

TABLE OF CONTENTS
(continued)

	Page
5.7 Repairs, Construction of Improvements	12
5.8 Utilities; Roads	12
5.9 Pedestrian Warning Signs.....	12
5.10 Protection of Landlord	12
5.11 Liens and Stop Notices	12
ARTICLE 6. PREVAILING WAGES.....	13
ARTICLE 7. OWNERSHIP OF IMPROVEMENTS AND PERSONAL PROPERTY	14
7.1 No Encumbrance	14
7.2 Ownership upon Termination or Expiration.....	14
7.3 Removal and Ownership of Personal Property at Termination or Expiration	14
ARTICLE 8. SERVICES.....	14
8.1 Services	14
8.2 Utility Easements	15
ARTICLE 9. INSURANCE.....	15
9.1 Insurance Provided	15
9.2 Tenant.....	15
9.3 General	16
ARTICLE 10. INDEMNITY; LIABILITY EXEMPTION.....	17
10.1 Indemnity	17
10.2 Not A Construction Contract	17
10.3 Exemption of Landlord from Liability	17
ARTICLE 11. ENVIRONMENTAL MATTERS.....	18
11.1 Environmental Compliance	18
11.2 Tenant's Indemnification	19
ARTICLE 12. DAMAGE OR DESTRUCTION.....	20
12.1 Restoration.....	20
12.2 Procedures for Repair and Restoration.....	20
ARTICLE 13. CONDEMNATION	21
13.1 Definitions	21

TABLE OF CONTENTS
(continued)

	Page
13.2 Parties' Rights and Obligations to be Governed by Lease	21
13.3 Total Condemnation	21
13.4 Effect of Partial Condemnation	21
13.5 Restoration of Improvements	21
13.6 Award	22
ARTICLE 14. ASSIGNMENT AND SUBLETTING	22
14.1 Landlord's Consent	22
ARTICLE 15. TENANT DEFAULTS AND LANDLORD'S REMEDIES	22
15.1 Defaults by Tenant	22
15.2 Remedies	23
15.3 Damages	24
15.4 Recapture of Site	24
15.5 Cumulative	27
ARTICLE 16. MISCELLANEOUS	27
16.1 Holding Over	27
16.2 Attorneys' Fees	27
16.3 Quiet Possession	27
16.4 Effect of Lease on Original Lease, as Amended	28
16.5 Security Deposit	28
16.6 Force Majeure	28
16.7 Notices	28
16.8 Waiver	28
16.9 Surrender	29
16.10 Binding on Successors and Assigns	29
16.11 Landlord's Right to Enter Building and the Site	29
16.12 Disclaimer of Partnership	30
16.13 No Recordation	30
16.14 Quitclaim	30
16.15 Interpretation	30
16.16 Severability	30

TABLE OF CONTENTS
(continued)

	Page
16.17 Legal Advice	30
16.18 Time of Essence	30
16.19 Nonliability.....	30
16.20 Applicable Law.....	31
16.21 Covenants and Conditions	31
16.22 Integration	31
16.23 Amendments to this Lease.....	31
16.24 Compliance With Laws.....	31
16.25 Commission	31
16.26 Relocation Waiver	31
16.27 Estoppel Certificates	32
16.28 Counterparts	32

LIST OF EXHIBITS

Exhibit A	Property (Legal Description and Map)
Exhibit B	Maintenance Credit area improvements
Exhibit C	Golf Course Operations Specifications
Exhibit D	Golf Course Maintenance Specifications
Exhibit E	Golf Course Fees and Prices

BASIC INFORMATION

The following Basic Information provides a brief synopsis of the critical terms of this Lease and a reference for certain specific terms of this Lease. The Basic Information, the Recitals below, and all exhibits attached hereto are incorporated into and made a part of the following Lease. If there is any conflict between the Basic Information and terms of the Lease, the terms of the Lease shall control.

1. Landlord: CITY OF ROHNERT PARK, a California Municipal corporation
130 Avram Avenue
Rohnert Park, CA 94928

Notice: City Manager
Email: [REDACTED]
Telephone: [REDACTED]
Facsimile: [REDACTED]
2. Tenant: Rohnert Park Golf, LLP,
a California Limited Partnership
P. O. Box 5668
Petaluma, CA 94955-5568
1670 Corporate Circle, Suite 201
Petaluma, CA 94954

Notice: Tom Isaak
Email: [REDACTED]
Telephone: [REDACTED]
Facsimile: [REDACTED]
3. Effective Date: July 1, 2012.
4. Site: That certain real property owned by Landlord legally described in and depicted on Exhibit A, commonly known and referred to as the Foxtail Golf Course in the City of Rohnert Park, County of Sonoma, State of California, together with the Landlord's improvements serving the golf courses located thereon (excluding any pipes, utilities, structures or other improvements servicing any property other than the golf courses).
5. Permitted Use: Operation of two 18 hole golf courses and related facilities, as well as food and beverage service, banquets and weddings.
6. Term: Twenty (20) years, commencing on the Effective Date of the Lease and a ten (10) year extension option by Tenant as set forth in Article 2.

7. Base Rent: As set forth in Article 3, \$81,000 per year, adjusted by a Maintenance Credit of \$31,000 per year for a Net Base Rent of \$50,000 per year or \$4,167 per month commencing on the Effective Date. Both Landlord and Tenant have the right to terminate the Maintenance Credit and the Base Rent will be adjusted as set forth in Article 3. Base Rent may be adjusted after each four (4) years of the Term by mutual agreement.
8. Percentage Rent: In addition to the Base Rent, Tenant shall pay a percentage of gross receipts on a quarterly basis (to be reconciled annually), as defined in Section 3.5, pursuant to the schedule as follows:

<u>Gross Receipts Category</u>	<u>Applied to Amounts</u>	<u>Percentage Payment</u>
<u>Tier 1</u>		
Merchandise Revenue	\$50,000- 56,249	2%
Food & Beverage Revenue	\$275,000 - 312,499	3%
Golf Revenue	\$525,000 - 562,499	5%
<u>Tier 2</u>		
Merchandise Revenue	\$56,250 - 62,499	3%
Food & Beverage Revenue	\$312,500 - 374,999	4%
Golf Revenue	\$562,500 - 662,499	5%
<u>Tier 3</u>		
Merchandise Revenue	\$62,500 and above	5%
Food & Beverage Revenue	\$375,000 and above	5%
Golf Revenue	\$662,500 and above	20%

LANDLORD'S INITIALS



TENANT'S INITIALS



FOXTAIL GOLF COURSE LEASE

This Foxtail Golf Course Lease ("**Lease**") is made and entered into July 1, 2012 ("Effective Date"), by and between the CITY OF ROHNERT PARK, a California Municipal corporation ("**Landlord**" or "**City**"), and Rohnert Park Golf, LLP, a California Limited Partnership ("**Tenant**").

I. RECITALS

A. Landlord owns that certain parcel of land located in the City of Rohnert Park, County of Sonoma, State of California, as more particularly shown on Exhibit "A" attached hereto and incorporated herein by reference (the "**Foxtail**" or "**Site**").

B. Landlord desires to facilitate the improvement, operation and maintenance of Foxtail as a recreational amenity for residents of, and visitors to, Rohnert Park (the "**Project**").

C. Whereas, Tenant and City are parties to that certain Ground Lease dated as of May 29, 2001 ("Original Lease") and that certain First Amendment to Lease ("First Amendment") dated August 12, 2003 and that certain Second Amendment to Lease ("Second Amendment") dated March 22, 2005 pursuant to which Tenant operates public golf courses and related facilities at the Site.

D. The Rohnert Park City Council has determined that it is in the best interests of the City, and for the common benefit of the citizens residing in the City, to allow for the Project by entering into a new Lease of Foxtail to the Tenant.

E. Landlord and Tenant wish to enter into this Lease as the most expeditious means for Landlord to satisfy its desire to improve, operate and maintain Foxtail as a recreational opportunity for the residents and visitors of Rohnert Park.

F. Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, Foxtail, all as further set forth herein.

II. AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Landlord and Tenant hereby agree as follows.

ARTICLE 1. BUILDING AND PROPERTY; GOLF REVIEW COMMITTEE

1.1 Condition of Building and Site.

1.1.1 AS IS. Foxtail, its grounds, buildings and other improvements, is being leased to Tenant in its current, existing, "AS IS" condition with no warranty express or implied by Landlord regarding the presence of Hazardous Materials or the condition of the soil, its geology, the presence of known or unknown seismic faults, or

the suitability of the Site for the Improvements. Tenant is familiar with the physical, environmental, and legal condition thereof, and has had the opportunity to inspect and re-inspect the same (as applicable) before execution of this Lease.

1.1.2 Environmental Conditions. Tenant acknowledges that it has been in possession of the Site and familiar with the Site and that Landlord has provided Tenant with copies of the reports on the condition of the Site known to the Landlord. Landlord makes no representations or warranties with respect to the accuracy, completeness, methodology of preparation or otherwise concerning the contents of any information or reports made available to Tenant regarding any inspections, engineering, environmental or other matters pertaining to the Site. Tenant acknowledges that Landlord has requested that Tenant again inspect fully all portions of the Site and investigate all matters relevant thereto and to rely solely upon the results of Tenant's own inspections or other information obtained or otherwise available to Tenant, rather than any information that may have been provided by Landlord to Tenant.

1.1.3 Release. Tenant hereby fully waives, releases, remises, acquits and forever discharges Landlord and its officers, officials, agents, attorneys, representatives, employees, volunteers, independent Tenants, invitees, customers, licensees, assignees and subtenants, of and from any from all and any manner of damages, costs, expenses (including attorneys' fees and costs), compensation, rights, demands, liabilities, obligations, claims, fines, penalties, orders actions, or causes of actions, in law or equity, of whatever kind or nature, whether known or unknown, whether now existing or hereinafter arising (collectively, "**Claims**"), which arise from or relate in any manner to the (i) Site, (ii) the physical and environmental conditions, including the presence of Hazardous Materials (as defined in Section 12.1) of the Building, the Site (including subsurface conditions), any portion thereof, or any improvements thereon, except that with regard to the presence of Hazardous Materials, the Site or any improvements thereon, Tenant shall not be responsible for conditions that may have existed prior to May 30, 2001; and (iii) any Law applicable thereto. By releasing and forever discharging claims both known and unknown which are related to or which arise under or in connection with the items set out above, the Tenant expressly waives any rights under California Civil Code section 1542, which provides:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

1.2 Lease of Site. Landlord hereby leases and demises to Tenant, and Tenant hereby leases and hires from Landlord, the Site, as of the Effective Date, for the Term and upon the covenants and conditions set forth herein. Tenant's interest in the Site is referred to herein as the "**Leasehold Interest**."

1.3 Golf Review Committee. To facilitate the efficient management and review of the terms of this Lease and its ongoing requirements during the Term, Landlord and

Tenant agree to form a "**Golf Review Committee.**" The Golf Review Committee shall be composed of (1) from Tenant: the President and Chief Financial Officer, or designees, and (2) from Landlord: the Finance Director, the Public Works Director, or as designated by the City Manager. The Golf Review Committee shall meet, at minimum, every six (6) months of the Lease year (June 30 and December 30) for the purpose of examining the preceding quarters, and annual, report of Gross Receipts (commencing Section 3.4), any adjustment to the Percentage Rent Schedules (Section 3.4.6), together with a review of the inspections of the golf courses and related facilities for any needed or necessary repairs or improvements. Within ten (10) working days following the meeting of the Golf Review Committee, a report summarizing the findings or recommendations of the Golf Review Committee shall be forwarded to the City Council and City Manager of the City.

Within six (6) months of formal adoption by Landlord of this Lease agreement, the Landlord shall develop performance measurements and evaluation criteria to track the performance of golf course operations ("Performance Measurements"). Performance Measurements shall reflect financial growth, customer satisfaction, improvements, maintenance, and other relevant measures and shall become the basis by which the Landlord and the Tenant may elect to exercise the ten (10) year extension of the term per Article 2. Prior to finalization of the Performance Measurements, Landlord shall seek input from the Golf Review Committee.

ARTICLE 2. TERM

2.1 Term. The "**Term**" of this Lease shall be twenty (20) years.

2.2 Commencement Date. The Term shall commence on the Effective Date.

2.3 Expiration Date. The Term shall expire on that date which is one (1) day before the twentieth (20) anniversary of the Effective Date ("**Expiration Date**").

2.4 Extension of Term. Landlord shall extend the Term of this Lease for ten (10) years ("**the Extended Term**") provided that the Tenant is in reasonable compliance, as determined by the Golf Review Committee, with the Performance Measurements developed by the Landlord per section 1.3 and elects to exercise the extension. In no event shall any extension commence if Tenant is in default under this Lease. Any reference to Term in this Lease shall include the Extended Term as long as Landlord and Tenant have agreed to an Extended Term.

2.4.1 Request for Extension. Tenant shall request the Extended Term by giving written notice to Landlord no more than 12 months and no fewer than 6 months prior to the expiration of the Term.

2.4.2 Conditions of Extended Term. The Extended Term shall be upon all of the terms and conditions of this Lease, as may be modified by Landlord and Tenant.

ARTICLE 3. RENT

3.1 Base Rent. The term "**Rent**" means the amounts identified in Basic Information Section 7 ("**Base Rent**"). Tenant's obligation to pay Rent under this Lease shall survive the Term to the extent any part of such obligation has not been fulfilled during the Term. The Base Rent, less the maintenance credit, shall be adjusted at the conclusion of each fiscal year in proportion to changes in the Consumer Price Index (All Urban Consumers, San Francisco-Oakland-San Jose area; base years 1982-1984 = 100 published by the U.S. Dept. of Labor). After the second (2nd) Lease year, and every 2 years thereafter, the Golf Review Committee shall review and recommend an adjustment to the Base Rent based on the past financial performance as reflected in the annual reports and audits. Any adjustment in rent, other than CPI changes per above, shall be only by mutual agreement (Sections 3.4.4 and 3.4.5).

3.2 Maintenance Credit. Tenant shall be entitled to a credit in lieu of cash against the Base Rent for the assumption of all maintenance responsibilities for that approximately 6.1 acres of improved landscape area along Golf Course Drive. Maintenance responsibilities shall include, but not be limited to, turf, shrubs, trees, and irrigation system (including runoff control). Major infrastructure shall remain the responsibility of the Landlord including irrigation and water main piping. After the fourth (4th) Lease year, and every 4 years thereafter, the Golf Review Committee shall review and recommend an adjustment to the Maintenance Credit. Review shall evaluate actual maintenance costs and the Tenants past financial performance as reflected in the annual reports, but such adjustment shall only occur upon mutual agreement of the Landlord and Tenant. A map depiction of the maintenance area, together with a schedule of maintenance duties and standards, is attached hereto as Exhibit B.

3.2.1 Termination of Maintenance Credit. Both Landlord and Tenant shall have the right to terminate the Maintenance Credit. In the event Landlord elects to terminate the Maintenance Credit, the Net Rent shall increase by 50% of the amount of the Maintenance Credit, or, the sum \$15,500 per year. In the event Tenant elects to terminate the Maintenance Credit, the Maintenance Credit shall be eliminated and the Tenant shall pay the Base Rent without deduction. At least sixty (60) days notice of an election to terminate shall be provided to the other party.

3.3 Manner of Payment. All Rent under this Lease shall commence as of the Commencement Date. Tenant shall pay to Landlord, at Landlord's address designated in the Basic Information, or at such other address as Landlord may from time to time designate in writing to Tenant for the payment of Rent, the Net Rent designated in Basic Information, without notice, demand, offset or deduction, in advance, on the first day of each month of the Term.

3.3.1 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 six percent (6%) 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. The late payment charge has been agreed upon by City and Tenant, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that City will incur as a result 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 charge to City together with such unpaid interest.

3.3.2 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 legal interest 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.

3.3.3 Application of Payments. All payments received by Landlord from Tenant shall be applied to the oldest obligation owed by Tenant to Landlord. No designation by Tenant, either in a separate writing, on a check or money order, or otherwise shall modify this Article 3 or have any force or effect.

3.4 Percentage Rent. As provided for in the Basic Information Section 8, in addition to the Base Rent, Tenant shall pay to Landlord percentage rent based on the following definitions:

3.4.1 Gross Receipts. As used herein below, the term "Gross Receipts" means the entire gross receipts of all merchandise or services sold (including food service, beverage service, facility rental, gift certificates or similar vouchers, vending machines and the proceeds of business interruption insurance), leased, licensed or delivered in or from the Premises and any Improvements by Tenant, or any person or entity substantially controlled by Tenant ("Affiliate of Tenant"), or any of its or their subtenants, licensees, or concessionaires, whether for cash or on credit (whether collected or not), including the gross amount received by reason of orders taken on the Premises and any Improvements although filled elsewhere, and whether made by store personnel or vending machines. In addition to the forgoing, Gross Receipts shall include, but not be limited to, the following:

A. "Golf Revenue" shall mean Gross Receipts derived from (i) admission fees, entry fees, green fees, driving range fees, tournament fees, advance booking fees, membership and club dues and other fees and dues of any kind (including nonrefundable deposits), and (ii) rental fees for lockers, golf carts, golf clubs and other golf equipment and supplies (without deduction for any rent, interest or other payments made by Tenant, any Affiliate of Tenant, or any of its or their subtenants, licensees or concessionaires, for any such golf carts, clubs, equipment or supplies which are subject to equipment leases, installment sales contracts or other financing devices).

B. "Food and Beverage Revenue" mean Gross Receipts derived from the sale of all food and beverage items and services including catering, snack shop or mobile snack carts, banquets (including all rental, food and beverage sales) and rental of any or all facilities made by Tenant, any Affiliate of Tenant, or any of its or their subtenants, licensees or concessionaires, for any such food and beverage items and services.

C. "Golf Merchandise Revenue" shall mean all the entire Gross Receipts of the sale of merchandise in the pro shop (golf clubs, bags, balls, gloves, clothing and accessories, etc.). Any transaction made or fees paid on an installment basis, including without limitation any "lay-away" sale, installment or deferred payments, or like transactions, or any transaction otherwise involving the extension of credit, shall be treated as a sale for the full price at the time of the transaction, irrespective of the time of payment or when title passes. Credit card transactions shall include only the actual amount received by Tenant from the credit card issuer.

3.4.2 Exclusions from Gross Receipts. Gross Receipts shall not include, or if included there shall be deducted (but only to the extent they have been included), the following:

(a) the selling price of all merchandise returned by customers and accepted for full credit, or the amount of discounts, refunds, and allowances made on such merchandise;

(b) merchandise returned to sources or transferred to another store or warehouse owned by or affiliated with Tenant;

(c) sums and credits received in the settlement of claims for loss or of damage to merchandise;

(d) the price allowed on all merchandise traded in by customers for credit or the amount of credit for discounts and allowances made instead of acceptance of merchandise;

(e) any sums paid to third parties excluding, without limitation, any Affiliate of Tenant) for the use or rental of pay telephones, stamp machines, music machines, amusement machines, or public toilet locks;

(f) any golf merchandise or services sold (including food service or beverage service by way of gift certificates, or similar vouchers;

(g) sales and use taxes, so-called luxury taxes, consumers' excise taxes, gross receipts taxes, and other similar taxes now or in the future imposed on the sale of merchandise or services;

(h) sales of fixtures, trade fixtures or personal property that are not merchandise as allowed in this Lease; and,

(i) Amounts paid to lesson instructors for providing revenue-producing lessons.

3.4.3 Payment. Percentage Rent shall be paid quarterly in arrears based on Gross Receipts (defined in Section 3.4.1) during each applicable preceding quarter (i.e. March 31, June 30, September 30 and December 31, whether or not consisting of a three-month period). If, after the issuance of the reviewed statement of Gross Receipts (referenced in Section 3.4.4) Tenant has paid to City Percentage Rent in an amount greater than the Percentage Rent, as calculated on an annual basis, it is obligated to pay for any quarter, then the excess amount shall be applied against the next Percentage Rent due to City. If, after the issuance of the reviewed statement of Gross Receipts (referenced in Section 3.4.4) Tenant has paid to City an amount of Percentage Rent less than Tenant is required to pay on an annual basis, Tenant shall immediately pay the difference to City, together with interest on such difference at the Default Rate, which interest shall accrue from the due date of the last quarterly payment until such difference is paid.

3.4.4 Reports. Tenant shall furnish to City a statement of Gross Receipts within twenty (20) days after the end of each quarter, and an annual statement of Gross Receipts within forty-five (45) days after the end of each fiscal year (i.e., June 30). The statement of Gross Receipts shall include a designation of Golf Revenue, Food and Beverage Revenue and Golf Merchandise Revenue, as well as a designation for all other items deemed to be Gross Receipts pursuant to section 3.4.1. Such statement shall be in a form acceptable to City. Each statement shall be signed and certified to be correct by Tenant's general partner or, if Tenant's general partner is a corporation, by a duly authorized officer of Tenant's general partner. In addition, each annual statement shall be reviewed by an independent certified public accountant reasonably acceptable to City. Tenant shall keep at the Site 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 Receipts, including without limitation, accurate records of every sale and other transaction made from the Site and any Improvements. Such books of account, records, cash receipts and other pertinent data shall be kept for a period of ten (10) years after the end of each Lease 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.

3.4.5 Inspection and Audit. City shall be entitled, at City's option, at any time and from time to time during the Term, to inspect, examine, copy and audit Tenant's books, records and cash receipts as related to Gross Receipts. The purpose of such examination is to enable City to ascertain, clearly and accurately, Tenant's Gross Receipts 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 Site. 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 Receipts by more than two percent (2%) in which case Tenant shall pay all City's costs of the audit. Tenant's understatement of Gross Receipts for any Lease year by more than five percent (5%) due to Tenant's gross negligence or willful misconduct shall constitute an default as defined in this Lease.

3.4.6 Adjustment of Percentage Rent Schedules. Commencing in Lease year three (3) and annually thereafter, the Percentage Rent Schedule amounts set forth in Section 8 of the Basic Information may increase by the CPI (as referenced in Section 3.1) provided that the current year Gross Golf Revenues or the average of Gross Golf Revenues for the preceding three (3) years exceeds the lowest of each of the amounts reflected in Tier 2 of the Basic Information.

3.5 Capital Improvement Fund. As part of the Original Lease, as amended, Landlord and Tenant established a Capital Improvement Fund ("CIF"). The purpose of the CIF was, and is, to use the funds exclusively for capital additions to the Site or repair and replacement of capital items, which are needed to be repaired. Pursuant to the Original Lease, as amended, a Capital Improvement Plan was established by Landlord and Tenant to guide expenditures of the CIF. Amendments to the Capital Improvement Plan as well as expenditures shall be reviewed and approved by the Golf Review Committee (Section 1.3).

On or before the twentieth (20th) day of each month, Tenant shall deposit into the CIF, funds in the amounts as follows:

A. Tenant's Share = 2.5% of the Golf Revenues (Section 3.4.1 A) from the preceding month.

B. Landlord's Share = 1.0% of the Golf Revenues (Section 3.4.1 A) from the preceding month for years one (1) and two (2). Year three (3) and thereafter, Landlord's Share = 2.0% of the Golf Revenues.

During the first three (3) Lease years, Tenant shall only deposit the Landlord's Share. Commencing on the fourth Lease year, Tenant shall thereafter deposit both the combined Tenant's and Landlord's Share.

CIF funds are to be held in trust for the benefit of the Landlord's interest in the Site, including its reversionary interest in the Site upon termination of this Lease. Interest earned on funds held in such account shall become part of the CIF, excluding overpayments made by Tenant, and all amounts remaining in the CIF upon termination of this Lease shall be remitted to Landlord. Any past, existing or future overpayment in the amount of contribution made by Tenant to the Capital Improvement Fund shall be available to Tenant to withdraw at tenant's discretion.

3.6 Driving Range Capital Improvement Fund Loan. The \$355,000 loan made by the City to the Capital Improvement Fund for the driving range was made in late 2003 and was scheduled to be paid off in ten years at 5% interest by the Fund. The Fund has made all scheduled payments to date and the current outstanding balance as of June 30, 2012 is \$75,560.65. Landlord agrees to allow tenant to amortize the remaining balance as of June 30, 2012 at the existing interest rate until June 30, 2017.

ARTICLE 4. TAXES AND ASSESSMENTS

4.1 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 (defined in Section 7.3) ("**Personal Property Taxes**") which may become payable during the Term or are attributable to Tenant's use or occupancy of the Site. 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, which Tenant reasonably believes, was improperly assessed or calculated.

4.2 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, and Tenant to the payment of property taxes levied on the interest. Such taxes are referred to herein as "**Possessory Interest Taxes**," and shall be paid by Landlord during the term of this Lease.

4.3 Taxes. Excepting any Possessory Interest Taxes as set forth in section 4.2, Tenant shall pay all before delinquency taxes, impositions, general or special assessment, surcharge, fee, levy, penalty, bond, or similar charge is levied on any business conducted on the Site 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 Site (collectively, "**Taxes**"), now or in the future levied and assessed against the Site, 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 4 or any other costs to be borne by or due from Tenant are not assessed or charged against the Site separately from other Landlord-owned property, Landlord shall reasonably allocate such on a pro-rata basis.

4.4 Tenant's Tax Liability Prorated. Tenant's liability to pay any Taxes and new assessments shall be prorated on the basis of 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.

ARTICLE 5. USE, CHARACTER, OPERATION AND MAINTENANCE COVENANTS

5.1 General. Tenant covenants and agrees on behalf of itself and its successors and assigns that Tenant shall use and continuously operate the Site in conformance with the Use as listed in the Basic Information ("Permitted Uses"). Tenant shall not commit waste in the Site, any portion thereof, or any improvements thereon. Tenant's failure to continuously operate Foxtail, pursuant to the Permitted Use, or failure to comply with other provisions of this Article 5, shall constitute a material default under this Lease.

5.1.1 Tenant's Responsibilities. Tenant, at its expense, will be responsible for managing, operating, maintaining, marketing and conducting golf related programs at Foxtail in a prudent and business-like manner and in accordance with the Permitted Uses. Tenant's responsibilities and authority are also specified in Exhibit C and Exhibit D.

5.2 Operating Covenant. Tenant acknowledges that continuous operation of Foxtail is necessary for the use of the Site as an ideal location for golf recreational uses and that Tenant's failure to open or remain open will be detrimental to both the image and the economics of the Site, and this Lease.

5.2.1 Tenant shall keep Foxtail open to the public seven (7) days per week, except as specified in Exhibit C.

5.2.2 For each day of operation, Foxtail must be open to the public during the daylight hours each day.

5.2.3 Initial Golf Course Fees and Prices are as set forth in Exhibit E.

5.3 General Use Prohibitions. Tenant covenants and agrees that in connection with the use and operation of the Site, and any portion thereof, Tenant will not:

5.3.1 Use or permit the use of any reasonably objectionable advertising medium including any loudspeakers, phonographs, public address systems, sound amplifiers, radio or broadcast within the Site in such manner that any sounds reproduced, transmitted or produced shall be directed primarily beyond the Site (provided, however, that nothing herein shall be deemed to prohibit the installation and use of a public address system for golf events or security purposes; or

5.3.2 Permit undue accumulations of garbage, trash, rubbish or any other refuse; or

5.3.3 Create, cause, maintain or permit any nuisance (as the same may be defined by applicable Law) in, on or about the Site; or

5.3.4 Commit or suffer to be committed any waste in, on or about the Site;
or

5.3.5 Use or allow the Site to be used for any unlawful purpose; or

5.3.6 Do or permit to be done anything which in any way unreasonably disturbs the occupants of neighboring property; or

5.3.7 Cause or permit any insurance coverage on the improvements or Site to become void or voidable or make it impossible to obtain any required insurance at commercially reasonable rates; or

5.3.8 Intentionally cause or knowingly permit any material structural damage to or deterioration of the Site, or improvements or any portion thereof, or to any adjacent public or private property or improvements; or

5.3.9 Violate any law, ordinance or regulation (including the Rohnert Park Municipal Code) applicable to the Site; or,

5.3.10 Any activities not appropriate to a first class golf course; or,

5.3.11 Activities prohibited by any permits and approvals issued by the City of Rohnert Park; or,

5.3.12 Activities that are or would be in violation of any applicable use restrictions imposed upon Landlord by any other agreement to which Landlord is a party.

5.4 Non-Discrimination. Tenant covenants and agrees that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, sexual orientation, source of income, age, physical or mental handicap, medical condition, national origin or ancestry in the use, occupancy or enjoyment of the Site or any portion thereof.

5.5 Rules. Landlord reserves the right at any time to impose reasonable rules and regulations as, in Landlord's judgment, may from time to time be necessary for the operation, management, safety, care and cleanliness of the Site, any portion thereof, or any improvements thereon, for the preservation of good order therein, or for the convenience of other occupants and tenants of the Site, if any. Tenant shall abide by any additional rules or regulations, which are ordered or requested by any governmental or military authority. Tenant shall cooperate with Landlord to affect the intent of this Section 5.5. Landlord shall not be responsible to Tenant or to any other person for the non-observance, non-compliance, or violation of the foregoing by Tenant by any other tenant, occupant, or other persons, or Landlord's failure to enforce, any of the foregoing, or any other terms or provisions of any other tenant's or occupant's lease.

5.6 General Standards of Maintenance. Tenant covenants and agrees that it shall maintain, or cause to be maintained, the Site, all portions thereof and all improvements thereon in accordance with the standards contained in Exhibit D.

5.7 Repairs, Construction of Improvements. Tenant shall be responsible to perform all maintenance, repairs, construct, or reconstruct capital improvements. Any repair or capital improvement over \$15,000 will require the prior consent of the City, which consent will not be unreasonably withheld.

5.8 Utilities; Roads. City shall be responsible for maintaining and repairing access roads and sewer and water facilities providing sewer and water service to the Site, except for access roads that are located on the Site and sewer and water facilities that are solely or primarily for the benefit of the golf course operations.

5.9 Pedestrian Warning Signs. Tenant shall install appropriate signs at all pedestrian entrances to the golf course warning all persons entering onto, and walking on, the golf course, course paths, etc. to be aware for their care and safety during the times of golf play and that severe injury may result from a lack of attention to their personal safety. The location and wording of such signs shall be determined by the Golf Review Committee.

5.10 Protection of Landlord. Nothing in this Lease shall be construed as constituting the consent of Landlord, expressed or implied, to the performance of any labor or the furnishing of any materials in connection with any construction by any Tenant, subtenant, laborer or materialman, nor as giving Tenant or any other person any right, power or authority to act as agent of, or to contract for or permit the rendering of any services, or the furnishing of any materials, in such manner as would give rise to the filing of mechanics' liens or other claims against the Site, the Building, the Improvements, any portion thereof, or any improvements thereon. Landlord shall have the right at all reasonable times to post, and keep posted, on the Site, the Improvements, any portion thereof, or any improvements thereon, any notices which Landlord may reasonably deem necessary for the protection of Landlord and of such property and improvements from mechanics' liens or other claims. Tenant shall give Landlord 10 days' prior written notice of the commencement of any construction to be done to enable Landlord to post such notices. In addition, Landlord may in its reasonable discretion require Tenant to furnish to Landlord at Tenant's expense reasonable improvement security, including completion and labor and materials bonds, prior to commencement of any such construction. Tenant shall make, or cause to be made, prompt payment of all monies due and legally owing to all persons doing any construction or furnishing any materials or supplies to Tenant or any of its Tenants or subtenants in connection therewith.

5.11 Liens and Stop Notices. Tenant shall keep the Site, the Improvements, any portion thereof, and any improvements thereon, free and clear of all stop notices, mechanics' liens, and other liens on account of any construction performed by or on behalf of Tenant or persons claiming under Tenant. Tenant agrees to and shall indemnify and save Landlord harmless against any and all liability, loss, damages, costs, attorneys' fees, and all other expenses on account of claims of lien of laborers or materialmen or others for construction performed by or on behalf of Tenant or materials or supplies furnished to Tenant or persons claiming under Tenant. If a claim of a lien or stop notice is given or recorded affecting the Site, the Improvements, any portion

thereof, or any improvements thereon, Tenant shall within thirty (30) days of such recording or service: (a) pay and discharge the same; (b) effect the release thereof by recording and delivering to Landlord a surety bond described in California Civil Code Section 3143, or successor statute in sufficient form and amount which results in the removal of such lien from the Building, the Site, the Improvements, all portions thereof, and all improvements thereon; or (c) otherwise obtain or effect the release thereof. Should any claims of lien be filed against the Building, the Site, the Improvements, any portion thereof, or any improvements thereon, or any action be commenced affecting the title to such property, the party receiving notice of such lien or action shall forthwith give the other party written notice thereof.

ARTICLE 6. PREVAILING WAGES.

Tenant acknowledges and agrees that any construction or alterations made by or on behalf of Tenant to the Site, Improvements, any portion thereof, or any improvements thereon ("**Improvement Work**"), whether paid for in whole or part by Landlord or which are considered to have been paid for in whole or part by Landlord (e.g. which become Landlord's property upon the expiration or other termination of this Lease), will constitute "construction, alteration, demolition, installation, or repair work done under contract and paid for in whole or in part out of public funds...." California Labor Code Section 1720. Accordingly, except as to Tenant's employees, Tenant shall comply with applicable prevailing wage policies as set forth in the City of ROHNERT PARK Municipal Code, applicable California Labor Code requirements pertaining to "**public works**" (California Labor Code Section 1720 et seq., as amended from time to time and implementing regulations), the Davis-Bacon Act (sec. 1-7, 46 Stat. 1949, as amended; Pub. L. 74-403, 40 U.S.C. 276a-276a-7, as amended from time to time and implementing regulations), and other applicable Laws addressing the payment of prevailing wages in connection with any Improvement Work (collectively, "**Prevailing Wage Laws**"). Tenant shall require the general contractor for any Improvement Work to submit, upon request by Landlord, certified copies of payroll records to Landlord and to maintain and make records available to Landlord and its designees for inspection and copying to ensure compliance with Prevailing Wage Laws. Tenant shall also include in its general Tenant agreement, and in all of its subleases and other contracts, a provision in a form acceptable to Landlord which obligates the general Tenant and others as applicable, (a) to comply with, and to require that their respective subtenants, Tenants and/or subtenants comply with, Prevailing Wage Laws, and (b) upon request by Landlord to submit certified copies of payroll records to Landlord and to maintain and make such payroll records available to Landlord and its designees for inspection and copying during regular business hours at the Site or at another location within the City of Rohnert Park. Tenant shall defend, indemnify and hold harmless Landlord and its officers, officials, employees, volunteers, agents and representatives (collectively, "**Indemnitees**") from and against any and all Claims arising out of or in any way connected with Tenant's obligation to comply with all Laws with respect to any Improvement Work and/or Prevailing Wage Laws, including all Claims that may be made by Tenants, subtenants or other third party claimants pursuant to Labor Code Section 1726. Tenant hereby waives, releases and discharges forever the Indemnitees from any and all present and future Claims arising out of or in any way connected with

Tenant's obligation to comply with all Laws with respect to the Improvement Work and Prevailing Wage Laws.

ARTICLE 7. OWNERSHIP OF IMPROVEMENTS AND PERSONAL PROPERTY

7.1 No Encumbrance. Tenant further agrees not to encumber, promise to encumber, or otherwise enter into a contract to encumber, the Site or the Improvements in any manner that would impair Landlord's rights, in, to, or ownership thereof as contemplated under Section 7.2.

7.2 Ownership upon Termination or Expiration. Upon the expiration or other termination of this Lease for any reason, or upon foreclosure of Tenant's Leasehold Interest (including transfer of Tenant's Leasehold Interest via any instrument of assignment or transfer in lieu of the foreclosure), the Improvements, and all other improvements on the Site, shall, without compensation to Tenant, become Landlord's property (broom clean and in good condition and repair, reasonable wear and tear excepted) free and clear of all claims to or against them by Tenant or any third person.

7.3 Removal and Ownership of Personal Property at Termination or Expiration. "**Personal Property**" means personal property owned or used by Tenant or any of Tenant's Parties on or about the Site, any portion thereof, or any improvements thereon, together with any Trade Fixtures. "**Tenant's Parties**" means, individually and collectively, Tenant's officers, officials, agents, representatives, employees, volunteers, independent Tenants, invitees, customers, licensees, assignees, and subtenants.

7.3.1 During Term. Any Personal Property that may be removed without damage to the structural integrity of the Site or the Improvements may be removed by Tenant from time to time during the Term. Tenant shall repair all damage caused by any such removal.

ARTICLE 8. SERVICES

8.1 Services. After the Effective date Tenant, at Tenant's sole cost and expense, shall be responsible and directly contract and pay for any and all utilities and services required or desired by Tenant in connection with its use or occupancy of the Site, or any portion thereof, or any other improvements, including telephone, computers and cable lines, wiring, materials, security, heat, air conditioning, gas, water sewer, electricity, refuse, sewage, garbage, pest control services, and any other utilities, materials, or services supplied to or serving the Site, or any portion thereof, or any other improvements now or in the future located thereon (including any construction), together with any repair, installation, maintenance thereof, and infrastructure therefor to the extent located on the Site ("**Services**"). Tenant shall hold Landlord harmless from and against any and all demands, liability, claims, actions and damages to any person or property, costs and expenses, including reasonable attorneys' fees, arising out of or connected with the provision and payment of the Services supplied to or serving the Site, any portion thereof, or any improvements thereon. Tenant, at its expense, shall

comply with federal, state, or local governmental controls, rules, regulations, or restrictions on the use or consumption of Services during the Term.

8.2 Utility Easements. Tenant shall permit any authorized public agency or public utility company, with the approval of Landlord, and/or shall grant to Landlord such easements over Tenant's interest in the Site, any portion thereof, or any improvements thereon, as applicable, as are required for the installation, existence, maintenance, and operation of Services.

ARTICLE 9. INSURANCE

9.1 Insurance Provided. Following the Effective Date, Tenant shall provide the following forms and amounts of insurance. Such insurance shall be primary to and not contributing with any other insurance, self-insurance or joint self-insurance maintained by Landlord and shall name the Landlord as an additional insured.

9.2 Tenant. Tenant shall, at Tenant's expense, obtain and keep in force at all times during the Term the following "**Tenant's Insurance**," and shall be liable for all premiums, deductibles, and self-insured amounts, if any, in connection therewith. Tenant's Insurance shall not have a deductible amount exceeding Five Thousand Dollars (\$5,000).

9.2.1 Commercial General Liability Insurance. A policy of commercial general liability insurance (occurrence form) having a combined single limit of not less than Five Million Dollars (\$5,000,000) per occurrence and Five Million Dollars (\$5,000,000) annual aggregate, providing coverage for, among other things, blanket contractual liability (including Tenant's indemnification obligations under this Lease), premises liability, products and completed operations liability, owner's protective coverage, broad form property damage, and bodily injury (including wrongful death) and advertising injury coverage. If necessary, Tenant shall provide for restoration of the aggregate limit.

9.2.2 Workers' Compensation and Employer's Liability Insurance. Workers' compensation insurance, if required by Law, which complies with all applicable state statutes and regulatory requirements, and employer's liability insurance coverage in statutory amounts.

9.2.3 Site Insurance. "All risk" property insurance including fire and extended coverage, sprinkler leakage, vandalism and malicious mischief coverage, covering damage to or loss to the Site, any portion thereof, or any improvements thereon (together with, if the property of Tenant's Parties is to be kept in the or about the foregoing, warehouse's legal liability or bailee customers insurance property belonging to Tenant's Parties and located in or about the foregoing), in an amount not less than the full replacement cost thereof. In the event that there shall be a dispute as to the amount, which comprises full replacement cost, the decision of Landlord or the mortgagees of Landlord shall be presumptive.

9.2.4 Other Insurance. Any other form or forms of insurance as Landlord or the mortgagees of Landlord may reasonably require from time to time, in form, amounts and for insurance risks against which a prudent tenant would protect itself, but only to the extent such risks and amounts are available in the insurance market at commercially reasonable costs.

9.3 General.

9.3.1 Insurance Companies. Tenant's Insurance shall be written by companies licensed to do business in California and having a "General Policyholders Rating" of at least A VII (or such higher rating as may be required by a lender having a lien on the Leasehold Interest) as set forth in the most current issue of "Best's Insurance Guide."

9.3.2 Certificates of Insurance. Tenant shall deliver to Landlord certificates of insurance for Tenant's Insurance, in the form of the ACORD standard certificate of insurance, prior to the Commencement Date. Tenant shall, at least thirty (30) days prior to expiration of the policy, furnish Landlord with certificates of renewal or "binders" thereof. Each certificate shall expressly provide that such policies shall not be cancelable or otherwise subject to modification except after thirty (30) days' prior written notice to the parties named as additional insureds as required in this Lease. If Tenant fails to maintain any insurance required in this Lease, Tenant shall be liable for all losses and costs resulting from said failure.

9.3.3 Additional Insureds. Landlord, its elected officials, officers, employees, volunteers, lenders, agents, representatives, Tenants and each of their successors and assigns shall be named as additional insureds on the commercial general liability policy required by this Lease. An additional insured endorsement naming such parties as additional insured(s) shall be attached to the certificate of insurance.

9.3.4 Primary Coverage. Tenant's Insurance shall be primary, without right of contribution from any Landlord's Insurance.

9.3.5 Umbrella/Excess Insurance. Any umbrella liability policy or excess liability policy shall provide that if the underlying aggregate is exhausted, the excess coverage will drop down as primary insurance. The limits of Tenant's Insurance shall not limit Tenant's liability under this Lease.

9.3.6 Waiver of Subrogation. Tenant waives any right to recover against Landlord for claims for damages to Tenant's Personal Property to the extent covered (or required by this Lease to be covered) by Tenant's Insurance. This provision is intended to waive fully, and for the benefit of Landlord, any rights and/or claims which might give rise to a right of subrogation in favor of any insurance carrier. The coverage obtained by Tenant pursuant to this Lease shall include a waiver of subrogation endorsement attached to the certificate of insurance.

9.3.7 Notification of Incidents. Tenant shall notify Landlord within twenty-four (24) hours after the occurrence of any accident or incident on or about the Building, the Improvements, the Site, any portion thereof, or any improvements thereon which could give rise to a claim against Landlord, Landlord's Insurance, Tenant, or Tenant's Insurance, except that Tenant shall not be obligated to give Landlord notice of any accident or incident which could give rise to a claim under Tenant's workers' compensation insurance. Tenant's notice shall be accompanied by a copy of any report(s) relating to the accident or incident.

ARTICLE 10. INDEMNITY; LIABILITY EXEMPTION

10.1 Indemnity. Except to the extent claims are caused by Landlord's sole negligence or willful misconduct, Tenant shall indemnify, protect, defend, and hold harmless Landlord and its elected officials, officers, employees, volunteers, lenders, agents, representatives, Tenants and each of their successors and assigns from and against any and all claims, judgments, causes of action, damages, penalties, costs, liabilities, and expenses, including all costs, attorneys' fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon, arising at any time during or after the Term as a result (directly or indirectly) of or in connection with (a) any Tenant default under this Lease (including in the performance or non-performance of any obligation on Tenant's part to be performed under the terms of this Lease); (b) Tenant's performance of the work of Improvements (including design, development, and construction) (c) Tenant's or Tenant's Parties use of the Site, any portion thereof, or any improvements thereon, the conduct of Tenant's business or any activity, work or thing done, permitted or suffered by Tenant or Tenant's Parties in or about the Site or any portion thereof, or any improvements thereon, except that with regard to the presence of Hazardous Materials, the Site or any improvements thereon, Tenant shall not be responsible for conditions that may have existed prior to May 30, 2001,; (d) any act, error or omission of Tenant or Tenant's Parties in or about the Building, the Site, Improvements, any portion thereof, or any improvements thereon; (e) loss of, injury or damage to, or destruction of property (including merchandise or inventory), including loss of use resulting from such loss, injury, damage, or destruction; or (f) any resulting economic loss, consequential damages, or exemplary damages (collectively, "**Indemnification**"). Tenant shall provide such Indemnification by and through counsel reasonably acceptable to Landlord. The obligations of Tenant under this Section 10.1 shall survive the expiration or other termination of this Lease with respect to any claims or liability arising prior to such expiration or other termination.

10.2 Not A Construction Contract. This Lease is not intended nor shall it be construed to be a construction contract. To the extent this Lease is construed by a court of law to be a construction contract, all indemnity obligations construed to be related to construction contracts shall be read as if including the carve out "except to the extent claims are caused by the sole or active negligence or willful misconduct of the indemnified party."

10.3 Exemption of Landlord from Liability. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property (including the

Personal Property, the Improvements, the Site, any portion thereof and any improvements thereon), and injury to or death of persons in, upon or about Personal Property, the Improvements, the Site, any portion thereof, or any improvements thereon, arising from any cause, and Tenant hereby waives all claims in respect thereof against Landlord, except to the extent such claims are caused by Landlord's sole negligence or willful misconduct. Tenant hereby agrees that Landlord shall not be liable for injury to Tenant's business or any loss of income therefrom or for damage to the Personal Property, or injury to or death of Tenant, Tenant's Parties or any other person in or about the Improvements, the Site, any portion thereof, or any improvements thereon, whether such damage or injury is caused by fire, steam, electricity, gas, water or rain, or from the breakage, leakage or other defects of sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause, whether said damage or injury results from conditions arising within or about the Personal Property, the Building, Improvements, the Site, any portion thereof, or any improvements thereon or from other sources or places, and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Tenant, except damage or injury caused solely by Landlord's sole negligence or willful misconduct. Landlord shall not be liable for any damages arising from any act or neglect of any other tenant or occupant, if any, of the Personal Property, the Improvements, the Site, any portion thereof, or any improvements thereon, or Landlord's failure to enforce the terms of any agreements with parties other than Tenant.

ARTICLE 11. ENVIRONMENTAL MATTERS

11.1 Environmental Compliance. Neither Tenant nor any of Tenant's Parties shall use, handle, store, transport, treat, generate, release or dispose of any Hazardous Materials anywhere in, on, under or about the Personal Property, the Site, Improvements, any portion thereof, or any improvements thereon. Notwithstanding the foregoing, Tenant may use, handle, store, transport, treat, generate, release or dispose of any Hazardous Materials in such limited amounts as are customarily used for general office purposes (such as copy toner and supplies) or for maintenance, equipment and supplies for power golf carts, so long as Tenant is at all times in full compliance with all applicable environmental laws and further provided that Tenant may use and store quantities of pesticides and herbicides customarily used in connection with the maintenance and operation of golf courses. Tenant shall cause any and all Hazardous Materials (defined below) brought onto, used, generated, handled, treated, stored, released or discharged on or under the Personal Property, the Site, the Building, Improvements, any portion thereof, or any improvements thereon to be removed therefrom and transported for disposal in accordance with applicable Laws, including Hazardous Materials Laws (defined below). Landlord shall have the right to enter the Personal Property, the Site, Improvements, any portion thereof, or any improvements thereon from time to time to conduct tests, inspections and surveys concerning Hazardous Materials and to monitor Tenant's compliance with its obligations concerning Hazardous Materials and Hazard Materials Laws. Tenant shall immediately notify Landlord in writing of: (a) any release or discharge of any Hazardous Material; (b) any voluntary clean-up or removal action instituted or proposed by Tenant, (c) any enforcement, clean-up, removal or other governmental or regulatory action instituted or

threatened, or (d) any claim made or threatened by any person against Landlord, Tenant, the Personal Property, the Site, Improvements, the Building, any portion thereof, or any improvements thereon relating to Hazardous Materials or Hazardous Materials Laws. Tenant shall also supply to Landlord as promptly as possible, and in any event within five (5) business days after Tenant receives or sends same, copies of all claims, reports, complaints, notices, warnings or asserted violations relating in any way to the Personal Property, the Site, Improvements, the Building, any portion thereof, or any improvements thereon or Tenant's use thereof and concerning Hazardous Materials or Hazardous Materials Laws. In the event Tenant institutes a cleanup or removal action, Tenant shall provide copies of all work plans and subsequent reports submitted to the governmental agency with jurisdiction to Landlord in a timely manner. "**Hazardous Materials Laws**" means all laws, codes, rules, orders, ordinances, directives, regulations, permits, or other requirements of federal, state, county, municipal or governmental authorities having jurisdiction, now in force or which may hereafter be in force concerning the management, use, generation, storage, transportation, presence, discharge or disposal of Hazardous Materials. "**Hazardous Materials**" means any and all pollutants, wastes, flammables, explosives, radioactive materials, hazardous or toxic materials, hazardous or toxic wastes, hazardous or toxic substances, carcinogenic materials or contaminants and all other materials governed, monitored, or regulated by any Federal, State or local Law or regulation, including the Comprehensive Environmental Response, Compensation and Liability Act, the Hazardous Substances Account Act, and/or the Resources Conservation and Recovery Act, together with asbestos, asbestos-containing materials, hydrocarbons, polychlorinated biphenyl ("**PCB**") or PCB-containing materials, petroleum, gasoline, petroleum products, crude oil or any fraction, product or by product thereof.

11.2 Tenant's Indemnification. Except to the extent caused by Landlord's sole negligence or willful misconduct or except with regard to the presence of Hazardous Materials on the Site prior to May 30, 2001,, Tenant shall indemnify, defend and hold Landlord harmless from any claims, causes of action, liabilities, losses, damages, injunctions, suits, fines, penalties, costs or expenses (including attorneys' fees and expenses and consultant fees and expenses) caused or alleged to have been caused by the presence of Hazardous Materials in, on, under, about, or emanating from the Personal Property, the Building, Improvements, the Site, any portion thereof, or any improvements thereon, including any bodily injury, death, property damage, natural resource damage, decrease in value of the Site, the Building, Improvements, any portion thereof, or any improvements thereon, caused or alleged to have been caused by Tenant or Tenant's Parties' use, storage, handling, treatment, generation, presence, discharge or release of Hazardous Materials in violation of Tenant's obligations under this Lease, whether such claims, causes of action or liabilities are first asserted during the Term or thereafter, and including claims made against Landlord with respect to bodily injury, death or property damage sustained by third parties caused or alleged to have been caused by Tenant or Tenant's Parties' use, storage, handling, treatment, generation, presence, discharge or release of Hazardous Materials.

ARTICLE 12. DAMAGE OR DESTRUCTION

12.1 Restoration.

12.1.1 Insured Damage. No loss or damage by fire or any other cause resulting in either partial or total destruction of the Building, Improvements, the Site, any portion thereof, or any improvements thereon, shall (except as otherwise provided in Section 12.1.2, below) operate to terminate this Lease or to relieve or discharge Tenant from the payment of any Rent, or other amounts payable hereunder, as and when they become due and payable, or from the performance and observance of any of the agreements, covenants and conditions herein contained to be performed and observed by Tenant. Tenant covenants to repair, reconstruct, and/or replace or cause to be repaired, reconstructed and/or replaced the Site, any portion thereof, and any improvements thereon, including any Personal Property owned by Tenant and used or intended to be used in connection with the Site, so damaged or destroyed. Tenant also covenants that all insurance proceeds will be applied to the repair, reconstruction and/or replacement described herein. Tenant's failure to make such full repair, restoration and replacement under any conditions in which it was elected or required so to do shall constitute a default by Tenant under this Lease.

12.1.2 Uninsured Damage. Notwithstanding the provisions of Section 12.1.1, if, during the Term, (i) the Site or Improvements are totally destroyed or rendered inaccessible or if the remaining portion of the Site or Improvements is rendered unsuitable (as defined herein) for Tenant's continued use, from a risk not covered ninety percent (90%) by the insurance required to be carried by Tenant under this Lease, and (ii) the cost of restoration exceeds fifty percent (50%) of the replacement cost of the Building or Improvements immediately before the damage or destruction, then either Landlord or Tenant may elect to terminate this Lease by giving notice to the other party within thirty (30) days after Landlord's determination of the restoration cost and replacement value. The Improvements shall be deemed unsuitable for Tenant's continued use if, following a reasonable amount of reconstruction and allowing a reasonable time for resuming operations, Tenant's business in the Site or Improvements could not be operated at an economic level substantially equivalent to the economic level at which Tenant's business was operating before the damage occurred and the decline in such economic level is directly attributable to the damage.

12.2 Procedures for Repair and Restoration. In the event of any damage or destruction, Tenant shall promptly give Landlord written notice of such damage or destruction and the date on which such damage or destruction occurred. Tenant shall promptly make proof of loss and shall proceed promptly to collect, or cause to be collected, all valid claims which Tenant may have against insurers or others based upon any such damage or destruction. Except as otherwise provided above, amounts received on account of any losses pursuant to insurance policies shall be used and expended for the purpose of fully repairing or reconstructing the portions of the Building or Improvements which has been destroyed or damaged.

ARTICLE 13. CONDEMNATION

13.1 Definitions. “**Condemnation**” means: (a) the exercise of any governmental power in eminent domain, whether by legal proceedings or otherwise, by a condemnor, and (b) a voluntary sale or transfer to any condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending. “**Date of Taking**” means the date the condemnor has the right to possession of the property being condemned. “**Award**” means all compensation, sums or anything of value awarded, paid or received on a total or partial condemnation. “**Condemnor**” means any public or quasi public authority, or private corporation or individual, having the power of condemnation.

13.2 Parties’ Rights and Obligations to be Governed by Lease. If during the Term there is any Condemnation of all or any part of the Site, the Improvements, or any other improvements now or hereafter located on the Site, including any Personal Property owned by Tenant and used or intended to be used in connection with the Site, Improvements or the Building, or any interest in this Lease, the rights and obligations of the parties shall be determined pursuant to the provisions of this Section 13.2. Each party waives the provisions of the Code of Civil Procedure Section 1265.130 allowing either party to petition the Superior Court of the County of Sonoma State of California to terminate this Lease in the event of a partial taking or Condemnation of the Site.

13.3 Total Condemnation. If the entirety of the Site and/or the entirety of the Building or Improvements is totally taken by Condemnation, this Lease shall terminate on the Date of Taking.

13.4 Effect of Partial Condemnation. If a portion of the Improvements or Site are taken by condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if the remaining portion of the Site, Improvements or Building is rendered unsuitable (as defined herein) for Tenant’s continued use. The remaining portion of the Building, Improvements or the Site shall be deemed unsuitable for Tenant’s continued use if, following a reasonable amount of reconstruction and allowing a reasonable time for resuming operations, Tenant’s business in the Improvements could not be operated at an economic level substantially equivalent to the economic level at which Tenant’s business was operating before the damage occurred and the decline in such economic level is directly attributable to the damage. Tenant must exercise its right to terminate by giving Landlord written notice of its election within 90 days after the nature and extent of the taking have been finally determined. Such notice shall also specify the date of termination, which shall not be prior to the Date of Taking. Failure to properly exercise the election provided for in this Section 13.4 will result in this Lease continuing in full force and effect.

13.5 Restoration of Improvements. If in Tenant’s and Landlord’s judgment it is reasonably possible and economically feasible to restore the Improvements, Tenant shall be entitled to use that portion of the Award allocable to the Improvements (but not any portion allocable to the Site) as is necessary to restore or to add on to the Improvements so that the area and approximate layout of the Improvements will be

substantially the same after the Date of Taking as it was before the Date of Taking. If it is not reasonably possible and economically feasible to so restore the area and layout of the Improvements, the remaining provisions of this Article 13 shall govern the rights of the parties.

13.6 Award. If the Site, any portion thereof, or any improvements thereon are taken in connection with a Condemnation, that portion of the Award allocable thereto shall belong to Landlord. Tenant shall be entitled to receive: (a) the value of any leasehold improvements, merchandise, and Personal Property owned by Tenant taken in connection with such Condemnation, (b) loss of Tenant's or its subtenant's business goodwill, if agreed to be paid by the Condemnor or awarded by a court; and c) the value of Tenant's remaining interest in the leasehold of the Site, such remaining interest being determined on the basis of the unexpired Term.

ARTICLE 14. ASSIGNMENT AND SUBLETTING

14.1 Landlord's Consent. Except for those regulations and standards as to permitted financing and encumbrances, together with Tenant's existing loans, Tenant shall not assign, without the Landlord's prior written consent, which consent shall not be unreasonably withheld, sublet or otherwise transfer, whether voluntarily or involuntarily or by operation of Law, this Lease, the Site, any portion thereof, or any improvements thereon. If Tenant desires any such transfer or assignment, Tenant shall first provide notice to Landlord of the proposed transfer, the terms thereof and sufficient information to allow landlord to determine, in its discretion, whether the proposed transferee has the experience and financial capability to perform the obligations of Tenant pursuant to this Lease. Landlord acknowledges and approves of existing affiliation with CourseCo Inc., a California Corporation, as the management company and the partnership with Z-Golf, the food and beverage operators at the Site.

ARTICLE 15. TENANT DEFAULTS AND LANDLORD'S REMEDIES

15.1 Defaults by Tenant. Tenant shall be in default under this Lease upon occurrence of any of the following:

15.1.1 Tenant shall at any time be in default in the payment of Rent or any other monetary sum called for by this Lease for more than ten (10) days following written notice from Landlord to Tenant; or

15.1.2 Tenant shall at any time be in default in the keeping and performing of any of its other covenants or agreements herein contained, and should such other default continue for thirty (30) days after written notice thereof from Landlord to Tenant specifying the particulars of such default, or if such other default is of a nature that curing such default will take more than thirty (30) days Tenant has failed to commence such cure within such thirty (30) day period and to thereafter diligently pursue completion of such cure; or

15.1.3 Tenant assigns, sells, transfers, conveys, encumbers, hypothecates or leases the whole or any part of the Improvements, the Site, any portion thereof, or any improvements thereon in violation of this Lease; or

15.1.4 Except as otherwise expressly permitted in this Lease, there is any change in control of Tenant, or any other act or transaction involving or resulting in a change in the identity of the parties in control of Tenant or the degree of such control; or

15.1.5 Tenant is in default under any other provision of this Lease beyond expiration of any applicable cure period.

15.2 Remedies. Upon the occurrence of any such default, in addition to any and all other rights or remedies of Landlord hereunder, or by Law or in equity provided, Landlord shall have the sole option to exercise the following rights and remedies:

15.2.1 Terminate this Lease by giving Tenant notice of termination. On the giving of such notice, all Tenant's rights under this Lease shall terminate. Immediately following notice of termination, Tenant shall surrender and vacate the Improvements, the Site, all portions thereof, and all improvements thereon, leaving them in broom clean condition; and Landlord may reenter and take possession thereof and eject all parties in possession, or eject some and not others, or eject none. Termination under this subsection shall not relieve Tenant from the payment of any sum then due to Landlord or from any claim for damages previously accrued or then accruing against Tenant.

15.2.2 Without terminating this Lease, Landlord may at any time and from time to time relet the Improvements, the Site, any portion thereof, or any improvements thereon for the account and in the name of Tenant or otherwise. Any reletting may be for the remainder of the Term or for a longer or shorter period. Landlord may execute any leases made under this provision either in Landlord's name or in Tenant's name, and shall be entitled to all rents from the use, operation, and occupancy of the Improvements, the Site, any portion thereof, and any improvements thereon. Tenant hereby appoints Landlord its attorney in fact for purpose of such leasing. Tenant shall nevertheless pay to Landlord on the due dates specified in this Lease the equivalent of all sums required of Tenant under this Lease, less the revenue received by Landlord from any reletting or attornment, plus Landlord's expenses, including (by way of example), but not limited to, remodeling expenses, Landlord's brokerage and advertising costs and attorneys' fees and costs. No act by or on behalf of Landlord under this subsection shall constitute a termination of this Lease unless Landlord gives Tenant written notice of termination.

15.2.3 Even though Landlord may have relet the Building, Improvements, the Site, portions thereof, or improvements thereon, Landlord may thereafter elect to terminate this Lease and all of Tenant's rights thereunder, including all of Tenant's rights in or to the Building, Improvements, the Site, any portion thereof, and/or any improvements thereon.

15.2.4 Landlord shall have the remedy described in California Civil Code section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has right to sublet or assign, subject only to reasonable limitations), as amended from time to time, and successor statutes thereto.

15.3 Damages. Should Landlord elect to terminate this Lease, Landlord shall be entitled to recover from Tenant, as damages:

15.3.1 The worth at the time of the award of the unpaid Rent that had been earned at the time of termination of this Lease;

15.3.2 The worth at the time of the award of the amount by which the unpaid Rent that would have been earned after the date of termination of this Lease until the time of award exceeds the amount of the loss of Rent that Tenant proves could have been reasonably avoided;

15.3.3 The worth at the time of the award of the amount by which the unpaid Rent for the balance of the Term of this Lease after the time of award exceeds the amount of the loss of Rent that Tenant proves could have been reasonably avoided; and

15.3.4 Any other amount (and court costs) necessary to compensate Landlord for all detriment proximately caused by Tenant's default, including costs of alterations and improvements in connection with reletting.

15.4 Recapture of Site.

A. The parties agree that City, in City's sole discretion, shall have the right, but not the obligation, to recapture part or all of the Site ("Recapture") subject to the following terms and conditions. City shall have a onetime right of Recapture, whether the Recapture is later rescinded by City or taken to completion. City may exercise its Recapture right after ten (10) years following the date of this Lease. To affect a Recapture, City shall give Tenant a minimum of one hundred-eighty (180) days' prior written notice of City's Recapture election ("Election Notice"). In the Election Notice, City shall indicate the specific portion of the Site which City intends to recapture ("Recapture Portion") and the use(s) that City intends for the Recapture Portion. The Site remaining after the Recapture, if any, may be referred to as the "Remainder Site". During the Term of the Lease, the Recapture Portion, or any part thereof, may not be used for any purposes related to golf.

B. City shall pay a price ("Recapture Consideration") to recapture the Recapture Portion that is the greater of: (i) the price ("Release Price") that allows for the release of the Recapture Portion from the security for the Tenant's loan as permitted by the lender or (ii) the going concern fair market value of Tenant's right, title and interest in the Recapture Portion, including the Improvements plus the diminution in the going concern fair market value of Tenant's right, title and interest in the Remainder Site resulting from the Recapture (collectively, "FMV"). City shall pay the Release Price to

the Lender. In the event that the FMV is greater than the Release Price, City shall pay the excess amount to Tenant.

C. FMV shall be determined as follows. Within forty-five (45) days after receipt of the Election Notice, Tenant shall provide City with a "Consideration Notice" which sets forth both (i) the Release Price and (ii) a statement of FMV ("Statement of FMV") pursuant to subsection b, above. If City does not agree with the Statement of FMV and the parties do not enter into a written agreement of FMV within thirty (30) days after City's receipt of the Statement of FMV, FMV shall be determined as follows. Within ninety (90) days following the end of the thirty (30) day negotiation period, an appraiser jointly hired by City and Tenant shall provide the determination of FMV. Such appraiser shall hold the MAI designation; possess at least ten (10) years experience in appraising local golf course properties; and be independent of and unrelated to City and/or Tenant. City and Tenant shall each pay fifty percent (50%) of the fees and expenses of such appraiser. In performing the appraisal, the appraiser shall follow the provisions of this Section 6 and any additional instructions agreed to by the parties. The appraiser shall provide each party with a copy of the appraisal.

D. Upon payment of the Recapture Consideration by City and receipt of Lender's consent for the Recapture, Tenant shall quitclaim the Recapture Portion to City without warranty and the Lease shall terminate with respect to the Recapture Portion. Effective on the first day that Tenant is no longer permitted to receive the Gross Receipts from the Recapture Portion, Base Rent and Annual Revenue Thresholds for determining Percentage Rent shall be prorated according to the ratio of (i) Gross Receipts from the Remainder Site as of such date (ii) Gross Revenue from the entire Site as of immediately prior to such date. Any Lease obligation of Tenant in addition to Base Rent that is not based upon Gross Receipts, or a component thereof, or does not automatically decrease proportionately to the reduction of the Site shall be pro-rated pursuant to the immediately prior sentence. No part of the balance existing in the Capital Improvement Fund at the time of Recapture shall be allocated to the Recapture Portion. The entire balance shall continue to be subject to the provisions of the Lease for the benefit of the Remainder Site. Notwithstanding anything in the Lease to the contrary, the parties agree that neither City's issuance of an Election Notice, nor a total or partial termination under this Section, shall be considered a Taking and that Tenant shall be entitled to no compensation except as expressly set forth in this Section 6. Subject to any liabilities of City that may exist under the Lease independent of the Recapture, upon payment of the Recapture Consideration, Tenant shall fully release and discharge Landlord and the City from all and any manner of rights, demands, liabilities, obligations, claims, or cause of actions, in law or equity, of whatever kind or nature, whether known or unknown, whether now existing or hereinafter arising, which arise from or relate in any manner to (i) the sale of the Site, Recapture of part or all of the Site pursuant to Section 6 of this Second Amendment or any other Lease provision, the termination of Tenant's leasehold interest pursuant to the Lease, or the relocation of Tenant's business operations or the relocation of any person or persons, business or businesses, or other occupant or occupants located on the Site, including, without limitation, the specific waiver and release of any right to any relocation benefits, assistance and/or payments under Government Code Sections 7260 et seq.

("Relocation Assistance Law"), notwithstanding that such relocation assistance, benefits and/or payments may be otherwise required under the Relocation Assistance Law or other state or federal law; and (ii) compensation for any interest in Tenant's business operations or the Site including, but not limited to, land and improvements; leasehold bonus value; fixtures, furniture, or equipment; loss of business goodwill; severance damage; attorneys' fees or any other compensation of any nature whatsoever. Tenant acknowledges and agrees that the release and waiver set forth in this paragraph is material consideration for Landlord's execution of this Second Amendment on the terms set forth herein and that, but for this release and waiver, Landlord would not have entered into this Second Amendment. It is hereby intended that the above release relates to both known and unknown claims that the Tenant may have, or claim to have, against the Landlord or the City with respect to the subject matter contained herein or the events relating thereto. The parties acknowledge and agree that the waiver and release contained in this Section shall not have the effect of excluding any element of value mentioned in such waiver and release from FMV. Such waiver and release is solely intended to bar Tenant from obtaining any consideration from City resulting from the Recapture other than the Recapture Consideration. By releasing and forever discharging claims both known and unknown which are related to or which arise under or in connection with the items set out above, the Tenant expressly waives any rights under California Civil Code Section 1542, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR." Notwithstanding such waiver and release by Tenant and the payment of Recapture Consideration, City shall indemnify, defend and hold Tenant, CourseCo and their principals, officers, directors, and employees harmless from and against any cost or liability owing to any third party as a result of the Recapture, including attorneys fees and termination fees payable under existing maintenance or construction contracts that apply to the Recapture Portion. Together with the Consideration Notice, Tenant shall provide City with a written estimate made in good faith of the likely amount of City's obligation under the indemnity described in the immediately preceding sentence. City shall have forty-five (45) days following its receipt of such estimate to decide whether to continue the Recapture. If Tenant does not receive a written notice from City within such forty-five (45) day period stating that City is proceeding with the Recapture, City shall have elected to irrevocably rescind the Recapture. The rights and obligations of City to proceed with or to rescind the Recapture shall not be affected by the actual amount of City's indemnity obligation so long as Tenant has prepared the estimate of such obligation in good faith with the facts known to Tenant at the time of estimate preparation.

E. In the event that following the Recapture, it would not be reasonably feasible to operate a golf course comparable in size and quality to the North Course or the South Course on the Remainder Site or, at Tenant's election, in the event that the fair market value of the Remainder Site, valued as a golf property as of the Recapture, would be seventy-five percent (75%) or less of the fair market value of the entire Site, valued as a golf property as of immediately prior to the Recapture (cumulatively, "Triggering Events"), Tenant shall have the right to require City to

recapture the entire Site. To exercise such right, Tenant shall provide written notice ("Full Recapture Notice") to City within thirty (30) days after receipt of City's Election Notice. In such case, the Recapture Portion shall be the entire Site. City shall forty-five (45) days following receipt of a Full Recapture Notice to decide whether to continue the Recapture. If Tenant does not receive a written notice from City within such forty-five (45) day period stating that City is proceeding with the Recapture, City shall have elected to irrevocably rescind the Recapture. The rights and obligations of City to proceed with or to rescind the Recapture shall not be affected by any later conclusions regarding a Triggering Event so long as Tenant has prepared the Full Recapture Notice with a good faith belief that a Triggering Event would occur due to the Recapture.

15.5 Cumulative. Each right and remedy of Landlord provided for herein or now or hereafter existing at Law or in equity, by statute or otherwise shall be cumulative and shall not preclude Landlord from exercising any other rights or remedies provided for in this Lease or now or hereafter existing at Law or in equity, by statute or otherwise. No payment by Tenant of a lesser amount than the Rent nor any endorsement on any check or letter accompanying any check or payment of Rent shall be deemed an accord and satisfaction of full payment of Rent; and Landlord may accept such payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue other remedies.

ARTICLE 16. MISCELLANEOUS

16.1 Holding Over. If Tenant shall hold over on the Site after the expiration of the Term hereof with the consent of Landlord, such holding over shall be construed to be only a tenancy from month to month, subject to all the covenants, conditions and obligations contained in this Lease. Tenant hereby agrees to pay to Landlord as monthly rental 1/12th of the amount which is one hundred fifty percent (150%) of the highest amount of total annual Rent paid by Tenant to Landlord during the last year of the Term.

16.2 Attorneys' Fees. In the event that any action is brought by either party hereto as against the other party hereto for the enforcement or declaration of any right or remedy in or under this Lease or for the breach of any covenant or condition of this Lease, the prevailing party shall be entitled to recover, and the other party agrees to pay, all fees and costs to be fixed by the court therein including, but not limited to, attorneys' fees.

16.3 Quiet Possession. So long as Tenant is not in default under this Lease and is paying the Rent and performing all of the covenants and conditions of this Lease, Tenant shall quietly have, hold and enjoy the Site during the Term without interruption or disturbance from Landlord or any other persons claiming by, through or under Landlord.

16.4 Effect of Lease on Original Lease, as Amended. Except for the purpose of explaining the past relationship of Landlord and Tenant, this Lease shall supersede the Original Lease, and any amendments.

16.5 Security Deposit. As part of the Original Lease, Tenant has submitted a Security Deposit to be used by the City to offset costs for any material breach of the terms of this Lease. Tenant acknowledges that the City may retain the Security Deposit on file. If not used for a material breach of this Lease, Landlord shall refund the amount at the end of the Lease.

16.6 Force Majeure. Except as to the payment of Rent, subject to the limitations set forth below, performance by either party hereunder shall not be deemed to be in default, and all performance and other dates specified in this Lease shall be extended, where delays are due to: remediation or removal of previously undiscovered Hazardous Materials that may be required by Law, regulation or prudent business practice; war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; governmental restrictions or priority; litigation, including court delays; severe weather; lack of reasonable availability of labor or materials; acts or omissions of the other party; or acts or failures to act of the City (in its capacity as a municipal corporation only and not as a Landlord under this Lease) or any other public or governmental agency or entity. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of the commencement of the cause. Times of performance under this Lease may also be extended in writing by the mutual agreement of Landlord and Tenant. Tenant expressly agrees that adverse changes in economic conditions, either of Tenant specifically or the economy generally, changes in market conditions or demand, and/or Tenant's inability to obtain financing or other lack of funding, or to complete the Improvements shall not constitute grounds of enforced delay pursuant to this Section 16.6. Tenant expressly assumes the risk of such adverse economic or market changes and/or financial inability, whether or not foreseeable as of the Commencement Date.

16.7 Notices. All notices to be given hereunder shall be in writing and mailed postage prepaid by certified or registered mail, return receipt requested, or delivered by personal or courier delivery, or sent by facsimile (immediately followed by one of the preceding methods), to Landlord's address and Tenant's address set forth in Basic Information Sections 1 and 2, or to such other place as Landlord or Tenant may designate in a written notice given to the other party. Notices shall be deemed served upon the earlier of receipt or three (3) days after the date of mailing.

16.8 Waiver. No waiver of any breach of any of the terms, covenants, agreements, restrictions or conditions of this Lease shall be construed to be a waiver of any other breach of the same or other terms, covenants, agreements, restrictions and conditions hereof.

16.9 Surrender. Upon the expiration or other termination of the Term of this Lease, and notwithstanding anything herein contained to the contrary, Tenant shall surrender to Landlord the Building, Improvements, the Site, all portions thereof, and all improvements thereon, broom clean and in good condition and repair, reasonable wear and tear excepted.

16.10 Binding on Successors and Assigns. Subject to the restrictions set forth herein regarding assignment of the Leasehold Interest, each of the terms, covenants and conditions of this Lease shall extend to and be binding on and shall inure to the benefit of not only Landlord and Tenant, but to each of their respective heirs, administrators, executors, successors and assigns. Whenever in this Lease reference is made to either Landlord or Tenant, the reference shall be deemed to include, wherever applicable, the heirs, administrators, executors, successors and assigns of such parties, the same as if in every case expressed.

16.11 Landlord's Right to Enter Building and the Site. Landlord and its authorized representatives shall have the right to enter the Improvements, and the Site at all reasonable times, after giving Tenant twenty-four (24) hours prior written notice (except in emergency in which case no notice shall be required), for any reasonable purpose, including: to determine whether the Site, Improvements, the Building, or any other improvements on the Site is in good condition and whether Tenant is complying with its obligations under this Lease; to do any necessary maintenance and to make any restoration to the Improvements, the Site, any portion thereof, or improvements thereon that Landlord has the right or obligation to perform; to serve, post or keep posted any notices required or allowed under the provisions of this Lease; to post "for rent" or "for lease" signs during the last two (2) years of the Term, or during any period while Tenant is in default; to show the Improvements, and the Site to prospective lenders, brokers, agents, buyers, tenants or persons interested in an exchange Landlord shall have the right but not the obligation to maintain and repair, remove or replace, add to or generally improve, utilities and the facilities owned by Landlord, another public agency or public utility company, whether under, on, upon, or over the Improvements, the Site, any portion thereof, or any improvements thereon; and Landlord has the right but not the obligation to do any act or thing reasonably necessary for the safety or preservation of the Improvements, and the Site, any portion thereof, or any improvements thereon if any excavation or other construction is undertaken or is about to be undertaken on any adjacent property or nearby street. Landlord shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of Landlord's entry on the Improvements, the Site, any portion thereof, or any improvements thereon as provided in this Section 16.11 other than any property damage, bodily injury, or death caused by the sole negligence or willful misconduct of Landlord, its agents, employees or Tenants. Tenant shall not be entitled to an abatement or reduction of Rent if Landlord exercises any rights reserved in this Section 16.11.

16.12 Disclaimer of Partnership. The relationship of the parties hereto is that of Landlord and Tenant, and it is expressly understood and agreed that Landlord does not in any way nor for any purpose become a partner of Tenant or a joint venturer with Tenant in the conduct of Tenant's business or otherwise.

16.13 No Recordation. Tenant shall not record this Lease or any Memorandum of this Lease, or similar document except to the extent required (i) for Tenant to be able to obtain a leasehold title policy insuring Tenant's Leasehold Interest in the Site, or (iii)

by any Leasehold Mortgagee. Any such document shall be in a form reasonably satisfactory to Landlord.

16.14 Quitclaim. At the expiration or other termination of the Term, Tenant shall execute, acknowledge and deliver to Landlord within thirty (30) days after written demand from Landlord to Tenant, any quitclaim deed or other document required by any reputable title company to remove the cloud of this Lease from the Building, the Site, any portion thereof, or any improvements thereon.

16.15 Interpretation. The titles to the sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part of this Lease. As used in this Lease, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates. The word "including" shall be construed as if followed by the words "without limitation." This Lease shall be interpreted as though prepared jointly by both parties.

16.16 Severability. If any term, provision, condition or covenant of this Lease or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Lease, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by Law.

16.17 Legal Advice. Each party represents and warrants to the other the following: they have carefully read this Lease, and in signing this Lease, they do so with full knowledge of any right which they may have; they have received independent legal advice from their respective legal counsel as to the matters set forth in this Lease, or have knowingly chosen not to consult legal counsel as to the matters set forth in this Lease; and, they have freely signed this Lease without any reliance upon any agreement, promise, statement or representation by or on behalf of the other party, or their respective agents, employees, or attorneys, except as specifically set forth in this Lease, and without duress or coercion, whether economic or otherwise.

16.18 Time of Essence. Time is expressly made of the essence with respect to the performance by the parties of each and every obligation and condition of this Lease.

16.19 Nonliability. No member, official or employee of Landlord shall be personally liable to Tenant, or any successor in interest, in the event of any default or breach by Landlord or for any amount which may become due to Tenant or its successors, or on any obligations under the terms of this Lease. Tenant hereby waives and releases any claim it may have against the members, officials or employees of Landlord with respect to any default or breach by Landlord or for any amount which may become due to Tenant or its successors, or on any obligations under the terms of this Lease.

16.20 Applicable Law. The laws of the State of California, without regard to conflict of Laws principles, shall govern the interpretation and enforcement of this Lease.

16.21 Covenants and Conditions. Each obligation of the parties hereunder, including, without limitation, Tenant's obligation for the payment of Rent, shall be construed to be both a covenant and a condition of this Lease.

16.22 Integration. This Lease, including all recitals of exhibits and attachments to each of the foregoing, constitute the entire agreement between the parties and there are no conditions, representations or agreements regarding the matters covered by this Lease which are not expressed herein.

16.23 Amendments to this Lease. Landlord and Tenant agree to mutually consider reasonable requests for amendments to this Lease that may be made by either of them, subtenants of Tenant, lending institutions or bond counsel or financial consultants to Landlord or Tenant, provided such requests are consistent with this Lease and would not materially alter the basic business terms included herein. No amendment hereto shall be effective unless in writing and signed by the parties hereto.

16.24 Compliance With Laws. Tenant, at Tenant's expense, shall comply with all applicable Hazardous Materials Laws, statutes, labor codes, laws, codes, rules, orders, zoning, ordinances, directives, regulations, regulations, permits, or other requirements of federal, state, county, municipal, or other governmental authorities having jurisdiction, now in force or which may hereafter be in force (individually "**Law**" and collectively "**Laws**"), which shall impose any duty upon Landlord or Tenant with respect to the use, occupancy, or alteration of the Improvements, the Site, any portion thereof, or any improvements thereon.

16.25 Commission. Each party represents to the other that it has not been represented by any broker in connection with this Lease, and that no real estate broker's commission, finder's fee or other compensation (individually and collectively, "Commission") is due or payable. Each party agrees to indemnify and hold the other harmless from any claims or liability, including reasonable attorneys' fees, in connection with a claim by any person for a Commission based upon any statement, representation or agreement of the other party.

16.26 Relocation Waiver. Tenant fully releases and discharges Landlord from: (i) all and any manner of rights, demands, liabilities, obligations, claims, or cause of actions, in law or equity, of whatever kind or nature, whether known or unknown, whether now existing or hereinafter arising, which arise from or relate in any manner to the relocation of Tenant's business operations or the relocation of any person or persons, business or businesses, or other occupant or occupants located on the Site following expiration or other termination of this Lease, including the specific waiver and release of any right to any relocation benefits, assistance and/or payments under Government Code Sections 7260 et seq. ("**Relocation Assistance Law**"), notwithstanding that such relocation assistance, benefits and/or payments may be

otherwise required under the Relocation Assistance Law or other Law; and (ii) compensation for any interest in Tenant's business operations, the Building, the Site, any portion thereof, or any improvements thereon, including leasehold bonus value, fixtures, furniture, or equipment, loss of business goodwill, severance damage, attorneys' fees or any other compensation of any nature whatsoever. Tenant acknowledges and agrees that the release and waiver set forth in this Section is material consideration for Landlord's lease of the Site and sale of the Building to Tenant on the terms set forth herein and that, but for this release and waiver, Landlord would not have entered into this Lease.

16.27 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.

16.28 Counterparts. The parties hereto agree that this Lease may be executed in counterparts, each of which shall be deemed an original, and said counterparts shall together constitute one and the same agreement, binding all of the parties hereto, notwithstanding all of the parties are not signatory to the original or the same counterparts. For all purposes, including, without limitation, recordation, filing and delivery of this Lease, duplicate unexecuted and unacknowledged pages of the counterparts may be discarded and the remaining pages assembled as one document.

[Signatures on following page]

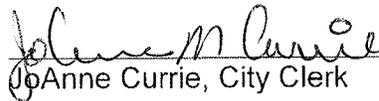
IN WITNESS WHEREOF, the parties have executed this Lease as of the Effective Date.

LANDLORD:

CITY OF ROHNERT PARK, a California Municipal corporation

By: 
Name: Gabriel Gonzalez
Its: City Manager

ATTEST:


JoAnne Currie, City Clerk

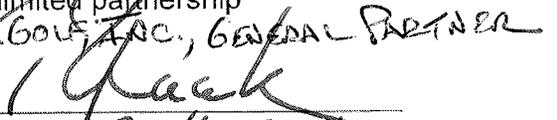
APPROVED AS TO FORM:

Michelle Marchetta Kenyon, City Attorney

--AND--

TENANT:

ROHNERT PARK GOLF, LP, a California limited partnership

By: 
Name: Thomas Booth Isank
Its: President

By: 
Name: Thomas Booth Isank
Its: President

By: 
Name: John C. Telischak
Its: Chief Financial Officer

APPROVED AS TO FORM:

By: _____
Name: _____
Its: _____

IN WITNESS WHEREOF, the parties have executed this Lease as of the Effective Date.

LANDLORD:

CITY OF ROHNERT PARK, a California Municipal corporation

By: _____
Name: Gabriel Gonzalez
Its: City Manager

ATTEST:

JoAnne Currie, City Clerk

APPROVED AS TO FORM:

Michelle Marchetta Kenyon, City Attorney

--AND--

TENANT:

ROHNERT PARK GOLF, ~~LLP~~, a California limited partnership
By: *RF GOLF, INC.*, GENERAL PARTNER

By: _____
Name: *THOMAS BOOTH LOARK*
Its: President

By: _____
Name: *JOHN C. FELISCHAK*
Its: Chief Financial Officer

APPROVED AS TO FORM:

By: _____
Name: _____
Its: _____

GOLF COURSE SOUTH

The land referred to is situated in the State of California, County of Sonoma, City of Rohnert Park and is described as follows:

Commencing at the northeast corner of Lot 4 of the Rohnert Park Industrial Subdivision No. 2, as recorded in Book 88 of Maps, at page 18, Sonoma County Records; thence North $64^{\circ}20'27''$ East, 60.00 feet; thence South $25^{\circ}39'33''$ East, 592.22 feet to the Point of Beginning; thence from said point of beginning North 38° East, 877.49 feet to the South Line of Golf Course Drive; thence along said south line South $62^{\circ}28'$ East, 699.23 feet to the beginning of a curve to the left with a radius of 914.00 feet, through an internal angle of $30^{\circ}51'$ a length of 492.13 feet; thence North $86^{\circ}41'$ East, 1979.81 feet to the beginning of a curve to the left with a radius of 803.00 feet; through an internal angle of $7^{\circ}21'47''$ a length of 103.19 feet; thence South $10^{\circ}40'47''$ East 241.45 feet to a point on the west boundary line of Country Club Estates Subdivision No. 2 Unit "A", filed in Book 200 of Maps pages 23 & 24, Sonoma County Records; thence continuing along the said subdivision boundary, the following courses;

South $10^{\circ}40'47''$ East, 325.45 feet;

South $2^{\circ}23'$ East, 137.86 feet to the most northwest corner of Lot 22, Country Club Estates Subdivision No. 2 Unit "E", filed for record in Book 242 of Maps, pages 41 & 42; thence continuing along said subdivision boundary, the following courses;

South $2^{\circ}23'$ East, 1022.14 feet;

South $85^{\circ}30'$ West, 420.00 feet to the southeast corner of Lot 23, Country Club Estates Subdivision No. 6, filed for record in Book 215 of Maps, pages 24 through 28, Sonoma County Records; thence continuing along the said Country Club Estates No. 6 subdivision boundary, the following courses;

North $10^{\circ}30'$ West, 570.00 feet;

North $3^{\circ}41'$ West, 740.00 feet;

South $77^{\circ}37'$ West, 400.00 feet;

South $71^{\circ}45'$ West, 215.00 feet;

South $4^{\circ}08'$ East, 441.00 feet to the northwest corner of Lot 63, Country Club Estates Subdivision No. 2 Unit B, filed for record in Book 215 of Maps, pages 13 through 15,

Sonoma County Records; thence continuing along said subdivision No. 2 Unit B boundary, the following courses;

South 4°08' East, 789.00 feet;

South 85°30' West 420.00 feet;

North 8°30' West 398.00 feet to the southeast corner of Lot 35, Country Club Estates Subdivision No. 2 Unit C, filed for record in Book 220 of Maps, pages 34 through 36, Sonoma County Records; thence continuing along said subdivision No. 2 Unit C boundary, the following courses;

North 8°30' West, 832.00 feet;

North 70° West 105.00 feet;

South 86°56' West 560.00 feet;

South 48°07' West 265.00 feet to the northeast corner of Parcel A, Country Club Estates Subdivision No. 2 Unit D, filed for record in Book 229 of Maps, pages 31 & 32, Sonoma County Records; thence continuing along said Subdivision No. 2 Unit D boundary, the following courses;

South 48°07' West, 545.00 feet;

South 25°39'33" East, 350.00 feet;

South 5°12' West, 140.00 feet;

South 33°37' East, 450.00 feet;

South 25°39'33" East, 539.88 feet to the northwest corner of Lot 88, Country Club Estates Subdivision No. 1 Unit A, filed for record in Book 196 of Maps, pages 16 through 19, Sonoma County Records; thence continuing along the Subdivision No. 1 Unit A boundary, the following courses;

South 25°39'33" East, 650.12 feet;

South 6°44' West, 280.00 feet;

South 45°07' East, 500.00 feet;

South 25°39'33" East, 104.29 feet;

thence leaving said Subdivision No. 1 Unit A boundary South 25°39'33" East, 89.69 feet to the northwest corner of Sonoma Racquet Club Subdivision, filed for record in Book 261 of Maps, pages 1 through 8, Sonoma County Records; thence along the west line of Sonoma Racquet Club South 25°39'33" East, 791.02 feet to the north right of way line of Rohnert Park Expressway; thence along said north right of way line of Rohnert Park

Expressway North $89^{\circ}51'26''$ West, 560.00 feet to the east right of way line of the North Western Pacific Railroad; thence along said east right of way North $25^{\circ}39'33''$ West, 4667.95 feet to the point of beginning. Containing 129.08 acres.

Sonoma County Assessor Parcel Numbers 143-360-46, 47, 48, and 49.

GOLF COURSE NORTH

The land referred to is situated in the State of California, County of Sonoma, City of Rohnert Park and is described as follows:

PARCEL ONE:

Beginning at the most northwesterly corner of Lot 9, Mountain Shadows Subdivision Unit II, filed for record in Book 272 of Maps, pages 31 through 33, Sonoma County Records; thence continuing along said Mountain Shadows Subdivision Unit II boundary, the following courses;

S $36^{\circ}29'19''$ E, 793.48 feet;

S $89^{\circ}59'32''$ E, 62.16 feet to the most westerly corner of Lot 36, Mountain Shadows Subdivision Unit I, filed for record in Book 257 of Maps, pages 16 through 20, Sonoma County Records; thence continuing along said Subdivision Unit I boundary, the following courses;

S $89^{\circ}59'32''$ E, 510.00 feet;

S $24^{\circ}28'27''$ E, 776.20 feet;

S $31^{\circ}25'10''$ W, 1,280.40 feet to the northerly right of way line of Golf Course Drive; thence along said northerly right of way line N $62^{\circ}28'00''$ W, 276.68 feet to a tangent curve to the right having a radius of 25.00 feet and an internal angle of $90^{\circ}00'00''$; thence leaving said right of way and along said curve 39.27 feet; thence N $27^{\circ}32'00''$ E, 274.99 feet to the south east corner of the Lands of Sonoma County Red Lion Inn as described in document number 19920149094 of official records, Sonoma County Records; thence continuing along said Lands of Sonoma County Red Lion Inn, the following courses;

N $34^{\circ}09'17''$ E, 295.09 feet;

N $38^{\circ}42'59''$ E, 497.31 feet;

N 20° 53'59" W, 455.44 feet;
N 38°49'36" W, 70.75 feet;
S 86°31'13" W, 418.79 feet;
S 76° 36' 01" W, 12.44 feet;
S 03°05' 00" W, 412.47 feet;
N 86°55'00" W, 5.00 feet;
S 03°05'00" W, 100.00 feet;
N 86°55'00" W, 6.00 feet;
S 03°05'00" W, 42.00 feet;
S 86°55'00" E, 6.00 feet;
S 03° 05' 00" W, 61.00 feet;
S 86° 55'00" E, 5.00 feet;
S 03°05'00" W, 265.20 feet;

S 6°35'00" W, 92.00 feet to the northerly corner of Lot 137, Mountain Shadows Subdivision Unit 1, filed in Book 257 at pages 16 through 20, Sonoma County Records; thence along said Lot 137 north westerly line S 65°16'17" W, 216.53 feet to the southeasterly corner of the Lands of Red Lion Plaza Associates II, as described in document number 19900119023 of official records, Sonoma County Records; thence along the easterly line of said Lands of Red Lion Plaza Associates II and to the prolongation thereof, N 05°42'00" W, 636.49 feet; thence N 27°15'00" W, 726.55 feet; thence N 35°47'54" W, 129.56 feet to a non-tangent curve to the right having a radius of 916.87 feet, an internal angle of 23°45'07" and a radial to said curve bearing N 61°39'28" E to point of cusp; thence N 47°35'43" E, 158.35 feet; thence N 67°08'38" E, 142.42 feet; thence N 00°00'28" W, 100.00 feet to the northerly boundary of the lands of Redwood Empire Title Company as shown on that Record of Survey recorded in Book 168 of Maps at Page 34, Sonoma County Records; thence continuing along said northerly boundary N 89°59'32" E, 176.03 feet to the point of beginning. Containing 35.80 acres.

Sonoma County Assessor Parcel Number a portion of 160-010-026

PARCEL TWO:

Beginning at the southeast corner of Lot 136, Mountain Shadows Subdivision Unit I, filed for record in Book 257 of Maps, pages 16 through 20, Sonoma County Records; thence continuing along said Mountain Shadows Subdivision Unit I boundary, the following courses;

N 31°25'10" E, 1,150.79 feet;
N 60°08'43" E, 143.98 feet;

S 89°12'02" E, 980.00 feet;
N 00°47'58" E, 25.00 feet;
S 89°12'02" E, 255.00 feet;
N 00°47'58" E, 85.00 feet;
S 89°12'02" E, 108.68 feet to a tangent curve to the left having a radius of 330.00 feet and an internal angle of 34°33'26"; thence along said curve 199.04 feet; thence N 56°14'32" E, 116.68 feet; thence leaving said subdivision boundary S 33°45'28" E, 530.00 feet to the northeast corner of Lot 1, Mountain Shadows Subdivision Unit III, filed for record in Book 294 of Maps, pages 19 through 21, Sonoma County Records; thence continuing along said Mountain Shadows Subdivision Unit III boundary, the following courses;
S 68°55'00" W, 792.70 feet;
N 83°00'00" W, 615.91 feet;
S 60°00'00" W, 185.00 feet;
S 53°20'00" W, 490.00 feet to the most northerly corner of Lot 130, of said Mountain Shadows Subdivision Unit I; thence along said Mountain Shadows Subdivision Unit I boundary, the following courses;
S 56°17'00" W, 423.57 feet;
S 34° 17'00" W, 177.91 feet to the northerly right of way line of Golf Course Drive; thence along said northerly right of way line of Golf Course Drive, N 62°28'00" W, 329.99 feet to the point of beginning. Containing 31.80 acres.

Excepting therefrom the lands as described in document number 19970075119 of official records, Sonoma County Records

Sonoma County Assessor Parcel Number 160-010-021

PARCEL THREE:

Beginning at the most southeasterly corner of Lot 52, Mountain Shadows Subdivision Unit II, as filed for record in Book 272 of Maps, Pages 31 through 33, Sonoma County Records; thence from said point of beginning and continuing along said subdivision boundary, the following courses;
S 89°43'50"W, 453.57 feet;
S 68°30'13" W, 910.00 feet to a point on the easterly line of Lot 53, Mountain Shadows Subdivision Unit I, filed for record in Book 257 of Maps, pages 16 through 20, Sonoma

County Records; thence continuing along said Subdivision Unit I boundary, the following courses;

S 24°28'27" E, 353.81 feet;

S 89°12'02" E, 568.44 feet;

N 57°29'23" E, 194.42 feet;

N 81°46'21" E, 740.91 feet to the north east corner of Parcel "E", of said Mountain Shadows Subdivision Unit I; thence N 33°45'28" W, 415.00 feet; thence N 36°28'32" W, 136.80 feet to the point of beginning. Containing 16.27 acres.

Sonoma County Assessor Parcel Number 160-010-003

PARCEL FOUR:

Beginning at the south west corner of Parcel "D", Coleman Valley Subdivision No. 1, filed for record in Book 268 of Maps, pages 12 through 15, Sonoma County Records; thence from said point of beginning, continuing along said Coleman Valley Subdivision No. 1 boundary, the following courses;

S 88°29'22" E, 422.24 feet;

N 34°41'16" E, 519.29 feet;

N 20°10'18" W, 608.40 feet;

N 14°22'28" W, 52.34 feet;

N 32°00'00" E, 266.00 feet;

N 60°37'13" E, 34.51 feet;

S 89°54'25" E, 257.75 feet;

S 27° 23'00" E, 762.64 feet;

S 05°25'29" E, 79.96 feet;

S 02°56'01" E 60.00 feet;

S 18°34'00" W, 420.00 feet;

S 36°04'19" W, 184.90 feet;

S 56°14'32" W, 420.00 feet;

S 33° 45'28" E, 102.00 feet;

S 56°14'32" W, 245.08 feet;

N 33°45'28" W, 2.00 feet;

S 56°14'32" W, 157.56 feet to the easterly right of way line of Five Creeks; thence leaving said Coleman Valley Subdivision No. 1 boundary and continuing along said

casterly right of way, N 33°45'28" W, 700.00 feet; thence N 30°19'27" W, 49.64 feet to the point of beginning. Containing 24.84 acres.

Excepting therefrom the lands as described in document numbers 19970103117 & 2001006936 of official records, Sonoma County Records

Sonoma County Assessor Parcel Numbers 143-280-021, 061 & 078

PARCEL FIVE:

Beginning at the south west corner of Lot 8, Coleman Valley Subdivision No. 1, filed for record in Book 268 of Maps, pages 12 through 15, Sonoma County Records; thence from said point of beginning and continuing along said Coleman Valley Subdivision No. 1 boundary, the following courses;

N 56°14'32"E, 737.78 feet;

N 18°34'00" E, 799.40 feet;

N 27°23'00" W, 824.77 feet to a point on the south line of Lot 124, Coleman Valley Subdivision No. 2, filed for record in Book 285 of Maps, pages 20 through 22, Sonoma County Records; thence continuing along said Coleman Valley Subdivision No. 2 boundary, the following courses;

S 89°54'25" E, 495.00 feet;

S 50°45'00" E, 610.63 feet;

S 71°50'00" E, 526.34 feet;

S 11°50'00" E, 112.48 feet to the north west corner of Parcel "A" as shown on Coleman Valley Subdivision No 3, files for record in Book 309 of Maps, pages 25 & 26, Sonoma County Records; thence continuing along said Coleman Valley Subdivision No. 3 boundary S 11°50'00" E, 319.52 feet to the north east corner of Lot 17, Coleman Valley Subdivision No. 4C, filed for record in Book 334 of Maps, pages 27 & 28, Sonoma County Records; thence continuing along said Coleman Valley Subdivision No. 4C boundary, the following courses;

S 84°00'00" W, 400.00 feet;

N 80°15'00" W, 317.00 feet;

S 15°47'00" W, 551.79 feet to the north westerly corner of Lot 36, Coleman Valley Subdivision No. 4A, filed for record in Book 334 of Maps, pages 18 & 19, Sonoma

County Records; thence continuing along said Coleman Valley Subdivision No. 4A boundary, the following courses;

S 15°47'00" W, 228.21 feet;

S 58°02'00" W, 940.00 feet to the south east corner of Lot 1 of said Coleman Valley Subdivision No. 1; thence continuing along said Coleman Valley Subdivision No. 1

boundary, the following courses;

N 42°31'03" W, 28.66 feet;

N 56°35'03" W, 39.00 feet;

N 67°24'50" W, 72.16 feet;

N 56°54'01" W, 68.69 feet;

N 44°04'03" W, 64.31 feet;

N 33°45'28" W, 188.00 feet to the point of beginning.

Containing 37.97 acres.

Sonoma County Assessor Parcel Number 143-280-075

PARCEL SIX:

Beginning at the most northerly corner of Parcel Two described above; thence from said point of beginning and along the southerly Right of Way of Fairway Drive N 56°14'32" E, 114.56 feet to a tangent curve to the right having a radius of 25.00 feet and an internal angle of 90°00'00"; thence along said curve 39.27 feet to the westerly Right of Way of Country Club Drive; thence continuing along the said westerly line, the following courses;

S 33°45'28" E, 244.80 feet to a tangent curve to the left having a radius 405.00 feet and an internal angle of 33°55'21" thence along said curve 239.78 feet to a reverse curve to the right having a radius of 345.00 feet and an internal angle of 13°12'18"; thence along said curve 79.51 feet to the most northerly corner of Lot 1, Country Club Estates Subdivision No. 8 Unit "B", filed for record in Book 261 of Maps, pages 38 through 44, Sonoma County Records; thence continuing along the northwesterly boundary and prolongation of the northwesterly boundary line of said Country Club Estates Subdivision No. 8 Unit "B", S 56°14'32" W, 244.91 feet to a point on the north westerly line of Lot 1, Mountain Shadows Subdivision Unit III, filed for record in Book 294 of Maps, pages 19 through 21, Sonoma County Records; thence along the north easterly line of said Lot 1, N 33°45'28" W, 36.31 to the northeast corner of said Lot 1; thence along the most north easterly side of Parcel Two described above, N 33°45'28" W, 530.00 feet to the point of beginning. Containing 2.07 acres.

Sonoma County Assessor Parcel Number 143-280-045

Together with:

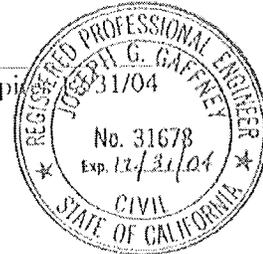
Parcels "A", "B", "C" and "D" as shown on the final map of Mountain Shadows Subdivisions Unit 1 filed in Book 257 of Maps at Pages 16 through 20, Sonoma County Records; Parcel "A" as shown on the final map of Coleman Valley Subdivision No. 1 filed in Book 268 of Maps at Pages 12 through 15, Sonoma County Records; and Parcels "E", "F" & "G" as shown on the final map of Mountain Shadows Subdivision Unit I, filed for record in Book 257 of Maps, pages 16 through 20, Sonoma County Records.

Sonoma County Assessor Parcel Numbers 160-040-054, 055, 056, 160-050-049, 160-070-005 & 160-050-050, 051 & 052

Prepared by Richard F. Pedroncelli, Engineering Technician II under the supervision of;

Joseph G. Gaffney, City Engineer
City of Rohnert Park

Joseph G. Gaffney
R/C.E. 31678 My License Expires 12/31/04



LIST OF DEEDS EFFECTING
GOLF COURSE LANDS
May 29, 2001

<u>Deed File No.</u>	<u>Description</u>
180	Pacific Gas and Electric easement, effects Parcel Two of North Course
192	Sonoma County Water Agency easement, effects westerly 25-foot of South Course adjacent to railroad tracks
195	The Pacific Telephone and Telegraph Company easement, effects a 10-foot strip of land near the westerly boundary of the South Course and parallel to the railroad tracks
292	Pacific Gas and Electric easement, effects an area adjacent to and on the westerly side of the Double Tree Hotel (Red Lion Inn)
173	Pacific Gas and Electric easements, traverses around the South Course to serve electricity to facilities on the Course
173	Jim Decker and Jeri Decker easement, access easement effecting 24-foot adjacent and parallel to the northwesterly line of the South Course

Documents on file in the City of Rohnert Park, City Engineers Office.

LIST OF PLANS SHOWING
IMPROVEMENTS ON OR EFFECTING
GOLF COURSE LANDS
May 29, 2001

<u>Plan File No.</u>	<u>Description</u>
212R	Mountain Shadows Golf Course, Final Route Plan and Automatic Irrigation System As Built Plans, 4 sheets
306	Rohnert Park Red Lion Inn Convention Center, Improvements in and around the North Course near the Hotel, full set of Plans
180	Well Nos. 17 and 18, effecting the North Course near City well sites, full set of Plans
385	Golf Course Plaza, effecting the North Course near 1 st Tee area, Sheet C-2 of 2 & 1 of 2,
472	Visitor Center and Tasting Room Sonoma County Wine Assoc., effecting the North Course near 1 st fairway, Sheet 2 of 2
378	Santa Rosa Subregional Water Pollution Control Facility, effecting both courses showing transmission pipelines of Reclaimed Wastewater, full set of Plans
182	Mountain Shadows Golf Course Improvement Plans, Site Plans for the Club House, parking lot and associated improvements, full set of Plans
Current Map	City Water, Sanitary Sewer and Storm Drain utility base maps

Documents on file in the City of Rohnert Park, City Engineers Office.

September 2012

Exhibit B



Maintenance Credit Area

Approximately = 6.1 acres

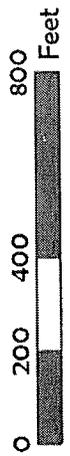


EXHIBIT B

EXHIBIT C

GOLF COURSE OPERATIONS SPECIFICATIONS

I. GOLF OPERATIONS SCOPE OF WORK

The work covered by these Golf Operations Specifications consists of providing labor; services; materials; supplies; golf carts; selecting golf shop furniture, fixtures, equipment, and inventory for sale; and other items as may be required to support the operation of a quality, municipal golf course, golf shop, and practice facility. Services according to these specifications shall commence at a time necessary for the Tenant to adequately prepare for the start of revenue producing operations and will continue until termination of the Lease between the golf operations Tenant and the City.

Prior to commencement of operations, the City and the Tenant will identify any additional items required to provide service as anticipated and shall determine on a equitable basis, the financial responsibility for procurement of these items.

II. AGREEMENT TERMS

- A. Golf Operations as specified herein are part of Foxtail Golf Course Lease the City and the Tenant.
- B. The Tenant shall be responsible for orderly care, safety, security, maintenance and timely repair of all property which constitutes the golf operation according to applicable laws, permits, licenses and regulations.
- C. The City reserves the right from time to time as conditions warrant to hire outside golf course operations consultants to inspect the golf course and Tenant agrees to carry out reasonable recommendations of the City made as a result of the inspection(s).

III. PERSONNEL & SUPERVISION

- A. Golf operations as identified herein will be conducted under the direct supervision of Tenant.
- B. The Tenant will be responsible to hire, train, manage and compensate the necessary personnel for performance of the work according to these specifications and other terms contained in the agreement documents. Staffing plan must include a Professional Golf Manager who is onsite a minimum of 40 hours per week and provide for a minimum of two staff people on duty during pro shop operating hours.
- C. The Tenant will provide uniforms for all staff in both a customer service and maintenance role to ensure identification and high standards of customer service.

IV. HOURS OF OPERATION

- A. Tenant, with the advice and consent of the City, shall determine reasonable hours for public access to services. With the exception of starting time reservation services and Tenant's support for special events, access to golf services, as a minimum, shall be provided between the hours of dawn and dusk each day except as precluded by weather conditions
- B. Any changes in the schedule of hours for golf operation previously agreed shall be subject to approval by the City.
- C. The golf course will be open every of the year, weather permitting, except for Christmas Day, which may be closed at the discretion of Tenant.
- D. In the event play and/or use must be temporarily suspended on the golf course due to inclement weather conditions, the decision on when to allow use and/or play to resume will be made by the Tenant.

V. CLUBHOUSE / PRO SHOP

A. Preparation and Appearance

- 1. The Tenant shall be responsible for the maintenance, cleaning, repair and general appearance of the clubhouse/pro shop (including the food and beverage portion), cart storage, maintenance building and golf shop.
- 2. All supplies, cleaning equipment and materials and paper goods shall be provided by the Tenant.
- 3. Cleaning and preparation shall be scheduled not to impact business operations.
- 4. Maintenance and repairs shall be conducted on a timely basis with minimal impact on business operations.

B. Other Common Space

- 1. Tenant shall establish a quality standard and schedule and oversee performance of its employees or subtenants to:
 - a. Vacuum carpets and clean as needed.
 - b. Clean any provided exterior ashtrays daily. No smoking will be permitted within the clubhouse/pro shop
 - c. Empty waste baskets and clean daily.
 - d. Sweep all building entrances daily.

- e. Dispose of all waste daily.
- f. Dust all desks, counters, chairs, file cabinets, tables and shelves daily.
- g. Clean baseboards weekly.
- h. Clean window glass in the doors inside and out as often as needed.
- i. Clean all windows inside and outside monthly or more often as needed.
- j. Replace defective lamps in light fixtures as soon as possible after discovery.

C. Merchandise Quality/Quantity

- 1. Tenant shall provide and maintain such inventory of golf merchandise as is deemed necessary by mutual consent of the Tenant and the City.
- 2. Tenant shall provide all fixtures necessary for the display and sale of merchandise.
- 3. The Tenant shall offer for sale only goods of premium quality consistent with the quality of goods sold at equivalent daily fee golf courses.
- 4. Inventory shall include at a minimum: clothing for men and women; equipment including, balls, gloves, tees, etc.
- 5. Tenant shall not offer for sale or rental any item of merchandise which the City deems objectionable or beyond the scope of the agreement.

D. Pricing

- 1. Prices for all items for sale shall be marked or displayed.

VI. GOLF AND OTHER SERVICES

A. Required Operating Responsibilities

The Tenant will be responsible for providing all golf services at the Course including, at a minimum, the following services and activities:

- 1. Provide and supervise staff to operate and manage the Course Pro Shop from sunrise to sunset, 7 days a week, except for Christmas day.
- 2. Provide and maintain an inventory of merchandise for sale in the Pro Shop.

3. Provide and manage golf cart (electric or pull cart) and equipment rentals,
4. Check-in golfers and regulate and control play, including the enforcement of Course rules and regulations.
5. Supervise and control the starting time and reservation system.
6. Collect and deposit daily all revenues, including, but not limited to, monies from green fees, merchandise sales, cart and equipment rentals, lessons, tournaments, gift certificate sales, resident and multi-play cards, and membership programs.
7. Provide quality golf lessons and instruction for all levels of play.
8. Promote golf and golf related activities in cooperation with existing golf clubs, organizations and the City of Rohnert Park.
9. Schedule and facilitate golf tournaments, clinics and junior golf promotions.
10. Work cooperatively and collaboratively with maintenance, food and beverage and City management staff to provide a positive golf experience for all users.

B. Reservations

1. The Tenant shall not discriminate in any way in the scheduling of starting times.
2. The Tenant shall provide maximum access to the starting time reservation system with service available as the season and demand dictates.
3. Golfers shall have timely, consistent access to the reservation system.
4. Group and tournament events shall be handled by qualified, experienced personnel.

C. Starter/Player Assistants

1. The Tenant shall provide a Starter and a plan for the starter to monitor play and provide a quality experience as players begin each round of golf. Pace of play objectives shall be established by the Tenant, approved by the City and communicated to players before they begin each round of golf.
2. Any special requirements for group/tournament play will be established by the Tenant, conveyed when reservations are booked and communicated by golf operations staff as groups are checked in.

3. The Tenant shall provide all complimentary, necessary and consumable golf supplies including scoring pencils and "logo" scorecards.

D. Rentals

1. The Tenant shall provide and maintain for rental an inventory of quality, recognized brand golf clubs (and cloth or vinyl bags) sufficient to meet player's demands.
2. The Tenant shall provide and maintain for rental a supply of pull carts sufficient to meet player's demands.
3. The Tenant will provide, at Tenant's sole cost, sufficient electrically-powered golf carts. Tenant will maintain an adequate number of this supply in a clean, fully-charged manner sufficient to meet player's demand.

E. Practice Areas

1. The Tenant shall be responsible for the quality operation of the practice facilities providing and maintaining a sufficient number of artificial hitting mats, grass tees, putting green(s), sand and turf surfaces for the proper teaching and practice of all phases of the game.
2. The Tenant shall be responsible for maintaining a high quality and sufficient quantity of all elements used at the practice facilities including balls, hitting surfaces, landing area, cups and flags

F. Lessons

1. The Tenant shall provide golf lessons and training by qualified instructors.
2. The Tenant shall have submitted in its proposal and shall implement a group and individual lesson plan to provide for the teaching and training needs of golfers of differing skill levels, ages, sexes and economic situations.
3. The City expects the Tenant to conduct programs to promote participation in the game of golf and the use of all the golf services.

G. Group Tournament Services

1. The Tenant shall provide group event and tournament scheduling services without discrimination.
2. The Tenant shall promote the use of all other fee services and sale of goods.

3. The Tenant shall implement systems and procedures to allow effective future management of the course and its related support facilities and resources.
4. The Tenant shall provide for reservation of tournament dates up to two (2) years in advance, preparation of reservation agreements, processing and financial control of deposits and payments, arrangement for tournament assistance, checking in of players, cart assignment, and collection of green fees and other fees associated with tournament play and support services.

H. Golf Green Fees

1. Fees and Charges
 - A. Tenant shall keep current a comprehensive schedule of fees for golf play and cart rentals. Standard fees shall be displayed.
2. Establishing of Fees
 - A. Tenant shall conduct an annual, comprehensive survey of green fee and rental rates at comparable golf courses within the market area as described in Exhibit E.

VIII. SERVICE GUIDELINES

- A. Tenant shall offer services consistent with the scope and quality of services offered at equivalent daily fee golf courses in the area.
- B. Tenant shall not offer services which the City deems objectionable or beyond the scope of the agreement.
- C. Tenant shall post all fees except those fees, which may be negotiated for group/tournament activity or other special uses.

EXHIBIT D

GOLF COURSE MAINTENANCE SPECIFICATIONS

1.0 GENERAL REQUIREMENTS

The Tenant shall furnish all labor, equipment, materials, tools, services and special skills required to perform the landscape and other maintenance as set forth in these specifications and in keeping with the highest standards of quality and performance.

Note: Any and all references to the role or duties of Golf Services Manager (GSM) herein shall be deemed to be the representative of the City for golf course matters; however, any references to the GSM shall also mean, and will be the duties and responsibilities of, the Tenant in all obligations to maintain the golf course in conformance to the specifications outlined.

1.0.1 Maintenance Standards

The following standards are further reinforced in the maintenance specifications that follow and are included here in order to acquaint the Tenant with the City's general expectations:

Greens/Collars

1. Mow greens at proper height according to seasonal conditions.
2. Pin placement shall be in healthy turf area according to rotation plan.
3. No standing water or severe turf loss areas.
4. Greens should be consistent on a daily basis utilizing a stimp meter within a one (1) foot range from green with lowest speed to green with highest speed.
5. Weed free and disease free.
6. Bare and stressed areas sodded or plugged.
7. Pest and vandal damage repaired.
8. No foreign grass encroachment from collars.
9. Hole plugs set at proper grade.
10. Ball marks repaired.

Fairways

1. Fairways mowed at proper height according to seasonal conditions.
2. No standing water or mud holes.
3. Yardage markers in place and maintained.
4. Cart traffic management devices in place; bare or stressed areas properly addressed.
5. Weed free and disease free.
6. Pest and vandal damage repaired.
7. Ground under repair painted with appropriate white turf paint and roped off neatly and consistently throughout the golf courses. Ground under repair

includes those under repair by the Tenant and those areas where turf is at a level that is not consistent with other associated turf areas.

Tees

1. Mow at proper height according to seasonal conditions.
2. Tee markers placed in healthy areas with tee markers set flat to ground and direction of play.
3. Sand and seed buckets filled and properly placed by tee markers.
4. All tee station equipment cleaned and painted. Ball washer operational.
5. No standing water or mud holes.
6. Weed free and disease free.
7. Pest and vandal damage repaired.
8. Bare areas sodded and leveled.

Roughs

1. Mowed at proper height according to seasonal needs.
2. No standing water or mud holes.
3. Pest and vandal damage repaired.
4. Hazards properly marked.
5. Free of debris that affects play.
6. Ground under repair painted with appropriate white turf paint and roped off neatly and consistently throughout the golf courses. Ground under repair includes those under repair by the Tenant and those areas where turf is at a level that is not consistent with other associated turf areas.

Bunkers

1. Edged as required, by seasonal conditions.
2. Raked – sand not compacted.
3. Proper level of sand.
4. Two to Five operational rakes per bunker, depending on bunker size.
5. Rakes properly maintained.
6. Rakes placed tines down, distributed evenly around the respective bunkers.
7. Bunkers should have 1" lip on lower side.
8. No excess sand buildup on high side.
9. No animal borroughs.
10. No standing water.

Parking Lot

1. Lights operational.
2. Free of debris, litter, leaves, and trimmings.
3. Properly marked and signs in place.
4. Parking lines visible and weed free.

Golf Course Restrooms

1. Must be clean and stocked daily.
2. Operational and odor free.
3. No graffiti.
4. Lights operational.
5. No worn spots.
6. Lockable partitions.

Cart Paths

1. Edged and clean.
2. Weed free.
3. No standing water.

Irrigation

1. Properly maintained and adjusted.
2. Proper coverage.
3. No evidence of broken lines.
4. No missing or broken valve box lids.
5. All valve boxes visible.
6. Controllers must be locked.
7. Heads, valves and quick couplers are leak free.
8. Irrigation computer information properly kept.
9. Irrigation controller information properly kept.

Equipment

1. Serviced by golf personnel at manufacturer's intervals with proper records.
2. Tenant equipment repaired to meet demands of golf maintenance requirements.
3. Tenant's equipment to include all Tenant safety features.
4. Equipment is kept clean.
5. All equipment maintenance and replacement is the responsibility of Tenant.

Clubhouse – (Exterior) – Parking Lot

1. Walkways level and clean of debris.
2. All surfaces covered properly with paint where appropriate.
3. Exterior lighting working and scheduled properly.
4. All signage accurate and readable.
5. Shrub beds maintained according to specifications.
6. Annual flowers in place and healthy.
7. Missing plants replaced in kind.

Trees

1. No dead trees or terminally diseased trees.
2. Trees trimmed, as needed.
3. Properly staked – remove stakes within first year if applicable.
4. Mowed around.
5. Kept in healthy condition.
6. Action plan for dead and diseased trees.

Lakes

1. Algae not present.
2. Litter/debris controlled.
3. Lakes at proper level.
4. Properly marked as water hazard.
5. Undesirable water plants not present.
6. Water clear.

Periphery/Shrub Beds

1. Properly mowed.
2. Free of litter/debris.
3. Mulch in proper areas.
4. Weed free.
5. Properly trimmed.
6. Water properly – not overly dry or wet.
7. Flowers changed by schedule or as needed.
8. No dead or diseased plants.
9. Maintained according to specifications

Maintenance Facilities

1. Cleaned regularly.
2. Maintained properly.
3. All regulations for proper storage and disposal of materials are adhered to.

Signage

1. Replace or add, as needed.
2. Proper placement is evident.
3. Clean and readable.

Fence/Nets

1. Repair or replace as needed.
2. In place with no holes.

1.1 SAFETY

- 1.1.1 Tenant agrees to perform all work outlined in these specifications in such a manner as to meet all accepted standards for safe practices during the maintenance and operation and to safely maintain equipment, machines, and materials or other hazards consequential or related to the work; and agrees additionally to accept the sole responsibility for complying with all local, County, State or other legal requirements, including, but not limited to, full compliance with the terms of the applicable O.S.H.A. and CAL.O.S.H.A. Safety Orders, and at all times, protecting all persons, including Tenant's employees, vendors, members of the public or others from foreseeable injury, or damage to their property. Tenant shall identify and inspect all potential hazards at said areas under maintenance and keep a log indicating date inspected and action taken.
- 1.1.2 Tenant shall ensure all required certifications and training methods are adhered to and current.
- 1.1.3 When performing work, the Tenant shall make every effort to keep sidewalks, vehicle travel lanes and driveways open at all times, and honor golf etiquette by performing maintenance tasks within acceptable golf play conditions.
- 1.1.4 It shall be the Tenant's responsibility to inspect and identify, any condition(s) that renders any portion of the areas under maintenance unsafe, as well as any unsafe practices occurring thereon. The Tenant shall be responsible for making corrections, including but not limited to filling holes and replacing valve box covers so as to protect golfers and other members of the public from injury. The Tenant shall cooperate fully with the City in the investigation of any accidental injury or death by the public, Tenant, or any other entity, occurring in the contracted areas, including a complete written report thereof to the GSM within twenty-four (24) hours following the occurrence.

1.2 PROTECTION OF PROPERTY

1.2.1 During Periods of Inclement Weather:

The Tenant will provide supervisory inspection of the golf course during regular hours to prevent or minimize possible damage.

The Tenant shall submit a report identifying any storm damage to the GSM attached to a site map identifying location of damage.

The Tenant's workforce shall continue to accomplish work not affected by such weather, i.e. clean-up and facility maintenance, as well as work caused by the inclement weather.

- 1.2.2 The Tenant shall exercise due care during the performance of work in protecting from damage all existing facilities, structures and utilities both above surface and underground on the City's property. Any damage to City property deemed to be

caused by the Tenant's neglect shall be corrected and paid for by the Tenant at no cost to the City.

- 1.2.3 If the City requests or directs the Tenant to perform work in a given area, it will be the Tenant's responsibility to verify and locate any underground utility systems and for taking reasonable precaution when working in these areas. Any damage or problems shall be reported immediately to the GSM.

1.3 PESTICIDES

General:

All materials used shall be in strict accordance with and applied within the standards set forth in the EPA regulations and the California Department of Food and Agricultural Code.

Tenant is responsible for obtaining all required permits and maintaining the required usage documentation and to comply with all requests from the Sam Mateo County Agricultural Department to inspect records, licenses, training certificates, equipment and storage facilities. All applicable regulations shall be strictly adhered to, and all required reporting shall be the responsibility of Tenant.

Application of Pesticides:

1.3.1 Timing:

Pesticides shall be applied at times that limit the possibility of contamination from climatic and other factors. Early morning or evening application shall be used when possible to avoid contamination from drift. If applicable, drift control skirted booms must be used when golfers are present if applicable. Small backpack applications may be performed based on weather protection and with provisions made for the safety of golfers. Applicator shall monitor forecast weather conditions to avoid making application prior to inclement weather to eliminate potential runoff of treated areas. Irrigation water applied after treatment shall be reduced to eliminate runoff. When water is required to increase pesticide efficiency, it shall be applied only in quantities per the label requirements and of which each area is capable of receiving without excessive runoff.

1.3.2 Handling of Pesticides:

Care shall be taken in transferring and mixing pesticides to prevent contaminating areas outside the target area. Application methods shall be used which ensure that materials are confined to the target area. Spray tanks containing leftover materials shall not be drained on the site to prevent contamination. Disposal of pesticides and tank rinsing materials shall be within the guidelines established in the California Department of Food and Agricultural Code or EPA regulations.

1.3.3 Equipment and Methods:

Spray equipment shall be in good operating condition, quality, and design to efficiently apply material to the target area. Avoiding high pressure applications and using water soluble drift agents will minimize drift.

1.3.4 Recommendations:

All pesticide applications shall be in accordance with written recommendations provided by a licensed Pest Control Advisor (PCA) with copies of the written recommendations sent to the GSM. A licensed Qualified Applicator (QAC) shall be on site during application.

1.3.5 Selection of Materials:

Pesticides shall be selected from those approved for golf course use by California Department of Food and Agriculture.

1.4 SOUND CONTROL REQUIREMENTS

1.4.1 The Tenant shall comply with all local sound control and noise level rules, regulations and ordinances, which apply to any work performed pursuant to the contract.

1.4.2 Each internal combustion engine used for any purpose on the job or related to the job shall be equipped with a muffler of a type recommended by the manufacturer of such equipment. No internal combustion engine shall be operated on the project without said muffler.

1.5 CONSTRUCTION EQUIPMENT

The Tenant shall take all necessary precautions for safe operation of equipment and the protection of the public from injury and damage from such equipment.

1.6 INQUIRIES AND COMPLAINTS

1.6.1 The Tenant shall have designated responsible management personnel to take the necessary action regarding all inquiries and complaints that may be received from or through the City and/or private citizens during normal work hours.

1.6.2 Whenever immediate action is required to prevent impending injury, death or property damage to the facilities being maintained, City may, after reasonable attempt to notify the Tenant, cause such action to be taken by the City work force and shall charge the full cost thereof to the Tenant.

1.6.3 All complaints shall be abated as soon as possible after notification to the satisfaction of the City. If any complaint is not abated within a reasonable

time, the City shall be notified immediately of the reason for not abating the complaint, followed by a written report to the GSM within three (3) days.

1.7 MAINTENANCE EMPLOYEES/UNIFORMS/VEHICLES

1.7.1 Employees:

A designated full-time Class "A" Superintendent and Mechanic must be assigned full time at the golf course. Also, a supervisor who is fully trained in all maintenance responsibilities must be on-site at all times while work is being performed at the golf course. Tenant shall provide to City, upon commencement of agreement, all Job Classifications and Job Descriptions for duties, responsibilities and services to be performed at golf course as described in the agreement.

All maintenance employees shall be assigned to work solely at Foxtail Golf Course and shall not have duties or responsibilities at other sites nor shall they be rotated between other sites maintained by the Tenant.

All maintenance employees shall present a neat, well-groomed appearance at all times.

Employees shall act in a courteous, professional manner at all times. Every effort shall be made to perform the work while creating minimum disturbance to the golfers. Any employee who is determined by the GSM to be incompetent, disorderly, intemperate or otherwise objectionable shall be immediately removed from the crew and replaced with a satisfactory replacement.

1.7.2 Uniforms:

The Tenant shall pay for and bear the maintenance cost of uniforms for all employees working on the golf course.

The uniform shall be worn as a complete unit and be fitted properly. The uniform shall be cleaned and pressed with no rips, tears or permanent stains present.

In cool weather when a jacket or sweatshirt is needed, the jacket or sweatshirt shall be worn as the outer garment. All shirts and jackets shall have the golf course logo and the worker's first name on them.

Protective golf staff equipment shall be determined by Tenant when working on the golf course. When working elsewhere at the facility, but not within the actual field of play, a cotton uniform cap with either of the golf course logos may be worn, but must be worn with the bill facing forward at all times. Non golf course logo cap is not permissible.

1.7.3 Vehicles:

All vehicles used on the course shall be maintained in good mechanical and body repair. The vehicles shall be clean both inside and out at all times. The vehicles driven

on public roadways shall bear the Tenant's company name, which is visible on both sides of the vehicles.

Each vehicle shall be equipped to hold all tools and equipment in a neat and orderly fashion.

2.0 SPECIFIC REQUIREMENTS

- 2.1 Tenant shall notify the City prior to use of a sub Tenant on the premise. All sub Tenants shall have appropriate insurance and safety requirements and shall be trained in golf course etiquette procedures prior to any work being performed.
- 2.2 All golf course related plans are property of city and use is restricted to Site. Tenant shall make copies as required to ensure the original set of plans remains in good condition.

2.1 MAINTENANCE RECORDS

- 2.2.1 The Tenant shall provide the GSM with a written schedule of the work to be performed during the following month which includes, but is not limited to: general golf course maintenance, aerification, tree trimming, lake maintenance, herbicide/insecticide application, fertilization and replacement of color plants. The report shall be provided in a format developed by Tenant and City and approved by the GSM. If the Tenant finds that it is not possible to maintain the submitted schedule, the GSM shall be advised and a revised schedule submitted.
- 2.1.2 The Tenant shall maintain and keep current a log that records all on-going, seasonal and additional work, and maintenance functions performed on a daily basis by Tenant's personnel. Said report shall be in a form and content acceptable to the GSM.

2.2 TREES

- 2.2.1 All tree trimmings shall be performed on a schedule approved by the GSM and in accordance with the tree, shrub and other wood plan maintenance pruning practices outlined by the American National Standards Institute, Inc. (ANSI). However, such trimming and pruning is a minimum level and shall not relieve Tenant of other responsibilities set forth herein.
- 2.2.2 Trees shall be pruned as required to remove broken or diseased branches. The Tenant shall develop a pruning program, which will promote proper tree scaffolding, strength, and appearance consistent with its intended use. Tenant shall prune trees to allow wind to pass through the tree, reducing and preventing a "sail" effect.

- 2.2.3 Trees located adjacent to vehicular and/or pedestrian traffic ways shall be maintained so as not to obstruct vehicle and/or pedestrian visibility and clearance.
- 2.2.4 Fertilization shall be scheduled as often as required to keep trees in a healthy and desirable condition as outlined in the pruning specifications. Avoid applying fertilizer to root ball or base of main stem; instead, spread evenly in area of drip zone.
- 2.2.5 Tree stakes, ties, and guys shall be checked and corrected as needed. Ties will be adjusted to prevent girdling. Remove unneeded stakes, ties, and guys as required. Re-stake trees, as required, using lodge pole stakes.
- 2.2.6 Prune trees along sidewalks and cart paths to allow ten (10) foot clearance for pedestrians.
- 2.2.7 Ailing or stunted trees, which fail to meet expected growth will receive additional nutrient treatments to correct any deficiencies.
- 2.2.8 Surface roots, which become maintenance or appearance problems, will be removed or additional soil and sod cover shall be placed as required to prevent damage to adjacent areas, mowers and golf carts.
- 2.2.9 Any tree requiring removal, at no fault of Tenant, shall be replaced by the Tenant, at City expense, with prior GSM approval.

2.3 SHRUBS

- 2.3.1 Prune shrubs to retain as much of the natural informal appearance as possible.
- 2.3.2 Shrubs used as formal hedges or screens shall be pruned as required to present a neat, uniform appearance.
- 2.3.3 Remove any spent blossoms or dead flower stocks as required to present a neat, clean appearance.
- 2.3.4 Plants growing over curbing and/or sidewalks shall be trimmed on a natural taper rather than vertical so as not to appear to be hedged.
- 2.3.5 Schedule the application of a commercial fertilizer as often as required to promote optimum growth and healthy appearance to all shrubs.
- 2.3.6 Any plant requiring removal shall be replaced by the Tenant.

2.4 GROUND COVER – NATIVE GRASSES

- 2.4.1 Apply all chemical control (e.g. pesticides) as required to control or prevent pest infestations to protect ornamental plantings.

- 2.4.2 Trim ground cover adjacent to walks, walls and/or fences as required for general containment to present a neat, clean appearance.
- 2.4.3 Cultivate and/or spray herbicide to remove broad-leafed and grass weeds as required. Shrub beds shall be maintained in a weed free condition.
- 2.4.4 Keep ground cover trimmed back from all controller units, valve boxes, quick couplers, or other appurtenances or fixtures. Do not allow ground covers to grow up trees, into curbs, or on structures or walls. Keep trimmed back approximately 4 inches from structure or walls.
- 2.4.5 Fertilization: Schedule fertilization of all ground cover areas with a commercial fertilizer as often as required to promote healthy appearance.
- 2.4.6 Ground cover plants shall be added, as needed, to ensure a solid mass planting in conformance with the original intent.

2.5 PEST CONTROL ON PLANTS

- 2.5.1 Tenant shall provide complete and continuous control and/or eradication of all plant pests or diseases.
- 2.5.2 Tenant shall supply the proper chemical designated for the pests to be controlled.
- 2.5.3 Tenant shall obtain all necessary regulatory permits and assume responsibility for the use of all chemical controls.

2.6 IRRIGATION SYSTEM

2.6.1 Efficient Use of Water:

- 2.6.1.1 Considerations must be given to soil texture, structure, porosity, water holding capacity, drainage, compaction, precipitation rate, run off, infiltration rate, percolation rate, evapotranspiration, seasonal temperatures, prevailing wind condition, time of day or night, type of grass, plant and root structure. This may include syringing during the day and watering during periods of windy weather.
- 2.6.1.2 Tenant shall be responsible for daily monitoring all systems within Site and correcting for: coverage, adjustment, clogging of lines and sprinkler heads, removal of obstacles, including plant materials, which obstruct the spray.
- 2.6.1.3 The soil moisture content on greens, tees and fairways shall be checked regularly and appropriate adjustments made. Adequate soil moisture shall be determined by visual observation, plant resiliency, and turgidity, examining cores removed by soil probe, moisture sensing devices and programming irrigation controllers accordingly.

2.6.1.4 Tenant shall observe and note deficiencies occurring from the original design of facilities and review these findings with the GSM so necessary improvements can be considered.

2.6.1.5 All leaking or defective valves, lines and sprinkler heads shall be repaired within twenty-four (24) hours at the expense of the Tenant. A report of such repairs shall be given to the GSM weekly.

2.6.1.6 Tenant shall turn off all controllers when it is not necessary to irrigate due to adequate rainfall.

2.6.2 System Maintenance

Tenant is aware of the current state of the golf course irrigation system, and accepts full responsibility for the repair and maintenance of the system as is. Any required replacements, repairs, and maintenance to existing components of the system to ensure the system remains in operation are the sole responsibility of the Tenant. Appropriate personnel shall be trained in the use of the master irrigation computer.

2.6.2.1 All controllers are to be kept pest-free and all parts and repairs necessary to maintain the operation are the responsibility of the Tenant.

2.6.2.2 Any repairs made by the Tenant shall be made in accordance with the industry standards and conforming to all related codes and regulations.

2.6.2.3 Tenant shall be responsible for adjusting the height of sprinkler risers necessary to compensate for growth of plant materials.

2.6.2.4 Sprinkler heads and valve boxes shall be kept clear of overgrowth which may obstruct maximum operation.

2.6.2.5 Repairs and/or upgrades made to the irrigation system must be made in accordance with the system's original design with products equal to or higher quality than currently provided.

2.6.2.6 All irrigation repairs and maintenance, including but not limited to, sprinkler heads, piping, fittings, valves, controller boxes, controller supplies, and controller face plates, must be performed utilizing the same manufacturer and type of product as existing materials. Any change to existing materials must have prior approval by the GSM.

2.7 ANIMAL AND RODENT CONTROL

Tenant shall continuously, at a minimum on a weekly basis, control and eradicate rodents and other animal pests as necessary to prevent hazards, holes and destruction of plantings on golf course property. Damage to public or private property due to erosion as a result of rodent activity shall be repaired at the Tenant's expense.

2.8 WEED CONTROL OF PAVED SURFACES

Tenant shall control all weeds growing in cracks, expansion joints and other hard surfaces by the use of chemical or mechanical weed control.

2.9 WEED CONTROL IN LANDSCAPE AREAS

Weed control in landscaped areas shall be accomplished by mulching and the use of both pre-emergent and post-emergent herbicides. Mechanical weed eradication is unacceptable unless approved by the GSM.

2.10 STRING TRIMMERS

Care shall be exercised with regard to the use of string trimmers to prevent damage to building surfaces, walls, header board, light fixtures, signage, etc. A minimum of 12" bare soil or mulched buffer zone shall be maintained around the circumference at the base of all trees in landscaped areas.

2.11 GREENS

Maintain all turf in accordance with playability and industry wide standards as determined by the GSM, observing the following minimum requirements:

- 2.11.1 Greens shall be mowed as needed with an approved greens reel type mower at a height of 5/32", or as recommended by the Tenant and approved by the GSM. Frequencies and height of cut may be modified from time to time as deemed necessary by the golf course Tenant with the prior approval of the GSM. All grass clippings must be collected and removed from the site during each mowing operation, including dispersed in a method to prevent unplayable conditions. Greens must be mowed, and rolled if performed, prior to first golfer of day reaching each respective green, including the putting green. Care will be given on clean up lap mowing to reduce turf loss and playability.
- 2.11.2 Ball cups are to be relocated daily to USGA Standards to enable worn turf spots to recover. Putting and chipping green cups to be changed weekly. Hole positions will be rotated using front, middle, and back locations for each three hole sequence.
- 2.11.3 Verticutting of greens shall be scheduled bi-weekly or more, including double verticutting, during periods of active turf growth. Each verticutting shall be at 90 degrees to the previous cut. Verticutting activities should match the agronomic requirements of plant growth. This function shall be coordinated to compliment the aerification and topdressing schedules. Combing or brushing may also be done. Verticut depth should be appropriate to playing conditions and agronomic needs. If play conditions are such that greens are not smooth for ball roll (bumpy), Tenant shall utilize verticutting and other agronomic methods to improve golf ball roll.

- 2.11.4 Aerify greens at least two (2) times per year, in April and August, or more frequently if needed, and remove plugs the same day. Aerification shall be carried out with a minimum of interference to play. Aerification shall be scheduled in November of each year for the following year in conjunction with the GSM and golf professional. All aerification hole sizes, with a minimum of 5/8 inch hollow tine utilized, and spoil locations shall be pre-approved by the GSM. Aerification holes shall penetrate to a depth of three inches. Care should be taken to have as minimal disturbance to green surface from manual and equipment applications during aerification process. Aerification of greens for agronomic purposes, other than annual regularly scheduled aerifications, shall be reviewed and scheduled with the golf professional to reduce golfer impact.
- 2.11.5 Following all annual regularly scheduled aerifications, a topdressing sand material approved by the GSM shall be applied and brushed into the turf, with follow applications performed as needed. Application shall be done with an approved topdressing spreader. Spot topdressing may be applied to repair damage from ball marks or any other damage. Light topdressing will be done every two weeks during the active growth season to maintain turf playability and agronomic conditions. Turf irrigation requirements shall be adjusted during process to ensure proper agronomic conditions are met.
- 2.11.6 Tenant shall have the soil analyzed after the start of the term of the contract and twice every year thereafter, on dates pre approved by GSM. Apply fertilizer and nutrients in the quantity and type recommended by soil analysis and growing conditions at the time of treatment and in a manner to provide uniform growth of turf. Under normal conditions, 0.5 to 1.2 pounds of actual nitrogen per thousand square feet shall be applied per growing month. Typically, a variety of granular slow release types of material or liquid sprayable fertilizer may be utilized. Use of materials to control salt damage and water infiltration shall be applied to meet the requirements of the turf and playable conditions. Fertilizer shall be applied every three (3) weeks during the active growing season and every five (5) weeks for the remainder of the year.
- 2.11.7 Treat greens with proper chemicals to control insects, disease, weeds and other pests.
- 2.11.8 Greens shall be kept free of foreign grasses and/or broadleaf weeds that tend to creep in from the edges.
- 2.11.9 EC readings should be taken during the spring and fall to determine salts levels and if they are above normal, corrective action taken to reduce to appropriate levels to promote optimum health of the turf.
- 2.11.10 Green speed should be consistent daily on all greens, with the difference between the lowest green speed and the highest green speed no more than one (1) foot in variance on the stimp meter throughout golf course. Green speeds should be no lower than 9 feet in average daily during the months of

May, June, July, August, September, and October, and no lower than 9 feet 6 inches daily for the other months. Green speeds should be maintained as high as agronomic conditions and play conditions allow.

2.11.11 Debris from trees shall be cleaned prior to mowing and during day as needed to ensure quality playing conditions.

2.11.12 Ball marks shall be repaired daily.

2.12 COLLARS, APPROACH, BANKS AND GREEN SURROUNDS

Maintain all turf in accordance with playability and industry wide standards as determined by the GSM observing the following minimum requirements:

2.12.1 Collars shall be mowed a minimum of two (2) times each week to maintain a height of ½ inch, mowing with a triplex mower

2.12.2 Green surrounds shall be mowed a minimum of (1) time each week to maintain a height of one (1) to 1-1/4 inch or a height as recommended by the Tenant and approved by the GSM. If a rotary mower is used, it shall be specifically designed to prevent scalping of the turf.

2.12.3 Fertilization frequency, types of material and analysis shall be determined from results of bi-annual soil nutrient level testing and growing conditions at the time of treatment. Under normal conditions 0.25 to 0.75 pounds of actual nitrogen per thousand square feet shall be applied every six (6) weeks during the active growth season and every eight (8) weeks for the remainder of the year. Typically combinations of granular slow release type of materials may be utilized.

2.12.4 Mowing directions should be changed to prevent turf depressions and turf loss.

2.12.5 Approach shall be mowed a minimum of two (2) to three (3) times each week to maintain a height of ½ inch, or a height as recommended by the Tenant and approved by the GSM, cut with a greens type triplex mower

2.12.6 Grass clippings shall be removed and dispersed properly to not negatively affect golf play.

2.12.7 Bunker banks shall be mowed to ensure no rutting occurs and proper turf heights are maintained. If rutting occurs, areas shall be sodded for repair.

2.12.8 Verticutting shall be performed at least two (2) times per year. All other provisions of section 2.11.3 shall be followed.

2.12.9 Aerify at least two (2) times per year, in April and August, or more frequently if needed, and remove plugs the same day. Aerification shall be carried out with a minimum of interference to play. Aerification shall be scheduled in November

of each year for the following year in conjunction with the GSM and golf professional. All aerification hole sizes, with a minimum of 5/8 inch hollow tine utilized, and spoil locations shall be pre-approved by the GSM. Aerification holes shall penetrate to a depth of three inches. Care should be taken to have as minimal disturbance to the turf surface from manual and equipment applications during aerification process. Aerification for agronomic purposes, other than annual regularly scheduled aerifications, shall be reviewed and scheduled with the golf professional to reduce golfer impact.

- 2.12.10 Following all annual regularly scheduled aerifications, a topdressing sand material approved by the GSM shall be applied as needed. Application shall be done with an approved topdressing spreader. Turf irrigation requirements shall be adjusted during process to ensure proper agronomic conditions are met.

2.13 TEE MAINTENANCE

Maintain all turf in accordance with playability and industry wide standards as determined by the GSM, observing the following minimum requirements:

- 2.13.1 Service tees daily by moving tee markers, removing trash and checking benches and ball washers. Change tee towels and water weekly and keep ball washers filled to proper level with water and appropriate cleaning agent. Tee markers shall be moved daily to healthy turf areas, placed at appropriate direction to play.
- 2.13.2 Mow tees two (2) times weekly with reel type mower, with baskets, at height of 1/2 inch or a height as recommended by the Tenant and approved by the GSM. All grass clippings will be collected and dispersed properly for playable conditions.
- 2.13.3 Aerify and topdress tees, with sand and mulch pre-approved by the GSM, at least two (2) times per year, or more frequently if needed, using the appropriate equipment with the minimum of interference to play. Aerification shall be carried out with a minimum of interference to play and plugs removed the same day. Aerification shall be scheduled in November of each year for the following year in conjunction with the Golf Professional and the GSM. All aerification hole sizes, with a minimum of 5/8 inch utilized, and spoil locations shall be pre-approved by the ACR. Care should be taken to have as minimal disturbance to tee surface from manual and equipment applications during aerification process.
- 2.13.4 Fertilization frequency, materials and analysis shall be determined from results of bi-annual soil nutrient level testing and growing conditions at the time of treatment. Under normal conditions, 0.25 to 0.75 pounds of actual nitrogen per thousand square feet shall be applied every six (6) weeks during the active growth season and every eight (8) weeks during the remainder of the year. Typically combinations of granular slow release type of materials may be

utilized.

- 2.13.5 Repair worn and damaged turf areas as they occur by topdressing, over seeding or resodding to ensure playability at all times.
- 2.13.6 Tees shall be overseeded, with approved seed by GSM, following aerification and before topdressing at a rate of 10.33 lbs. per thousand square feet of tee area.
- 2.13.7 Treat tees for control of insects, disease, weeds and other pests as necessary to maintain healthy turf.
- 2.13.8 Trash receptacles are to be emptied daily.
- 2.13.9 A sand and seed container, approved by the GSM, must be available on all Par 3 holes, for use in repairing divots. A container must be set at each respective set of tee markers for each hole. Tee divots shall be filled with sand and seed at a minimum of once per week on all holes and twice per week on par 3 holes.
- 2.13.10 Ample score card and pencil supplies shall be kept in stock at the scorecard station between the No. 1 green and the No. 2 tee.
- 2.13.11 Tee yardage plaques, stations and signs shall be maintained and edged at all times.
- 2.13.12 Tee station items, such as markers, signs, trash cans, ball washers, etc. shall be in good condition and repaired or replaced as needed.
- 2.13.13 Recycle trash containers shall be utilized and all recyclable glass and plastic bottles and aluminum cans shall be collected and turned into appropriate recycle centers.

2.14 FAIRWAY MAINTENANCE

Maintain all fairways in accordance with playability and industry wide standards as determined by the GSM, observing the following minimum requirements:

- 2.14.1 Mow fairway two (2) times weekly at height of 3/4 inch or at a height as recommended by the Tenant and approved by GSM.
- 2.14.2 Aerify all fairways at least one (1) time a year. The equipment used to aerify the fairways shall be Power Take-Off (PTO) or self engine powered to enable a three (3) to five (5) inch coring depth (Toro ProCore or equivalent) utilizing hollow coring, with a minimum of 3/4 inch hollow tine, as recommended by the Tenant and approved by the GSM and cores shall be removed from the fairways. Aerification shall be scheduled in November of each year for the following year in conjunction with the Golf Professional and the GSM. All aerification hole sizes and spoil locations shall be pre-approved by the GSM.

Care should be taken to have as minimal disturbance to turf surface from manual and equipment applications during aerification process. Slicing of the fairways at various intervals is recommended to promote turf growth, improve water infiltration, and improve salt damage.

- 2.14.3 Over seed all fairways once per year, in the fall and at a pre- approved date with the GSM and golf professional, with an 80/20 rye/blue seed mix, pre-approved by the GSM, at a minimum rate of 450 lbs. per acre. All seed shall be slit seeded into the soil to ensure adequate soil and seed contact. A post seed application of fertilizer (15-15-15 or equivalent) shall be applied with four (4) weeks of the over seed process at a rate of one (1) lb per thousand of nitrogen. Over seed and topdress (or re-sod) worn or bare areas of fairways as necessary.
- 2.14.4 Treat turf to control weeds, invasive grasses (i.e. Kikuyu), diseases, insects, and other pests as necessary to maintain a weed free and healthy turf, and to eliminate weed infestation.
- 2.14.5 A proper fertilizing and nutrient program shall be performed per soil testing recommendations each calendar year. Fertilization shall occur a minimum of every six (6) weeks during the active growth season and every eight (8) week during the remainder of the year.
- 2.14.6 Policing to control litter shall be done on a regular basis for the removal of all paper, leaves, cans, bottles, tree branches, etc.
- 2.14.7 Excessive turf clippings shall be dispersed by a method of dragging, baskets, vacuumed or blown to ensure proper playable conditions are provided.

2.15 ROUGHS MAINTENANCE

Maintain all turf in accordance with playability and industry wide standards as determined by the ACR, observing the following minimum standards:

- 2.15.1 Mow one (1) time per week at a height of 1-1/2 inches, or a height as recommended by the Tenant and approved by the GSM.
- 2.15.2 Aerify all roughs at least one (1) time per year. The equipment used to aerify the fairways shall be Power take off (PTO) or self engine powered to enable a three (3) to five (5) inch coring depth (Toro Pro Core or equivalent), utilizing hollow tines, with a minimum 3/4 inch hollow tine, as recommended by the Tenant and approved by the GSM. Aerification shall be scheduled in November of each year for the following year in conjunction with the GSM and golf professional. All aerification hole sizes and spoil locations shall be pre-approved by the GSM. Care should be taken to have as minimal disturbance to green surface from manual and equipment applications during aerification process. Cores shall be removed from the roughs.

- 2.15.3 Overseed and topdress (or resod) worn or bare turf areas as necessary.
- 2.15.4 Fertilization frequency, materials and analysis shall be determined from results of bi-annual soil nutrient level testing and growing conditions at the time of treatment. Fertilization shall occur a minimum of every six (6) weeks during the active growth season and every eight (8) week during the remainder of the year.
- 2.15.5 Treat turf to control weeds, disease, insects and other pests as necessary to maintain a healthy turf and eliminate weed infestation.

2.16 OTHER TURF AND MAINTENANCE AREAS

These areas consist of areas not detailed above.

- 2.16.1 All debris such as litter and branches shall be removed from the course.
- 2.16.2 All yardage, course markers, ropes and stakes, and signage shall be straight and damage free, and repaired and replaced as needed.
- 2.16.3 Any item that is a safety hazard shall be repaired or replaced immediately,
- 2.16.4 Tenant shall submit annually to GSM a written Integrated Pest Management (IPM) program for the following 12 months detailing annual fertilizer, pesticide, fungicide and other related applications for the golf course.
- 2.16.5 Tenant shall be responsible for repair and service of injection machines and holding tanks (if utilized by Tenant)
- 2.16.6 Tenant shall utilize wood chipping machinery to produce wood chips from tree pruning and care. Wood chips may be spread throughout golf course in pre-approved areas by the GSM. No permanent dumping of course debris, such as branches, wood stumps, etc. is approved on the property. Tenant is responsible for costs associated with any removal of debris. Any other course generated debris such as earthen spoils shall be dispersed at locations and with methods pre approved by the GSM.
- 2.16.7 Turf areas surrounding the clubhouse shall be mowed one (1) time per week at a height of 1-1/2 inches.
- 2.16.8 Tenant shall provide, at Tenants sole expense and liability, an effective goose control program to eliminate goose activities, including use of control dog, motorized hand controlled boats, noise makers, and other methods.

2.17 SAND BUNKERS

- 2.17.1 Sand bunkers shall be cleaned and raked, by mechanical method or by hand, a minimum of three (3) times per week.

- 2.17.2 Sand depth shall be randomly checked monthly for depth of sand and shall be maintained no less than four inches (4") deep. Tenant shall submit written report to City of any bunkers with less than four (4") inches of sand. Additional sand may be added, at City expense, at City sole discretion.
- 2.17.3 Turf shall be mechanically edged along sand bunker edges at a minimum monthly, or more frequently if required, to ensure a neat appearance. Care shall be taken to maintain the design outline of the bunkers to insure the integrity of the bunker shape. Chemical control of sand edges through use of a non-selective herbicide or growth regulator around sand bunkers shall be allowed with pre-approval of GSM.
- 2.17.4 Excess sand in the turf surrounding the trap shall be removed on a regular basis.
- 2.17.5 A minimum of two (2) to five (5) rakes are to be available, depending on bunker size, at all sand bunkers at all times. (Color and style subject to GSM approval.)
- 2.17.6 Bunker sand shall be cultivated as needed, or at a minimum of once per month, to ensure sand is not compacted. Methods should be used to not disturb existing soil below the sand.
- 2.17.7 All debris such as pine needles and cones, branches and other debris shall be removed as needed to ensure playable conditions and reduce sand contamination.
- 2.17.8 Excessive water ponding and silt accumulated by rain falls and irrigation applications shall be removed prior to bunker raking.

2.18 CLUBHOUSE AREAS

2.18.1 Shrub Beds

- 2.18.1.1 Clean up shall occur on a regular basis to ensure that beds are kept free of trash and debris such as paper, cans and bottles, fallen branches, excessive leaves and weeds.
- 2.18.1.2 A fertilizer program shall be a minimum of four (4) applications per year or as needed for health and color.
- 2.18.1.3 Spent flowers, leaves and other landscape debris shall be removed from plant areas daily, or as required.

2.18.2 Seasonal Color Beds

- 2.18.2.1 All color beds shall be regularly cleaned of paper, bottles and cans, fallen branches, excessive leaves and weeds.

2.18.2.2 Weed control shall be accomplished by use of pre-emergent, selective herbicides, mulch and manual weeding. A pest control spray program shall be done as often as necessary for pest control.

2.18.2.3 Beds shall be cultivated by mechanical means on a regular basis or as required, or as directed by the GSM.

2.18.2.4 Color plants shall be replaced a minimum of twice annually and shall be performed on a schedule submitted to and approved by the GSM. The replacement plants shall be 4-inch potted size, spaced per industry standards and planted with the appropriate soil amendments.

2.18.3 Periphery Areas

2.18.3.1 All periphery areas shall be maintained in a manner consistent to industry standards to ensure a healthy and aesthetically pleasing appearance at all times.

2.18.3.2 Areas shall be mowed, weeded, cleaned of litter and other debris on a regular basis (a minimum of once per week). Watering should occur if the area is covered by the irrigation system.

2.18.3.3 Special attention shall be given to periphery areas adjacent to public roadways since these areas are highly visible to the general public and constitute a "first impression" of the overall service level of the course.

2.18.3.4 All areas are to be inspected for erosion problems and repaired as needed.

2.19 PARKING LOTS

2.19.1 Parking lots are to be maintained in a safe condition for use by both vehicles and pedestrians, and cleaned each day to ensure a clean, crisp appearance free from litter and debris, including all landscaped planters on or adjacent to the lots.

2.19.2 All parking lot lighting shall be repaired as needed.

2.19.3 "Disabled Parking" signage and other signage shall be maintained in accordance with all State, County and local regulations.

2.19.4 All parking lot signage shall remain in place, maintained and readable.

2.20 GRAFFITI

2.20.1 Golf course shall be inspected daily for evidence of graffiti. Special attention shall be given to restrooms, signs, markers, block walls, curbing, paving, tees, utility poles/boxes and/or any other structures of fixtures.

- 2.20.2 All graffiti shall be eradicated within twenty-four (24) hours of detection.
- 2.20.3 Graffiti requiring paint over shall be painted over with a color consistent with that of the original surface.
- 2.20.4 Graffiti on non-painted surfaces shall be removed by sand or water blasting and area returned to the pre existing condition.

2.21 COURSE ACCESSORY EQUIPMENT

All accessory equipment must be maintained in a clean, safe, functioning condition at all times and repainted as required to present an aesthetically pleasing appearance. Accessory equipment shall include, but not be limited to the following:

NOTE: Must be same or equal to current types and any changes require prior approval of the GSM.

Signage, Shoe brushes, Trash receptacles, Ash urns Greens cups, NCGA Teemarkers, Benches, Sand rakes, Flags and poles, Ball washers, Fairway yardage poles, and sprinkler yardage markers

2.22 CART PATH/STEPS/RAMPS/WALKWAYS/BRIDGES

- 2.22.1 To be swept or blown clean of debris every Friday or more often as needed.
- 2.22.2 Concrete paths to be edged and scraped clean a minimum of one (1) time per month, or as needed.
- 2.22.3 Tenant shall identify all potholes and/or other surface damage or defects to be repaired and report to City. The repair of such areas shall be the responsibility of the City, at City sole discretion.

2.23 RESTROOMS

- 2.23.1 Restrooms shall be cleaned and sanitized once daily using cleaning and sanitizing agents recognized for use in public restrooms.
- 2.23.2 Maintenance shall include, but not limited to: Sweeping and mopping floor, Cleaning and sanitizing basins, metal fixtures, urinals, toilets, and trash receptacles; Cleaning and polishing mirrors
- 2.23.3 Paper supplies shall be checked and restocked daily, or as needed.
- 2.23.4 Walls, ceilings, screens and windows shall be cleaned monthly, or as needed.
- 2.23.5 Leaky or malfunctioning fixtures shall be repaired/replaced immediately upon detection.

2.23.6 Lighting fixtures are to be checked daily with relamping of faulty fixtures provided as needed at time of detection.

2.23.7 Restroom floors which are wet for any reason, including mopping, shall be so marked with proper temporary signage.

2.24 CONSTRUCTION AND/OR REMODELING

Any and all changes in the physical characteristics of any portion of the courses or structures, such as: addition or removal of sand traps, trees, water hazards, native vegetation or other features shall require prior approval by the GSM.

3.0 EXTERIOR OF THE CLUBHOUSE, RESTROOM BUILDINGS, STRUCTURES AND GROUNDS

The City will be responsible for the repairs and maintenance of the building exteriors. The Tenant shall be responsible for the maintenance and repair of the Maintenance facility interior.

Golf Course Fees and Prices

Foxtail Golf Club
Current Green Fees
As of August 27, 2012

<u>South Course</u>		
<u>Period & Type</u>	<u>Peak</u>	<u>Off Peak</u>
<i>Weekday</i>		
Non-Resident	\$30.00	\$22.00
Resident	\$19.00	\$15.00
Senior Resident	\$19.00	\$15.00
<i>Weekend</i>		
Non-Resident	\$38.00	\$22.00
Resident	\$27.00	\$15.00
Senior Resident	\$27.00	\$15.00
<u>North Course</u>		
<i>Weekday</i>		
Non-Resident	\$35.00	\$27.00
Resident	\$25.00	\$19.00
Senior Resident	\$25.00	\$19.00
<i>Weekend</i>		
Non Resident	\$49.00	\$27.00
Resident	\$34.00	\$19.00
Senior Resident	\$34.00	\$19.00

Notes:

- Off-Peak - Generally mid to late afternoon
- Resident Seniors are defined as age 62 or older. Discounts: Residents 20%, Senior Residents 30% off non resident posted peak and off peak rates. Specials are not subject to discount. Discount rates are rounded up to the nearest dollar.
- The golf courses and related facilities located on the Premises shall be open to the public at a Cost of Golf (defined below) which is not in excess of the Maximum Cost of Golf charged by comparable public courses ("Maximum Cost of Golf") in the San Francisco Bay Area, as determined below ("Comparable Courses"). The Cost of Golf shall be subject to the initial approval of City. Thereafter, Tenant may, without consent of City, increase the Cost of Golf in accordance with the procedure described below if, in its reasonable business judgment, such increase is in line with the Maximum Cost of Golf charged for comparable services by comparable public courses in the San Francisco Bay Area. For purposes of this section, "Comparable Courses" shall initially be: South Course - Blue Rock East, Blue Rock West, Rancho Solano, Paradise Valley, Bennet Valley, Napa. North Course - Windsor, Rooster Run, Indian Valley, San Geronimo, Peacock Gap and shall thereafter be revised from time to time upon the request of Tenant and approval of City. Tenant may propose an increase in the Maximum Cost of Golf no more than once in any calendar year during the period from July 1 through September 30. Such increase shall be based on a survey, conducted by Tenant, of the fees charged by Comparable Courses. The survey and proposed fees shall be submitted to the City Manager at least thirty (30) days prior to any proposed increase. "Cost of Golf shall mean the total cost to reserve a tee time and play one round of golf for one individual at the posted non-resident daily fee rates for morning tee times on weekdays and weekends. Where such posted fees include carts (i.e. carts are required), the "Cost of Golf shall be the posted fee with no credit or adjustment for the required cart.
- Current private cart owners retain the privilege until such time as the licensee cannot, or does not, use it further. A licensee may elect to go inactive by paying a fee of \$100 per year for up to a two year period. At any time during this period an inactive licensee may elect to activate his/her license by paying the current applicable trail fee. Other: a) licensees including existing and new will be limited to 50. b) family members may ride in the private cart without charge c) non-family members will pay 50% of the current daily cart rental rate d) The annual trail fee for existing licensee holders as of August 29, 2012 will be \$750 for non-senior residents and \$550 for senior residents. The fees will be increased by CPI annually. e) Insurance, safety, appearance, lights, horns and electronic devices may be addressed and policies established at the discretion of the Tenant.
- Annual Cards- a) existing Annual Cards will be honored. b) the Tenant will utilize an Annual Card Program with price and restrictions, if any, to be established by the Tenant.
- Junior Golf - Members of the Rohnert Park organization "Junior Linksters" may play for \$5.00. Price may be changed by CPI; and restrictions (e.g. course, time, etc.) may be established by the Tenant.