

LEASE AGREEMENT

THE STATE OF TEXAS

,

KNOW ALL MEN BY THESE PRESENTS:

,

COUNTY OF NUECES

,

This Lease Agreement (referred to as this "Agreement" or this "lease") is made and entered into by and between The City of Corpus Christi, a Texas home rule municipality (referred to as the "City" or as "City") and Foresight Corpus Christi Golf, L.L.C. ("Operator"), a Texas limited liability company and wholly owned subsidiary of Foresight Golf, L.L.C., a Texas limited liability company.

Definitions.

"Annual Review" means the process as described in Section 6.21 below.

"Capital Fund" means the fund established through per round surcharge and City Capital Improvement Program funding by the City to pay for mutually agreed upon improvements to the Leased Premises.

"City" means the City of Corpus Christi, Texas.

"City Manager" means the City Manager of Corpus Christi or designee.

"Contract Administrator" means the Director of Parks and Recreation.

"City Council" means the City Council of the City of Corpus Christi, Texas.

"Effective Date" means the 61st day after the date of final City Council approval of this Agreement.

"Extended Term" means the ten year extension period and the five year extension period authorized in accordance with Section 3.2.

"Financial Reports" mean the following monthly reports prepared by Operator for Contract Administrator: i) monthly Sales Reports; (ii) monthly Tee Sheets with itemized play record; (iii) monthly Deposit Summary, Reconciliation and Cash Drawer Reports; (iv) monthly Concession Reports; (v) monthly Play Reports; (vi) monthly calculations of the Operations Reserve Fund; (vii) annual audited Balance Sheet, Statement of Profit and Loss and Changes in Financial Condition for the operations of the Golf Courses prepared in accordance with

2010-396 Foresight Lease Agreement (Execution Copy 2 09212010).docx

Ord. 028822

10/26/10

GAAP; (vii) all calculations of rent paid. Operator shall also provide to City such other financial reports as are reasonably available as requested by the Contract Administrator.

“GAAP” means Generally Accepted Accounting Principles.

“Gabe Lozano” means the Gabe Lozano Sr. Golf Course.

“Golf Courses” means the Gabe Lozano Sr. Golf course and the Oso Beach Golf course.

“Initial Term” means the ten year period beginning February 1, 2011.

“Leased Premises” means the Golf Courses, and any real property improvements located at the Golf Courses, and personal property equipment identified in Exhibit A.

“Lease Termination Fee” means the fee payable by City upon certain terminations of this Agreement as described in Section 3.3 below.

“Net Cash Flow from Operations” means the dollar amount of gross revenues received by Operator from operations of the Golf Courses golf operations, including green fees and cart fees, Pro Shop sales and snack bar food and beverage sales, less (i) amounts collected for retail sales tax, federal retailer's excise tax, state, county or municipal tax on the sale of alcoholic beverages or future tax of like applications, (ii) the Operations Reserve Fund, and (iii) operating expenses of the Golf Courses.

“Operating Expenses of the Golf Courses” shall mean (i) salaries, wages, overtime and benefits expenses and reasonable and continuing golf education for the employees employed at the Golf Courses; (ii) building and equipment maintenance, lease and replacement expenses incurred, including lease or finance payments for the golf cart fleet, office equipment, tools and equipment purchases in the ordinary course of business; (iii) customary memberships and dues expenses; (iv) insurance premiums paid; (v) costs of practice range balls, fertilizer, chemicals, employee uniforms, fuel, lubricants and other supplies purchased in the ordinary course of business; (vi) costs of inventory purchased for sale in the Pro Shops; (vii) utility charges incurred including electric and telephone services; (viii) accounting services for preparation of financial reports and financial statements; and (ix) such other operating expenses that have been approved by the City Manager in advance.

“Operations Reserve Fund” means a fund not to exceed \$100,000 which shall be established from the gross revenues from the Operator's operation of the Golf Courses.

“Operator” means Foresight Corpus Christi Golf, L.L.C.

"Oso Beach" means the Oso Beach Golf Course.

"Performance Standards" mean the maintenance, and operating standards to be employed at the Golf Courses, listed on Exhibit B to this Agreement.

"Possession Date" means February 1, 2011.

"Rent" means one-half of the positive Net Cash Flow From Operations.

"Request for Proposal" means the Request for Proposal for Golf Course Management Service (BI-0060-10), as amended.

"Risk Manager" means the City Risk Manager.

"Term" means the Initial Term or any Extended Term.

"Trade Fixture" means personal property equipment owned by Operator or purchased solely with Operator's funds installed on the Leased Premises for operation of the Golf Courses during the Term.

Section 1. Leased Premises:

1.1 For and in consideration of the conditions, covenants and agreements to be kept and performed by Operator, City does hereby lease and let unto Operator, and Operator does hereby lease from City all of that real and personal property equipment described on Exhibit A attached hereto and incorporated herein by reference located in Corpus Christi, Nueces County, Texas, (the "Leased Premises") commonly known as The Oso Beach Golf Course ("Oso Beach") and The Gabe Lozano Sr. Golf Course ("Gabe Lozano" and referred to together as the "Golf Courses").

1.2 Revisions to Leased Premises: The parties may amend this Agreement to add or remove golf courses and golf course personal property equipment from the Leased Premises in accordance with the Request for Proposal. If City acquires additional golf course properties, then Operator shall have the prior right of first refusal to enter into a lease or management arrangement with City with respect to such additional golf course property.

Section 2. Effective Date and Possession:

This lease is subject to approval of the City Council of the City (the "Council") and is not effective until the 61st day after the date of final approval by the Council (the "Effective

Date"). The date of Operator's right of possession to the Leased Premises and responsibility for operations of the Golf Courses (the "Possession Date") will be February 1, 2011.

Section 3. Term of Lease, Termination:

3.1 Initial Term. This lease shall have an initial term of ten years commencing on February 1, 2011 and ending on January 31, 2021 ("Initial Term") subject to extension for the Extension Term.

3.2 Extension Term. This lease may be extended upon written agreement of the Operator for an additional ten year term and then an additional five year term (each extension referred to as an "Extended Term") upon written approval of City Manager. Operator shall notify the City Manager in writing at least one-hundred eighty (180) days before the end of the Initial Term or Extended Term if Operator elects not to renew this lease for the next Extended Term.

3.3 Termination for Default. The City may terminate this lease, in accordance with Section 15 below, following an event of default by Operator as described in Section 15 below, without any cost to City.

3.4 Termination Without Cause. Upon City Council approval and appropriation of funds to pay the Lease Termination Fee, the City may terminate this Agreement at any time without cause upon one hundred eight (180) days prior written notice to Operator and upon payment of the Lease Termination Fee to Operator.

3.4.1 If this lease is terminated without cause within the first twenty-four (24) months of the Initial Term, then the Lease Termination Fee shall be Two Hundred Eighty-Eight Thousand Dollars (\$288,000.00).

3.4.2 If this lease is terminated without cause after the first twenty-four (24) months of the Initial Term, then the Lease Termination Fee shall be an amount equal to the lesser of: (a) the Rent accrued for the City for the twenty-four (24) month period immediately preceding the termination divided by two (2) to determine an average twelve (12) months of Rent, then multiplied by the number of years remaining within the then-current Term, with any partial year rounded up to the next full year, or (b) Five Hundred Thousand Dollars (\$500,000.00).

3.5 Duties and Responsibilities Upon Termination. In addition to any other duties and obligations identified in this Agreement, Operator shall have the following duties and

responsibilities at the termination of this lease, whether occurring by normal expiration or as otherwise herein provided:

3.5.1 Operator shall yield up the Leased Premises including all equipment that constitute part of the Leased Premises to City in good and operable condition and repair, damage for ordinary wear and tear, fire or casualty excepted where Operator is not at fault.

3.5.2 Operator shall make available to City any Trade Fixtures upon payment of market value for such Trade Fixtures. If City elects not to purchase Trade Fixtures, Operator may remove such Trade Fixtures from the Leased Premises provided Operator repairs any damage caused by such removal.

3.5.3 All Trade Fixtures or any other Operator-owned property which remain at the Leased Premises after the termination or expiration of the Agreement automatically becomes City property without the necessity of any further notice or legal action.

3.5.4 Upon termination of the Agreement, Operator shall, upon City Manager's written request, provide all or part of the services described in this Agreement on a month-to-month basis for a monthly management fee for term not to exceed six months. The monthly management fee shall be equal to Twelve Thousand Dollars (\$12,000.00) adjusted by a percentage equal to the increase in the Consumer Price Index, All Urban Consumers, U.S. City Average, All Items, Not Seasonally Adjusted ("CPI-U") as published by the United States Bureau of Labor Statistics, or such other index as may succeed the CPI-U for the Houston-Galveston-Brazoria Areas from year 2010 to the date of payment of the management fee.

Section 4. Rental:

4.1 Calculation of Rent. Operator shall pay to City for the lease of the Leased Premises rent equal to one-half of the Net Cash Flow From Operations earned on the operations of the Golf Courses with Operator responsible for funding any negative cash flow each year. The term Net Cash Flow From Operations will mean the dollar amount of gross revenues received by Operator from operations of the Golf Courses golf operations, including green fees and cart fees, Pro Shop sales and snack bar food and beverage sales, less (i) amounts collected for retail sales tax, federal retailer's excise tax, state, county or municipal tax on the sale of alcoholic beverages or future tax of like applications, (ii) the Operations Reserve Fund (defined below), and (iii) operating expenses of the Golf Courses.

Operator shall calculate a Net Cash Flow From Operations for each separate golf course. City and Operator acknowledge that golf lesson fees collected by teaching professional for lessons given on their own time are retained by the teaching professional and are not included in gross revenues from golf operations.

4.2 Operating Expenses. "Operating Expenses of the Golf Courses" shall mean (i) salaries, wages, overtime and benefits expenses and reimbursed reasonable costs of travel and continuing education for the employees employed at the Golf Courses; (ii) building and equipment maintenance, lease and replacement expenses incurred, including lease or finance payments for the golf cart fleet, office equipment, tools and equipment purchases in the ordinary course of business; (iii) customary memberships and dues expenses; (iv) insurance premiums paid; (v) costs of practice range balls, fertilizer, chemicals, employee uniforms, fuel, lubricants and other supplies purchased in the ordinary course of business; (vi) costs of inventory purchased for sale in the Pro Shops; (vii) utility charges incurred including electric and telephone services; (viii) accounting services for preparation of financial reports and financial statements; and (ix) such other operating expenses that have been approved by the City Manager in advance.

4.3 Operations Reserve Fund. Operator shall establish and maintain during the Term an operations reserve fund in the amount up to One Hundred Thousand Dollars (\$100,000.00), being up to Fifty Thousand Dollars (\$50,000.00) for the benefit of each of the City and the Operator (the "Operations Reserve Fund"). Operator shall establish the Operations Reserve Fund out of the gross revenues of operations of the Golf Courses. Upon final termination of this lease and Operator's surrender of the Leased Premises, one-half of the then balance of the Operations Reserve Fund will be paid to City together with any final payment of Rent.

4.4 Schedule of Rent Payment. Starting on January 31, 2012, and continuing each subsequent January 31 of each year during the Term, Operator shall pay the Rent, to the extent of positive Net Cash Flow From Operations for the preceding calendar year, to City, in arrears. (The parties agree that the first January 31, 2012 payment shall actually include the Net Cash Flow From Operations over the period from the Possession Date through December 31, 2011.) Operator shall utilize the services of Certified Public Accountant to calculate the Net Cash Flow From Operation and provide City with such records no later than January 31 of each calendar year. Operator may prepay Rent at any time that Operator determines positive Net Cash Flow From Operations are available, which prepaid Rent shall be credited against the Rent next coming due under this Agreement. At the time of each payment of Rent to City, Operator shall distribute to itself or to an affiliated entity from the operations of the Golf Courses the remaining one-half of Net Cash Flow From Operations.

Section 5. Use of Premises:

Operator shall use the Leased Premises only for business purposes as municipal golf courses and for no other purpose without the prior written consent of City. Operator shall comply with all rules, regulations, ordinances, the City Charter and laws of public authorities applicable to its operations of the Golf Courses and its obligations in connection with the Leased Premises. Operator will not discriminate nor permit discrimination against any person or group of persons with regard to employment and the provision of services at, on, or in the Leased Premises, on the grounds of race, religion, national origin, marital status, sex, age disability, or in any manner prohibited by the laws of the United States or the State of Texas. The City hereby reserves the right to take action necessary to enforce this covenant.

Section 6. Operation of Golf Courses:

6.1 Operating Hours. Operator shall operate the Golf Courses 365 days of the year with the minimum hours of operation as follows: (i) Oso Beach, 5601 South Alameda St., Corpus Christi, Texas 78412 Monday through Sunday, 7:00 AM to 5:30 PM (or sunset if earlier) with an eighteen (18) hole regulation course, fully stocked pro shop, practice putting, chipping greens and snack bar; and (ii) Gabe Lozano, 4401 Old Brownsville Rd, Corpus Christi, Texas 78405, Monday through Sunday, 7:00 AM to 7:30 PM (or sunset if earlier, except with respect to the driving range) with an eighteen (18) hole regulation course, a nine (9) hole executive course, lighted driving range, practice putting green, fully stocked pro shop and snack bar. Operator shall operate the practice driving range (Gabe Lozano only) and insure the driving range is open daily during such hours or other hours approved by the City acting through the City Manager and posted on site at Gabe Lozano. In operation of the driving range, Operator will supply good quality range balls for use by the public at the driving range facility. Operator shall maintain the driving range, regular ball pick up, and daily cleaning of the facility. Operation of the Golf Courses and the driving range are subject to weather conditions, and as determined by Operator, the Golf Courses or driving range may be closed in response to certain weather conditions, but the Pro Shops shall remain open during such minimum hours. Operator shall make its operations manuals available for review by the City Manager at the offices of Operator's legal counsel in Corpus Christi.

6.2 Operations Activities. Operations of the Golf Courses includes the day to day golf course maintenance, golf course turf operations, irrigation maintenance, water pump maintenance, equipment maintenance, tree care, pro shop operations, golf professional services, driving range operations, golf cart operations, retail operations and supervision and/or operation of the food concessionaire. Performance standards including operations mission statement, customer satisfaction, maintenance of facilities, and maintenance of the

Golf Courses turf conditions are attached as Exhibit B and incorporated herein by reference (the "Performance Standards").

6.3 Green Fees Structure.

6.3.1 After the initial twelve (12) months of the Initial Term, Operator proposes to simplify the green fees structure previously established by the City for operations of the Golf Courses to more customary industry standards, and Operator's obligations under this Agreement are subject to and contingent upon the City Council amending the City Ordinance to exclude Operator or other private course operator from required fee schedule established by Ordinance at the time City Council approves this Agreement.

6.3.2 For the initial twelve (12) months of the Initial Term, Operator shall not increase the green fees for the Golf Courses that are set forth on Exhibit C and incorporated herein by reference and shall honor outstanding green fees loyalty program punch cards sold prior to the Possession Date or implement an equivalent program offered by Operator.

6.3.3 After the initial twelve (12) months of the Initial Term, Operator may simplify the green fees structure by eliminating certain categories and reducing certain green fees in establishing new promotional and loyalty programs and shall not be required to continue offering the existing punch card program.

6.3.4 After the initial twelve (12) months of the Initial Term, Operator shall set the green fees charged, provided that any increase in green fees is subject to approval of the City Manager.

6.3.5 In addition to the green fees, Operator shall collect on behalf of the City and remit to the City on a monthly basis the one dollar and fifty cents (\$1.50) per round capital improvement surcharge imposed on the Golf Courses creating the capital improvement sinking fund for the Golf Courses (the "Capital Fund") as further described in Section 8 of this lease. The green fees listed on Exhibit C under subheading A (Weekday Green Fees) and B (Weekend/Holiday Green Fees) include the dollar amount of the per round capital improvement surcharge in the amount of the stated fee.

6.3.6 Operator shall record all green fees collected in Operator's point of sale accounting system, and shall maintain at the Leased Premises books of account with

respect to its management and operations of the Golf Courses in accordance with generally accepted accounting principles ("GAAP").

6.3.7 Operator shall collect applicable sales taxes on the green fees (including the fees listed on Exhibit C) as required by State law.

6.4 Maintenance of Books and Records. All books and records shall be subject to review by the City Manager for compliance with GAAP. Operator shall maintain such books and records for a period of five (5) years following the expiration or sooner termination of this lease.

6.5 Audit. At City's option, City may cause, at any reasonable time, upon five (5) days prior written notice to Operator, a complete audit to be made of Operator's books of account with respect to its management and operations of the Golf Courses. Such audit may be made by a Certified Public Accountant or other qualified representative selected by City. If any Operator reports of Net Cash Flow From Operations provided to City or any payments of rent are questioned and determined to be in error and the Net Cash Flow From Operations reported and resulting rental paid are three percent (3%) or more below the actual rent due and owing based on actual Net Cash Flow From Operations for the period reported by such report, then the reasonable expenses of such audit shall be paid by Operator in addition to the deficiency in rental payment, which sums shall be promptly paid to City. If Operator elects to dispute any such City audit, Operator may engage an independent Certified Public Accountant or other qualified representative selected by Operator to complete a second audit of Operator's books of account with respect to its management and operations of the Golf Courses. If Operator's audit determines there is no error or that the error in calculation of the Net Cash Flow From Operations reported and resulting rental paid is less than three percent (3%) below the actual rent due for the period reported by such report, then upon either parties' written request, City and Operator shall negotiate in good faith to resolve such discrepancy and the costs of the audits by mutual agreement.

6.6 Financial Reports and Budget. Operator shall collect appropriate data and prepare the following financial reports of operations of the Golf Courses to be submitted to City Contract Administrator (the "Financial Reports"): (i) monthly Sales Reports; (ii) monthly Tee Sheets with itemized play record; (iii) monthly Deposit Summary, Reconciliation and Cash Drawer Reports; (iv) monthly Concession Reports; (v) monthly Play Reports; (vi) monthly calculations of the Operations Reserve Fund; (vii) annual audited Balance Sheet, Statement of Profit and Loss and Changes in Financial Condition for the operations of the Golf Courses prepared in accordance with GAAP; (viii) all calculations of rent paid. Operator shall also provide to City such other financial reports as are reasonably available as requested by the Contract Administrator. Prior to the Possession Date, Operator shall develop a proposed

H:\LEG-DIR\Lisa\2010 Park\Foresight Lease Agreement (Execution Copy 2 09212010).docx

operating budget for the operations of the Golf Course to be included as part of Exhibit B. Set forth on as part of Exhibit B shall be Operator's initial proposed operating budget for the Golf Courses.

6.7 Starter Function. Operator shall maintain the course starter function primarily from the Pro Shop at each Golf Course. The course starter function is responsible for scheduling tee time reservations and admitting golfers to course play. Scheduling of tee times shall be handled in each Pro Shop through Operator's point of sale scheduling system and through online tee time reservation system, and Operator shall require all players to check in at the Pro Shop before play. The starter function shall include maintaining daily records and check receipts for green fees to insure that payment for play has been received. At such time as Operator determines the level of play requires additional player services, the tee time management and starter functions shall be a mobile function, coordinated with the Pro Shop, with a roaming starter moving from staging and first tee to practicing green and driving range, with courtesy announcements of foursome starts and players on deck. The Operator shall hire, train and supervise all members of Operator's Pro Shop team members to perform the course starter function. The mobile starter function shall not engage in cash handling activities. Operator shall determine the operating hours to accommodate play and maximize revenues.

6.8 Operator's team member staff shall be courteous, and provide satisfactory and efficient management of the Golf Courses for benefit of the general public. At each Golf Course, Operator shall provide a minimum of the following personnel: (i) one Golf Course Manager or Director of Golf Operations, (ii) a Teaching Professional or an Assistant Golf Professional to provide golfing lessons who may also serve and the Golf Course Manager or Director of Golf Operations, and (iii) a Golf Course Maintenance Superintendent.

6.9 Golf Course Manager or Director of Golf Operations. The Golf Course Manager or Director of Golf Operations shall meet the following minimum qualifications (i) advanced knowledge of golf course operations and management practices, with experience and knowledge of financial accounting of golf course operations, golf play management and marketing, golf course merchandise marketing, and golf practice facilities operations; (ii) a professional understanding of the rules and strategies of golf; (iii) a high degree of administrative and executive ability; (iv) excellent oral and written communication skills; and (v) knowledge of current federal, state and local laws and regulations affecting the management of golf course operations.

6.10 Teaching Professional or Assistant Golf Professional. The Teaching Professional or Assistant shall meet the following minimum qualifications (i) advanced professional knowledge of mechanics of the golf swing and golf teaching techniques, with an

advanced knowledge of golf swing drills and alternate golf swing methods and practices; (ii) a professional understanding of the rules and strategies of golf; (iii) advanced knowledge of available golf equipment and accessories; (iv) excellent oral and written communication skills; (v) participation in continuing education, and (vi) maintain PGA certification or possess or equivalent knowledge and experience as PGA certified pro.

6.11 **Golf Course Maintenance Superintendent.** The Golf Course Maintenance Superintendent shall meet the follow minimum qualifications: (i) advanced knowledge of agronomy and turf grass management practices, with a working knowledge of golf facility construction principles, practices and methods and a thorough understanding of the rules and strategies of golf; (ii) a high degree of administrative and executive ability; (iii) excellent oral and written communication skills; (iv) knowledge of current federal, state and local laws and regulations affecting the management of golf course operations; (v) participation in continuing education; and (vi) current state certification or licensing as a pesticide applicator. The Operator shall direct the Golf Course Maintenance Superintendent in the proper marking of the golf course for ground under repair, hazards, and out of bounds.

6.12 **Staffing.** Operator's staff operations and services shall include providing adequate staffing to provide goods and services as set forth in this lease and promoting goodwill with the golfing public by treating the public in a courteous manner and providing information, directions and review of customers concerns and issues. Operator shall provide a defibrillation machine and trained certified staff to use it.

6.13 **Rules and Regulations.** Operator shall enforce all rules, regulations, and policies governing use of the facilities. Rules and regulations may be proposed by the Operator, but are subject to approval by the City Manager, prior to implementation. The Operator shall likewise comply with City policies concerning violence in the workplace and controlled substance abuse.

6.14 **Course Play Directors.** Operator shall train and supervise volunteer course play directors, commonly referred to as course marshals, to provide marshaling services for the Golf Courses. Operator shall be responsible for managing the course marshals and providing a communication link between the marshals and Pro Shop starter function. The marshal's role is to promote compliance with golf course rules and regulations and efficient and timely play by the golfing public. Operator shall provide adequate service to maintain the speed of play on the Golf Courses with goals for pace of play and start times, for an average 18-hole game, established by Operator subject to approval by the City Manager. The Operator shall be responsible to ensure efficient and timely play. Operator shall act as the Rules Chairman for Corpus Christi Golf Course and shall make interpretations of U.S.G.A. rules for golf play.

6.15 **Recognized Associations.** City shall provide to Operator a list of City recognized golfing clubs or associations. Operator shall provide support to such recognized clubs or associations utilizing the Golf Courses in the form of tournament services, league schedules, and space for meetings and bulletin board space for posting of such tournaments and league schedules at no charge, subject to availability of tee times. Such support shall not include prime time usage of the Golf Courses for tournaments or free green fees. Additionally, students from the local school districts shall be allowed to use the practice facilities of and/or play the Golf Courses for free or at a discounted rate (but not including free golf cart usage) on school days, so long as such students are accompanied by and supervised by a school golf team coach. Additionally, Operator shall work with local school districts to schedule golf tournaments at both facilities. UIL sanctioned tournaments will normally be scheduled during weekdays and shall be charged regular junior play rates. Use of the facilities for UIL or CCISD sponsored tournaments on weekends shall be limited to the Executive Nine Hole Course at Gabe Lozano or non-peak hours of play on the 18 hole courses. Operator may allow junior players playing with a paying adult to play free or at a discounted rate and allow junior participants in the "The First Tee" and "Kids on Course" programs to play at reduced junior rates. Also, Operator shall honor the previously existing golf course arrangements identified by the City Manager to Operator per written information describing such arrangements provided to Operator prior to the Effective Date.

6.16 **Food and Beverage.** Operator shall provide the food and alcohol service operations for the Golf Courses. Operator shall insure the snack bars are open daily during high use season and during off season with regular hours approved by the City Manager and posted on site at the Golf Courses. During the high use season, March through October, the snack bar minimum hours shall be 7:00AM to 7:00PM, with the off-season hours determined by Operator subject to approval by the City Manager. Operator shall develop and establish a food and beverage theme and a menu of food items and beverages to be served in the snack bar facilities on the Leased Premises that are usual and customary for similar golf course operations and appropriate for the Golf Courses operating market. The snack bars shall be cleaned daily, with adequate trash and recycle receptacles available. Sales of beer, wine and mixed drinks at the clubhouses on the Leased Premises and on the Golf Course are permitted by the Concessionaire and Operator only. Operator is responsible for compliance with applicable laws and regulations with respect to the food and beverage service on the Leased Premises.

6.17 **TABC Compliance.** Operator shall comply with all permits issued under the Texas Alcoholic Beverage Code, the Texas Alcoholic Beverage Code, and rules and regulations issued by the Texas Alcoholic Beverage Commission regarding alcohol services and sales at the Leased Premises. Operator shall employ, train and supervise personnel with appropriate qualifications and experience appropriate for the duties to be performed with

regard to alcohol services and sales. All such personnel shall be employees, agents or independent contractors of Operator, and not of City. Operator may subcontract with third parties for the actual management of alcohol sales but Operator shall remain obligated to City for all subcontracted management services, and in the event this Agreement is terminated, such subcontracts are likewise terminated. Operator shall provide City with copy of all subcontracts for alcohol services and sales within thirty days of execution. Operator shall timely collect and pay all taxes imposed on alcohol sales.

6.18 Pro Shop Inventory and Operations. As of the Possession Date, Operator has assumed from City the existing inventory of golf merchandise and golf equipment located in the Pro Shops at each Golf Course based on the inventory valuation provided by City. During the Term in connection with Golf Course operations, Operator shall purchase and stock golf merchandise and golf equipment in the Pro Shops for sale to the public as determined by Operator. Operator shall insure the Pro Shop at each Golf Course is open daily with regular hours posted conspicuously and adequately on site at each Golf Course. Operator shall also provide golf equipment repair, rental of pull carts, golf carts and golf clubs for public use with the repair services and number of carts and clubs provided reasonable and customary in comparison with other public golf courses of similar size and use.

6.19 Financing Leases. Operator shall be responsible for assignment of existing leases and negotiation of equipment leases or purchase money financing, including specifically without limitation negotiation of new golf cart leases or financing arrangements and repayment or renegotiation of existing golf cart leases of financing arrangements. The City currently has outstanding leases through Banc of America Leasing and Capital LLC for golf course equipment. Operator agrees to pursue assignment of the leases to Operator as the operator of the Golf Courses.

6.20 Transition of Golf Course Staff. Within twenty (20) days of the Effective Date, City shall conduct a meeting to inform the City employees who are directly employed in the operations of the Golf Courses of the lease arrangement and operations of the Golf Courses by the Operator under this lease. Said meeting shall include the City's Human Resources Department and the Operator's Human Resources Representative(s). At this meeting City employees shall be provided information including, but not limited to:

1. Operator's Personnel Policies
2. Operator's Job Descriptions
3. Operator's Salary Ranges per job description
4. Operator's Benefits Package
5. City's "Reduction In Force" (RIF) policy.

City employees shall be given a deadline of fourteen (14) calendar days after such meeting
H:\LEG-DIR\Lisa\2010 Park\Foresight Lease Agreement (Execution Copy 2 09212010).docx

outlined above to determine whether they choose to become Operator employees or be subject to the City's Reduction in Force policy. Based on the voluntary decision of each such City employee, the City shall identify to Operator those City employees who are willing to terminate their employment with the City and begin employment with Operator for positions in operations of the Golf Courses (an "Identified Employee"). Operator shall offer employment to and employ each Identified Employee (who accepts such employment), with such employment to begin on the Possession Date, and pursuant to and in accordance with Operator's established employment criteria, compensation and benefits package through Operator's customary ninety (90) day probationary period. Operator shall provide health insurance benefits to each Identified Employee who accepts employment beginning on date of employee hire with Operator, with no delay period.

6.21 Annual Review. Annually, representatives of Operator and the City Manager or City Manager's designee shall meet at the offices of the City or such other mutually acceptable location, to review the operations and performance of the Operator under this lease for the prior year (the "Annual Review"). Each Annual Review shall include a review of (i) the financial performance of the Golf Courses for the prior year as evidenced by the Financial Reports and other financial information either party may elect to submit for review; (ii) the operations of the Golf Courses including the Operating Expenses for calculation of Net Cash Flow From Operations, green fees, food and beverage operations, rules and regulations for the Golf Courses, goals for pace of play and start times, turf conditions on the Golf Courses, weather related or seasonal related effects on such turf conditions, and the Performance Standards; (iii) Operator's performance under the Performance Standards and review of customer satisfaction surveys from patrons of the Golf Courses; (iv) any proposed capital improvement projects, and (v) any other information deemed material to operation of the Golf Courses.

Section 7. Care of Lease Premises:

7.1 Maintenance and Repairs. Operator shall maintain the Leased Premises in good clean condition. Operator shall be responsible for repairs and maintenance of the Leased Premises, with costs of such repairs and maintenance to be included as Operating Expenses of the Golf courses. Operator shall maintain the Golf Shop and driving range area in a clean, well-kept and orderly manner, ordinary wear and tear excepted, and shall provide such personnel, cleaning supplies, equipment, and consumable supplies as are necessary for this purpose. Operator shall cause public spaces to be vacuumed and cleaned daily. Windows and glass surfaces in the snack bars and all entry doors to be cleaned weekly during high season, March through October, and monthly or sooner as needed November through February. All other glass surfaces to be cleaned monthly or sooner, if needed. Restrooms to be cleaned prior to business each morning. During high season, March through October, restrooms to

H:\LEG-DIR\Lisa\2010 Park\Foresight Lease Agreement (Execution Copy 2 09212010).docx

be cleaned and restocked in mid-afternoon. Carpet cleaning shall be completed a minimum of twice yearly. Operator shall be responsible for the repair and maintenance of light fixtures as needed. Operator shall be responsible for regular maintenance and cleaning, as well as repairs and replacement, of all equipment at Leased Premises, including but not limited to, restaurant equipment. Operator shall be responsible for annual exterior cleaning of building walls, doors and windows, and light fixtures. Operator may utilize the Operations Reserve Fund for Operating Expenses of the Golf Courses, including repairs and maintenance.

7.2 Advertising Signage on Leased Premises. Operator shall not install additional signs or other advertising devices on the Leased Premises without City's prior written approval. The expense of installation, operation or removal of all such signs shall be paid by Operator as an expense of operations of the Golf Courses. Operator shall comply with applicable City ordinances related to signage.

7.3 Maintenance Operations. Operator shall be responsible for the upkeep and maintenance of the greens, fairways, sand traps and all other playing areas of the golf courses in accordance with the schedule of maintenance and standards set forth in the Performance Standards that shall be performed on a regular basis to assure well maintained turf conditions and golf courses are available for play by the general public. Any changes to the maintenance provisions of the Performance Standards shall be subject to the approval of the Contract Administrator.

7.4 Utilities. City shall provide to Operator at no charge effluent City water for purposes of irrigating the Golf Courses. City shall provide to Operator such City utility services as have been provided to the operations of the Golf Courses as of the Effective Date, including potable water and sanitary sewer. However, if City ever begins to charge other City departments for potable water, sanitary sewer, or solid waste service, then Operator shall be similarly charged. Operator shall be charged for solid waste removal which is under contract with third party provider. Operator shall pay all such solid waste services and City and other non-City utility charges as Operating Expenses of the Golf Courses, including electricity, telephone, and security systems. Occupied public space in the clubhouse must be lighted and adequately heated appropriate to a public building. Included in the utility costs of operations shall be the cost of electricity to pump effluent water through the Golf Courses irrigation pumping system to irrigate the grounds of the Golf Courses

7.5 Naming of facilities on Leased Premises. Any naming of any facility on Leased Premises requires prior approval of the City Council.

7.6 Alterations or Improvements to Leased Premises. Operator shall not remove any improvements, nor make any alternations or additions to the building improvements located

on the Leased Premises, nor perform any construction at the Leased Premises, without the prior written consent of the City Manager, and any such additions, changes and alterations made by Operator shall become and remain the property of City at the termination of this lease, except to the extent that the City Manager agrees otherwise in the above required written consent. Any additions, changes and alterations made by improvements or any construction at Leased Premises by Operator must be agreed to by the City and approved in advance in writing executed by the City Manager, and subject to Operator's compliance with bonding requirements of Chapter 2253, Texas Government Code, as may be amended, and subject to compliance with insurance requirements of Risk Manager.

7.7 Surrender of Leased Premises. Operator acknowledges and understands that the City's agreement to lease the Leased Premises to Operator is expressly conditioned on the understanding that the Leased Premises must be surrendered, upon the expiration, termination, or cancellation of the Term of this Lease, in as good a condition as received, reasonable use and wear and tear, acts of God, fire and flood damage or destruction where such damage is not Operator's fault.

Section 8. Trade Fixtures and Capital Projects:

8.1 Installing Trade Fixtures. Operator shall be permitted to install Trade Fixtures on the Leased Premises, and all such Trade Fixtures owned by Operator and not permanently attached to the Leased Premises may be removed by Operator at the end of the Term, provided that any damage to the Leased Premises caused by such removal shall be repaired by and at the expense of Operator at or prior to the expiration of the Term.

8.2 Capital Improvements. Prior to the Possession Date, the parties shall develop an Exhibit to be substituted herein as Exhibit D. Set forth on Exhibit D shall be Operator's initial proposed capital improvement projects for the Golf Courses, including a description and budget for each such project. The City has and will continue to segregate and hold the Capital Fund and make such Capital Fund available to fund capital improvement projects at the Golf Courses including those described on Exhibit D and future identified projects upon such terms and conditions as the Operator and City Manager shall mutually agree. To the extent Operator identifies other capital improvement projects during the term of this lease that could benefit the operations of the Golf Courses, Operator may notify the Contract Administrator of any such project and provide a description and budget for such project. No later than the next Annual Review, Operator and the City Manager shall review such proposed capital project, the related expenditures required to complete the project and the capital expenditure responsibility, if any, of each party. To the extent mutually agreed by the parties in accordance with such agreement, the City will fund capital improvement

projects out of the Capital Fund, and Operator may proceed with such capital improvement projects.

Section 9. Insurance:

9.1 Insurance Coverage. During the Term, Operator shall maintain a policy or policies of insurance providing for the following insurance coverage: (i) broad commercial general liability insurance providing personal injury and property damage liability coverage with respect to the Leased Premises and the business conducted thereon, (ii) physical damage coverage for golf carts and course maintenance equipment, (iii) business automobile liability—owned, non-owned and rented, (iv) alcoholic beverage liability in the amount of one million dollars (\$1,000,000.00) covering the event or time period when alcoholic beverages are to be served, (v) crime and fidelity coverage, (vi) worker's compensation and (vii) employer's liability all in accordance with the provisions described on Exhibit E, attached hereto and incorporated by reference. Such insurance policy or policies shall name Operator as named insured and City as additional insured for auto and general liability coverage. For worker's compensation and employer's liability, Operator shall provide a waiver of subrogation in favor of the City. Prior to any addition or alteration to any building or real estate improvements located on the Leased Premises, Operator shall obtain prior clearance in writing, from the Risk Manager that the proposed addition or alteration will not necessitate a change or modification in the existing insurance coverage maintained by Operator or City. This clearance is in addition to the prior consent required by Section 7.6 of this lease.

9.2 Form of Policies. The foregoing policies of insurance shall be in form and written by insurers be issued by insurance companies reasonably acceptable to the Risk Manager for the City (the "Risk Manager") which acceptance shall not be unreasonably withheld, and shall meet the requirements of Exhibit E. The Risk Manager shall be furnished two (2) copies of certificates of such insurance policies for the benefit of the City prior to the Possession Date. The certificate of insurance shall provide that the City shall have thirty (30) days advance written notice of cancellation, intent to not renew, material change, or termination of any coverage required in this lease. Upon written request of the City Manager, Operator shall provide copies of all required insurance policies to the Risk Manager. City and Operator acknowledge that over the Term it is probable that there will be changes in the insurance industry or the commercial real estate industry. Accordingly, City and Operator agree that if, during the Term, if the amount of insurance customarily maintained for golf course businesses similar to those then conducted from the Leased Premises increases, then the Risk Manager retains the right at the Annual Review to modify the amount and types of insurance maintained by Operator, and to require increased coverage limits, as commercially reasonable and as necessary in the interest of public health, safety, or welfare, and to

decrease the required coverage, if so warranted. In the event of any necessary increase, City must provide Operator no less than sixty (60) days written notice to obtain the increased coverage prior to the effective date of the requirement.

9.3 City Insurance. During the Term, City shall secure and cause to be maintained in effect, as part of and included with the City's blanket coverage of City real property improvements, a policy or policies of property insurance covering the real property improvements and fixtures of the Leased Premises in the amounts and types identified on Exhibit F, subject to applicable deductibles. The City Risk Manager reserves the right to review and modify the amounts and types of insurance maintained by the City (but not terminate insurance), and provide Operator with updated Exhibit F.

Section 10. Indemnification:

In consideration of allowing Operator to occupy the Leased Premises, Operator ("Indemnitor") shall fully indemnify, defend, save and hold harmless the City, its officers, agents, representatives, and employees (collectively, "Indemnitees") from and against any and all liability, loss, damages, claims, demands, suits, and causes of action of any nature whatsoever asserted against or recovered from City on account of injury or damage to person including, without limitation on the foregoing, premises defects, workers' compensation and death claims, or property loss or damage of any other kind whatsoever, to the extent any injury, damage, or loss may be incident to, arise out of, be caused by, or be in any way connected with, either proximately or remotely, wholly or in part: (i) Operator's performance under this Lease; (ii) Operator's occupancy of the Leased Premises and any and all activities associated with the Operator's use of the Leased Premises under this Lease; (iii) the violation by Operator, its officers, employees, agents, contractors, subcontractors or representatives of any law, rule, regulation, ordinance, or government order of any kind pertaining, directly or indirectly, to this Lease; (iv) the exercise of rights under this Lease; or (v) an act or omission on the part of Operator, its officers, employees, agents, contractors, subcontractors or representatives pertaining to this Lease, regardless of whether the injury, damage, loss, violation, exercise of rights, act, or omission is caused or is claimed to be caused by the contributing or concurrent negligence of Indemnitees, or any of them, but not if caused by the sole negligence of Indemnitees,

or any of them, unmixed with the fault of any other person or entity, and including all expenses of litigation, court costs, and attorneys' fees, which arise, or are claimed to arise, out of or in connection with the asserted or recovered incident. Operator covenants and agrees that, if any of the Indemnitees is made a party to any litigation against Operator or in any litigation commenced by any party, other than Operator relating to this Lease, Operator shall, upon receipt of reasonable notice regarding commencement of litigation, at its own expense, investigate all claims and demands, attend to their settlement or other disposition, defend any of the Indemnitees in all actions based thereon with legal counsel satisfactory to the City Attorney, and pay all charges of attorneys and all other costs and expenses of any kind whatsoever arising from any the liability, injury, damage, loss, demand, claim, or action.

Section 11. Assignment and Subleasing:

11.1 Assignment by Operator. Neither party may assign this Agreement without the prior written approval of the other party. City Council approval is required for the assignment of the lease by Operator. Any such approved assignment shall not relieve Operator or Operator's authorized assignees from liability under this lease.

11.2 Subleases. Operator shall not sublease all or any part of the Leased Premises without prior written approval of the City Manager.

11.3 Mortgages. Operator shall not mortgage, encumber or pledge the leasehold interest under this lease without prior written approval of the City Manager. Operator may not incur debts or obligations on the credit of the City.

11.4 Approvals by City. The approval by City or the City Manager of any of the acts specified in this section shall not be unreasonably withheld and shall not relieve Operator or Operator's authorized assignee, transferee or subtenant from liability under this Lease.

Section 12. Repairs and Operator improvements:

12.1 Repairs in Ordinary Course. As mentioned in Section 7, Operator shall be responsible for repairs and maintenance of the Leased Premises, with costs of such repairs to be included as Operating Expenses of the Golf Courses. However, subject to appropriation

of funds, in the case of ordinary wear and tear to improvements, City may choose to make general repairs and replacement, at its expense, any damage to the buildings and other real property improvements and fixtures (other than those caused by the Operator, agent or employee).

12.2 Operator Caused Repairs. All costs of repairs and replacements with respect to the buildings attributable to the negligence of Operator, his agents or employees shall be borne by Operator and not included as Operating Expenses of the Golf Courses for purposes of calculating the Net Cash Flow From Operations

Capital improvements or additions to buildings by Operator must be approved in advance by the City Manager, and subject to Operator's compliance with bonding requirements of Chapter 2253, Texas Government Code, as may be amended, and subject to compliance with insurance requirements of Risk Manager. Ownership thereof shall revert to the City upon termination of this lease.

Section 13. Destruction of Leased Premises:

13.1 Casualty Losses. If a building or other improvements of Leased Premises are damaged by fire, windstorm, flooding, hurricane, or other casualty during the Term, Operator shall give prompt notice thereof to City, and unless Operator elects to terminate this lease in such notice as a result of such casualty loss, City may reconstruct and repair the Leased Premises to at least substantially the same condition as existed prior to such casualty with reasonable due diligence, subject to appropriation of funds for such purpose by the City Council or receipt of applicable insurance payments. City shall use, and Operator shall provide, consulting services to City in connection with any such reconstruction and repair to the Leased Premises. Operator shall be relieved of the obligation to pay rent during the period Leased Premises are not in use by Operator due to such destruction of Leased Premises.

13.2 No Repairs. In the event City elects not to complete such reconstruction and repair of such damage caused by casualty described in Section 13.1, or fails to complete the reconstruction and repair with reasonable due diligence, either party shall have the right to terminate this lease pursuant to this section. If City has received insurance proceeds for the full and replacement value of the building or other improvement for reconstruction and repair of such damage caused by such a casualty and elects not to complete such reconstruction and repair, then a termination as a result of City's election or failure to reconstruct or repair shall be deemed a termination without cause by the City as described in Section 3.4. Also, any such termination shall be effective as of the date upon which such damage or destruction

occurred if business has not been conducted in the damaged improvement on the Leased Premises after such date.

Section 14. Total or Partial Condemnation:

14.1 Termination Upon Condemnation. In the event the Leased Premises shall be taken by condemnation or the right of eminent domain or conveyed by City under threat of condemnation, then this lease shall terminate as of the date of such taking or conveyance and the rent shall be apportioned and determined as of the date of such termination.

14.2 Partial Condemnation. If a portion of the Leased Premises shall be taken by condemnation or right of eminent domain or conveyed by City under the threat of condemnation so as to render the balance of the Leased Premises unsuitable for the use of Operator, either party to this lease shall be entitled to terminate this lease by giving written notice of such election within thirty (30) days after Operator has been deprived of possession. If this lease is so terminated, then the rent shall be apportioned and determined as of the date of such termination.

14.3 Condemnation Awards. If any part of the Leased Premises is so taken or condemned, City shall be entitled to receive and retain all sums awarded for the taking of all or any portion of the Leased Premises by condemnation or right of eminent domain or conveyance by City under threat of condemnation, and Operator shall not be entitled to share in such award. Operator shall be entitled to receive and retain, and City shall not be entitled to, any portion of the award made to Operator by court of competent jurisdiction for loss of Operator's leasehold improvements whose costs were not shared by the City.

Section 15. Operator or City Default:

15.1 Operator Default. Any of the following events shall be an event of default by Operator under this lease: (i) if Operator shall fail to pay any installment of the Rent or other sum of money due under this lease when due; (ii) if Operator shall abandon or vacate the Leased Premises; (iii) if Operator shall fail to comply with any term, provision, obligation or covenant of this lease (and shall not cure or correct such failure within fourteen (14) days after written notice of such failure from City to Operator); or (iv) if any proceedings shall be commenced to declare Operator a bankrupt or an insolvent, reduce or modify its debts or obligations or to delay the payment thereof, or if any assignment of its property be made for the benefit of creditors, or if a receiver or trustee be appointed for it or its property or business, then, to the extent permitted by applicable law, City may treat the occurrence of any one or more of the foregoing events as an event of default by Operator.

15.2 Termination Upon Default. If any event of default by Operator shall have occurred, City shall have the right, without further notice or demand of any kind to Operator or any other party, to terminate this lease and repossess the Leased Premises and shall be entitled to recover as damages a sum of money equal to the total of (i) the reasonable cost of recovering the Leased Premises, and (ii) the unpaid Rent and other sums due at the rate herein provided, and to pursue any other rights or remedies provided herein or at law or in equity.

15.3 City Default. In the event City defaults under any provision of this lease, Operator agrees to give City written notice of such default and thirty (30) days to cure such default prior to pursuing remedies against City. However, non-appropriation of funds for any purpose shall not be deemed to be an event of City default with respect to any payment or expenditure obligation of the City. If any event of default by City shall have occurred and not been cured in such time frame, Operator shall have the right, without further notice or demand of any kind to City or any other party, to terminate this lease. Upon such a termination due to City's default, Operator shall be entitled to pursue any other rights or remedies provided herein or at law or in equity.

Section 16. Force Majeure:

Neither City or Operator shall be liable for delays or failures in performance due to an event of force majeure that is beyond such party's reasonable control including, without limitation, any delays or failures in performance caused by strikes, lock outs, fires, acts of God or the public enemy, common carrier, severe inclement weather, riots or interference by civil or military authorities. The delays or failures to perform extend the period of performance until these exigencies have been removed. The Operator shall inform the City in writing of an event of force majeure within five (5) business days or otherwise waive this right as a defense.

Section 17. Relationship of Parties:

This Lease establishes a landlord/tenant relationship, and no other relationship. This Lease must be construed conclusively in favor of that relationship. In performing this Lease, both the City and Operator shall act in an individual capacity as independent contractors, and not as agents, representatives, employees, employers, partners, or associates of one another. The employees or agents of either party may not be, nor be construed to be, the employees or agents of the other party for any purpose.

Section 18. Mechanic's Lien:

Operator shall not permit any mechanic's, materialman's or similar liens to remain upon the Leased Premises for labor or material furnished to Operator or claimed to have been furnished to Operator in connection with work of any character performed or claimed to have been performed on the Leased Premises or at the direction of or with the consent of Operator.

Section 19. City's Right of Access to and Use of the Leased Premises for Utility or Other Construction Work:

Operator acknowledges that there are City utility lines located on or under the Leased Premises. City reserves the right to excavate at the Leased Premises as necessary to repair, replace or maintain such utility lines. Additionally, Operator acknowledges that City may occasionally undertake additional utility or other construction projects which may require City or its contractor to have access to, on, in, above, across, through or under the Leased Premises. City reserves the right to access and construct upon the Leased Premises for City utility or construction project when deemed necessary by the City Manager. In connection with any such access, excavation or construction, City and Operator will cooperate in good faith in planning the timing, location and extent of such activities so as to minimize, to the extent reasonably possible, the adverse effect of such activities on the operations of the Golf Courses. City is not responsible to Operator for any damages or loss of revenues which may occur during City construction or utility work on Leased Premises.

Section 20. Miscellaneous:

20.1 Utility Charges. All utilities serving the Leased Premises shall be paid by Operator prior to delinquency.

20.2 Successors. All rights and liabilities herein given or imposed upon the respective parties shall extend to and bind the respective successors and assigns of such parties.

20.3 Right of Inspection by City. City, acting through any authorized employee of the City, shall have the right to enter upon the Leased Premises at all reasonable hours for the purpose of inspecting the Leased Premises. Such entrance by City shall never be deemed or held to be an ejection or disposition of Operator, and City shall incur no liability by reason thereof. Operator shall provide the Contract Administrator with keys to the Leased Premises, and a current list of names and phone numbers, for use by the Contract Administrator, in the event of an emergency at the Leased Premises. The Contract Administrator or his authorized designee has the right to enter the Leased Premises during the regular hours of normal operation or at any time in the event of an emergency.

20.4 Publication Costs. Operator shall pay for the cost of publishing the lease description and related ordinance, as required by the City's Charter, in the legal section of the local newspaper.

20.5 Construction of Lease and Venue. In the event any provision of this lease shall be held to be invalid or unenforceable, such holding shall not be deemed to affect the validity and enforceability of the remainder of this lease, or of the same provision as applied to other persons or circumstances. This lease shall be construed with the express intention of the parties to it that it shall be valid and enforceable in every respect to the extent permitted by law. By agreement of the parties, any ambiguities in the Lease shall not be construed against the drafter. This Lease is only for the benefit of the City, the Indemnitees and Operator, and no third party has any rights or claims under this Lease or against the City. This lease shall be interpreted according to the Texas laws which govern the interpretation of contracts, and venue lies in Nueces County, Texas, where this lease was entered into and shall be performed.

20.6 Notice and Contract Administrator. Any notice, request, demand, or other communication which, under the terms of this lease or under any statute or other law, must or may be given or made by the parties to this lease, shall be in writing, shall be directed to the contract administrator designated below on behalf of the City, and to the Chief Operating Officer on behalf of the Operator. Such notices shall be sent by hand delivery, established overnight courier service or United States mail, registered or certified mail, postage prepaid, return receipt requested, to the following address of the party to receive notice or such other addresses as may hereafter be designated in writing from time to time by the parties hereto in the manner provided in this paragraph. Any such notice shall be deemed received when actually received as evidenced by written receipt or three days after deposit with the United States mail in accordance with this paragraph. The contract administrator for the City shall be the City Director of Parks and Recreation. The contract administrator for the Operator shall be the Operator's Chief Operating Officer, and Operator reserves the right by written notice to the City to designate Operator's Regional Manager as the contract administrator.

Notice to the City shall be sent to:

City of Corpus Christi
Attn: Director of Parks and Recreation
1201 Leopard Street
Corpus Christi, Texas 78401

With copy to: City of Corpus Christi
Attn: City Attorney
1201 Leopard Street

Corpus Christi, Texas, 78401.

With copy to: City of Corpus Christi
Attn: City Manager
1201 Leopard Street
Corpus Christi, Texas, 78401.

Notice to the Operator shall be sent to:
Foresight Corpus Christi Golf, L.L.C.
Attn: Chief Operating Officer
512 E. Blanco Road, Suite 100
Boerne, Texas 78006

20.7 Waiver. No provision of this Agreement may be waived orally. The waiver by either party to this lease of any breach of or default under any provision of this lease shall not be deemed to be a waiver of such provision or of any rights as to any subsequent breach or default thereof. The subsequent acceptance of any rental or sums hereunder by City from Operator shall not be deemed to be a waiver of any preceding breach by Operator of any provision of this lease (other than the failure of Operator to pay the particular rental or sum so accepted). The partial performance of any of City's covenants shall not be deemed to be a waiver of any preceding breach or default by City of any provision of this lease. No provision of this lease shall be deemed to have been waived by any party hereto unless such waiver is in writing and signed by the party charged with such waiver.

20.8 Amendments. No subsequent alteration, amendment, change, deletion, or addition to this lease shall be binding upon City or Operator unless in writing and signed by both City and Operator.

20.9 Compliance with laws. Operator must comply with all applicable laws, regulations, and ordinances of the City, State and Federal governments.

20.10 Contract documents. The fully executed Lease Agreement, the Request for Proposal for Golf Course Management Service (BI-0060-10) (the "Request for Proposal"), as amended, and the Operator's proposal shall constitute the contract documents and are incorporated herein by reference. In case of a conflict in any of the terms of the contract documents, first precedence shall be given to the fully executed Lease Agreement; second precedence shall be given to the Request for Proposal, and third precedence shall be given to the Operator's proposal.

20.11 Fiscal Funding. City's payment obligations under this Lease are subject to City's annual budget process. Notwithstanding anything to the contrary herein, The City's obligation to make any payment or expenditure under this Agreement is expressly contingent upon the availability of City funding for each payment item and obligation of the City contained herein. Operator shall have no right of action against the City as regards this Agreement, in the event that the City is unable to fulfill its payment obligations under this Agreement as a result of the lack of sufficient funding.

Section 21. Acknowledgement:

The parties expressly agree that they have each independently read and understood this lease. By Operator's execution of this lease, Operator acknowledges and understands that this lease is not binding on the City until properly authorized by the Council and executed by the City Manager or by his designee.

SIGNATURE DATE: October 26, 2010, but effective as of the Effective Date and Possession Date as described above.

OPERATOR:

FORESIGHT CORPUS CHRISTI GOLF,
L.L.C.,

By: 
Daniel A. Pedrotti, Jr. President

THE STATE OF TEXAS §
COUNTY OF NUECES §

This instrument was acknowledged before me on September 23, 2010, by Daniel A. Pedrotti, Jr. as President of Foresight Corpus Christi Golf, L.L.C., on behalf of such company.


Notary Public, State of Texas

CITY OF CORPUS CHRISTI

ATTEST:

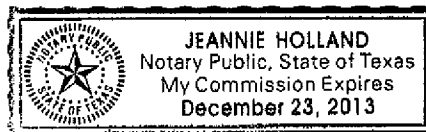
By: Armando Chapa
Armando Chapa
City Secretary

By: Angel R. Escobar
Angel R. Escobar
City Manager

THE STATE OF TEXAS §
COUNTY OF NUECES §

This instrument was acknowledged before me on the 29th day of OCTOBER, 2010, by Ángel R. Escobar, City Manager, for the City Of Corpus Christi, a Texas municipal corporation, on behalf of the corporation.

Jeannie Holland
Notary Public, State Of Texas



APPROVED AS TO FORM: This 29 day of September, 2010.

BY: Lisa Aguilar
Lisa Aguilar, Assistant City Attorney
For the City Attorney

Ord. 028822 AUTHORIZED
BY COUNCIL 10/26/10
A.C.
SECRETARY gah

Exhibit ADescription of Leased Premises

Oso Beach Golf Course, 5601 South Alameda Street, Corpus Christi, Texas 78412, with description of 150.10 acres out of portion of Sections 14, 16 and 17, Flour Bluff & Encinal Farm & Garden Tracts, as recorded in Nueces County Property Records, Volume No. 284, Pages 85-88, and Volume No. 299, Pages 75-79.

Gabe Lozano Sr. Golf Course, 4401 Old Brownsville Road, Corpus Christi, Texas, 78405, as described in Nueces County Map Records Volume 26 Page 93, with legal description of Cliff Maus Tracts A and B, further described as being a 222.34 acre tract out of Block 18, J.C. Russell Farm Blocks and out of Lots 1,2,3, and 4, Gugenheim and Cohn Farm Lots, Corpus Christi, Nueces County, Texas.

O=OSO GOLF COURSE
=GABE LOZANO GOLF COURSE

LAND**BUILDINGS**

- Club House
- Metal Buildings
- Terminal Buildings
- Golf Cart Charging Facility
- O Steel Building – Golf Carts
- O Roof repairs
- O Oso Maintenance Building
- O Oso Restroom Improvements
- Restroom Improvements
- Lozano GC Clubhouse Roof Replace
- O Oso GC Clubhouse Re-roof
- O Garage and Storage Building
- O Club House and Pro Shop
- O Reroof Pro's House and Po Shop
- Adjustment for rounding

IMPROVEMENTS

Irrigation System

- Landscaping
- Fence
- Parking Lot
- Driving Range Lighting
- Improv. Other Than Bldgs.
- Architectural/Engineering
- Golf course fairway renovation
- Cart path improvements
- Cart path improvements
- Irrigation System
- Airconditioning Unit
- 92-93:Cart path improvements
- Old Brownsville outfall
- Fencing (96-97)
- Septic System Gabe Lozano
- Cathodic Protection
- Cathodic Protection
- Cart path service road improve. FY99-00
- Gabe Lozano Electrical Upgrade
- 1956-66 Unidentified improvements
- Parking Lot
- Outside Water Pump Facility
- Installation of Fence
- Chainlink Fence
- Trees (185)
- Ixora Shrubs (25)
- Plants (48)
- Various Trees (36)
- Oleanders (80+\$6.35 undetermined)
- Various Tees
- Oleanders (20)
- Various Trees, bushes and plants
- Installation of Sanitary Sewer Lateral Line
- Palm Trees (45)
- Various Trees, bushes and plants
- Pump System for Irrigation System
- 1-3 Post Fuse Disconnect Switch for Inside Use
- Sprinkler System
- Sprinkler System-Architectural Services
- Sprinkler System-CPL Installation and Secondary
- Replacement of Water Line Servicing Club House & Irrig Syst
- Flags and Flag Poles
- Cart Paths
- San Trap Improvements-Lord and Applegate

- Aerial Photography-Espey, Huston and Associates
- Landscape Architectural Planning – Bechtokl Hoffpaur
- Golf Course Irrigation Improvements Proj #3266
- Golf Course Irrigation Improvements Proj #3266
- Adjustment for rounding

MACHINERY & EQUIPMENT

- Office Furniture & Equipment
- Sprinkler Equipment
- Fuel Storage Tanks
- Golf Ball Retriever
- Ball Washers
- Master Ball Washes
- Golf Ball Washer
- Greens Aerator
- 91-92: Used 7ft. concrete pathpaver
- Energy Management System
- Energy Management System
- Osborne trailer
- Odessa Pump Gould 10-vertical turbine 100
- Odessa Pump Gould 7-vertical turbine 100
- FY98-99 Tee Time Management System
- FY98-99 Tee Time Management System
- FY00-01 Network Catalyst
- FY00-01 Network Catalyst
- Office Furniture
- Spreaders, Sprayers & Sprinklers
- Shop Equipment
- Water Coolers (4)
- Aerifiers (2)
- Greensaire Aerifier-Watson Distr
- 515 Gallon Steel Tank-Freemens Station Mat
- Water Cooler-Ajax Supply
- Electric Water Cooler-Southern Plumbing
- Electric Water Cooler-WESCO
- Electronic Cash Register-Patterson, Inc.
- 3 Electric Water Coolers+Freight-Graybar Electric
- (2) 12,000 BTU Air Conditioners-Coolidge-Locher
- Equip & Labor for Gas Pump—CC Pump Service
- 60" Rotary Mower-Turf & Irrigation
- Install New 550 Gallon Tank-CC Pump
- Electric Drinking Fountain
- Electric Water Cooler-Stnd Plmb

- 2 Ryan Vertical Mowers-Watson
- Electronic Cash Register-Braswell
- 5 Gallon Water Cooler-Ajax Supply
- 12,000 lb Trailer-Made in House
- 100 Gallon Sprayer-(\$500 retained for handgun)-Goldwaites
Zimmerer Kubota Tractor L3430HST-F
29HP Turf Tiger SN-A6501193 (Vehicle w/flat bed)
- 29HP Turf Tiger SN-A6501193 (Vehicle w/flat bed)
55 Golf Carts – FY08 – Ez Go
- 55 Golf Carts – FY08 – Ez Go
- 15 Golf Carts – FY08 – Ez Go
- 15 Golf Carts – FY08 – Ez Go
Green Terra Spike G6/63"
0953TC 997 Z-Trak (mowers) SN – DM997SC023576
- 0953TC 997 Z-Trak (mowers) SN – DM997SC023579
Green Mower, SN-TC250BG020032
Fairway Mower, SN-TC3225C040405
Trim and Surrounds Mower SN-TC2653T020151
Utility Tractor 4WD SN-PY5203U006953
- Green Mower SN-TC250BG020034
- Fairway Mower SN-TC3225C040400
- Trim and Surrounds Mower SN-TC2653T020074
1600 Turbo Series II Comm. Wide (mower) SN-TC1600T060770
1400TC ProGator 2020A; cargo loader/haul SN-TC2020AT020525
HD300 Sprayer; chemical loader trk; SN-TC300GX020037
Ultra greens roller. Turf smoother SN-T2586
410 2 valve man htd w/pp SN-41027408
ITT Flowtronex model 11CLC-6; 850 GPM at 273 PSI

Exhibit B

Performance Standards

Maintenance Standards:

These maintenance standards shall serve as a guideline for maintenance of the golf courses. Each item identified, quantified and or qualified herein, is based upon our maintenance standards in place at our other Texas golf courses.

GREENS

- Mow a minimum of six times per week during the active growing season. In the winter, mow as needed to manage limited growth.
- Putting speed to be maintained at a reading, which will provide a fair and consistent putting surface for all golfers.
- Mowing heights in general to be bench set between 0.125" and 0.145". Heights may be temporarily adjusted during the aerification healing process and over-seeding process.
- Light verticutting and/or grooming will be performed as required to reduce grain and manage thatch buildup on greens.
- Light and frequent topdressings will be applied to smooth the putting surface and control thatch buildup.
- Fertilization and other chemical applications will be employed to maintain healthy turf.
- Pin placements will be rotated daily throughout the active growing season.
- Aerification will be performed at least once per year and will be timed to gain maximum agronomic benefits.

- Irrigation program will consist of deep and infrequent watering with supplemental hand watering when necessary.

COLLARS

- Mow three times per week during the active growing season.
- Mowing height 0.4" to 0.75".

APPROACHES

- Mow three times per week during the active growing season.
- Mowing height 0.4" to 0.75".
- Aerification will be performed once per year.
- Spiking will be performed as needed
- Irrigation program will be similar to greens.
- Topdressings will be applied as needed throughout the season.
- Fertilization and other chemical applications will be similar to greens.

TEES

- Mow three times per week during the active growing season.
- Mowing height 0.4" to 0.75"
- Aerification will be performed at least once per year.
- Tee markers will be rotated daily throughout the active growing season.

- Topdressings and divot filling will be applied as needed throughout the season.
- Light vertical mowing will be performed throughout the season.
- Fertilization and other chemical applications will be employed to maintain healthy turf.
- Irrigation program will consist of deep and infrequent watering with supplemental hand watering when necessary.

FAIRWAYS

- Mow a minimum of three times per week during the active growing season.
- Mowing height 0.4" to 0.75"
- Fertilization and other chemical applications will be employed to maintain healthy turf.
- Irrigation program will consist of deep and infrequent watering with supplemental hand watering when necessary.

CART PATHS

- Concrete paths will be edged regularly to provide a defined edge and clean appearance.
- Gravel paths will be graded when needed.

ROUGH

- Mow two times per week during the active growing season.
- Mowing height at 1" to 1.5"

- Fertilization applications will be employed to maintain healthy turf.
- Irrigation will be performed to ensure an adequate supply of moisture for turfgrass growth.
- Signage, paint lines, and other barriers will be used where necessary to control cart traffic.
- Aerification and or spiking will be performed as needed during the active growing season.

BUNKERS

- Raked daily
- Depth of sand will be checked and maintained on a regular basis.
- Depths: Maintain adequate and appropriate levels of sand in the sand bunkers.
- Weeds and rocks will be removed as needed on a daily basis. Tree root removal provided as needed.
- Bunker edges will be mowed weekly.
- Bunker edges will be edged as needed to maintain a clean bunker line.
- Bunker rakes will be placed inside the bunkers in an accessible location. They will be checked on a regular basis and maintained in good condition.

PRACTICE AREAS

- Driving Range fairway will be mowed two to three times per week during the active growing season.

- Driving Range tee will be mowed three times per week during the active growing season at fairway height.
- Maintenance of worn areas on the practice tee will be performed weekly to repair areas in use the previous week.
- Driving Range tee set-up will be moved daily.
- Chipping and Putting areas will be maintained similar to golf course.
- Fertilization and other chemical applications will be employed to maintain healthy turf.
- Irrigation program will consist of deep and infrequent watering with supplemental hand watering when necessary.

GENERAL DUTIES

- Entry Road will be maintained and policed regularly for trash.
- Parking Lot will be maintained and checked regularly for debris and trash.
- Landscaping shall be weeded and kept in good repair
- Staging areas for golf will be blown off as needed to maintain a good appearance.
- Bathrooms on the golf course will be cleaned every day.

Financial Performance Standards:

The Director of Parks and Recreation and Operator will set out financial performance goals and objectives prior to the Possession Date for the initial year of the Agreement, and at each Annual Review thereafter. These standards will be based in part on the performance over the prior twelve (12) month period and in part based on the plans, including the marketing plans such as direct mail advertising and other advertising techniques, outreach projects such as establishing golf leagues, and other special projects at the Leased Premises such as increased tee areas, enlarged greens or improved drainage, for the coming twelve (12) months. The basis for comparison will be the budget for the Operating Expenses of the Golf Courses for the twelve (12) month period ending with the Annual Review and the budget for the coming twelve (12) months. As stated in Section

6.6, prior to Possession Date, Operator shall develop and prepare a proposed operating budget for operations of the Golf Courses for the initial twelve (12) month period following the Possession Date, which budget will be attached as part of this Exhibit B. At each Annual Review, Operator will propose and explain such a proposed budget for the coming twelve (12) months, and the Director of Parks and Recreation will collaborate with Operator in establishing the final budget for the coming twelve (12) months.

Customer Satisfaction Standards:

Customer satisfaction will be assessed at least annually at the Annual Review. Operator will employ customer satisfaction assessment tools with respect to the operations of the Golf Courses such as written customer surveys obtained during or immediately follow play on the Golf Courses, electronic customer surveys with incentives to complete and return the survey and verbal customer surveys conducted by Operator team members immediately following play on the Golf Courses. The assessment tools may vary through the Term as the relationship between Operator, City and the golf constituency matures. All parties to this Agreement agree that customer satisfaction is paramount to the operations of the Golf Courses as provided for in this lease. It is further agreed that customer satisfaction is a dynamic and challenging factor to assess precisely and consistently. Therefore, the Director of Parks and Recreation and Operator will review at each Annual Review the assessment tools and other techniques employed by Operator throughout the Term of this Agreement. The results of the customer satisfaction assessments will be documented and to the extent agreed by Operator and the Director of Parks and Recreation the operations of the Golf Courses will be adjusted to optimize customer satisfaction.

Exhibit C
Schedule of Green Fees*

A.	Weekday Green Fees		
	18 holes	\$	17.25
	18 holes mid-afternoon (after 10:00 a.m.)	\$	14.25
	Twilight (starts after 1:00 p.m.)	\$	11.25
	18 holes Senior (over age 60)	\$	12.50
	18 holes Junior (age 18 and under)	\$	8.00
	Executive 9	\$	8.75
	Executive 18 (twice around Executive 9)	\$	12.75
	Executive 9 Junior (age 18 and under)	\$	5.00
	Executive 18 Junior (age 18 and under)	\$	6.00
	Marshal (Off peak)	\$	1.00
B.	Weekend/Holiday Green Fees		
	18 holes	\$	19.75
	18 holes mid-afternoon (after 10:00 a.m.)	\$	16.75
	Twilight (starts after 1:00 p.m.)	\$	13.75
	18 holes Junior (age 18 and under)	\$	8.00
C.	Discount monthly punch cards for Weekday Golf		
	(12 green fees for price of 10 green fees – residents only)		
	18 holes	\$	172.50
	Twilight (starts after 1:00 p.m.)	\$	112.50
	18 holes Senior (over age 60)	\$	125.00
D.	Junior Monthly Card – (residents only)	\$	65.00
	Weekdays all day (weekends after 10:00 a.m.)		
	Regular Monthly Card – (residents only)	\$	140.00
	Weekdays all day (weekends after 10:00 a.m.)		
	Senior Monthly Card – (residents only)		
	Weekdays all day (weekends after 10:00 a.m.)		
E.	Golf cart rental rates		
	Non-Player Cart	\$	15.75
	9 holes Half Cart	\$	8.50
	18 holes (Half Cart)	\$	12.00
	18 holes (full cart)	\$	22.75
	Marshal (Off Peak)	\$	1.00
F.	Range balls – small	\$	4.00
	Range balls – large	\$	6.25
	Range balls – Jumbo	\$	8.50

	Range balls – Marshal	\$	1.00
G.	Pull cart rentals – 9 holes	\$	1.50
	Pull cart rentals – 18 holes	\$	3.00
H.	Golf set rentals – 9 holes	\$	6.50
	Golf set rentals – 18 holes	\$	10.00
I.	Youth golf camps	\$	50.00
J.	Identification card for advance tee time access	\$	5.00

K. Golf Promotional Programs

The Park and Recreation Department is authorized to conduct golf marketing promotions, at various times during the year, at both municipal courses. Cost recovery will not exceed 40% of the cost of youth programs, with regard to the golf marketing promotions, other than as applied to the Latchkey program

- L. Golf Items A and B (Green fees) include a \$1.50 Capital Projects Surcharge (surcharge) for 18 holes ("18 Hole," Mid-afternoon, Twilight, and Executive 18) and a \$1.00 surcharge for Juniors and Seniors. A surcharge of \$.75 is included for non-Juniors for 9 holes on the Executive course and \$.50 for Juniors. Golf Item C includes a \$15.00 surcharge for the regulation 18 and Twilight, a \$10.00 surcharge for seniors, a \$7.50 surcharge for the Executive 9, and a \$15.00 surcharge for the Executive 19. Golf Item D includes a \$10.00 surcharge.**

Golf Items C and D are available to golfers living in Corpus Christi city limits with driver's license verification. Golf Items E, F, G, H, and J include all applicable sales taxes.

*Operator shall also collect applicable sales taxes on the fees listed in this Exhibit C.

Exhibit D

Capital Improvement Projects

Annually, the City of Corpus Christi adopts a Capital Budget and Capital Improvements Planning Guide. The purpose of the Capital Improvement Program (CIP) is to identify, prioritize, and construct projects that are needed to enhance or maintain the quality of life expected by the citizens of Corpus Christi. Project priorities and project funding are constantly monitored throughout the fiscal year to ensure there is adequate funding for critical projects and all voter-approved projects are completed in a timely manner. As stated in Section 8.2, prior to Possession Date, the parties shall agree to a replacement Exhibit D which identifies the initial proposed capital improvement programs for the Golf Courses, including a description and budget for each such project.

ATTACHMENT

INSURANCE REQUIREMENTS**I. GOLF COURSE OPERATOR'S LIABILITY INSURANCE**

- A. Golf Course Operator shall not commence work under this agreement until all insurance required herein has been obtained and approved by the City's Risk Manager or designee. Golf Course Operator must not allow any subcontractor to commence work until all similar insurance required of the subcontractor has been so obtained.
- B. Golf Course Operator shall furnish to the Risk Manager or designee two (2) copies of Certificates of Insurance, showing the following minimum coverage by an insurance company(s) acceptable to the Risk Manager or designee. The City must be named as an additional insured for the General Liability policy, and a blanket waiver of subrogation in favor of the City is required on all applicable policies.

TYPE OF INSURANCE	MINIMUM INSURANCE COVERAGE
30 day written notice of cancellation, non-renewal, material change or termination required on all certificates and policies	Bodily Injury and Property Damage Per occurrence / aggregate
BROAD COMMERCIAL GENERAL LIABILITY including: <ol style="list-style-type: none"> 1. Broad Form 2. Premises - Operations 3. Products/ Completed Operations 4. Contractual Liability 5. Broad Form Property Damage 6. Independent Contractors 7. Herbicide, Pesticide & Fertilizer application & storage including pool chemical coverage 8. Removal of employee vs. employee exclusion 	\$1,000,000 COMBINED SINGLE LIMIT
BUSINESS AUTOMOBILE LIABILITY -- OWNED, NON-OWNED or RENTED	\$500,000 COMBINED SINGLE LIMIT
GOLF COURSE PROPERTY COVERAGE to include: <ol style="list-style-type: none"> 1. Tee to green coverage 2. Club Maintenance equipment and Golf Carts 	If applicable ACTUAL CASH VALUE
Property Insurance	Golf Course Operator will be responsible for any and all damage to equipment used regardless if owned, rented, leased or borrowed.
	If applicable

CRIME AND FIDELITY COVERAGE	\$25,000
WORKERS' COMPENSATION to include Alternate Employer endorsement	WHICH COMPLIES WITH THE TEXAS WORKERS' COMPENSATION ACT AND SECTION II OF THIS EXHIBIT
EMPLOYERS' LIABILITY	\$100,000/ \$500,000/ \$100,000

- C. In the event of accidents of any kind, Golf Course Operator shall furnish the Risk Manager with copies of all reports of such accidents within ten (10) days of the accident.

II. ADDITIONAL REQUIREMENTS

- A. Golf Course Operator must obtain workers' compensation coverage through a licensed insurance company in accordance with Texas law. The contract for coverage must be written on a policy and with endorsements approved by the Texas Department of Insurance. The coverage provided must be in amounts sufficient to assure that all workers' compensation obligations incurred will be promptly met.
- B. Golf Course Operator's financial integrity is of interest to the City; therefore, subject to Golf Course Operator's right to maintain reasonable deductibles in such amounts as are approved by the City, Golf Course Operator shall obtain and maintain in full force and effect for the duration of this Contract, and any extension hereof, at Golf Course Operator's sole expense, insurance coverage written on an occurrence basis, by companies authorized and admitted to do business in the State of Texas and with an A.M. Best's rating of no less than A- (VII).
- C. The City shall be entitled, upon request and without expense, to receive copies of the policies, declarations page and all endorsements thereto as they apply to the limits required by the City, and may require the deletion, revision, or modification of particular policy terms, conditions, limitations or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). Golf Course Operator shall be required to comply with any such requests and shall submit a copy of the replacement certificate of insurance to City at the address provided below within 10 days of the requested change. Golf Course Operator shall pay any costs incurred resulting from said changes. All notices under this Article shall be given to City at the following address:

City of Corpus Christi
Attn: Risk Management

P.O. Box 9277
Corpus Christi, TX 78469-9277
(361) 826-4555- Fax #

- D. Golf Course Operator agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following required provisions:
- Name the City and its officers, officials, employees, volunteers, and elected representatives as additional insured by endorsement, as respects operations and activities of, or on behalf of, the named insured performed under contract with the City, with the exception of the workers' compensation and professional liability policies;
 - Provide for an endorsement that the "other insurance" clause shall not apply to the City of Corpus Christi where the City is an additional insured shown on the policy;
 - Workers' compensation and employers' liability policies will provide a waiver of subrogation in favor of the City; and
 - Provide thirty (30) calendar days advance written notice directly to City of any suspension, cancellation, non-renewal or material change in coverage, and not less than ten (10) calendar days advance written notice for nonpayment of premium.
- E. Within five (5) calendar days of a suspension, cancellation, or non-renewal of coverage, Golf Course Operator shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Golf Course Operator's performance should there be a lapse in coverage at any time during this contract. Failure to provide and to maintain the required insurance shall constitute a material breach of this contract.
- F. In addition to any other remedies the City may have upon Golf Course Operator's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Golf Course Operator to stop work hereunder, and/or withhold any payment(s) which become due to Golf Course Operator hereunder until Golf Course Operator demonstrates compliance with the requirements hereof.
- G. Nothing herein contained shall be construed as limiting in any way the extent to which Successful Bidder may be held responsible for payments of damages to persons or property resulting from Golf Course Operator's or its subcontractors' performance of the work covered under this agreement.
- H. It is agreed that Golf Course Operator's insurance shall be deemed primary and

non-contributory with respect to any insurance or self insurance carried by the City of Corpus Christi for liability arising out of operations under this contract.

- I. It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this contract.

2010 Golf Course Lease Agreement insurance requirements
9-21-10 ep Risk Mgmt.

Exhibit F

City provided insurance

Item #	City of Corpus Christi	Address	Zip Code	Dept	Property Statement of Values	Occupancy	Roof	Stones	Total Values	Property Buildings	Property Contents	Area (SqFt)	Year Built
98	4401 Old Brownsville Rd	78405	Pks & Rec	Lozano Cart Barn	Metal	Metal Deck	1	\$320,000	\$280,000	\$240,000	9,000	1961	
95	4401 Old Brownsville Rd	78405	Pks & Rec	Lozano Golf Course Clubhouse	Frame	Wood/Shingle	1	\$227,992	\$27,500	\$13,892	4,000	1961	
101	4401 Old Brownsville Rd	78405	Pks & Rec	Lozano Irrigation Pump	Frame	Wood/Shingle	1	\$11,840	\$6,340	\$1,000	228	1961	
102	4404 Old Brownsville Rd	78405	Pks & Rec	Lozano Irrigation Pump	Masonry	Concrete	1	\$11,500	\$6,500	\$5,000	203	1967	
99	4401 Old Brownsville Rd	78405	Pks & Rec	Lozano Public Restrooms	Masonry	Metal Deck	1	\$20,000	\$20,000		400	1998	
100	4401 Old Brownsville Rd	78405	Pks & Rec	Lozano Public Restrooms	Masonry	Metal Deck	1	\$20,000	\$20,000		400	1998	
96	4401 Old Brownsville Rd	78405	Pks & Rec	Lozano Warehouse Bldg A	Metal	Metal Deck	1	\$24,595	\$120,000	\$4,595	3,000	1961	
97	4401 Old Brownsville Rd	78405	Pks & Rec	Lozano Warehouse Bldg B	Metal	Metal Deck	1	\$23,189	\$120,000	\$1,189	3,000	1961	
103	5601 S Alameda	78412	Pks & Rec	Oso Golf Course Clubhouse	Masonry	Metal/Cover	1	\$39,150	\$2,965,000	\$22,359	4,998	1967	
345	5601 S Alameda	78412	Pks & Rec	Oso Golf Course Maintenance Shop				\$76,800	\$76,800			1995	
344	5601 S Alameda	78412	Pks & Rec	Oso Golf Course Restroom				\$7,100	\$7,100			1979	
104	5601 S Alameda	78412	Pks & Rec	Oso Irrigation Pump	Frame	Wood/Shingle	1	\$22,000	\$5,200	\$16,800	140	1967	
105	5601 S Alameda	78412	Pks & Rec	Oso Maintenance Shop	Metal	Metal Deck	1	\$99,517	\$96,000	\$3,517	3,200	1985	

EXHIBIT F