(Attachment 1)

Exhibit B and F are superseded by attachment 2.

ADDENDUM NO. 1
TO AGREEMENT DATED AUGUST 3, 1992
BETWEEN THE CITY OF COSTA MESA
AND MESA VERDE PARTNERS

This ADDENDUM NO. 1, made and entered into this 20th day of Sept., 1993, by and between the City of Costa Mesa ("CITY") and Mesa Verde Partners ("LESSEE"), hereby amends that certain Agreement dated August 3, 1992, between CITY and LESSEE relating to management and operations of the Costa Mesa Golf Course and Country Club (the "Agreement").

WHEREAS, after the parties entered into the Agreement, the parties executed an interim agreement, dated August 26, 1992, relating to partial possession of the Golf Course (the "interim agreement"), and a letter agreement, dated September 16, 1992, relating to senior discounts (the "letter agreement");

WHEREAS, pursuant to Section 32.04 of the Agreement, the Agreement may be modified by written agreement of the parties;

WHEREAS, at its meetings of February 1, 1993, and April 19, 1993, and September 20, 1993, the City Council reconsidered the provisions of the Agreement and letter agreement relating to senior discount rates, retired city employee play privileges, tournament play, preferred starting times, the Golf Course Manual, school team play, junior discount rates and other matters;

WHEREAS, after a public hearing the City Council found that it was in the best interests of the public to amend the aforementioned provisions; and

WHEREAS, the City Council authorized the City Manager to enter into this agreement for the purpose of affecting those changes.

NOW, THEREFORE, the parties agree as follows:

1. The interim agreement is hereby terminated.

2. This ADDENDUM NO. 1 hereby supersedes the letter agreement.

3. Paragraph 1.03 of Section 1 of the Agreement is hereby amended as follows:

"1.03 LESSEE acknowledges personal inspection of the demised premises and the surrounding area and evaluation of the extent to which the physical condition thereof will affect the operation of the golf course. LESSEE accepts the demised premises in their present physical condition and agrees to make no demands upon CITY for any improvements or alteration thereof. LESSEE agrees to evaluate and correct, at its expense, all state and municipal building code violations existing at the premises, except for those specified on EXHIBIT H," which shall be CITY's responsibility."

4. "EXHIBIT H" is added to the Agreement as attached hereto as "Attachment 1."

5. Subparagraph E. of Section 3.01 of the Agreement is hereby amended as follows:

"E. Golf Tournaments

LESSEE shall cooperate with the City Manager or his designee in the promotion and operation of four (4) annual tournaments: Costa Mesa City Championship, Costa Mesa City Junior Championship, Toys for Fairview Tournament and City/State Chamber of Commerce Tournament by providing CITY or participants therein with the personnel, equipment and facilities necessary for the operation of such tournaments. With respect to the Costa Mesa City Championship, LESSEE shall provide up to 45 complimentary rounds of play for volunteers, waive tournament fees, and close both courses during tee-off. With respect to the Costa Mesa City Junior Championship, LESSEE shall subsidize fees in the amount of $8.00 per player, waive tournament fees, and donate the use of ten carts.

LESSEE shall be entitled to be reimbursed from the tournament sponsor for the actual cost of providing personnel, equipment and facilities necessary for the operation of such tournaments. Notwithstanding the foregoing, to the extent LESSEE is not reimbursed for its costs for the Costa Mesa City Championship and the Costa Mesa Junior Championship, both of which will be managed by LESSEE, LESSEE and CITY agree to bear one-half of such cost, up to a maximum as is agreed upon by LESSEE and the City Manager."

6. Subparagraph 4.01.02 is added to Paragraph 4.01 of Section 4. of the Agreement as follows:

> "4.01.02 There shall be credited against the monthly payments due herein an amount equal to the number of carts rented at the senior rate times the dollar difference between the senior cart rate and the regular cart rate; and the number of opposing team players who play without charge pursuant to EXHIBIT B times the applicable rate that would have been charged. LESSEE shall be responsible for accounting for and submitting to CITY the appropriate monthly credit amount."

7. Reference to "Exhibit F" in paragraph 8.20 of Section 8. of the Agreement is hereby amended to read "Exhibit B."

8. Paragraph 8.17 of Section 8. of the Agreement is hereby amended as follows:

> "8.17 Trade Fixtures
>
> LESSEE at its own expense shall provide and install all appliances, furniture, fixtures, equipment, door locks and padlocks that are required for the operation of the demised premises. Upon expiration of the term of this Agreement, as provided in Section 2., CITY agrees to require any subsequent lessee (other than LESSEE) to purchase the aforesaid fixtures and equipment from LESSEE. The purchase price for such fixtures and equipment shall be fair market value as determined by one appraiser selected by both CITY and LESSEE."

9. "EXHIBIT B" and "EXHIBIT F" of the Agreement are hereby amended and combined as "EXHIBIT B - GOLF COURSE MANUAL" as attached hereto as "Attachment 2."

10. The provisions of this ADDENDUM NO. 1 shall become effective as of April 1, 1993.

11. All other provisions of the Agreement not specifically amended by this ADDENDUM NO. 1 shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this ADDENDUM NO. 1 as of the day and year first above written.

CITY OF COSTA MESA
"CITY"

By: _____
Allan Roeder, City Manager

MESA VERDE PARTNERS
"LESSEE"

By: _____,
General Partner

By: _____,
General Partner

APPROVED AS TO FORM:

_____ 5-16-93
City Attorney

Attachment 1

EXHIBIT H

City will make corrections to the elevator, including paths of travel to and from the elevator, as necessary to bring the elevator into compliance with the Americans with Disabilities Act and Titles 19 and 24 of the California Building Code. Such corrections may include widening ramps at ground floor level and demolition and reconfiguration on the second floor to clear a pathway from the elevator to the public area.

Attachment 2
EXHIBIT B

GOLF COURSE MANUAL

A. General:

1. The following activities are prohibited on CITY golf course grounds or facilities as authorized by the City Manager (or in the case of the Concessionaire, by their contract):

   a. Storage of private or personal property.
   b. Solicitation of any kind.
   c. Circulation or posting of handbills, petitions, advertising matter, promotional material and literature.
   d. Selling of any goods, ware, or merchandise.
   e. Carrying or discharging any firearm, air gun, sling shot, or fireworks of any kind.
   f. Use of the golf course for any other purpose than to play golf in the accepted manner.

2. Alcoholic beverages or soft drinks may be taken on the golf course, only in paper cups or cans, and only if purchased from authorized concession facilities.

3. Throwing trash (paper cups, candy wrappers, etc.) anywhere on the golf course is prohibited.

4. It shall be unlawful for any person to loiter, linger, or loaf on the premises of any CITY golf course, and unauthorized persons are not permitted.

5. Dogs, cats, or other animals shall not be brought on the golf course under any circumstances.

6. Picnicking or recreational play, other than golf, is prohibited.

7. Overnight or day camping is not allowed on any part of the golf course.

8. Cars must be parked in designated parking areas only, and overnight parking in the parking lot is not allowed.

9. Reserved parking may be provided for the Golf Course Manager, Starters, Golf Professional, and Clubhouse Concessionaire, within the Clubhouse parking area.

10. If necessary, the local City Police Department may be called upon for assistance in enforcing these regulations.

B. Dress Code:

1. Swim trunks, bathing suits or robes are not allowed in the Clubhouse or on the golf course.

2. Shirts must be worn ~~on the golf course~~ at all times.

3. Undershirts, tank tops, or halter tops are not allowed.

4. Short shorts, cutoffs, and jogging shorts are not acceptable.

5. Shoes worn on the golf course must be appropriate for golf.

C. Golf Play:

1. United States Golf Association (U.S.G.A.) Rules of Golf and posted local rules will govern play at all times.

2. No play is allowed on any golf course which has been closed for any reason by the Golf Course Manager or his designated representative.

3. All players must be registered with the Starter before playing any part of the golf course.

4. All players must have a current cash register receipt or a valid daily ticket in their possession during play.

5. Practicing anywhere on the golf course at any time is prohibited. Players must use the driving range, putting green, or ~~and~~ other designated practice facilities of ~~practice~~.

~~6. When sufficient players are registered, four persons will be scheduled in each playing group on tee #1 and/or tee #10 as applicable.~~

6. ~~Only~~ One foursome (fivesome when allowed) at a time is permitted on the first or tenth tee. ~~without prior permission of the Director of Community Services.~~

7. No more than four (five when permitted) players may play together in the same group. ~~without prior permission of the Director of Community Services.~~

8. Unless prior permission is given, golfers will tee off only between the ~~appropriate~~ tee markers. ~~Ladies - red; men's regular - white; championship - blue.~~

9. Holes must be played in sequence and a golfer in the wrong fairway must give way to players playing that hole.

10. No more than one golfer shall play out of one bag. Each player must have his/her own set of clubs.

11. It is the responsibility of each player to replace divots, rake and smooth traps, and repair ballmarks or other damage on the greens.

12. ~~In the interest of all~~ Players must play without delay, and ~~all players must~~ keep their place on the course or allow following players to play through.

13. The City Manager reserves the right to cancel playing permits for individuals or organizations using CITY golf course facilities if at any time conditions justify such action.

14. Golfers may be refused playing privileges or they may be removed from the golf course for:

a. Submitting false information for purpose of securing golf privileges.
b. Playing golf without purchasing a greens fee ticket or registering with the Starter.
c. Obvious inability to play golf and to maintain their position on the course.
d. Intoxication, disorderly conduct, use of abusive or profane language, or other behavior detrimental to the normal and orderly operation of the golf course.
e. Failure to comply with the existing rules and regulations governing golf play, practice, operation of golf cars or pull carts, personal conduct, and appropriate dress.

D. Golf Cars and Hand Carts:

1. General Information:

a. Golf cars will be available for rental through the concessionaire.
b. 90º Cart Rule: Carts are to be kept in the rough until ~~you are~~ the player is opposite ~~your~~ his ball. ~~Make~~ A 90º turn will then be

made onto the fairway. ~~After your shot return to the rough area and proceed.~~ The cart will then be returned at 90º to the rough area.

c. Golf cars are not permitted on the tees or the putting greens. ~~or on the fee off areas.~~

d. During inclement weather when the golf course is wet, frozen, or muddy, golf cars will not be allowed on the course. The decision as to when the golf cars are restricted will be made by the Golf Course Manager ~~and/~~or his designated representative.

e. No more than two bags and two riders are permitted on a golf car at any time.

f. Golf cars must be kept at least thirty (30) feet from greens and tees, and at least ten (10) feet away from sand traps when not on a paved cart path.

g. Hand carts must not be taken over aprons, greens, tees, sand traps, or other areas between the green and traps surrounding the green.

h. Carts of any kind should not be driven or pulled through wet or muddy areas or over sprinkler heads.

i. It is the responsibility of every golfer to be familiar with and to comply with the rules and regulations covering the use and operation of golf cars. Failure to observe such rules and regulations could result in the denial of golf car use and/or playing privileges.

E. Closing Golf Course:

1. The Golf Course Manager (or his designated qualified representative) is responsible for decisions concerning temporary or all day closing of any CITY golf course. In making such decision, due consideration will be given to the welfare of the general public and to potential revenue losses for CITY and operating concessionaire.

2. Before a final decision is made to close the golf course because of frost, frozen greens, rain or other unusual conditions, the Golf Course Manager (or his designated representative) will make a thorough inspection of the playing area. (See PM #A-503.) If it is determined that use of the playing area will cause excessive or permanent damage which cannot be readily repaired by assigned personnel, the golf course will be closed temporarily or all day as circumstances dictate.

3. The Golf Course Manager (or his designated representative) will notify the Starter on duty to delay opening or to close the course temporarily or all day. If possible, this notification should be made prior to Starter opening time. The Starter will immediately notify all golf course personnel ~~concessionaires~~ and the golfing public of the closure decision.

4. If the golf course has been closed temporarily, the Golf Course Manager (or his designated representative) shall remain in the area until the course is opened or until final determination has been made that it will remain closed all day.

5. If the golf course is kept open during or after a rain or other inclement weather, the Golf Course Manager (or his designated representative) will advise the Starter as to whether or not golf cars and/or hand carts are to be permitted on the golf course. If conditions warrant, the "Play Winter Rules" sign will be posted at the Starter ~~window~~ desk.

6. Any decision to close the golf course on a weekend day or a holiday shall be reported to the City Manager on the next regular working day.

7. "Policy for Inclement Weather":

a. A waiting list for open golf will not be started until the course opens.

b. ~~If~~ During the time the course is closed and a reservation is canceled, ~~inform him he can go on~~ players will be informed that their names will be placed on a standby list which will go into effect when the course opens for play.

c. When the course opens, the ~~people~~ players waiting for open play may be added to the standby list.

d. When the course opens, ~~offer~~ all persons on the standby list will be offered the opportunity to play the back nine ~~only~~, time permitting.

e. When the course opens for play, starting times for that particular time and later times will be honored. ~~and~~ All previous times will be canceled.

f. ~~During inclement weather when the golf course is too wet to play, playing reservations will automatically be canceled.~~ Reservations will automatically be cancelled when inclement weather results in a course too wet to play.

g. Refunds will not be granted to players who are on the course when rain begins to fall.

h. If it is raining or a player has an emergency prior to the start of play, the Starter may return any fees paid.

~~H~~ F. **Refunds and Rainchecks:**

a. There are no refunds or "rain checks" after play has commenced. Starters will post "No Rain Check" signs at the Starter's ~~office~~ desk.

b. A player receiving a refund under the policies of this manual must surrender his/her cash register receipt to the Starter on the same day the greens fee was collected. The Starter will void the receipt and have the player sign it to indicate that he/she received the refund. The Starter will ~~then write~~ record the reason for the refund on the ~~cash register~~ receipt, enter in "variations" and attach it to the starter sheet. ~~and attach it to the starting sheet for transmittal to the Accounting Department.~~

G. **Holiday Schedule:**

a. January 1st - New Year's Day
b. Third Monday in January - Martin Luther King Day
c. Third Monday in February - Presidents' Day
d. Last Monday in May - Memorial Day
e. July 4th - Independence Day*
f. First Monday in September - Labor Day
g. Veteran's Day
h. Thanksgiving Day
i. Day after Thanksgiving
j. December 25th - Christmas Day*
~~k. Every day appointed by the President or Governor for a public fast, thanksgiving or holiday~~
k. Such other holidays as may be determined by City Council

*Observed

~~F~~H. **Green Fees:**

1. Regular

a. Patrons using CITY golf courses will be charged greens fees in compliance with the fee schedule approved by the City Council.

b. Since greens fees are subject to change, current greens fees shall be maintained and posted in a conspicuous location.

c. A full 9 or 18 hole green fee must be paid by all golfers even though a full round is not contemplated or completed.

d. Personal checks will not be accepted for green fees.

2. Fee Schedule (As of ~~July~~ April 1, 199~~1~~3)

1. Los Lagos	Price*
Weekday - 18 holes	$16.00
Weekday - 9 holes**	12.00
Weekday twilight***	12.00
Weekday Seniors	8.00
Weekend or Holiday - 18 holes	20.00
Weekend or Holiday - 9 holes**	14.00
Weekend or Holiday - twilight***	14.00
2. Mesa Linda	
Weekday - 18 holes	$14.00
Weekday - ~~9 holes**~~ twilight***	11.00
Weekday Seniors	~~8~~7.00
Weekday ~~Juniors~~Students	7.00
Weekend or Holiday - 18 holes	17.00
Weekend or Holiday - ~~9 holes**~~twilight	12.00
3. Cart Rental - Regular	20.00
Seniors ~~(weekday after 10:00 a.m.)~~	14.00

*Subject to change
**Early a.m. ~~and late play~~ only
***After 1:00 (PST), after 3:00 (PDT)

~~I. Special Days:~~

~~a. General Information:~~

~~1. Women's Day is conducted on the Los Lagos course from 8:00 a.m. until 11:00 a.m. on Fridays.~~

~~2. Men's Day is conducted on the Los Lagos course from 8:00 a.m. until 1:00 p.m. on Wednesdays.~~

~~3. During these times and days starting times will be kept on Mesa Linda for open play.~~

I. Complimentary Play and Discounts:

The purpose of complimentary or discount play is to afford approved individuals the opportunity to play the golf course. ~~to ensure proper management, maintenance, course evaluation and/or to provide on course golf instructions as required. Complimentary play shall be authorized only for the personnel holding positions related to such functions and shall not serve as an employee benefit, in lieu of compensation, or gratuity.~~

When granting complimentary or discount golf, the golf course starter will record the player's name and cash register number on

the starter sheet. In addition, in the ~~comment~~ variation section on the ~~golf course~~ starter sheet, the Complimentary Play ("C.P.") player's place of employment and position will be recorded.

The City Manager and General Manager shall be responsible for the administration of all C.P. regulations. Upon presentation of proper credentials and identification, the following persons will be granted complimentary ~~golf~~ or discount play at Costa Mesa Golf Course.

~~Designated Retired City Employees~~

~~To qualify for the retired City employees complimentary play card, a person must have retired from City employment with 20 years service. Eligible retirees are limited to one (1) round of free play per week and may play 9 or 18 holes at either golf course on weekdays only, excluding holidays after 10:00 a.m.~~

~~A complimentary play card with the employee's picture must be presented. City employees who are entitled to complimentary play will be issued a card that specifically identifies the individual.~~

~~City Employees Privileges~~

1. The City ~~Manager~~ shall be allocated 100 rounds of complimentary golf per year to be used ~~as he determines~~ at its discretion.

2. Mesa Verde Partners shall be allocated 100 rounds of complimentary golf per year to be used ~~as they determine~~ at its discretion.

3. **School Team Play:**

Mesa Verde Partners will permit the Newport-Mesa Unified School District and Orange Coast College school golf teams to play practice rounds and scheduled league matches at the Costa Mesa golf courses under the following conditions:

Letter applications for school team play, for the following year, must be submitted to the golf course manager between September 15 and November 1. Applications will not be accepted prior to September 15.

In processing an application for school team play, the General Manager will:

Make every effort to comply with the school request.

Designate the particular golf course to be used, and assign the days and times for school play.

Prior to January 2 of each year meet with the golf coach or other designated faculty representatives of requesting schools to make necessary arrangements, discuss procedures, rules, and regulations, and to schedule the school team play.

Each school authorized for team play must submit a team roster and schedule for practice and league play to the General Manager at least two weeks prior to the opening of the season.

School golf teams will not be allowed on the golf course unless accompanied at all times by the golf coach or other designated faculty representative. Teams will be classified as a group, and the assigned coach or faculty member will represent them and be held accountable for their conduct.

Each school may be permitted to play without charge for a period of 20 weeks, between ~~January 2~~ February 1 and May ~~29~~ 31, of each year. Any team qualifying for the playoffs will receive an extension of times corresponding with their participation in the playoffs. Team members may play only one 18-hole round on the assigned day or days and at the assigned golf course. Each participating school is allowed four foursomes and two coaches ~~or faculty member~~ for practice matches and for scheduled league matches. ~~Only one match may be scheduled on any one day.~~
In addition, opposing teams will be "comped" during matches.

~~Team practice and/or league play will be permitted only on those weekdays (excluding holidays) assigned by the General Manager. School golf teams all report to the golf course between the hours of 2:00 p.m. and 3:00 p.m. on the days scheduled for play.~~ Teams shall be eligible for complimentary practice rounds Monday through Thursday on the Mesa Linda course on an "as available" basis. Play shall be limited to four foursomes and two coaches per school. Teams wishing to participate will report to the starter between 2:00 and 3:00 p.m. Team practice rounds will be played on an "on call" basis.

School golf team members, golf coaches, and faculty representatives will be expected to observe and adhere to the rules of conduct, dress, and golf play prescribed by the CITY. CITY and Mesa Verde Partners reserve the right

at all times to cancel a playing permit if conditions justify such action.

~~Patrons using the Costa Mesa golf courses will be charged standard green fees in compliance with the fee schedule approved by the CITY. Since green fees are subject to change, the starter's office will post and maintain a listing of fees currently in effect. A full nine or eighteen hold green fee must be paid by all golfers even though a full round is not contemplated or completed.~~

~~In addition to nine or eighteen hole green fees, Mesa Verde Partners charges various other fees for tournaments which may include minimums for food concessions and pro shop services. These fees are to pay for the privilege of conducting a tournament and to fairly compensate the pro shop, and food and beverage operators for their service to the golfing public. Personal checks will not be accepted for payment of green fees. First party checks may be accepted for tournament fees and Senior Citizen I.D. Cards provided they are for the exact amount involved.~~

4. Senior Citizens

~~Senior citizens, residing in Costa Mesa only, 65 years of age or older, may purchase an annual Golf I.D. Card which will, when presented at the starter's window, entitle the owner to prevailing reduced green fees as approved by the CITY. Any person presenting valid proof of age (birth certificate, drivers license, Medicare card), a current 1-1/4 x 1-1/4 photograph of himself/herself and residency, may apply for an Annual Senior Citizen I.D. Card from the starter at Costa Mesa golf course.~~

~~The Senior Citizen I.D. Card annual fee does not include green fees. Green fees must be paid whenever the senior citizen plays. The card is nontransferable and it may be used only by the person to whom it is issued. Fraudulent use is cause for recall and revocation of the card involved. No refunds will be made for Senior Citizen I.D. Card annual fees, and the card will not be redeemed if it becomes illegible or is lost, stolen, or destroyed.~~

Senior citizens residing in the City of Costa Mesa only, 60 years of age or older, may, on presentation of valid proof of age and residency, be eligible to play at the reduced fees as determined by the City and MVP.

Senior citizens may play at reduced rates under the following conditions:

The rates apply on weekdays only (exclusive of holidays).

Seniors paying the reduced rate cannnot make or play on a reservation basis until after 10:00 a.m.

Only ~~one~~ two senior ~~discount~~ rates per reservation and foursome will apply on the Los Lagos course while unlimited senior rates are allowed on Mesa Linda.

~~Senior Citizen I.D. Cards~~ discount rates ~~are valid for weekday play only (Monday through Friday, exclusive of holidays), but persons using the card cannot make, or play on a reservation basis until after 10:00 a.m. Senior citizens must pay regular fees on weekends and holidays and are considered regular players or full-fee paying players, and have the same rights and privileges as any other player. Also, only one senior rate~~ round ~~per reservation may be played on the Los Lagos Course while unlimited senior rates/rounds are allowed on Mesa Linda.~~

~~Senior citizens using the I.D. Card prior to 10:00 a.m. on weekdays, exclusive of holidays, will be registered on the Call Sheet policies. A full-fee paying player cannot reserve a starting time for a senior citizen in his party at senior citizen rates when making reservations for a starting time earlier than 10:00 a.m. The senior citizen must pay the full fee unless the reservation is for a later than 10:00 a.m. starting time. The I.D. Card will entitle the senior citizen to play only one continuous 18-hole round, or less, per each eligible day at one golf course.~~

~~Upon receiving a senior citizen reduced green fee, the starter will:~~

~~Ring the fee on the Senior cash register key for 18-holes, and on the Senior II key for 9-holes on an 18-hole course.~~

~~Record the player's name and I.D. Card number in the name column on the Starter sheet.~~

~~Record the cash register green fee receipt number in the receipt column and the code initial "S" in red ink in the fee column.~~

Upon receiving a senior citizen reduced green fee, the Starter will ring the fee on the Senior cash register key for the applicable golf course, and for 9-hole or 18-holes. The player's name will be recorded, along with the cash register receipt number, on the Starter sheet. The code initial "S" will be written in red in the fee column.

Seniors playing at the reduced fee will be afforded a reduced fee on golf car rental. This reduced fee will be determined by the

City. The initial "S" will be recorded on the Cart Rental Agreement alongside the fee charged.

5. Student Rates:

Mesa Verde Partners will provide reduced-rate playing privileges at Costa Mesa Golf Course for any student with proper identification, who is 18 years of age or younger, and attending Newport-Mesa Unified ~~Harbor~~ School District or Orange Coast Community College.

Eligible students may play 9 or 18 holes of golf, on the Mesa Linda course only, at the prevailing student rate on weekdays only (Monday through Friday, exclusive of holidays), but students doing so cannot play until after 12:00 noon.

~~Juniors~~

~~Mesa Verde Partners proposes to provide reduced-rate playing privileges at Costa Mesa Golf Course for any junior with proper identification, who is under 18 years of age, and attending Newport Harbor School District or Orange Coast Community College.~~

~~Eligible juniors may play 9 or 18 holes of golf at the prevailing junior rate on weekdays only (Monday through Friday, exclusive of holidays), but juniors doing so cannot play until after 12:00 noon. However, on weekdays and holidays juniors are considered regular players or full-fee paying players, and have the same rights and privileges as any other player. Juniors playing at reduced fees under those provisions cannot make a reservation. They must register on the Call Sheet on the day of play.~~

J. **Fivesome Play Policy:**

Fivesome golf play may be permitted at Costa Mesa Golf Course under the following conditions:

~~Fivesome play will be permitted only on weekdays.~~

Reservations may be made for a ~~either~~ foursome or fivesome ~~play~~.

A fifth player may be assigned to a reserved ~~fivesome~~ starting time only with the consent of all five players.

Reserved starting times may be supplemented from the ~~waiting list~~ call sheet if all players have not checked in ten minutes prior to their starting time.

Unreserved times may be filled at the discretion of the starter with up to five players from the ~~waiting list~~ call sheet.

~~Except for tournament play, rental of golf carts is strictly voluntary. If fivesomes are allowed at either of the two golf courses, it will be uniformly applied to all players and not be dependent upon cart rental.~~

K. Starting Time ~~Play~~ Reservation Policy:

Starting time reservation requests for daily play will be accepted by telephone at the golf course starter's office ~~up to~~ one week in advance of the playing date desired. ~~Requests may be made in person or by phone from 5:00 a.m. to sundown on Saturdays, Sundays and holidays, and from 6:00 a.m. to sundown on weekdays.~~ Reservations for weekend play will be accepted on the Monday prior to the weekend desired. Telephone requests may be made daily from 6:00 a.m. until sundown.

~~When golfers are lined up to make reservations, two requests will be taken from the line and one from the phone. This procedure will continue until the line is exhausted. Thereafter, reservations may be made in person or by phone on a first-come, first-served basis, until all reservations for the playing date are issued. A sign setting forth this reservation procedure will be conspicuously displayed in the starter's office.~~

Reservations will be made only for groups of two, three, four, and where applicable five players. Openings in a group will be filled from the Call Sheet on the day of play. Reservations will not be accepted for a single player.

Only one reserved time per person is allowed and that person must be a member of the group for which the reservation is made.

Reservations are not transferable prior to or on the day of play. If a reservation is canceled, the starter will offer the time to the next applicant, or if the time is open on the day of play, it will be filled with names from the Call Sheet in the order listed.

Permanent starting times will not be assigned at any time; however, Mesa Verde Partners may have two reserved times on Saturday, Sunday, and holidays.

If for any reason the golf course is closed the entire day, all golf play reservations for that day will be canceled. If the course is closed only temporarily, the reservations due at the time of actual opening will be honored first, with others following in the order listed. Players whose reservations are canceled must inform the Starter if they wish to be ~~listed~~ registered on the Call Sheet. The Starter will make every effort to get those players on the golf course as soon as possible.

Golfers who do not have ~~a reserved starting time~~ reservations or who are not eligible to reserve a time must register with the Starter on the daily ~~waiting list (Call Sheet) prior to play~~ call sheet.

Playing group vacancies, cancellations, and open or unreserved starting times will be filled only from the Call Sheet on a first-come, first-served basis with priority determined by the time of registration with the Starter.

Golfers are not permitted to buy, sell, or transfer starting times or Call Sheet positions. Only those golfers who are properly registered and who are called by the Starter will be allowed to start ~~to~~ play. Golf Starters shall not accept tips or gratuities.

The golf course Starter may switch or interchange starting times if in his/her judgment such change would prevent delays, eliminate confusion, correct a problem, or be of general benefit to the players involved and to those following.

The Starter will call players to the tee by name. After calling the group due on the tee, the following group will be given a five minute warning call by name. The next group will then be given a ten minute warning call by name. Starting time intervals will be no less than seven minutes.

L. Golf Club Policy:

Mesa Verde Partners will not sponsor or co-sponsor any particular golf club; however, ~~CITY~~ they may recognize and approve one club for men, two clubs for women and one club for seniors at Costa Mesa Golf Course. (Los Lagos and Mesa Verde)

Mens', womens' and seniors' golf clubs wishing to become the representative club(s) at Costa Mesa Golf Course must request recognition and approval from ~~CITY~~ Mesa Verde Partners. ~~We would recommend a~~Any request for approval must include the club constitution and by-laws, and a copy of the club membership application form.

If the constitution, by-laws and membership application forms submitted meet established requirements, ~~CITY~~ Mesa Verde Partners may designate the requesting club as a representative of the golf club with permission to use the Costa Mesa golf facility as its home golf course.

Individuals members of the approved mens', womens' and senior golf clubs will not receive any special privilege with regard to starting times.

At the beginning of each calendar year, ~~the City Manager or his designated representative~~ Mesa Verde Partners will schedule and

conduct a joint meeting with the incoming presidents of the mens', womens' and senior golf clubs. Subject for discussion at these meetings shall include golf course related activity~~y~~ies, plans for improvement and expansion, etc.

Only one tournament per calendar month will be permitted for any City authorized men's and senior clubs. The women's clubs (Mesa Linda and Los Lagos) may each hold one tournament per week (exclusive of weekends and holidays). Tournament fees do not apply to these tournaments.

The Men's Club and the Women's Club at Costa Mesa Golf Course may sponsor a special one-day tournament, or shotgun tournament under the following conditions:

The tournament may be held on any Monday available during the calendar year providing it does not interfere with any prescheduled tournament. The tournament is unlimited but requires multiple reserved starting times with a minimum of 128 players. The tournament fees will be required for these tournaments.

M. Tournament Play Policy:

It is the intention of Mesa Verde Partners to allow any golf club, company, golf association, or other ~~recognized~~ organization to request holding a golf tournament at Costa Mesa Golf Course ~~under the following conditions:~~. Every effort will be made to avoid heavy concentration of tournaments which might interfere with access to tee times by the general public. Tournaments may be held under the following conditions:

Only one tournament per weekend per calendar month at either course will be allowed for any one organization.

~~No tournaments shall be allowed on Sundays with the exception of the mens' club.~~

All tournaments must have a Tournament Agreement requiring multiple reserved starting times with a minimum of 24 players.

Green fees and charges are subject to change without prior written notice. Tournament fees will be based on fees and charges in effect on the date of the tournament. All fees and charges in effect on date of tournament must be prepaid with the exception of cart fees.

All tournament~~s~~ with ~~starting~~ multiple tee times will ~~be~~ begin after 11:00 a.m. on weekends and after ~~11:00~~ 10:00 a.m. standard time and 11:00 a.m. daylight savings time ~~regardless of day or date of tournament~~ on weekdays.

Refunds on tournament green fees will not be made except when the golf course is officially closed or carts are not allowed due to inclement weather or other adverse conditions. If the golf course is closed prior to a tournament, every effort will be made to reschedule the tournament. If the golf course is closed ~~prior to or~~ during a tournament ~~green~~ fees for those participants who have not commenced play will be refunded in accordance with Mesa Verde Partners' procedures.

All scheduled tournaments will be posted near the clubhouse and Starter's office for information by the general public at least two weeks in advance of the tournament dates. ~~By the first of each month, the General Manager will provide written notification to the clubhouse staff and the golf professional of all tournaments scheduled for that month.~~

~~Only one tournament per calendar month will be permitted for any CITY authorized mens' club; the womens' club has the option of holding a monthly weekend tournament under the same conditions as the mens' club, or continuing to hold a weekly tournament on Ladies' Day, which must be exclusive of weekends and holidays. Tournament fees do not apply to the authorized mens' and womens' clubs.~~

~~The Men's Club and Women's Club at Costa Mesa Golf Course may sponsor a special one-day tournament, or shotgun tournament under the following conditions:~~

> ~~The tournament may be held on any weekday available during the calendar year provided it does not interfere with any prescheduled tournament.~~
>
> ~~The tournament is unlimited but requires multiple reserved starting times with a minimum of 144 players.~~
>
> ~~The tournament fees will be required for these tournaments.~~

Unless otherwise approved by the General Manager, written tournament requests must be mailed to the tournament director at Costa Mesa Golf Course. Requests must be postmarked no ~~earlier~~ later than September 1 each year for tournament dates in the following calendar year. Each request must list the desired tournament date and an acceptable alternate date. Tournament requests will be processed in the order received; however, priorities will be given to the Mens' and Women's Clubs.

If when processing a tournament request it is determined that the desired date ~~request~~ is available, the tournament director will complete the appropriate areas ~~on two copies~~ of the ~~T~~tournament ~~C~~contract ~~(see sample contract). Both copies of the Tournament Contract~~ The contract will be mailed to the requesting organization. ~~with a note advising the applicant to complete the applicant's confirmation and to return both copies of the Contract with a $50.00 non-refundable deposit within 15 days.~~ The applicant must complete his portion of the contract, sign and return the original and one copy with the required $100.00 deposit within 15 days ~~This $50.00~~ The non-refundable $100.00 deposit will be applied to the tournament's total ~~green~~ fees. The tournament request letter showing the date ~~Tournament~~ the ~~C~~contracts ~~are~~ is mailed to the applicant will be kept on file.

If required copies of the ~~T~~tournament ~~C~~contract are received within the 15 day response period, including the ~~$50.00~~ $100.00 non-refundable deposit, the tournament date and starting times requested will be held pending payment of the full amount of the fees due. ~~Green fees in effect on the date of the tournament will apply.~~

~~On~~ Upon receipt of the full ~~tournament~~ fees ~~and all other fees~~ within the time allocated, the tournament director will ~~immediately fill out and sign the Tournament Approval section of the Tournament Contract. One copy of the approved contract and receipt for the fees paid will be returned to the applicant and one copy will be placed on file~~return one copy of the agreement and receipt for fees paid. One copy will be placed on file. Organizations must obtain their own insurance.

All Exclusive Use tournaments must be approved in writing by ~~the City Manager~~ Mesa Verde Partners and are subject to the following requirements:

Carts are mandatory (minimum of 75).

~~Pay~~ A minimum amount must be paid to the restaurant and golf shop. These amounts are not applicable to cart costs.

~~Must~~ Tournaments are to be held Monday through Friday only (excluding holidays).

Proper insurance must be provided.

~~Mesa Linda Golf Course will be allotted four days a year, one per quarter, for scheduling Shotgun tournaments. On those dates, the courses may schedule multiple Shotguns.~~

~~These are the only dates on which multiple or Shotgun tournaments can be held. (These restrictions do not apply to the annual Men's and Women's Clubs Shotgun Tournament.) The proposed schedule of Shotgun dates must be approved by the General Manager and City Manager. The schedules will be reviewed to prevent excessive concentration of tournaments on the same dates, with the General Manager giving priority to those schedules submitted earliest.~~

Shotgun tournaments may be held on one course on non-holiday weekdays.

Shotgun Tournaments are also subject to the following requirements:

~~May only be held on non-holiday weekdays.~~

Use of golf carts by all golfers is mandatory.

~~Pay~~ A minimum amount must be paid to the restaurant and golf shop.

~~Provide~~ Proper Insurance must be provided.

~~Mesa Verde Partners will also consider requests from recognized organizations wishing to hold a Circle Ball Contest at a Costa Mesa Golf Course. A written request to the General Manager must be submitted.~~

~~The General Manager may grant permission to conduct a Circle Ball Contest to a recognized charitable organization provided that all funds raised will be used for charitable purposes or youth endeavors. Only one Circle Ball Contest per organization per year will be permitted.~~

~~Organizations sponsoring a Circle Ball Contest will assume all responsibility and liability relative to such contests. The organization must provide insurance in the amount of $1,000,000 for comprehensive general liability and property damage. Such insurance shall cover the group conducting the contest, the participants, and the CITY which shall be named as additional insured.~~

~~Mesa Verde Partners will review the schedule in order to prevent excessive concentration of tournaments, with the General Manager giving priority to those requests submitted earliest.~~

ADDENDUM NO. 2
TO AGREEMENT DATED AUGUST 3, 1992
BETWEEN THE CITY OF COSTA MESA
AND MESA VERDE PARTNERS

This ADDENDUM NO. 2, made and entered into this 29th day of August 1996, by and between the City of Costa Mesa ("CITY") and Mesa Verde Partners ("LESSEE"), hereby amends that certain Agreement dated August 3, 1992, between the CITY and LESSEE relating to management and operation of the Costa Mesa PublicGolf Course and Country Club (the "Agreement").

WHEREAS, pursuant to Section 32.04 of the Agreement, the Agreement may be modified by written agreement of the parties;

WHEREAS, at its meeting of July 15, 1996, the City Council reconsidered the provisions of the Agreement relating to Length of Lease, Payment of Rent and Capital Improvements Program;

WHEREAS, after a public hearing the City Council found that it was in the best interests of the public to amend the aforementioned provisions; and

WHEREAS, the City Council authorized the City Manager to enter into this Agreement for the purpose of affecting those changes.

NOW, THEREFORE, the parties agree as follows:

1. *Paragraph 2.01 is hereby amended as follows:*

The term of this Agreement shall be for a period of ***twenty-seven*** *(27) years commencing on the first day of September, 1992. The commencement of the term may be extended as provided in Section 1.04 due to any holdover by the current CITY concessionaire and Section 2.03 on application by LESSEE.*

2. *Paragraph 4.01.01 is hereby amended as follows:*

The percentages to be used in the determination of said monthly payments are: six percent (6%) of the monthly gross receipts from the sale, rental, repair and storage of golf equipment, clothing and supplies; eleven percent (11%) of the monthly gross receipts from the sale of food and non-alcoholic beverages; eleven percent (11%) of the monthly gross receipts from the sale of alcoholic beverages; eleven percent (11%) of the monthly gross receipts from vending machine sales and/or commissions, sale of tobacco products, and any other miscellaneous sales; eleven percent (11%) of the monthly gross receipts from the rental of banquet and meeting rooms, and all ancillary food and beverage

services and equipment related thereto, provided that CITY shall receive fifty percent (50%) of any payments to LESSEE under a subcontract for banquet and meeting room rental and services where LESSEE obtains a rental of the monthly gross receipts from the subcontractor in an amount greater than eleven percent (11%) of the monthly gross receipts herein; thirty percent (30%) of the monthly gross receipts from the driving range for the first $20,000 per month and thirty-five percent (35%) for any amount in excess of $20,000 per month; thirty percent (30%) of the monthly gross receipts from the rental of golf carts and golf mobiles for the first $40,000 per month and thirty-five percent (35%) in excess of $40,000 per month; thirty percent (30%) of the monthly gross receipts of all fees required to be collected including greens fees, tournament fees and/or fees for all other uses of the golf course for the first $150,000 per month and thirty-five percent(35%) for any amount in excess of $150,000 per month; six percent (6%) of the resale of golf balls retrieved from the golf course.

Beginning in the eighteenth year of the Agreement the following changes shall be effective for the remaining ten years of the Agreement: thirty-five percent (35%) of the monthly gross receipts from the driving range; thirty-five percent (35%) of the monthly gross receipts from the rental of golf carts and golf mobiles; thirty-five percent (35%) of the monthly gross receipts of all fees required to be collected including greens to modification as allowed for fees, tournament fees and/or fees for all other uses of the golf course; six percent (6%) of the resale of golf balls retrieved from the golf course. These rates will be subject to Section 4.03 of the Agreement.

Year 2010 - 18th Year

3. "EXHIBITS I, J and K" as attached are added to the Agreement and are hereto referred to as EXHIBITS. LESSEE agrees to amend the original Capital Improvement Program commitment and complete all projects identified in EXHIBITS . If the cost of completion for all projects identified exceeds the amount of $1,050,000. specified in EXHIBIT H, LESSEE will be solely responsible for providing for any cost overruns and completing the projects within the required timeline. LESSEE may not use moneys from the Capital Improvement Trust Fund for any projects listed in EXHIBITS.

4. Paragraph 6.02 is hereby amended as follows:

*LESSEE shall pay for the cost of all of the capital improvements in the Initial Capital Improvement Program and **EXHIBITS I, J and K** from LESSEE'S own funds. The Capital Improvement Trust Fund shall be used to pay for the capital improvements **not identified in EXHIBITS I, J and K and** commenced in the fifth operational year of this Agreement. **Beginning in the fifth year of this Agreement, the City and LESSEE shall meet on an annual basis to determine future capital improvements to be mutually agreed upon by both parties.***

5. These provisions of ADDENDUM NO. 2 shall become effective as of August 1, 1996.

6. All other provisions of the Agreement not specifically amended by this ADDENDUM NO. 2 shall remain in full force and effect.

IN WITNESS WHEREOF, LESSEE has executed this Addendum No. 2 to the Agreement and CITY, by order of its City Council, has caused this Addendum No. 2 to the Agreement to be executed on its behalf by the Mayor of the CITY and attested by the Deputy City Clerk of CITY on the day and year first written above.

MESA VERDE PARTNERS
"LESSEE"

By: _____
Title: _____

By: _____
Title: GENERAL MANAGER

CITY OF COSTA MESA

By: _____
Mayor

ATTEST:

_____
Deputy City Clerk
of the City of Costa Mesa

APPROVED AS TO FORM:

_____ 8-8-96
City Attorney

City Council Approved On:
July 15, 1996

EXHIBIT I

COSTA MESA COUNTRY CLUB

Mesa Verde Partners

June 10, 1996

Mr. Allan Roeder
City Manager
CITY OF COSTA MESA
77 Fair Drive
Costa Mesa, California 92626

Dear Allan:

This letter serves as a request for a ten-year lease extension on our management contract at the Costa Mesa Golf Courses. After discussions with Gene Krekorian of Economic Research Associates, it is our understanding that our original Capital Improvement proposal of $849,000 for a ten-year extension results in a net cost to the City of $128,000. To bring the cost/benefit to the City into balance, we will increase our commitment to the City an additional $201,000. MVP proposes to amend our original CIP commitment and complete the following Capital Improvements prior to the end of calendar year 1999:

		Estimate
1.	Ka Clubhouse Code Compliance	$200,000
2.	Parking lot resurface (including lighting, trenching and fencing).	$ 55,000
3.	Halfway house remodel	$ 30,000
4.	Tee rebuilding (Four tees @ $5,000)	$ 20,000
5.	Toro Network 8000 Irrigation System	$425,000
6.	Clubhouse and cart storage remodel	$175,000
7.	Cart path construction	$145,000
	TOTAL:	$1,050,000

It is a terrific opportunity for the City of Costa Mesa and Mesa Verde Partners to accelerate improvement to the facility and increase city revenue.

Sincerely,

Ron Lane

Ron Lane
Mesa Verde Partners

cc:Ann Gyben

1701 Golf Course Drive • Costa Mesa, CA 92626 • Tel (714) 540-7500 • Fax (714) 540-1274

EXHIBIT J

CAPITAL IMPROVEMENT S THROUGH DECEMBER 31, 1999	*ESTIMATED COST*	*COMPLETION DATE*
Code Compliance	*$200,000*	*August 1997*
Parking Lot Renovation	*$55,000*	*January 1997* ✓
Halfway House Remodel	*$30,000*	*December 1997* ✓
Toro Network Irrigation System	*$475,000 (In addition to $1,125,000 already committed to for a total of $1.6 million)*	*August 1997* ✓
Clubhouse and Cart Storage Remodel	*$175,000*	*December 1999*
Projects to be determined by City and MVP. May include bunkers and portions of tee rebuilding and cart path construction./	*$165,000*	*December 1999*

EXHIBIT K

COSTA MESA COUNTRY CLUB

Mesa Verde Partners

July 8, 1996

Ann Gyben
City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92628

Dear Ann:

Mesa Verde Partners proposes to complete the following capital improvements prior to the end of calendar year 1999:

1. Code Compliance:

The code compliance report identifies the many existing non-compliances at the clubhouse facility. Our proposed remodeled plan will retrofit the clubhouse for building code violations, as well as, meet the requirements of the Americans with Disabilities Act and Title 24 access compliance including the California Title - 24 accessibility requirements.

Estimated cost: $200,000.
Estimated completion: December 1997

2. Parking Lot Renovation:

Due to normal wear and tear the parking lot has deteriorated and needs to be resurfaced and restriped. This project will also include fencing, lighting, signage, and irrigation improvements to correct all noncomplying conditions in the parking lot area.

Estimated cost: $55,000.
Estimated completion: December 1996

3. Halfway House remodeled:

After further analyzing the structural damage and noncompliance of this building, we propose to redesign the halfway house to restore the restroom facilities and improve the food and beverage concessions.

Estimated cost: $30,000.
Estimated completion: December 1998

4. Irrigation System

The Toro Network 8000 computer controlled, irrigation system has been selected to be installed on the golf courses. It would have the ability to utilize an on site weather station to calculate water replacement from evapotranspiration. It would have the ability to be operated in the field by both field satellite and radio communication to activate stations in the field and/or to communicate with the central controller. The system would feature individual valve-in-head control in order to provide control of water application to each sixty-five foot surrounding area around every sprinkler head. We feel this system offers the best control of irrigation water application and water conservation. The system has been recommended by our golf course superintendent (Mel Summer) and irrigation architect firm (Bryant & Gordon Golf Services) and has been approved by the U.S.G.A. Green Section Agronomist (Mike Huck) as well.

Estimated cost	$475,000.
Estimated completion	December 1997

5. Clubhouse and Cart Storage remodel

The first floor clubhouse and cart storage area will be redesigned to the highest standards of the golfer and the public to enhance the enjoyment by both. The remodeled clubhouse will enclose 12,000 square feet of reconfigured and new space to meet or exceed the stipulated criteria set forth in the Code Compliance report. Detailed improvements include relocating the cocktail lounge and cart storage area, remodel of existing food service, a new kitchen and restrooms, as well as enhanced circulation patterns.

Estimated cost:	$175,000.
Estimated completion:	December 1999

6. Sand Bunkers:

Bunkers are an issue that are constantly being addressed by our maintenance staff. They are regularly edged and weeded and are raked on an almost daily basis. Sand is added yearly or on an as needed basis, as well. However, because of their poor construction they are in need of rebuilding. This fact has been addressed in the U.S.G.A. reports. We would propose to rebuild the bunkers on a priority basis rebuilding the worse ones first. This rebuilding would include recontouring the bunkers for aesthetic, playability and

maintenance considerations. It would also include adding drainage and subsoil stabilization, as well as installing new sand to meet U.S.G.A. recommendations.

Estimated cost: $165,000.
Estimated completion: December 1999

Best Regards,

Scott Henderson

ADDENDUM NO. 3 TO THE AGREEMENT BETWEEN CITY OF COSTA MESA AND MESA VERDE PARTNERS FOR A CONCESSION AT THE COSTA MESA GOLF AND COUNTRY CLUB, MESA LINDA AND LOS LAGOS GOLF COURSES

This Agreement made and entered in this 29 day of August 1996, by and between the CITY OF COSTA MESA, a body corporate and politic, hereinafter referred to as "CITY" and MESA VERDE PARTNERS, hereinafter referred to as "LESSEE."

WITNESSETH

WHEREAS, on September 24, 1992, the Agreement dated August 3, 1992, between the CITY and LESSEE for a concession at Costa Mesa Golf and Country Club, Mesa Linda and Los Lagos Golf Courses became effective.

WHEREAS, LESSEE has requested that this Addendum No. 3 to the Agreement be approved by CITY to clarify its rights to provide a surety bond on a year-to-year basis to comply with Paragraph 13.02 of the Agreement.

NOW, THEREFORE, in consideration of mutual promises, covenants and conditions set forth herein, the parties hereto and each of them agree as follows:

1. Paragraph 13.02 of the Agreement, dated August 3, 1992, between the parties is hereby amended to read as follows:

> Additionally, LESSEE shall furnish to CITY a faithful performance bond in the sum of not less than a sum equal to two (2) month's minimum rent as set forth in Exhibit D payable to the City of Costa Mesa and executed by a corporate surety authorized to conduct business as a surety in the State of California. Such bond shall be satisfactory to CITY in all respects and shall be conditioned upon the faithful performance by LESSEE of the terms and conditions of this Agreement and shall provide for continuing liability in the above amount. Provided, however, that the surety shall have the option to non-renew said performance bond on its anniversary date by giving CITY and LESSEE sixty (60) days prior notice of such non-renewal. The aggregate liability of said Surety on all claims whatsoever shall not exceed the penal sum of its bond.

2. Except as provided herein, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, LESSEE has executed this Addendum No. 3 to the Agreement and CITY, by order of its City Council, has caused this Addendum No. 3 to the Agreement to be executed on its behalf by the Mayor of the CITY and attested by the Deputy City Clerk of CITY on the day and year first written above.

MESA VERDE PARTNERS
LESSEE

By: _____
Title: _____

By: _____
Title: GENERAL PARTNER

CITY OF COSTA MESA

By: _____
Mayor

ATTEST:

_____
Deputy City Clerk
of the City of Costa Mesa

APPROVED AS TO FORM:

_____ 8-8-96
City Attorney

City Council Approved On:

July 15, 1996

GOLF COURSE DISK\ADDENDUM 3 TO AGR (6-4-96)

ADDENDUM NO. 4
TO AGREEMENT DATED AUGUST 3, 1992
BETWEEN THE CITY OF COSTA MESA
AND MESA VERDE PARTNERS

This ADDENDUM NO. 4, made and entered into this 29th day of Aug., 1996, by and between the City of Costa Mesa ("CITY") and Mesa Verde Partners ("LESSEE"), hereby amends that certain Agreement dated August 3, 1992, between the CITY and LESSEE relating to management and operation of the Costa Mesa Public Golf Course and Country Club (the "Agreement").

WHEREAS, pursuant to Section 32.04 of the Agreement, the Agreement may be modified by written agreement of the parties;

WHEREAS, at its meeting of July 15, 1996, the City Council reconsidered the provisions of the Agreement relating to School Team Play;

WHEREAS, after a public hearing the City Council found that it was in the best interests of the public to amend the aforementioned provisions;

NOW, THEREFORE, the parties agree as follows:

1. *Addendum No. 1, Attachment 2, Exhibit B (Golf Course Manual), Section I - 3, Paragraph 9 is hereby amended as follows:*

Each school may be permitted to play without charge for a period of 20 weeks, between February 1 and May 31, of each year, ***with the exception of the Orange Coast College Women's. Team which may be permitted to play without charge for a period of 20 weeks, between August 15 and December15.*** *Any team qualifying for the playoffs will receive an extension of times corresponding with their participation in the playoffs. Team members may play only one 18-hole round on the assigned day or days and at the assigned golf course. Each participating school is allowed four foursomes and two coaches for practice matches. In addition, opposing teams will be "comped" during matches.*

2. *These provisions of ADDENDUM NO. 4 shall become effective as of August 1, 1996.*

3. *All other provisions of the Agreement not specifically amended by this ADDENDUM NO. 4 shall remain in full force and effect.*

IN WITNESS WHEREOF, the parties have executed this ADDENDUM NO. 4 as of the day and year first above written.

CITY OF COSTA MESA
"CITY"

By: _____
Allan L. Roeder, City Manager

MESA VERDE PARTNERS
"LESSEE"

_____
General Partner

APPROVED AS TO FORM

By: Thomas Kathe 8-5-96
Tom Kathe, City Attorney

ADDENDUM NO. 5
TO AGREEMENT DATED AUGUST 3, 1992
BETWEEN THE CITY OF COSTA MESA
AND MESA VERDE PARTNERS

This ADDENDUM NO. 5, made and entered into this 3rd day of September 1997, by and between the City of Costa Mesa ("CITY") and Mesa Verde Partners ("LESSEE"), hereby amends that certain Agreement dated August 3, 1992, between the CITY and LESSEE, relating to management and operation of the Costa Mesa Public Golf Course and Country Club (the "Agreement").

WHEREAS, pursuant to Section 32.04 of the Agreement, the Agreement may be modified by written agreement of the parties;

WHEREAS, at its meeting of August 18, 1996, the City Council reconsidered the provisions of the Agreement relating to: hours of operation for the coffee shop and banquet sales office; rental payments for power driven and manually operated pull carts; payment of rent; and free and discounted employee meals;

WHEREAS, after a public hearing the City Council found that it was in the best interests of the public to amend the aforementioned provisions;

NOW, THEREFORE, the parties agree as follows:

1. Section 3.02C is hereby amended as follows:

   LESSEE shall open the coffee shop for business each and every day. LESSEE shall open for business the on-course refreshment building on Saturdays, Sundays, holidays and on such additional days of heavy play as the City Manager deems necessary to serve public demand. LESSEE shall submit for the City Manager's approval, a schedule setting forth hours of operation for both the coffee shop and on-course refreshment building. Any curtailment or decrease of this service is subject to the prior written approval of the City Manager. In addition, the cocktail lounge and the banquet/meeting rooms may, at the discretion of the LESSEE, be available for catered events at times when the golf course is not open and it is not necessary to give first priority service to golfers. The banquet rooms shall be available for banquets, meetings and other events. **LESSEE shall submit for City Manager's approval, a schedule setting forth hours of operation for the cocktail lounge, banquet rooms and the banquet sales office. Any curtailment or decrease of this service is subject to the prior written approval of the City Manager.**

2. Section 4.01.01, paragraph 1 is hereby amended as follows:

   The percentages to be used in the determination of said monthly payments are six percent (6%) of the monthly gross receipts from the sale, rental, repair and storage of golf equipment, clothing, **manually operated golf carts** and supplies;

eleven percent (11%) of the monthly gross receipts from the sale of food and non-alcoholic beverages; eleven percent (11%) of the monthly gross receipts from the sale of alcoholic beverages; eleven percent (11%) of the monthly gross receipts from vending machine sales and/or commissions, sale of tobacco products and any other miscellaneous sales; eleven percent (11%) of the monthly gross receipts from the rental of banquet and meeting rooms, and all ancillary food and beverage services and equipment related thereto, provided that City shall receive fifty percent (50%) of any payments to LESSEE under a subcontract for banquet and meeting room rental and services where LESSEE obtains a rental of the monthly gross receipts from the subcontractor in an amount greater than eleven percent (11%) of the monthly gross receipts herein; thirty percent (30%) of the monthly gross receipts from the driving range for the first $20,000 per month and thirty-five percent (35%) for any amount in excess of $20,000 per month; thirty percent (30%) of the monthly gross receipts from the rental of golfmobiles for the first $40,000 per month; thirty percent (30%) of the monthly gross receipts of all fees required to be collected including greens fees, tournament fees and/or fees for all other uses of the golf course for the first $150,000 per month and thirty-five percent (35%) for any amount in excess of $150,000 per month; six percent (6%) of the resale of golf balls retrieved from the golf course.

Beginning in the eighteenth year of the Agreement the following changes shall be effective for the remaining ten years of the Agreement: thirty-five (35%) of the monthly gross receipts from the driving range; thirty-five percent (35%) of the monthly gross receipts from the rental of golfmobiles; thirty-five percent (35%) of the monthly gross receipts of all fees required to be collected including greens fees, tournament fees and/or fees for all other uses of the golf course; six percent (6%) of the resale of golf balls retrieved from the golf course. These rates will be subject to Section 4.03 of the Agreement.

3. Section 4.07, Paragraph 1 is hereby amended as follows:

   Payment shall be made to CITY on or before the fifteenth (15) day of the calendar month following each month of the term provided for herein. **Payment of the rent may be made on the first business day following the fifteenth (15) of the month when the fifteenth (15) falls on a weekend or City holiday.**

4. Section 26.03.02, Paragraph 1 is hereby amended as follows:

   Except as specifically provided below or by written policy statement issued by the City Manager, gross receipts reported by LESSEE and its sublessees, assignees, licensees, concessionaires and permittees, must include the full usual charge for any services, goods, rentals or facilities provided by LESSEE or its sublessees, assignees, licensees, concessionaires or permittees. Gross receipts shall not include the following: **free and discounted meals at the discretion of the concessionaire**, direct taxes imposed on the consumer and collected therefrom by LESSEE such as , but not limited to, Federal, State, or

Municipal retail sales taxes, or related direct taxes, which are direct taxes paid periodically by LESSEE to a governmental agency accompanied by a tax return statement; receipts from fees or charges made for golfing instructions; receipts derived from the rental of **golfmobiles** which are leased by LESSEE specifically for tournament purposes but not to exceed the cost to LESSEE of leasing such **golfmobiles**; receipts from entry fees or charges made for special tournaments.

5. These provisions of ADDENDUM NO. 5 shall become effective as of September 1, 1997.

6. All other provisions of the Agreement not specifically amended by this ADDENDUM NO. 5 shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this ADDENDUM NO. 5 as of the day and year first above written.

CITY OF COSTA MESA
"CITY"

By: 9-3-98
Allan L. Roeder, City Manager

MESA VERDE PARTNERS
"LESSEE"

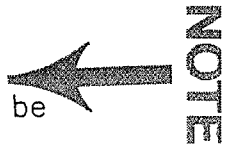
General Partner

APPROVED AS TO FORM

By: 8-12-97
Tom Kathe, City Attorney

ADDENDUM NO. 6
TO AGREEMENT DATED AUGUST 3, 1992
BETWEEN THE CITY OF COSTA MESA
AND MESA VERDE PARTNERS

This ADDENDUM NO. 6, made and entered into this 5th day of November, 1999, by and between the City of Costa Mesa ("CITY") and Mesa Verde Partners ("LESSEE"), hereby amends that certain Agreement dated August 3, 1992, between the CITY and LESSEE, relating to management and operation of the Costa Mesa Public Golf Course and Country Club (the "Agreement").



WHEREAS, pursuant to Section 32.04 of the Agreement, the Agreement may be modified by written agreement of the parties;

WHEREAS, the percentages to be used in the determination of the monthly payments were set forth in ADDENDUM NO. 2, adopted on August 1, 1996;

WHEREAS, the text of section 4.01.01 in ADDENDUM NO. 5, adopted in August of 1997 was transcribed incorrectly to omit the agreed-upon payment percentages for rentals of golf mobiles;

WHEREAS, the parties to the Agreement desire to correct the transcription error to conform with their original agreement.

NOW, THEREFORE, the parties agree as follows:

1. Section 4.01.01, paragraph 1 is hereby amended to read as follows:

The percentages to be used in the determination of said monthly payments are six percent (6%) of the monthly gross receipts from the sale, rental, repair and storage of golf equipment, clothing, manually operated golf carts and supplies; eleven percent (11%) of the monthly gross receipts from the sale of food and non-alcoholic beverages; eleven percent (11%) of the monthly gross receipts from the sale of alcoholic beverages; eleven percent (11%) of the monthly gross receipts from vending machine sales and/or commissions, sale of tobacco products and any other miscellaneous sales; eleven percent (11%) of the monthly gross receipts from the rental of banquet and meeting rooms, and all ancillary food and beverage services and equipment related thereto, provided that City shall receive fifty percent (50%) of any payments to LESSEE under a subcontract for banquet and meeting room rental and services where LESSEE obtains a rental of the monthly gross receipts from the subcontractor in an amount greater than eleven percent (11%) of the monthly gross receipts herein; thirty percent (30%) of the monthly gross receipts from the driving range for the first

$20,000 per month and thirty-five percent (35%) for any amount in excess of $20,000 per month; thirty percent (30%) of the monthly gross receipts from the rental of golfmobiles for the first $40,000 per month **and thirty-five percent (35%) for any amount in excess of $40,000 per month**; thirty percent (30%) of the monthly gross receipts of all fees required to be collected including greens fees, tournament fees and/or fees for all other uses of the golf course for the $150,000 per month and thirty-five percent (35%) for any amount in excess of $150,000 per month; and six percent (6%) of the resale of golf balls retrieved from the golf course.

Beginning in the eighteenth year of the Agreement the following changes shall be effective for the remaining ten years of the Agreement: thirty-five (35%) of the monthly gross receipts from the driving range; thirty-five percent (35%) of the monthly gross receipts from the rental of golfmobiles; thirty-five percent (35%) of the monthly gross receipts of all fees required to be collected, including greens fees, tournament fees and/or fees for all other uses of the golf course; and six percent (6%) of the resale of golf balls retrieved from the golf course. These rates will be subject to Section 4.03 of the Agreement.

2. These provisions of ADDENDUM NO. 6 shall become effective as of the effective date of ADDENDUM NO. 5 of this Agreement.

3. All other provisions of the Agreement not specifically amended by this ADDENDUM NO. 6 shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this ADDENDUM NO. 6 as of the day and year first above written.

CITY OF COSTA MESA
"CITY"

By: _____
Allan L. Roeder, City Manager

Date: 11/5/99

MESA VERDE PARTNERS
"LESSEE"

By: _____
General Partner

Date: 11/5/99

APPROVED AS TO FORM

By: _____
for Jerry A. Scheer, City Attorney