

TWELFTH AMENDMENT TO LEASE AGREEMENT

VAN BUREN GOLF CENTER, LLC

(Executive Golf Course/Golf Driving Range)  
(Riverside Municipal Airport)

THIS TWELFTH AMENDMENT TO LEASE AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2022, by and between the CITY OF RIVERSIDE, a California charter city and municipal corporation ("City"), and VAN BUREN GOLF CENTER, LLC a California limited liability company, also known as VAN BUREN GOLF CENTER, a California limited liability company ("Lessee"), with reference to the following facts:

A. The City and WABI Limited, a California corporation ("WABI"), entered into a Lease Agreement dated February 16, 1988, (the "Lease Agreement"), wherein the City leased to WABI certain real property for use as a Golf Driving Range and other activities directly associated therewith. The term of the Lease Agreement was for a period of twenty (20) years commencing January 1, 1988, and terminating December 31, 2008, with an option to renew for an additional period of five (5) years through December 31, 2013.

B. The City and WABI entered into an Amendment to the Lease Agreement dated August 9, 1988 (the "First Amendment"), revising Paragraphs 1- (PREMISES), 6 - (RENTAL), 9 - (REQUIRED IMPROVEMENTS BY LESSEE), and adding Paragraph 45 - (ADDITIONAL PROPERTY).

C. The City, WABI, and Lessee then entered into an Assignment of Lease and Assumption Agreement and Consent to Assignment, effective October 1, 1995, transferring the interest of WABI in the Lease Agreement, as amended by the First Amendment, to Lessee.

D. The City and Lessee then entered in a Second Amendment to the Lease Agreement dated July 23, 1996, which revised a number of lease terms including, but not limited to 1- (PREMISES), 3 - (PURPOSE), 4 - (TERM), 6 - (RENTAL), 7 (GROSS REVENUE RECORDS), and Paragraph 45 - (ADDITIONAL PROPERTY) wherein Lessee leased from the City approximately forty-nine (49) acres of real property which are part of the Riverside Municipal Airport, in the City of Riverside, California. The improvements located on said property were leased in their "as is" condition. Lessee constructed and continues to operate on said property a Golf Course, Golf Driving Range and other associated activities. By the Second Amendment, the term of the Lease was revised to commence July 10, 1996, and terminate July 9, 2016.

E. The City and Lessee then entered into a Third Amendment of the Lease Agreement dated September 19, 2000, which revised Paragraph 4 - (TERM) and 6 - (RENTAL). By the Third Amendment, the term was extended to July 9, 2036.

F. The City and Lessee then entered into a Fourth Amendment of the Lease Agreement dated October 19, 2006, which revised Paragraph 1 – (PREMISES) and 6 – (RENTAL) in order to add additional property to the Lease Agreement and to increase the base rental.

G. The City and Lessee then entered into a Fifth Amendment dated August 20, 2008, (Fifth Amendment) which revised paragraph 6 - (RENTAL) in order to adjust the rental structure.

H. The City and Lessee then entered into a Sixth Amendment dated February 17, 2010 in order to modify the rental payment for the period commencing June 1, 2009, through May 31, 2011 and to remove certain property from the Lease, which property is no longer viable for Golf Course usage.

I. The City and Lessee then entered into a Seventh Amendment dated September 10, 2012, wherein paragraph 6 - (RENTAL) of the Lease was amended to amend the Lease rates for the Executive Golf Course, the Golf Driving Range, and the Pro Shop and Food and Beverage.

J. The City and Lessee then entered into an Eighth Amendment dated March 17, 2015, wherein paragraph 6 entitled "Rental" of the Lease was amended to amend the Lease rates for the Executive Golf Course, the Golf Driving Range, and the Pro Shop and Food and Beverage.

K. The City and Lessee then entered into a Ninth Amendment dated June 28, 2016, wherein paragraph 6 entitled "Rental" of the Lease was amended to amend the Lease rates for the Executive Golf Course, the Golf Driving Range, and the Pro Shop and Food and Beverage.

L. The City and Lessee then entered into a Tenth Amendment dated May 22, 2018, wherein paragraph 6 entitled "Rental" of the Lease was amended to amend the Lease rates for the Executive Golf Course, the Golf Driving Range, and the Pro Shop and Food and Beverage.

M. The City and Lessee then entered into an Eleventh Amendment dated July 18, 2019, wherein paragraph 6 entitled "Rental" of the Lease was amended to amend the Lease rates for the Executive Golf Course, the Golf Driving Range, and the Pro Shop and Food and Beverage.

O. City and Lessee now desire to amend the lease to increase the monthly rental amount.

NOW, THEREFORE, it is mutually agreed by and between the parties that the Lease Agreement dated February 16, 1988, as previously amended, is amended as follows:

1. Paragraph 6, entitled "RENTAL," is amended as follows:

During the period commencing June 1, 2022 and ending May 31, 2027, the Lessee shall pay to the City a flat rate rental for the Executive Golf Course, the Golf Driving Range, and Pro Shop and Food and Beverage Sales (hereinafter collectively referred to as the "Golf Course") as follows:

|                                   |                     |
|-----------------------------------|---------------------|
| June 1, 2022 through May 31, 2023 | \$1575.00 per month |
| June 1, 2023 through May 31, 2024 | \$1775.00 per month |
| June 1, 2024 through May 31, 2025 | \$1975.00 per month |
| June 1, 2025 through May 31, 2026 | \$2175.00 per month |
| June 1, 2026 through May 31, 2027 | \$2375.00 per month |

Prior to May 31, 2027, City and Lessee shall renegotiate the monthly payments to City. City and Lessee shall from time to time meet as necessary and negotiate in good faith the monthly rental for the Golf Course, provided, however, if agreement as to such rental payment is not reached by the parties at least sixty (60) days prior to May 31, 2027, the monthly rental amount shall be as reasonably determined by City and written notice thereof given by City to Lessee.

Commencing in June of 2022, for the period of June 1 through May 31, and annually thereafter Lessee shall prepare a statement reflecting the year-to-date profits and/or losses for the prior twelve (12) month period and provide statement to the Airport Manager. Lessee shall provide a profit sharing arrangement with the City whereby any profits realized up to the first \$50,000, shall be divided 75% to Lessee and 25% to City. All profits beyond \$50,000 shall be retained by Lessee. Profit sharing payments shall be based on revenue generated before depreciation is calculated. In the event that the annual statement reflects a loss, the Lessee shall absorb such loss with no reimbursement from the City.

2. All other terms of the Lease Agreement between the City and Lessee dated February 16, 1988, and all subsequent Amendments thereto, which are not inconsistent herewith, shall remain in full force and effect.

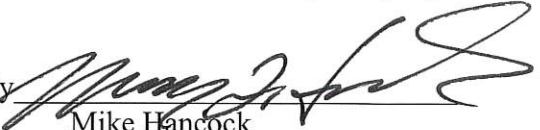
(Signatures on following page)

IN WITNESS WHEREOF the parties hereto have caused this Twelfth Amendment to Lease Agreement to be executed the date and year first written above.

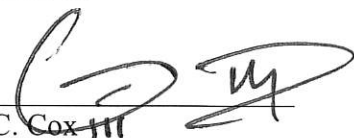
CITY OF RIVERSIDE, a California  
charter city and municipal corporation

VAN BUREN GOLF CENTER, LLC,  
a California limited liability company

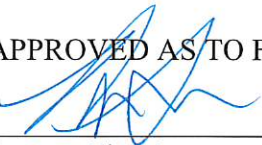
By \_\_\_\_\_  
City Manager

By   
Mike Hancock

Attest \_\_\_\_\_  
City Clerk

By   
Henry C. Cox III

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Deputy City Attorney