

RESOLUTION NO. 25-98

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, AMENDING THE EXISTING CONTRACT WITH AMERICAN GOLF CORPORATION FOR IMPROVEMENTS TO THE COURSE AND FACILITIES AS OUTLINED IN THE ATTACHED EXHIBIT "A"; AND DECLARING AN EFFECTIVE DATE THEREOF.

WHEREAS, on September 11, 1986 the City of Mesquite entered into an agreement with American Golf Corporation, Inc., for the management and operation of the Mesquite Municipal Golf Course; and

WHEREAS, it is in the interest of both the City of Mesquite and American Golf Corporation, Inc., to make improvements to the course and facilities as to improve its attraction to area residents and visitors to the City of Mesquite; and

WHEREAS, the improvements include expanding the irrigation system to provide for full course irrigation, construction of a pavilion suitable for hosting of tournament activities, expansion of selected greens and tee boxes, installation of bunkers and sand traps, improvements to the practice green and driving range, and renovation of the Proshop, the club house and maintenance facilities; and

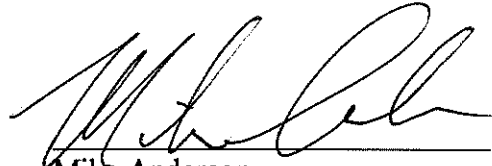
WHEREAS, following a series of negotiations, both parties have agreed on a plan to improve the course and fund the cost of improvements;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS:

SECTION 1. The City of Mesquite and American Golf Corporation, Inc., agree to amend the existing contract to include the necessary changes as outlined in the attached Exhibit "A". Formal approval of the contract amendments shall follow a "due diligence" period of up to ninety (90) days to allow American Golf Corporation, Inc., the opportunity to evaluate the feasibility of the improvement plan and secure the necessary conditions for implementation of their marketing plan.

SECTION 2. That this resolution shall take effect immediately upon passage as the law in such cases provides.

DULY RESOLVED by the City Council of the City of Mesquite, Texas, on the 3rd day of August, 1998.



Mike Anderson
Mayor

ATTEST:

APPROVED:



Ellen Williams
City Secretary



B.J. Smith
City Attorney

DRAFT
CONTRACT AMENDMENT

This Contract Amendment (Agreement) made by and between the CITY OF MESQUITE, TEXAS, a municipal corporation of Dallas County herein referred to as Lessor and /or City, and American Golf Corporation, Inc. referred to as Lessee, amends a Lease Agreement (Lease) approved by the City and Golf Enterprises on September 11, 1986. Any provisions or sections of the Lease which are not directly amended by this Agreement remain in full force and effect.

I. CAPITAL IMPROVEMENTS

- A) Lessee shall install or extend automatic, underground irrigation throughout the entire course area. The irrigation system shall be designed and maintained in adequate condition to grow and maintain turf grass on all areas of the course.
- B) Lessee shall provide for the design and construction of the course improvements outlined in Attachment A or similar improvements as approved in writing by the City.
- C) Lessee shall provide improvements to golf course facilities and buildings as described in Attachment B or similar improvements as approved in writing by the City.
- D) Lessee shall construct a 40' x 60' open air pavilion suitable for hosting tournaments.
- E) All construction and improvements shall be managed by American Golf Corporation ("Lessee") with the approval of the City. Such approval shall not be unreasonably withheld.

II. FINANCING OF IMPROVEMENTS

- A) The City shall pay up to a maximum of \$1,500,000 as for the design and construction of the Capital Improvements described above. Funding for these improvements shall come from Series 1995 Taxable Certificates of Obligation issued for golf course construction.
- B) City will provide two water main taps at no charge to Lessee.
- C) Capital Improvements not performed under section II (a) or (b) shall be performed by Lessee at their own cost.

III. RENT

- A) For period beginning October 1, 1998 through September 30 2001 Lessee shall make monthly rent payments to the sum of one hundred thirty three thousand dollars (\$133,000) per year.
- B) For period beginning October 1, 2001 through September 30, 2008 2001 Lessee shall make monthly rent payments to the sum of one hundred fifty thousand dollars (\$150,000).
- C) Effective January 1, 2009 through the remainder of the Agreement Lessee will pay twelve percent (12%) on gross income except for proshop, food or beverage sales. Lessee will pay rent equal to five percent (5%) of gross income on all proshop, food and beverage sales. The minimum rent for any year after October 1, 2008 shall be the greater of \$150,000 or the average rent from the three preceding years.
- D) In addition to the annual rent Lessee will make Capital Improvement Rent payments on the following schedule.

<u>Payment Date</u>	<u>Payment Amount</u>
August 15, 1999	\$ 46,467.50
February 15, 2000	161,467.50
August 15, 2000	42,873.75
February 15, 2001	167,873.75
August 15, 2001	38,967.50
February 15, 2002	173,967.50
August 15, 2002	34,748.75
February 15, 2003	179,748.75
August 15, 2003	30,145.00
February 15, 2004	190,145.00
August 15, 2004	25,025.00
February 15, 2005	195,025.00
August 15, 2005	19,500.00
February 15, 2006	204,500.00
August 15, 2006	13,487.50
February 15, 2007	213,487.50
August 15, 2007	6,987.50
February 15, 2008	221,987.50

IV. WATER SUPPLY

- A) For the period beginning January 1, 1999 through December 31, 2001 The City shall supply Lessee with water free of charge.
- B) For the period beginning January 1, 2001 through December 31, 2004 the City shall supply Lessee with water at a the same cost as the City pays the North Texas Municipal Water District.
- C) For the period beginning January 1, 2001 through the remainder of the term of the Agreement, the City shall supply Lessee with water at a rate equal to ten percent (10%) over the rate City pays the North Texas Municipal Water.
- D) While it is the intent of the City to provide adequate water to the Golf Course at the times it is needed, provision of water is subject to availability and can not be guaranteed against situations outside of the control of the City of Mesquite. These situations include, but are not limited to: drought conditions; pumping, storage or distribution system failure; natural or man-made damage to distribution system; or the need to temporarily curtail water consumption in the case fire or other emergency situations.
- E) Lessee shall make every reasonable effort to avoid wasting water, including the timely repair of leaks within the system.

V. CONTRACT TERM

The term of this Agreement shall extend from the date of approval until December 31, 2022. lessee shall have two (2) five-year options to extend this lease beyond the primary period if Lessee is not otherwise in default and Lessee shall five City written notice twelve (12) months prior to the end of the term of its election to exercise either of the two (2) five-year options. During the two (2) five-year options periods, all terms and conditions set forth in this Agreement shall remain in full force and effect and Lessee shall pay rent in accordance with the provisions of this Agreement

VI. RATES

American Golf will request and the City will approve rates which are similar to those charged by the City of Irving's Twin Wells Course. Both parties in this agreement intend to implement a rate structure as identified in Attachment C.

- Hole 1. Laser shoot Tee box, fill shape and grade to level surface, enlarge to 8,000 square feet
Demo and replace wood retaining wall with Milsap stone
Add curbing to tee box area along cart path
New cart path 200'x6.50'
Add mounds to left side of fairway shape and grade
Add two green side bunkers 800sqft. Each
- Hole 2. Add new 4,000 square feet tee box
Add 36" Drainage pipe 800' to fairway
Add mounds to right side of fairway shape and grade
Add two fairway traps
- Hole 3. Add two green side bunkers
- Hole 4. Expand tee additional 4,000'
Remove concrete from creek
Add a mounded sand trap to fairway
Add fairway drainage pipe
- Hole 5. Regrout drain overflow
Add new mounds to back of green shape and grade
- Hole 6. Excavate and reshape tee box
Enlarge lake in front of green
- Hole 7. Add mounds to left side of fairway
- Hole 8. Construct new green
- Hole 9. New tee box 8,100'
Add a mounded trap to left side of fairway
Add green side bunker
- Hole 10. Remove old concrete from creek channel
Add two green side traps
- Hole 11. Add fairway mounds on left side
- Hole 13. Rebuild and enlarge green

Attachment A

- Hole 15. Rebuild green
- Hole 16. Expand tee boxes
- Hole 18. Remove old bridge
Add mounds behind tee box

COURSE THROUGH OUT

- * Laser shot all tee boxes, regrade shape and sod
- * Add curbing to all tee boxes and around greens
- * Tee box amenities on all tees

CLUBHOUSE AREA

- * Expand putting green in front on Clubhouse with cart path splitting putting green going to driving range
- * Expand driving range hitting area 50'x250'
- * Add netting on 18 fairway for driving range
- * Landscape parking lot islands

00054

4055 International Plaza, Suite 317
 Fort Worth, Texas 76109
 Tel 817 731.1155
 Fax 817 731 2312

NOVEMBER 12, 1997

MAKE NOTE OF ADDITIONS: 11/21/97

CRUZ GENERAL CONTRACTORS
 2005 FM 1960 BYPASS EAST, SUITE 100
 HUMBLE, TEXAS 77338
 ATTN: MR. ROBERT CRUZ

RE: MESQUITE GOLF CLUBEXTERIOR:

1. BRICK AROUND EXISTING COLUMNS AND TIE TOGETHER WITH 3'-0" HIGH BRICK LEDGE.
NEW WINDOWS TO BE ADDED.
2. CONCRETE CAP TO BE POURED BETWEEN EXISTING SLAB AND NEW BRICK EXTERIOR WALL.
3. NEW MANSARD ROOF TO BE APPLIED ON BOTH BUILDINGS TO VISUALLY TIE THE TWO TOGETHER.
4. PAINT EXTERIOR OF BOTH BUILDINGS TO VISUALLY TIE THE TWO BUILDINGS TOGETHER.
5. ENLARGE CART BARN. [NEED TO ACCOMMODATE ONE MORE ROW OF CARTS.]
6. ALL EXTERIOR DOORS TO HAVE PLANK PANEL DOOR ON LOWER HALF WITH ONE LIGHT WINDOW ABOVE W/FROST LOGO IN GLASS. NEW HARDWARE AND LOCK SYSTEM.
7. NEW BRICK FRONT SIGN W/ BRONZE LOGO AND LETTERING.
[TWO SIDES TO SURROUND EXISTING FLAG POLE.]
8. NEW HVAC SYSTEM. [15 TON]
9. ENCLOSE BREEZE WAY BETWEEN BUILDINGS.
10. OPEN AIR PAVILLION 40' X 60'.

INTERIOR:

1. BRICK EXISTING COLUMNS AND PAINT IN PROSHOP TO MATCH EXTERIOR.
2. REUSE AND PAINT EXISTING CEILING GRID IN BOTH BUILDINGS, BUT REPLACE CEILING TILE WITH 2X4 TILE WITH 2X2 LOOK.
3. PAINT EXIST. INTERIOR BRICK.
4. ALLOWANCE FOR 20' OF F&B MILLWORK
5. ALLOWANCE FOR 20' OF PROSHOP MILLWORK.
6. GRILL KITCHEN: TO BE HANDLED BY GERNSBACHER.
7. ALL CONCRETE BLOCK TO BE COVERED BY SHEETROCK.

8. RESTROOMS:1960'S BUILDING:

NEW COUNTER TOPS

SINKS: MEN'S [2] / WOMEN'S [3]

URINALS: [3]

TOILETS: MEN'S [3] WOMEN'S [4]

1973 BUILDING:

ADA NON-GENDER RESTROOM TO BE CONSTRUCTED FROM EXISTING M/W RESTROOM.

Attachment B

GERNSBACHER'S, INC.
1234 5th Street - Phoenix, Arizona 85001
(602) 252-1234

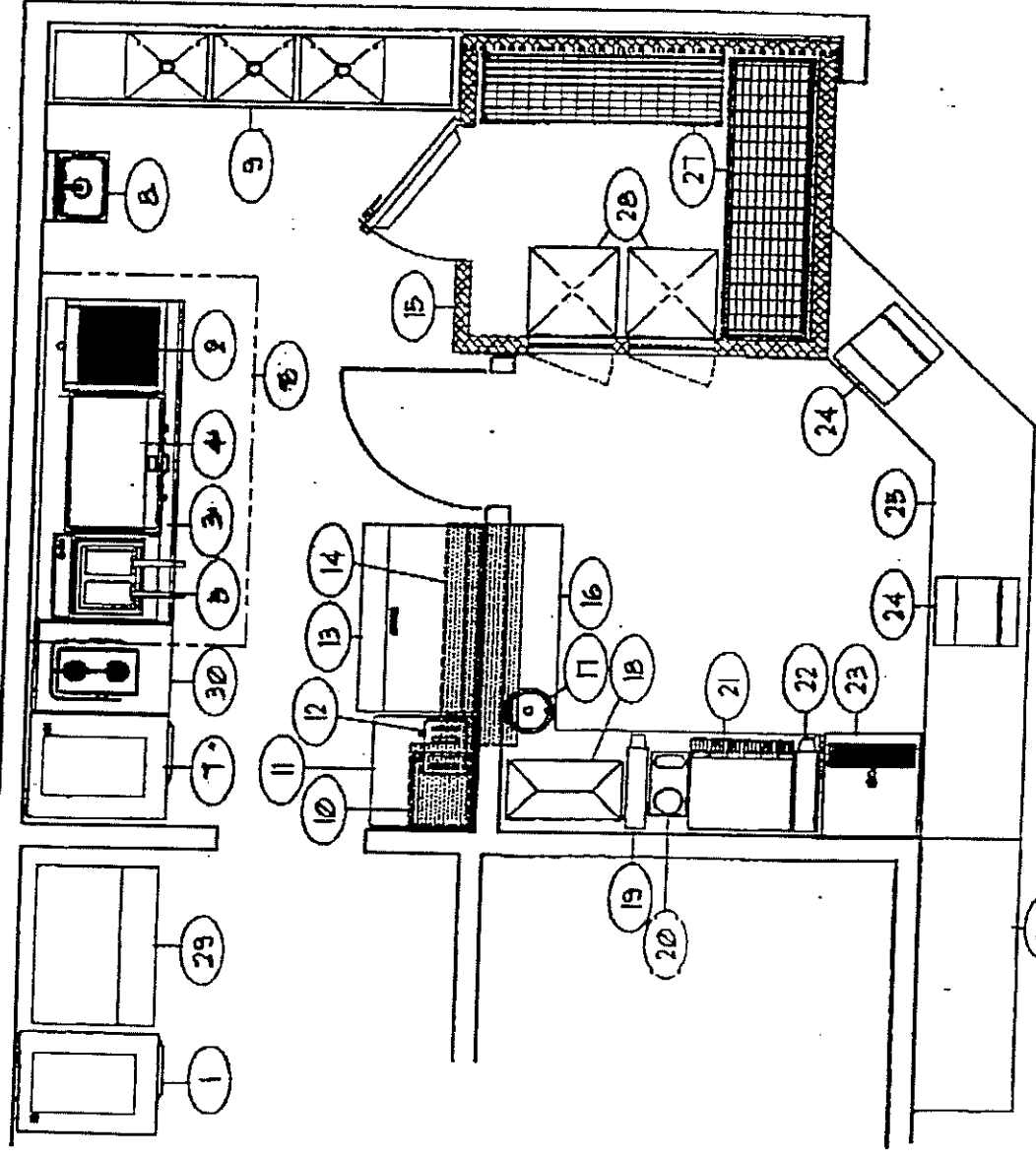
MSCOUTE GOLF CLUB

K1

EQUIPMENT LEGEND

- 1. FREEZER
- 2. BROILER
- 3. EQUIPMENT STAND
- 4. GRILL
- 5. FRYER
- 6. EXHAUST HOOD
- 7. REFRIGERATOR
- 8. HAND SINK
- 9. POT SINK
- 10. MICROVAVE
- 11. WORK TABLE
- 12. TOASTER
- 13. MAKE-TABLE
- 14. PASS SHELF
- 15. WALK-IN
- 16. COUNTER
- 17. WARMER
- 18. HOT DOGGER
- 19. CUP DISPENSER
- 20. COFFEE MAKER
- 21. SODA DISPENSER
- 22. CUP DISPENSER
- 23. KEG BOX
- 24. CASH REGISTER
- 25. COUNTER
- 26. EXISTING COUNTER
- 27. SHELVING
- 28. SPECIAL SHELVING
- 29. ICE MAKER
- 30. DUMP STATION

EXHIBIT "A"
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FOOD FACILITIES ARRANGEMENT PLAN
1/4" = 1'-0"

K1

Proposed Rate Structure

	<u>Current</u>	<u>Jul-98</u>	<u>May-99</u>	<u>May-00</u>	<u>May-01</u>	<u>May-02</u>	<u>May-03</u>
Monday-Thursday							
Walking	\$ 14.00	\$ 17.00	\$ 20.00	\$ 22.00	\$ 24.00	\$ 26.00	\$ 28.00
With Cart	22.00	24.00	27.00	30.00	33.00	36.00	39.00
Senior walking	6.00	8.00	11.00	13.00	14.00	15.00	16.00
Senior w/cart	15.00	18.00	20.00	22.00	23.00	24.00	25.00
Senior Card		240.00	320.00	440.00	520.00	560.00	580.00
Junior	6.00	8.00	10.00	12.00	13.00	14.00	15.00
Twilight walking	11.00	13.00	15.00	17.00	19.00	21.00	23.00
Twilight w/cart	15.00	18.00	20.00	22.00	24.00	26.00	28.00
Friday-Sunday/Holidays							
Walking	\$ 18.00	\$ 20.00	\$ 24.00	\$ 26.00	\$ 28.00	\$ 30.00	\$ 32.00
With Cart	26.00	30.00	36.00	39.00	42.00	45.00	48.00
Senior walking	3.00	8.00	11.00	13.00	14.00	15.00	16.00
Senior w/cart	15.00	18.00	20.00	22.00	24.00	26.00	28.00
Junior	6.00	8.00	10.00	12.00	13.00	14.00	15.00
Twilight walking	15.00	17.00	20.00	22.00	24.00	26.00	28.00
Twilight w/cart	18.50	21.00	27.00	30.00	33.00	36.00	39.00

* - Rate valid on Friday only.

Senior card available for Mesquite residents. Valid for 40 greent fees.
Jr. pass cards set at \$100.00 July 1998. Increase to \$125.00 in 1999 and \$15.00 per year thereafter.
Effective July 1999 Senior rates would be valid weekdays only.