CITY OF ROCHESTER HILLS /

GOLF CONCEPTS, INC.

GOLF COURSE LEASE AGREEMENT

_

6/25/86

CITY OF ROCHESTER HILLS/GOLF CONCEPTS, INC. GOLF COURSE LEASE

INDEX

| PAGE |
|--|
| Parties |
| Property, Described |
| ARTICLE I |
| Section 1.1 Fixed Term |
| Section 1.2 Title at Termination 2 |
| Section 1.3 Option to Extend Lease Term 2 |
| ARTICLE II |
| Section 2.1 Improvements the Sole Responsibility of Lessee |
| Section 2.2 Time of Construction |
| Section 2.3 Initial Mandatory Items 4 |
| Section 2.4 Additional Mandatory Items |
| Section 2.5 Optional Items |
| Section 2.6 Equal Rights of Access |
| Section 2.7 Equal Employment Opportunity |
| ARTICLE III |
| Section 3.1 Preliminary Plan 10 |
| Section 3.2 Final Plans and Specifications 11 |
| Section 3.3 Approval |
| ARTICLE IV |
| Section 4.1 Conformance to Plan & Specifications 12 |
| Section 4.2 Approved by City |
| Section 4.3 Disagreement Between Parties |
| Section 4.4 As Built Plans |
| Section 4.5 Trees |
| ARTICLE V |

Section 5.1 Annual Consideration .

| | _ | |
|---|-----|------------|
| | PAC | <u>G E</u> |
| Section 5.2 Payments Due Monthly | • | 15 |
| Section 5.3 Charges and Fees | • | 15 |
| Section 5.4 Accounting | • | 16 |
| Section 5.5 Taxes | • | 16 |
| Section 5.6 Utilities | • | 16 |
| Section 5.7 Alcoholic Liquor Sales | - | 17 |
| ARTICLE VI | | 17 17 |
| Section 6.1 Lessee's Obligations to Maintain | | 17 |
| Section 6.2 Maintenance Disagreement | | 17 |
| Section 6.3 Maintenance Requirement at End of Lease . | • | 18 |
| ARTICLE VII | | 18 |
| Section 7.1 Compliance with all Laws | | 18 |
| Section 7.2 Cooperation with City | • | 18 |
| ARTICLE VIII | • • | .18 18 |
| Section 8.1 Insurance Required | | 18 |
| Section 8.2 Notices of Change in Insurance | • • | 20 |
| Section 8.3 Review of Insurance | • | 20 |
| ARTICLE IX | • | 21 21 |
| Section 9.1 | | 21 |
| ARTICLE X | • | 21 21 |
| Section 10.1 | • | 21 |
| ARTICLE XI | • | 22 22 |
| Section 11.1 Improvements to Premises | • | 22 |
| Section 11.2 Personal Property and Equipment | • | 22 |
| Section 11.3 Default of Lessee | | 23 |
| ARTICLE XII | • • | 2 4 2 4 |
| Section 12.1 Termination | | 24 |
| Section 12.2 Disagreement Regarding Rent Payments | • | 24 |
| Section 12.3 Termination City Council Designation | | |

; :

.

| · | PAGE |
|--|---------------------------------|
| ARTICLE XIII | 25 |
| Section 13.1 Lessee to Indemnify and Hold City Harmles | ss. 25 |
| ARTICLE XIV | · · 26 |
| Section 14.1 | 26 |
| ARTICLE XV | . 26 |
| Section 15.1 | 26 |
| ARTICLE XVI | 2727 |
| Section 16.1 | · 27 |
| ARTICLE XVII | . 28 |
| Section 17.1 | 28 |
| ARTICLE XVIII | 28 |
| Section 18.1 Word References and Gender, etc | . 28 |
| Section 18.2 Congumers Power Lease | 28 |
| Section 18.3 Augual Compation | 29 |
| Section 18.4 Lease Contingent Upon Lessee's Financing | 29 |
| Section 18.5 Modifications Must be in Writing | 29 |
| Section 18.6 Notices | 29 |
| Signature Page | 30 |
| Exhibit A - Legal Description | |
| Exhibit B - 5-29-86 Letter | |

PHB/lis index/6-25-86

CITY OF ROCHESTER HILLS/GOLF CONCEPTS. INC. GOLF COURSE LEASE

THIS IS A LEASE, made and entered into this 27th day of JUNE , 1986, by and between the City of Rochester Hills, a body corporate under the laws of the State of Michigan, with offices at 1000 Rochester Hills Dr., Rochester Hills, Oakland County, Michigan 48063-4198, hereinafter referred to as the CITY, and Golf Concepts, Inc., a Michigan Corporation, whose address is 72 Perrydale, Rochester Hills, Michigan 48064, hereinafter referred to as the LESSEE.

WITNESSETH

The parties have negotiated this Lease in good faith in light of the City's request for proposals and the Lessee's response thereto, and with this Lease both parties intend to have a superior municipal golf course constructed and maintained that the citizens of Rochester Hills will be proud of and which will not require the expenditure of City funds.

For and in consideration of the rent to be paid by LESSEE and the construction of golf facilities and other improvements and surrender of the same in good condition to the CITY at the termination of the lease and other considerations given by the LESSEE herein, the CITY hereby leases to the LESSEE, and LESSEE takes and leases in an "as is" condition from the CITY that area of land containing 190 acres, more or less, as described in the attachment labeled "EXHIBIT A" made a part hereof. The leased area shall hereinafter be referred to as premises. THE LESSEE TO HAVE AND TO HOLD the premises, subject to the conditions, covenants and easements herein contained, for the term of years hereinafter specified.

The parties covenant and agree as follows:

ARTICLE I

Term of Lease

Section 1.1 Fixed Term:

The term of this Lease shall be thirty-two (32) years, commencing the <u>lst</u> day of <u>JULY</u>, 1986, and terminating at midnight on the 30thday of <u>JUNE</u>, 2018.

Section 1.2 Title at Termination:

Upon termination of this Lease, each of the improvements listed and described as Mandatory Items under Article II, Section 2.5, and each of the designed, constructed and installed improvements listed and described as Optional Items under Article II, Section 2.6, and all the equipment and furnishings related thereto shall be and become the property of the CITY and further upon the termination of this Lease, all buildings constructed by LESSEE con the premises under provisions hereof and all fixtures appurtenant to such buildings shall be and become the property of the CITY. However, on termination, the CITY shall cause LESSEE to be reimbursed for the then fair market value of all golf course equipment, maintenance and office equipment, and trade fixtures and furnishings prior to the CITY taking possession of the premises.

Section 1.3 Option to Extend Lease Term:

Subject to the terms of this Section, the CITY hereby grants to LESSEE one ten (10) year option to extend the initial Lease term. The one ten (10) year option hereby granted will begin at the conclusion of the initial term, subject to the same general terms and conditions contained herein and subject further to all of the following:

- A. LESSEE gives written notice to the CITY of its intent to exercise the option at any time after the first fifteen (15) years of the initial Lease term, but no later than thirty (30) years from the date hereof.
- B. The LESSEE shall not be in material default or material breach in the performance of any obligations under this . Lease.
- C. The parties must mutually agree on a rental rate to be paid during the option period; provided, however, the rental rate for the option period shall be no less than eleven (11%) percent of gross revenues and no greater than sixteen (16%) percent of gross revenues.

If all the above conditions are not met, the Lease shall terminate at the end of the current term.

ARTICLE II

Improvements.

Section 2.1 Improvements the Sole Responsibility of Lessee:

LESSEE shall cause to be designed, constructed, and installed upon and within the premises, at no cost to the CITY, appropriate improvements listed and described as Mandatory Items under Section 2.5 and approved Optional Items listed and described under Section 2.6. The preliminary plans prepared by LESSEE and approved by the CITY shall be the Master Plan for development of the premises and the working drawings prepared by LESSEE and approved by the CITY shall be the final plans and specifications for construction improvements.

Section 2.2 Time of Construction:

Construction of the Mandatory Items shall be started in accordance with the terms of this agreement not later than sixty (60) days after the approval of final plans and specifications

and shall proceed with due diligence until completed within twenty-four (24) months from the date of approval of final plans and specifications. Grow in period for the golf course shall be completed within twenty-four (24) months from the date of approval of final plans and specifications. All parking, access roads, and landscaping required to fulfill LESSEE'S Master Plan for development shall be constructed or installed during the initial construction increment, subject to modifications approved by the CITY in writing. Provisions, acceptable to the CITY, shall be made for preservation of the undeveloped portions of the premises.

<u>Section 2.3 Initial Mandatory Ttems</u>: In the initial construction of improvements, LESSEE covenants that it will construct the following:

- A. Regulation 18-hole colf course: A regulation 18-hole golf course will be constructed and will substantially conform to the master golf course plan designed by Arthur Hills & Associates, a qualified golf course architect and member of the American Society of Golf Course Architects.
 - B. Objective Requirements: LESSEE shall develop a design within the premises shown in "Exhibit A". The design shall incorporate a minimum of three tee positions per hole with the Championship tees totaling a minimum of 6,600 yards and the front tees between 5,000 and 5,400 yards; the par shall be 71/72; the greens shall each contain a minimum of 5,000 square feet, and an average of 6,000 square feet constructed in accordance with the standards established by the American Society of Golf Course Architects, and shall be seeded with certified penncross bent grass; fairways shall be seeded with bluegrass; tees shall be of adequate size, built of an

approved sandy mix, and planted with certified penncross bent; roughs shall be planted with a fescue blend.

- C. Subjective Requirements: It is the intent of the parties that the course will be designed and constructed so that it is enjoyable and playable for the average golfer, but also challenging for the advanced player. The natural growth will be protected and incorporated into the design where ever reasonably possible; the layout and construction shall conform with the best practices and standards in accordance with the American Society of Golf Course Architects.
- D. <u>Cart Paths</u>: In the construction of the golf course, provision shall be made for the operation of power golf carts. Cart routes will be asphalt/slag surfaced as necessary to protect heavily traveled areas and will divert carts from green and tee areas.
- E. Shelters: One weather shelter with lightning rod protection, drinking fountain, and toilet facility shall be provided on the golf course. Other weather shelters shall be strategically located on the golf course. Size of shelters shall be approved by CITY.
- F. Practice putting green: A practice putting green, with easy access from the clubhouse and first tee, shall be constructed on the premises. The design shall contain a minimum of 9,000 square feet, be of the same quality, and planted with the same grass as the greens on the course.
- G. Practice driving range: A practice tee and fairway with provision for a minimum of fifty (50) tee spaces shall be constructed on the premises. Target areas shall be provided and tee areas shall be maintained in

accordance with the standards established by the Golf Course Superintendents Association of America. If artificial surfaces are used for tee areas, provision must be made for a minimum of ten (10) grass teeing spaces.

- H. Pitching green: A pitching green with a practice sand bunker shall also be provided convenient to the clubhouse.
- I. Miniature golf course: A miniature golf course shall be built in vicinity of the practice range to enhance the family use of the practice facility.
- Clubhouse: A clubhouse building, with a minimum floor area of 3,000 square feet, which will include restrooms and facilities for a pro shop and for the sale of food and refreshment shall be constructed on the Premises. The pro shop shall be so located as to assure proper control of the entire golfing facility. The facility shall provide a minimum of a 60 seat grill and an 800 square foot patio for use for banquets and golf outings. This facility may be expanded, with the approval of the CITY, to include a larger restaurant area. All buildings constructed on the Premises shall conform to all laws, rules, regulations and ordinances applicable to safety and accessibility of the physically handicapped. It is the intent of the parties that the building design and exterior finish will be aesthetically acceptable to the CITY.
- K. Maintenance Building: A building for maintenance equipment and storage will also be provided. The size and location of the maintenance building shall be approved by CITY. It is the intent of the parties that all golf course equipment and materials shall be stored

inside the maintenance building. The maintenance building and surrounding area shall be screened and buffered with appropriate set back and landscaping from any adjacent residential area.

- L. Parking/Drives: An asphalt entrance drive from South Blvd. will be provided to the clubhouse area. Surfaced parking to accommodate a minimum of 250 cars will be provided in close proximity to the clubhouse, and 80 of those parking spaces will be asphalt surfaced. After three (3) years of operations, the CITY and LESSEE will review the parking situation, and discuss the propriety of adding more asphalted parking spaces. All surfaced areas will be kept in good condition and will be maintained regularly. All surfaced areas shall meet minimum CITY standards.
- Μ. Irrigation system: A single row, permanent, fully automatic watering system that will deliver between 700 and 900 gallons per minute to the tees, fairways, and greens shall be provided. The system will be designed. to function as an electric automatic system, with necessary elements of that type of design constructed initially. Irrigation shall also be provided to irrigate the practice greens, driving range, and the clubhouse area. LESSEE will construct any on site ponds, with support wells, necessary to provide the primary irrigation source. CITY will cooperate with LESSEE in obtaining any necessary permits for such wells.
- N. <u>Landscaping</u>: Tee areas will be landscaped with steps, wild flowers, trees, and shrubs where aesthetically appropriate.

- O. Winter Activities: To compliment the winter recreation use of the facility, the LESSEE shall include in the design of the golf course provisions for a cross country ski operation to include trails and equipment rental, and outdoor activities area. Food services shall be provided for the winter operations.
- P. Fencing: The LESSEE shall provide, at no cost to the CITY, fencing for the leased premises. The CITY shall provide a staked survey of the premises. The CITY and LESSEE agree to work cooperatively with fencing contractor to see that property lines are followed. The fencing will be placed at the outer boundaries of the leased premises, and shall enclose as much of the leased premises as is reasonably possible. Once constructed and in place, the fencing shall be and become the property of the CITY, and during the entire Lease term or any extension, shall be maintained and repaired by the LESSEE at no cost to the CITY.
- Q. Maintenance Equipment: The LESSEE shall acquire sufficient maintenance equipment to properly maintain the developed areas commencing with the initial grow in period and replace or keep in good condition all equipment throughout the duration of the Lease and any agreed upon option periods.

Section 2.4 Additional Mandatory Items:

In addition to the above requirements, the LESSEE shall provide at no cost to the CITY the following improvements within the time period stated, and if not provided as required, shall be a material breach by LESSEE:

A. At its sole expense, and no later than December 31, 1989, LESSEE shall cause acceleration, deceleration and passing lanes to be constructed along South Blvd., at the main entrance to the premises.

B. At its pleasure, and with notice to LESSEE, the CITY will construct a bike path on the leased premises along South Blvd., in accordance with its Master Bike Path Plan. If the bike path is so constructed at any time before December 31, 1992, payment for same shall be made in full by LESSEE to CITY no later than December 31, 1992. If the bike path is constructed thereafter, payment for same by LESSEE shall be due in full when completed.

Section 2.5 Optional Items:

In addition to the foregoing improvements which LESSEE covenants and agrees to construct and operate and maintain during the term hereof, LESSEE may over the course of the Lease construct and operate other facilities on the Premises that enhance the goal of providing recreational facilities for the If LESSEE elects to construct any such additional facilities during the term of this Lease, final plans, or subsequent plans prepared as final plans, for construction shall be submitted to and approved by the CITY prior to any construction. Any change in the need for certain facilities or requirements for a different type of installation and not specifically herein described may be considered and agreed upon by LESSEE and the CITY. The parties agree to meet annually in the month of February to explore these areas of change. addition to any optional items the LESSEE proposes, and to further enhance the above stated goal of providing addditional facilities for the public, the LESSEE and the CITY may designate and make reasonable provisions for undeveloped areas of the leased premises to be used for appropriate recreational activities and mutually agreeable projects such as nature study, occasional Eagle Scout projects and the like. Coordination and implementation of reasonable requests shall be through the

CITY'S Director of Parks and Forestry and LESSEE'S management representative and shall not conflict with the normal operations of the golf course.

Section 2.6 Equal Rights of Access:

The LESSEE agrees that the golf course and the other improvements provided for herein shall be equally available to all members of the public without discrimination. Any discrimination by the LESSEE in the dispensing of food and beverage as provided herein or in the use of any golf or recreation facility hereinabove described to members of the public on grounds of age, race, sex, color, religion, national origin or ancestry shall be deemed to be a material breach of this Lease.

Section 2.7 Equal Employment Opportunity:

The LESSEE agrees that it will not discriminate against any employee or applicant for employment, to be employed in the performance and respect to his hire, tenure, terms, additions or privilege of employment or any matter directly or indirectly related to employment because of age, except when based on a bona fide occupational qualification or because of sex, race, color, religion, national origin or ancestry. LESSEE understands that any such discrimination shall be deemed to be a material breach of this Lease.

ARTICLE III

Plans

Section 3.1 Preliminary Plan:

Preliminary plans provided by LESSEE to illustrate and develop the general features of the improvements to be constructed by LESSEE shall be provided and agreed upon by the CITY and LESSEE. Such preliminary plans shall indicate the location of each of the features proposed, both present and

future, and the general extent of each and the improvements to be placed on the leased premises shall conform to the preliminary plans unless change is agreed upon by the CITY and LESSEE.

Section 3.2 Final Plans and Specifications:

Final plans and specifications for constructing the facilities shall be prepared with reasonable diligence after the beginning of the term of this Lease. Final plans and specifications shall be prepared by an Architect, Engineer, or Landscape Architect registered in the State of Michigan. The final plans shall be in sufficient detail to permit construction in accordance with the approved general features and the specifications shall be in sufficient detail to provide for adequate control of materials and processes which conform with good practices and meet code requirements where applicable. If final plans covering the layout of the course are substantially the same as preliminary plans previously approved, the final plans will be approved. Approval of Final plans will not be unreasonably withheld by the CITY.

Section 3.3 Approval:

Wherever in this Lease provision is made for "Approval" or "Review and Approval", such "Approval" or "Review and Approval" shall be made after following normal CITY policies and procedures by the Mayor of the CITY who is hereby designated as the representative of the CITY to whom all submissions requiring prior approval shall be made before construction is started. All requests by LESSEE for approvals shall be acted on by the Mayor in a timely fashion and such approvals shall not be unreasonably withheld. Plans and specifications shall be stamped or noted as "Approved" and shall become a part of this contract as a record of the constructed facility. Duplicate copies shall be submitted for approval signature in order that the CITY and LESSEE may each have the record.

ARTICLE IV

Construction

Section 4.1 Conformance to Plan and Specifications:

All construction performed by LESSEE under this Lease shall conform to the provisions of the approved plans and specifications. The LESSEE shall, at its own expense, give all notices and comply with all lawful laws, orders, regulations, rules or ordinances of all municipal, County and State authorities affecting the premises and the development of facilities. It shall be the responsibility of the LESSEE to secure and pay for all permits, fees and licenses as required.

Section 4.2 Approved by City:

No construction shall be undertaken until agreement and approval, as previously outlined, is reached. Inspection of the -construction processes will be made by those public authorities bearing on the development and by the Mayor of the CITY or the representative of the Mayor.

Section 4.3 Disagreement Between Parties:

In case of disagreement with regard to compliance with approved plans, the CITY shall advise the LESSEE in writing of the deficiency claimed. If the claimed deficiency is not corrected by LESSEE within thirty (30) days, or within an appropriate period as may be otherwise agreed, the matter shall be submitted to a competent arbitrator agreed upon by the CITY and LESSEE. If the parties are unable to agree upon an arbitrator within fourteen (14) days of written demand for arbitration served by either party upon the other, the arbitrator shall be selected under the Commercial Arbitration Rules of the American Arbitration Association under application by either party. The said Commercial Arbitration Rules shall govern any arbitration proceeding. Upon a decision by arbitration requiring compliance by the LESSEE, the deficiency shall be remedied within a thirty (30) day period.

Section 4.4 As Built Plans:

LESSEE shall furnish to the CITY a complete set of "As Constructed" or "As Built" Plans upon the completion of construction, but ownership of plans and specifications shall remain in LESSEE until the termination of the Lease.

Section 4.5 Trees:

The CITY is in the process of type mapping the trees located on the premises and will supply a copy of same to the LESSEE. Thereafter, at LESSEE'S sole cost and expense, the LESSEE, in cooperation with the CITY'S Department of Parks and Forestry, will provide an inventory of all living trees over six (6) inches in diameter, at breast height, required to be removed or relocated during construction of the golf course and will provide same to the CITY before the removal or relocation of these trees. LESSEE shall bear all responsibility for removing and relocating any trees.

ARTICLE V

Consideration

Section 5.1 Annual Consideration:

As consideration for the use of the leased premises on which the golf course facilities will be constructed, operated and maintained during the term of this Lease, in addition to the surrender to the CITY of all fixed improvements and equipment as herein provided, LESSEE shall pay to the CITY a percentage of gross receipts including, but not limited to, green fees, cart rentals, driving range, winter use fees, pro shop sales, and food and refreshment sales. LESSEE agrees to pay yearly the following percentages or minimum payments, whichever is greater, to the CITY over the term of the lease:

| LEASE | CALENDAR | | MINIMUM |
|-------------|-------------|------------|----------|
| <u>YEAR</u> | <u>YEAR</u> | % OF GROSS | PAYMENT |
| 1 | 1986 | 1% | \$ 5,000 |
| 2 | 1987 | 1% | 5,000 |
| 3 | 1988 | 1% | 5,000 |
| 4 | 1989 | 1% | 5,000 |
| 5 | 1990 | 1% | 5,000 |
| 6 | 1991 | 2% | 15,000 |
| . 7 | 1992 | 2% | 15,000 |
| 8 | 1993 | 2% | 15,000 |
| 9 | 1994 | 3 % | 20,000 |
| 10 | 1995 | 3 % | 25,000 |
| 11 | 1996 | 3 % | 25,000 |
| 12 | 1997 | 5% | 45,000 |
| 13 | 1998 | 88 | 65,000 |
| 14 | 1999 | 88 | 75,000 |
| 15 | 2000 | 88 | 85,000 |
| 16 | 2001 | 88 | 90,000 |
| 17 | 2002 | 10% | 95,000 |
| 18 | 2003 | 10% | 100,000 |
| 19 | 2004 | 10% | 105,000 |
| 20 | 2005 | 10% | 110,000 |
| 21 | 2006 | 10% | 115,000 |
| 22 | 2007 | 10% | 120,000 |
| 23 | 2008 | 10% | 125,000 |
| 24 | 2009 | 10% | 130,000 |
| 25 | 2010 | 10% | 135,000 |
| 26 | 2011 | 10% | 140,000 |
| 27 | 2012 | 10% | 145,000 |
| 28 | 2013 | 10% | 150,000 |
| 29 | 2014 | 10% | 155,000 |
| 30 | 2015 | 10% | 160,000 |
| 31 | 2016 | 10% | 165,000 |
| 32 | 2017 | 10% | 170,000 |

The above minimum payments of \$5,000 for each of the years 1986 and 1987 shall be paid by LESSEE on or before December 31, 1986 and December 31, 1987 respectively. These payments will be used by the CITY to pay any and all costs it has incurred or will incur for its golf course consultant.

Section 5.2 Payments Due Monthly:

Percentage payments due the CITY shall be based on gross receipts exclusive of State of Michigan sales taxes and shall be paid monthly on or before the 15th day of the month, covering the receipts of the previous month, and shall be accompanied by a statement showing detailed receipts. The LESSEE'S gross revenues shall be evidenced by cash register and vending machine readings, and must reflect all transactions made by the LESSEE. All books and records of LESSEE SHALL be kept and maintained in accordance with generally accepted accounting principles.

Section 5.3 Charges and Fees:

Since it is the sole responsibility of the LESSEE to operate the golf course and all other activities on the premises profitably, the CITY and the LESSEE agree and understand that the LESSEE shall have full and complete right to set all prices, fees and charges, of any kind, to be made to the buying public. If at any time during the Lease term, or any extension thereof, the CITY becomes dissatisfied with prices and fees charged by the LESSEE, the LESSEE shall make all reasonable efforts to resolve the matter between themselves. The CITY agrees to provide LESSEE with written notice of its objection to prices and fees charged, and if the parties are unable to reach an accord within thirty (30) days of that notice, the matter shall be automatically referred to arbitration, and the provisions of Section 4.3 regarding arbitration shall govern.

The CITY and LESSEE intend that residents of Rochester Hills will receive preferred greens fee rates. The CITY and LESSEE will strive to develop a reasonable, workable system to implement such a rate structure.

The parties fully intend and believe that the completed golf course will be a superior municipal golf course. Therefore, the CITY understands that in setting rates, charges and fees, the

LESSEE will be guided by guest fees charged at private golf clubs in Oakland County, Michigan.

Section 5.4 Accounting:

The LESSEE shall keep the books of accounts and records of all operations and establish a system of bookkeeping and accounts in a manner satisfactory to the CITY and shall permit inspection of said books and records by the CITY as often as is deemed necessary in the opinion of the CITY. The LESSEE shall submit at the end of each year, or less frequently if required by the CITY, audited financial statements of operations under this Lease agreement, in a form prepared by a Certified Public Accountant approved by the CITY, itemizing payroll costs, operation, and other expenses.

Section 5.5 Taxes:

The premises under this Lease are owned by the CITY, have been removed from the tax rolls and are not subject to taxation. However, it is contemplated that LESSEE shall be subject to taxation upon all personal property owned by LESSEE and used on or in connection with the leased premises. LESSEE covenants to pay such taxes as may be lawfully assessed against such personal property. Any improvements to the premises made by the CITY shall not impose any additional personal property taxes on the LESSEE.

Section 5.6 Utilities:

LESSEE shall provide and pay all public and utility bills for electricity, gas, water, sewer, telephone, refuse removal and any and all other utilities consumed within the area covered by this Lease and to procure at its expense all meters and permits necessary for making connections and continuing the service in proper manner for a facility which services the general public.

Section 5.7 Alcoholic Liquor Sales:

The above percentages and/or amount shall not include the sale of any alcoholic beverages. The CITY hereby reserves a Class "C" liquor license for issuance to LESSEE, subject to LESSEE'S formal application to the CITY and the State of Michigan Liquor Control Commission. Provided LESSEE makes formal application by August 1, 1987, and provided further that proper application procedures are followed by LESSEE, the CITY will act favorably on LESSEE'S application for such a license when submitted. At termination of the Lease, LESSEE shall assign and/or transfer the liquor license and related permits to the CITY without any consideration, subject to the approval of the Michigan Liquor Control Commission.

ARTICLE VI

Possession and Maintenance

Section 6.1 Lessee's Obligations to Maintain:

LESSEE shall have sole possession of, and responsibility for proper maintenance of the leased premises, including all improvements constructed thereon. The CITY shall have the right to inspect the leased premises at all reasonable times upon prior notice to LESSEE. The degree of maintenance shall be in keeping with other public golf courses and support facilities in Oakland County, Michigan and shall meet the standards established by the Golf Course Superintendents Association of America.

Section 6.2 Maintenance Disagreement:

In case of disagreement with regard to the general standards of maintenance, the CITY shall advise the LESSEE in writing of the claimed deficiency. The CITY and LESSEE shall make a good faith effort to resolve the CITY'S objection to the maintenance standards of LESSEE within thirty (30) days. If the parties are

not able to agree on a resolution of the dispute within that time period, the matter shall be referred to arbitration, and the provisions of Section 4.3 of this agreement shall govern.

Section 6.3 Maintenance Requirement at End of Lease:

During the last five (5) years of the Lease, or any agreed upon option period(s), the LESSEE shall expend routine grounds, building and equipment maintenance dollars, other than capital asset expenditures, at substantially the same ratio to other operating expenses as in the immediately preceding five (5) years.

ARTICLE VII

Operation of Premises

Section 7.1 Compliance with all Laws:

In its operations on the leased premises, LESSEE shall observe all Federal, State and Municipal Laws applicable to the protection of health, safety and well being of the public. LESSEE shall at its expense meet the requirements of local and state health departments covering the handling and dispensing of food and beverages. Adequate toilet facilities in accordance with the plans and specifications shall be provided at locations on the golf course and at the clubhouse. Refuse and waste materials shall be handled as provided by local ordinances.

Section 7.2 Cooperation with City:

For purposes of promoting good will and publicity of the facility the CITY and LESSEE may agree from time to time to hold and promote tournaments and programs of community significance.

ARTICLE VIII

Incurance

Section 8.1 Insurance Required:

During the terms of this Lease, LESSEE shall procure and keep in force, or shall where appropriate, require LESSEE'S

Contractors and Subcontractors to procure and keep in force, the following insurance:

- A. Worker's Compensation Insurance State of Michigan Statutory Requirements including \$100,000.00 Employers Liability, protecting all employees of LESSEE and employees of its contractors or subcontractors during the period of construction. Thereafter LESSEE shall provide Worker's Compensation Insurance as required by the State of Michigan including \$100,000.00 Employers Liability to cover its employees used in operation and maintenance of the golf course and other facilities during the terms of this Lease.
- B. Comprehensive General Liability Insurance with combined single limit protection of no less than \$1,000,000.00 and an additional \$1,000,000.00 umbrella protection. Such insurance shall be made effective prior to the beginning of construction and shall cover construction, and, thereafter, operation and maintenance of the improvements on the leased premises.
- C. Comprehensive Automobile Liability Insurance with combined single limit protection of no less than \$1,000,000.00 and an additional \$1,000,000.00 umbrella protection.
- D. Fire and Extended Coverage Insurance Covering all buildings constructed by LESSEE during the term of this Lease in an amount equal to at least one hundred (100%) percent of the full replacement value of such buildings above foundations. LESSEE shall have the obligation to repair or rebuild any damaged structures located upon the premises to their previous condition. The entire amount collected for losses under any fire and extended coverage policies shall be held under joint control of the CITY, LESSEE and any leasehold mortgagee, and shall

be made available to repair, restore, or rebuild the damaged improvements. Any excess portion of the insurance fund remaining after the cost of repairs, rebuilding or restoration is paid, shall be paid to the LESSEE. In the event the insurance fund is insufficient to cover the cost of repairs, rebuilding or restoration, the excess cost shall be borne by LESSEE.

E. Insurance policies, if reasonably available, required under paragraphs B and D hereof shall be issued in the joint names of the CITY and LESSEE and shall be payable to the CITY, LESSEE and to any leasehold mortgagee, if any, as their respective interests may appear. Duplicate originals or certificates of all insurance policies required hereunder (paragraphs A, B, C and D) shall be delivered to the CITY and shall be delivered early enough to allow time for the checking and approval of same by the CITY. All insurance protection required hereunder shall be provided by an insurance company or companies licensed to do business in the State of Michigan.

Section 8.2 Notices of Change in Insurance:

LESSEE agrees that thirty (30) days' notice in writing shall be given the CITY in the event of cancellation, termination or material change in any Insurance Policy as evidenced by existing Certificates.

Section 8.3 Review of Insurance:

The parties agree to reassess insurance needs at least every three (3) years to determine whether or not the coverage needs to be changed. If the review indicates a change is needed, LESSEE shall provide and pay for the required protection.

ARTICLE IX

Performance and Payment Bond

Section 9.1:

Upon approval of the final plans and specifications for the initial construction, LESSEE shall cause its general contractor and/or its subcontractors to furnish to the CITY performance and payment bonds (to be either a deposit of cash or negotiable securities or a bond with a corporate surety licensed to do business in the State of Michigan) in the amount of the projected cost of the project including equipment and furnishing, conditioned that LESSEE'S general contractor and/or subcontractors complete the initial construction in accordance with the final approved plans and specifications and that LESSEE'S general contractor and subcontractors pay for all labor, materials, tools and equipment furnished for the work. The said bonds shall be payable to the CITY and LESSEE and shall be approved by the CITY and LESSEE as to form.

ARTICLE X

Assignment of Lease

Section 10.1:

Except as provided in Article XI below, this Lease shall not be assigned in whole or in part, unless and until the CITY authorizes such assignment by resolution. LESSEE shall have the right to sublease food, beverage and other incidental activities relating to the golf course, only upon written approval by the CITY with the LESSEE remaining liable for all performance required under this Lease. The CITY shall not unreasonbly withhold approval of such an assignment or sublease.

ARTICLE XI

Pledge of Lease

Section 11.1 Improvements to Premises:

It is understood that in borrowing funds LESSEE cannot place a mortgage on the land covered by this Lease or on the fixed improvements placed thereon, which improvements shall be and become the property of the CITY. However, it is contemplated that LESSEE may be required to borrow funds for the initial construction of improvements and that from time to time during the terms of this Lease it may be desirable or convenient for LESSEE to borrow additional funds for additional improvements, alterations, repairs or for other purposes. Accordingly, it is agreed that LESSEE shall at all times during the term of this Lease have the right to assign, mortgage or convey by deed of trust or any other security instrument this Lease and the leasehold rights of LESSEE created by this Lease provided that any such assignment, mortgage, deed of trust, or other security instrument will at all times be subject to, and will recognize, the right, title and interest of the CITY as owner of the land covered by this Lease and the fixed improvements placed thereon, and the right of the CITY to require the payment of all rentals due hereunder and the full and faithful performance of the covenants and conditions of this Lease by the LESSEE, the assignee or mortgagee of any leasehold interest having the right to cure any default by LESSEE in the terms of its mortgage.

Section 11.2 Personal Property and Equipment:

Subject to any such assignment, mortgage, deed of trust or other security instrument, the CITY shall have a lien upon all personal property not daily exposed to sale, owned by LESSEE and used on the premises to secure the payment of rentals as they respectfully come due hereunder, but the CITY agrees to

enter into a subordination of its landlord's lien on such property to the rights of the holder of any such assignment, mortgage, deed of trust or other security instrument.

Section 11.3 Default of Lessee:

In the event at any time during the term of this Lease LESSEE or anyone holding under LESSEE shall be in material default of any of the covenants or conditions of this Lease, then and in such event, before forfeiture is invoked by the the holder of the mortgage, deed of trust or other security instrument may make any and all payments and do and perform any and all acts and things which may be necessary or required to prevent a forfeiture of this Lease and the party making such payments or performing such acts or things shall thereby and thereupon be subrogated to all rights of the LESSEE under this Lease. The CITY agrees, that, if requested in writing by the holder of any mortgage, deed of trust, or other security instrument the CITY will send to the said holder at the address specified in such written request copies of all written notices or demands which the CITY may serve upon LESSEE or anyone holding under LESSEE under and pursuant to the terms of this Lease or otherwise.

It is understood, however, that the mortgagee, trustee, beneficiary of said deed of trust or other holder of security above mentioned shall be in no way liable to the CITY for the payment of rent or for the performance of any other covenant and condition under this Lease until such time as it shall acquire by conveyance from the LESSEE, or by foreclosure or other proceedings provided by law or by the terms of the mortgage, deed of trust or security instrument, all the right, title and interest of the LESSEE under this Lease, provided, however, that any party who shall acquire said right, title and interest of the LESSEE, as above provided, shall thereupon and thereby become liable for the full performance and all payments

theretofore and thereafter required to be made by LESSEE under the covenants and conditions of this Lease, as fully and completely and to the same extent as the LESSEE itself would have been if it still had retained its right, title and interest hereunder. Nothing in this Article XI shall prevent or delay the termination of this Lease under the provisions of Article XII provided the CITY has given all notices and opportunities of performance provided for herein and default has not been cured.

ARTICLE XII

Cancellation and Forfeiture

Section 12.1 Termination:

In the event the LESSEE shall be declared bankrupt according to law, or if any assignment shall be attempted to be made of this Lease for the benefit of creditors (other than as herein permitted) or if LESSEE shall abandon the leased premises or in the event rental finally determined to be due hereunder remains unpaid for thirty (30) days after notice of non-payment given to LESSEE or in the event of a material breach by LESSEE, then in any of said events the CITY may declare the lease to be terminated and may enter into and upon the land covered by this Lease or any part thereof and repossess the same (including capital improvements and installed fixtures) and expel the LESSEE and those claiming under it and remove its effects, forcibly, if necessary, without being deemed guilty of any manner of trespass and without prejudice to any remedies which might otherwise be used for possession or for arrears of rent.

Section 12.2 Disagreement Regarding Bent Payments:

In the event of a disagreement as between the CITY and LESSEE REGARDING THE AMOUNT OF RENTAL PAYMENTS owed by the LESSEE to the CITY, the amount to be paid shall be finally determined by a qualified and recognized firm of certified public accountants mutually agreed upon by the CITY and LESSEE

who has not been previously employed by either party within the immediately preceding two (2) years and who has not for either party audited the accounts or records in question. If the parties are unable to agree upon an accounting firm, it shall be selected by the Chief Probate Judge of Oakland County. If such determination indicates the CITY'S figures are correct, the cost of the audit shall be paid by the LESSEE. If such determination indicates LESSEE'S figures to be correct, the cost of the audit shall be paid by the CITY. If neither is correct, the cost shall be borne equally, except LESSEE shall pay the cost of audit if the figures, accounts and/or records furnished to the CITY by LESSEE are incorrect.

Section 12.3 Termination City Council Decision:

The termination and cancellation of this Lease shall only be made by resolution of the Rochester Hills City Council for failure of LESSEE to comply with the terms and provisions of the Lease after thirty (30) days written notice to LESSEE.

ARTICLE XIII

Indemnification

Section 13.1 Lessee to Indemnify and Hold City Harmless:

Except as provided below in this paragraph, LESSEE shall protect, indemnify and save the CITY and its employees harmless from and against any and all claims, demands and causes of action of any kind whatsoever for injury to or death of persons, or loss or damage to property, occurring on the leased premises, and in manner growing out of, and connected with the LESSEE'S use and occupation of the leased premises, and the condition of the leased premises during the term of this Lease. If, however, the CITY is found liable by a Court of law, and insurance is not then in force providing coverage to the CITY for a judgment

suffered by the CITY, the terms of this indemnification shall govern, and LESSEE shall honor its obligation, and rent payments otherwise due the CITY under this Lease shall fully abate until LESSEE has thereby recouped all monies expended under this indemnification. This indemnification of the CITY and its employees shall not include any indemnification to them for the torts or negligence of CITY employees or CITY retained contractors on the leased premises while on CITY business.

ARTICLE XIV

Waiver of Default

Section 14.1:

Any waiver by the CITY of any default or breach of this Lease shall not be construed to be a continuing waiver of such default or breach nor as a waiver or permission, express or implied, of any other or subsequent default or breach.

ARTICLE XV

Force Majeure

Section 15.1:

If by reason of strike, lockout, war, rebellion, material or labor shortage due to a national emergency, fire, flood, hurricane or other casualty, periods of excessive rain, or by any other matter not within its control, the CITY or LESSEE is in good faith and without fault or neglect on its part prevented or delayed in the construction of any improvements or in the performance of any covenant and condition which under the terms of this Lease if is required to do within a specified period of time, the period of time within which such performance was to have been completed shall be extended by a period of time equal to that of such delay or prevention, and the CITY or LESSEE, as the case may be, shall not be deemed to be in default if it

performs and completes such work or covenant or condition in the manner required by the terms of this Lease within the specified period of time as so extended.

ARTICLE XVI

Drainage

Section 16.1:

It is contemplated that the existing drainage within the leased premises will be retained as the drainage way for upstream properties and the premises. Any construction, relocation or expansion of existing drainage required for the golf course operation shall be by LESSEE at LESSEE'S expense and subject to the prior approval of the CITY. The CITY reserves the right to construct, operate and maintain drain courses and drain improvements on the premises as determined by Hubbell, Roth & Clark, Inc., Consulting Engineers. Reference is made to Hubbell, Roth & Clark, Inc.'s letter to Mayor Ireland dated May 29, 1986 which is attached hereto, marked Exhibit B and incorporated herein by reference. The cost of constructing any such drainage courses or improvements shall be borne solely by the CITY. The location and operation of same shall not interfere with LESSEE'S reasonable enjoyment and use of the leased premises. The CITY shall consult with LESSEE before finally deciding the location of proposed drainage courses and improvements. The CITY shall take all reasonable steps to avoid disturbing or disrupting the golf course operations during any construction or maintenance periods hereunder. All areas disturbed by the CITY shall be restored to its previous condition by the CITY, at the CITY'S expense.

ARTICLE XVII

. Easements

Section 17.1:

This Lease is made subject to: All easements across the leased premises that are on record in the Office of the Registrar of Deeds, Oakland County, Michigan; all natural drainage courses, and the above drainage easement.

ARTICLE XVIII

General Clauses

Section 18.1 Word References and Gender, etc.:

All references to the parties to this Lease and all covenants, conditions and agreements of this Lease shall apply to and be binding upon the CITY and LESSEE and their respective heirs, executors, administrators, legal representatives, successors and assigns (when assignment is made in accord with the provisions hereof) as if they were in each case fully named and stated. In this Lease both the CITY and LESSEE are referred to in the singular and neuter gender. However, such words and all other terms and words used in this Lease regardless of the number and gender in which they are used, shall be deemed and construed to include any other number (singular or plural) any other gender, masculine, feminine or neuter, as the sense of the writing herein may require, the same as if such words had been fully and properly written in the required number and gender.

Section 18.2 Consumers Power Lease:

The CITY and LESSEE agree to cooperate in obtaining the necessary permission and approval of Consumers Power Company for use of its land dissecting the premises in the implementation of this Golf Course Plan. This Lease is completely contingent upon LESSEE'S ability to negotiate a lease with Consumers Power

Company which is acceptable to LESSEE and CITY for its property described as Parcel 4 on Exhibit A. If LESSEE does not obtain an acceptable lease from Consumers Power Company within sixty (60) days of date hereof, this Lease shall then and there terminate without cost or further obligation by either party.

Section 18.3 Mutual Cooperation:

The CITY and LESSEE agree that the golf course shall be named "Pine Trace". CITY and LESSEE agree to cooperate and mutually agree on the name for other related facilities. Parties agree to meet periodically to discuss mutual concerns and to attempt to resolve said concerns to the benefit of both parties.

Section 18.4 Lease Contingent Upon LESSEE'S Financing:

This Lease and LESSEE'S obligations hereunder are completely contingent upon LESSEE obtaining project financing from a qualified lending institution, the terms of which financing are to be acceptable to LESSEE. If LESSEE does not obtain the above financing within sixty (60) days of date hereof, this Lease shall then and there terminate without cost or further obligation by either party.

Section 18.5 Modifications Must be in Writing:

This Lease contains the entire agreement of the parties and replaces and supersedes all previous agreements, if any, both oral and written. Any modification to this Lease must be in writing, signed and agreed to by both parties, before said modification becomes effective and binding under the terms hereof.

Section 19.6 Notices:

All notices to the CITY shall be sent by certified or registered mail addressed to the MAYOR, CITY OF ROCHESTER HILLS, 1000 Rochester Hills Drive, Rochester Hills, Michigan 48063, or at such other address as the CITY may in writing from time to time designate. All notices to LESSEE shall be sent by

certified or registered mail addressed to LESSEE at 72 Perrydale, Rochester Hills, Michigan 48064 or at such other address as the LESSEE may in writing from time to time designate.

| WITNESSES: | CITY OF ROCHESTER HILLS, a |
|---|---|
| llo. Al + | Michigan municipal corporation |
| Allaria J. Factiri | BY: Billio M. Ireland |
| GLORIA J. FOSTER | BILLIE M. IRELAND Mayor |
| Judet K. Kimmel | BY: LIAT M |
| JUDY KY KIMMEL | KEITH SAWDON, Clerk |
| , | GOLF CONCEPTS, INC., a |
| | Michigan Corporation |
| SHARON KRZYWIECKI | BY: WY LLO S. 13ylen |
| SHAKON KRZAWIECKI | Its NIANAGING PACTUEL |
| 7/1/1/ | BY: James R. Osenhing |
| MICHAEL A. HARTNER | JAMES R. DEWLING |
| STATE OF MICHIGAN) | Its MANING PARTNER |
|) ss | |
| COUNTY OF OAKLAND) | |
| | |
| The foregoing instrumen | nt was acknowledged before me this |
| <u> 2/T</u> H day of <u>JUNE</u> | , 1986, by Billie M. Ireland, |
| | nt was acknowledged before me this, 1986, by Billie M. Ireland,, CLERK, Hills, a municipal corporation, on |
| 2/TH day of JUNE Mayor and KEITH SAWDON of the City of Rochester behalf of the corporation. | Hills, a municipal corporation, on |
| 2/TH day of JUNE Mayor and KEITH SAWDON of the City of Rochester behalf of the corporation. | Hills, a municipal corporation, on |
| 2/TH day of JUNE Mayor and KEITH SAWDON of the City of Rochester behalf of the corporation. | Hills, a municipal corporation, on A JASINSKI , Notary Public |
| 2/TH day of JUNE Mayor and KEITH SAWDON of the City of Rochester behalf of the corporation. BEVERLY A OAKLAND My Commis | Hills, a municipal corporation, on A JASINSKI Notary Public |
| Mayor and KEITH SAWDON of the City of Rochester behalf of the corporation. BEVERLY A OAKLAND MY Commission of MICHIGAN) STATE OF MICHIGAN) | Hills, a municipal corporation, on A JASINSKI , Notary Public County, Michigan |
| 2/TH day of JUNE Mayor and KEITH SAWDON of the City of Rochester behalf of the corporation. BEVERLY A OAKLAND My Commis | Hills, a municipal corporation, on A JASINSKI , Notary Public County, Michigan |
| Mayor and KEITH SAWDON of the City of Rochester behalf of the corporation. BEVERLY A OAKLAND MY COMMISSIATE OF MICHIGAN) STATE OF OAKLAND) | Hills, a municipal corporation, on A JASINSKI , Notary Public County, Michigan ssion Expires: 11/13/88 |
| Mayor and KEITH SAWDON of the City of Rochester behalf of the corporation. BEVERLY A OAKLAND MY COMMISSIATE OF MICHIGAN) STATE OF OAKLAND) The foregoing instrume: 27th day of JUNE | Hills, a municipal corporation, on A JASINSKI , Notary Public County, Michigan ssion Expires: 11/13/88 |
| Mayor and KEITH SAWDON of the City of Rochester behalf of the corporation. BEVERLY A OAKLAND MY Commiss STATE OF MICHIGAN) STATE OF OAKLAND) The foregoing instrume: 27th day of JUNE MANAGING PARTNER and | Hills, a municipal corporation, on A JASINSKI , Notary Public County, Michigan ssion Expires: 11/13/88 |
| Mayor and KEITH SAWDON of the City of Rochester behalf of the corporation. BEVERLY A OAKLAND MY Commiss STATE OF MICHIGAN) STATE OF OAKLAND) The foregoing instrume: 27th day of JUNE MANAGING PARTNER and SAMD AND AND AND AND AND AND AND AND AND AN | Hills, a municipal corporation, on A JASINSKI ,Notary Public County, Michigan ssion Expires: 11/13/88 Int was acknowledged before me this JAMES R. DEWLING MANAGING PARTIER |
| Mayor and KEITH SAWDON of the City of Rochester behalf of the corporation. BEVERLY A OAKLAND MY Commiss STATE OF MICHIGAN) STATE OF OAKLAND) The foregoing instrume: 27th day of JUNE MANAGING PARTNER and DOLURES : DOLURES : | Hills, a municipal corporation, on AJ JASINSKI ,Notary Public County, Michigan Ssion Expires: 11/13/88 Int was acknowledged before me this JAMES R. DEWLING , MANAGING PARTNER Inc., on behalf of the corporation. |
| Mayor and KEITH SAWDON of the City of Rochester behalf of the corporation. BEVERLY A OAKLAND MY COMMISSION OF MICHIGAN) STATE OF MICHIGAN) The foregoing instrume: 27th day of JUNE MANAGING PARTNER and DOLURES A OAKLAND | Hills, a municipal corporation, on A JASINSKI , Notary Public County, Michigan ssion Expires: 11/13/88 It was acknowledged before me this 1986, by MICHAEL S. BYLEN JAMES R. DEWLING , MANAGING PARTNER Inc., on behalf of the corporation. |

PHB/lis lease.1/6-25-86 lease.2/6-25-86 lease.3/6-25-86

LEGAL DESCRIPTION

Land in the Township of Avon, County of Oakland, State of Michigan, described as:

りべ Parcel 1: Part of the Southeast 1/4 of Section 31, and part of the Southwest 1/4 of Section 32, of Avon Township, Oakland County, Michigan, described as beginning at the Southeast corner of said Section 31; thence due West along South line of said Section 31 a distance of 23.64 feet; thence North 7 degrees 55 minutes West 692.24 feet; thence North 88 degrees 53 minutes 40 seconds West 153.96 feet; thence South 7 degrees 55 minutes East 695.24 feet to the South line of said Section 31; thence due West along said South line 174.32 feet; thence North 7 degrees 55 minutes West 645.35 feet; thence North 89 degrees 01 minute 55 seconds West 150.93 feet; thence North 88 degrees 25 minutes West 150.0 feet; thence North 8 degrees 32 minutes 50 seconds West 1817.05 feet to the East and West 1/4 section line of said Section 31; thence North 86 degrees 46 minutes East along said East and West 1/4 section line 116.54 feet; thence continuing along said East and West 1/4 section line North 87 degrees 50 minutes East 436.10 feet to the East 1/4 corner of said Section 31, also being the West 1/4 corner of said Section 32; thence continuing along said East and West 1/4 section line of said Section 32, North 88 degrees 26 minutes East 168.10 feet; thence South 8 degrees 49 minutes East 938.29 feet; thence North 82 degrees 54 minutes East 1243.57 feet; thence North 8 degrees 49 minutes West 814.05 feet to said East and West 1/4 section line; thence North 88 degrees 52 minutes East along said East and West 1/4 section line 172.32 feet; thence South 1 degree 08 minutes East 30.01 feet; thence North 88 degrees 52 minutes East 330.31 feet; thence South 1 degree 08 minutes East 1241.43 feet to the North line of "Supervisor's Plat of Messmore Farms Subdivision*; thence North 89 degrees 49 minutes 17 seconds West along said North line 665.10 feet to the West line of said subdivision; thence South 7 degrees 40 minutes 44 seconds East along said West line 1315.91 feet to the South line of said Section 32; thence North 89 degrees 24 minutes West along said South line 993.95 feet to the point of 1=-=1-400-006 beginning.

Parcel 2: 68 A

Part of the West 1/2 of the Southeast 1/4 and the West 1/2 of the East 1/2 of the Southeast 1/4 of Section 31, described as: Commencing at a point North C degrees 06 minutes East 990.0 feet from the Southwest corner of said Southeast 1/4 of Section 31; thence along the North and South 1/4 line North C degrees 06 minutes East 1457 feet to a monument at the center of said Section 31; thence North 86 degrees 48 minutes, 40 seconds East 625.89 feet along the East and West 1/4 Section line to a monument which is the Southwest corner of Klem Gardens Subdivision, as resorded in Liber 47 of Plats, Page 34, Oakland County Records; thence continuing along said 1/4 section line (and South line of Klem Gardens Subdivision; North 33 aggrees 21 minutes East 634.93 feet to a monument; thence continuing along said East and West 1/4 section line North 38 aggrees 50 minutes East 345.40 feet to a point; South 8 degrees 33 minutes 45 seconds East 1206.50 feet to a point; thence due West 500.0 feet to a point; thence due West 500.0 feet to a point; thence along said Seconds East 1222.70 feet to a point on the South South Section line being the center line of South Boulevard; thence along said Section line due West 148.50 feet to a point; thence due West 149.0 feet to a point; thence due West 169.0 feet to a point; thence due We

Parcel 3: 1/4 of Section 32, Town 3 North, Range 11
Part of the Southwest 1/4 of Section 32, Town 3 North, Range 11
East, Avon Township, Oakland County, Michigan, described as:
East, Avon Township, Oakland County, Michigan, described as:
Beginning at a point in the East and West 1/4 section line of
said Section 32, distant North 28 degrees 26 minutes East on
said 1/4 section line 168.18 feet from the West 1/4 corner of
said Section 32; thence South 3 degrees 49 minutes East 938.29
said Section 32; thence South 3 degrees 49 minutes East 1243.57 feet;
feet; thence North 82 degrees 54 minutes East 1243.57 feet;
thence North 8 degrees 49 minutes West 814.05 feet to a corner
of Coolidge Highway Subdivision; thence South 85 degrees 37
of Coolidge Highway Subdivision; thence South 85 degrees 37
minutes West on East and West 1/4 section line 957.10 feet;
minutes West on East and West 1/4 section line 957.10 feet;
Mest 1/4 section line 296.53 feet to the point of beginning.
West 1/4 section line 296.53 feet to the point of beginning.

Excepting from Parcels 1 and 3 the following land, being Parcel 4, which was deeded to Consumers Power Co. by deed recorded in Liber 5364, Page 50.

Parcel 4:
A parcel of land in the Southwest 1/4 of Section 12, Town 3
North, Range 11 East, described as follows: Beginning at the
North, Range 11 East, described as follows: Beginning at the
North, Range 11 East, described as follows: Beginning at the
North, Range 11 East, described as follows: Beginning at the
North, Range 11 East, described as follows: Beginning at the
OO seconds East along the East and West 1/4 line of section
OO seconds East along the East and West 1/4 line of seconds East
463.68 feet; thence North 88 degrees 43 minutes 00 seconds West
83.93 feet; thence South 36 degrees 43 minutes 00 seconds East
641.56 feet; thence South 11 degrees 43 minutes 00 seconds west along said section; thence
67.31 feet to the Southwest corner of said section; thence
67.31 feet to the Southwest corner of said section; thence
North 10 degrees 43 minutes 00 seconds West along said West
North 10 degrees 43 minutes North 68 degrees 53 minutes 40 seconds West 216.97 feet; thence North 68 degrees 53 minutes 40 seconds West 216.97 feet; thence North 68 degrees 53 minutes 40 seconds West 216.97 feet; thence North 68 degrees 53 minutes 40 seconds West 216.97 feet; thence North 68 degrees 53 minutes 40 seconds West 216.97 feet; thence North 68 degrees 53 minutes 40 seconds West 216.97 feet; thence North 68 degrees 53 minutes 40 seconds West 216.97 feet; thence North 68 degrees 53 minutes 40 seconds West 216.97 feet; thence North 68 degrees 53 minutes 40 seconds West 216.97 feet; thence North 68 degrees 53 minutes 40 seconds West 216.97 feet; thence North 68 degrees 53 minutes 60 seconds West along said

Together with the easement and right to cross said Parcel 4 above described at such places and in such a manner as is mutually satisfactory to Consumers Power Co. and Charter Township of Avon, so long as such crossing shall not interfere with the use of said land by Consumers Power Co., its successors and assigns.

Also, together with all oil, gas and other minerals (but not including sand, clay or gravel) in and under said Parcel 4 above described, together with the right to remove the same by wells or shafts placed on the adjoining land. No wells or shafts are to be placed upon said Parcel 4 above described.

47445

radicalina .

THEODORE G. BIEHL JAMES W HUBBELL FRANK W BARNES GEORGE S. ROTH FRANKLIN A. BURN DAVID WARING DONALD R. MCCORMACK CLAMENCE W HUBBELL THOMAS E. BIEHL PRINCIPALS GECAGE E. HUBBELL CONSULIANT

JAMES E. BEDERLE DAVID BRODY GERALD F. KNAPP MYKCLA LAWHIN DAVID MCPHEE CLARENCE W. MYROLD THOMAS H. RITCHIE ASSOCIATES

MAH Hubbell, Acth & Clark, Inc.

May 29, 1986

CONSULTING ENGINEERS

Mayors for

Orig to: KS (for CLERKS Divst Audits

1986

Mrs. Billie Ireland, Mayor City of Rochester Hills Signed copy returned 1000 Rochester Hills Drive to Lave Waring. Rochester Hills, Michigan 48063

Ulbrich Park Golf Course West Sprague Drain

Dear Mayor Ireland:

In accordance with the City's request, we are pleased to offer our engineering services for a detailed analysis of providing storm water management through the proposed Ulbrich Park Golf Course site. We understand that this project will be an extension of the original West Sprague Drainage Study.

The analysis would consist of an evaluation to accurately locate proposed drainage courses through the golf course site and effects of changing the proposed municipal basin site location.

The scope of work would be as follows:

- Refine design flows into park site to include any changes in the upstream tributary area.
- Size required storm sewers and/or channel configurations through park 2. site.
- Meet with City staff and Golf Course developers to discuss potential 3. drainage course locations (estimate four meetings).
- Evaluate potential retention basin site in the large swampy area located 4. in the southeast corner of the Ulbrich Park site.
- Evaluate the effects of eliminating the Ulbrich Park municipal basin and combining required retention with the East Sprague Municipal basin. 5.
- Detailed analysis of the proposed diversion channel connecting the West б. and East Sprague Drainage Districts.
- Contact the Michigan Department of Natural Resources (MNDR) to discuss the proposed drainage improvements (estimate two meetings).
- 8. Prepare report including the following:
 - 8.1 Design flows
 - 8.2 Storm sewer and channel sizing.

Mrs. Billie Ireland May 29, 1986 Page 2

- 8.3 Plan and profiles of proposed drainage improvements drawn at a horizontal scale of 1'' = 100' and a vertical scale of 1'' 5''. Topographical information will be based on the City's two foot contour half section maps and additional field information provided by the City.
- 8.4 Preliminary design of proposed municipal retention facility based on City's two foot contour half section maps and additional field information provided by the City.

The fee for our services will be \$10,600.00 to be paid as work progresses, based upon work completed.

_ Soil borings may be required for this project and a testing laboratory would be used for this work. Costs for this work could be billed by the testing laboratory directly to the City. If you prefer, the testing laboratory could be a sub-consultant and there would be a fee of 0.15 times cost.

Costs included in the price quoted above for discussion with MDNR includes two meetings. Should additional reports, special permits, or substantial hydraulic calculations be required, costs for the work would be on an hourly basis of payroll cost plus 100%. Payroll cost is defined as direct payroll plus 35%.

It is estimated that it will take two months to complete the work once an authorization to proceed has been received.

Your acceptance of this proposal, as indicated by your signature below, will constitute an agreement between us and be an authorization to proceed on the project.

Very truly yours,

HUBBELL, ROTH & CLARK, INC.

owalter 90. aly

Walter H. Alix, P.E.

M. David Waring, P.E. Principal-Vice President

WHA/mm

CITY OF ROCHESTER HILLS