

LAKEVIEW GOLF COURSE MANAGEMENT AGREEMENT

THIS LAKEVIEW GOLF COURSE MANAGEMENT AGREEMENT ("Agreement") is made and entered into as of October 27, 2020 ("Effective Date"), by and between the City of Meridian, a municipal corporation organized under the laws of the State of Idaho ("Lessee") and Kemper Sports Management, Inc., an Illinois corporation ("KSM").

WITNESSETH:

WHEREAS, Lessee leases, from the Western Ada Recreation District, the golf course, clubhouse, pro shop, restaurant, bar, and related facilities located in Meridian, Idaho known as "Lakeview Golf Club" (the "Club"); and

WHEREAS, Lessee and KSM desire for KSM to operate and manage all Club amenities, including day-to-day operations, sales and marketing, golf course maintenance, food & beverage, membership sales, payroll and benefit administrations, insurance, financial reporting and accounting, and other related activities, subject to the terms and conditions of this Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants, promises and agreements herein contained, the Parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

1.1. Definitions. All capitalized terms referenced or used in this Agreement and not specifically defined herein shall have the meanings set forth on Exhibit A attached hereto.

ARTICLE 2

APPOINTMENT AND TERM

2.1. Appointment. Lessee hereby retains, engages and appoints KSM to perform the Management Services during the Term, as more fully described herein, and KSM hereby accepts said appointment upon and subject to the terms hereof.

2.2. Term. This Agreement shall be effective as of the Effective Date, but the initial term (the "Initial Term") for performance of the Management Services under this Agreement shall begin on November 6, 2020 (the "Commencement Date") and unless sooner terminated as provided in Article 9 below, shall terminate on March 31, 2021 (the "Termination Date"), provided, however, the Initial Term shall automatically renew on a month to month basis unless either party provides no less than thirty (30) days prior written notice to the other of its desire to not renew.

ARTICLE 3

MANAGEMENT SERVICES

3.1. Management of the Club and Property. During the Term, KSM shall perform the management services described in this Article 3 in order to supervise, manage, direct and operate the Club and the Property on behalf of and for the account of Lessee (collectively, the "Management Services"), subject to the terms of this Agreement and consistent with the Operating Budget approved by Lessee. Lessee hereby delegates to KSM, subject to the (i) Budgets, (ii) Lessee's approval rights specifically described in this Agreement (the "Approval Rights"), (iii) Operating Budget, and (iv) other terms and conditions set forth herein, the discretion and authority to determine operating policies and procedures, standards of operation, house rules, standards of service and maintenance, pricing, and other policies, rules, and regulations affecting the Club or the Property or the operation thereof, to implement all of the foregoing, and to perform any act on behalf of Lessee deemed by KSM to be necessary or desirable for the operation and maintenance of the Club and the Property.

3.2. Use of the Property. Lessee hereby grants to KSM the right to use and occupy the Property during the Term for the purposes set forth herein. KSM shall, upon the expiration or prior termination of the Term, vacate and surrender the Club and Property to Lessee.

3.3. Scope of Services. Subject to the Budgets, the Approval Rights, and terms and conditions set forth herein, KSM shall use commercially reasonable efforts to perform those acts that are necessary in the opinion of KSM to operate and manage the Club, on behalf of and for the account, and at the sole cost and expense of, Lessee, in accordance with the standards of quality expected at comparable golf courses in the vicinity of the Club. In connection with the foregoing, KSM shall perform the following acts and services: (i) manage and supervise all day-to-day operations of the Club, including tee time reservations, collecting green and cart fees, clubhouse operations, outside services, course maintenance, managing tournaments and events, food & beverage, payroll and benefits administration, accounting and financial reporting, etc.; (ii) hire, train, and supervise all employees required to carry out KSM's responsibilities; (iii) manage payment of all Club Operating Expenses; (iv) acquire on behalf of the Club all goods and services necessary to carry out KSM's responsibilities; and (v) market the Club to achieve targeted objectives.

3.4. Budgets. KSM shall prepare all budgets, as hereinafter set forth (collectively, the "Budgets"), with the advice and counsel of Lessee, based on what KSM believes to be reasonable assumptions and projections, and shall deliver such budget to Lessee for Lessee's review and written approval. All Budgets shall be presented in reasonable detail. KSM shall not be deemed to have made any guarantee or warranty in connection with the results of operations or performance set forth in the Budgets and the Parties acknowledge that the Budgets are based solely upon KSM's judgment and the facts and circumstances known by KSM at the time of preparation.

3.4.1 Operating Budget. Within forty-five (45) days after the Commencement Date, KSM shall submit to Lessee, for Lessee's review and written approval, an Operating Budget setting forth the forecasted revenues and expenses associated with the operations of the Club for the current Fiscal Year ("Operating Budget"). If by no later than February 15, 2021, Lessee and

KSM have mutually agreed upon an extension of the Initial Term at least through Lessee's 2022 fiscal year, then in such event, by April 15, 2021, KSM shall submit to Lessee, for Lessee's review and written approval, an Operating Budget of the Club for the upcoming Lessee fiscal year, or part thereof within the Term.

3.4.2 Lessee's Review and Approval of Budgets. KSM shall submit such proposed Budgets for Lessee's review and written approval, subject to the terms of this Agreement, which approval shall not be unreasonably withheld. Lessee shall give its written comments and/or approval within thirty (30) days after KSM delivers the Budgets to Lessee. If Lessee fails to provide any comments and approval with respect to a Budget within such time period, then the Lessee shall be deemed to have approved the Budget. In the event of disapproval of any Budgets, KSM shall continue operating the Club pursuant to the Budgets then in effect, subject to increases in Operating Expenses required due to (i) increases in Gross Revenues or (ii) weather or other matters beyond the control of KSM, until such time as Lessee and KSM agree upon the appropriate replacement Budgets.

3.4.3 Unanticipated Expenditures and Reallocation of Funds. KSM shall be required to obtain Lessee's prior written approval of any expenditures that would result in the total FY21 Operating Budget expenditures being exceeded by more than five percent (5%). KSM is authorized to take all action reasonably deemed necessary by KSM to implement, perform, or cause the performance of the items set forth in the Budgets. Lessee acknowledges that KSM has not made any guarantee, warranty, or representation of any nature whatsoever concerning or relating to (i) the Budgets, or (ii) the amounts of Gross Revenues or Operating Expenses to be generated or incurred from the operation of the Club.

3.5. Financial Management, Accounting Records and Reporting. The Management Services will include: (i) maintaining all books, records, and other data associated with the financial activities of the Club, (ii) preparing the Operating Budget, cash flow budgets, and other financial forecasts, and (iii) being responsible for the day-to-day financial affairs of the Club. The foregoing tasks will be performed by KSM home office staff (the "Home Office Services"). All accounting records shall be maintained in a format consistent (in all material respects) with generally accepted accounting principles.

3.5.1. Financial Reporting. During the Term, KSM shall provide the following financial statements in a format reasonably specified by Lessee:

- (i) KSM shall submit to Lessee, within twenty (20) days after the close of each calendar month, a financial statement showing in reasonably accurate detail the financial activities of the Club for the preceding calendar month and the fiscal year to date.
- (ii) KSM shall submit to Lessee, within sixty (60) days after the close of each fiscal year, a financial statement showing in reasonably accurate detail the financial activities of the Club for the fiscal year then ended.

3.5.2. Internal Control. KSM agrees to develop, install, and maintain reasonably appropriate accounting, operating, and administrative controls governing the financial aspects of

the Club, such controls to be consistent (in all material respects) with generally accepted accounting principles.

3.5.3. Records and Inspection. KSM shall maintain a set of all financial, vendor and operating records relating to the Club at the Property. At any time during the Term, Lessee shall have the right, after three (3) days prior written notice to KSM, to inspect and photocopy the books, records, invoices, deposits, or other financial data or transactions of the Club at reasonable times and during normal business hours; provided, however, Lessee shall use its best efforts to not cause any disruptions in the operations of the Club in connection with such inspections. Notwithstanding the foregoing, such inspection rights shall not extend to any inspection of KSM corporate records at its corporate office or any records relating to any other projects or locations. Upon expiration or termination of this Agreement, KSM will promptly turn over all such Club records to Lessee; however, KSM may retain copies as required by applicable records retention policies or law.

3.6. Bank Accounts. KSM shall establish, in KSM's name, an Operating Expense Account, a Deposit Account, and a Payroll Account, at a bank designated by KSM. The records and bank statements shall be subject to inspection by Lessee pursuant to the terms recited herein. All Gross Revenues of the Property shall be collected, received, and deposited by KSM exclusively through the Deposit Account in accordance with the terms of this Agreement. All Operating Expenses shall be handled and expended exclusively through the Operating Expense Account. KSM shall provide Lessee with a completed ACH Form (available from the Lessee Finance Department), authorizing Lessee's direct deposit into the Operating Expense Account. All Gross Payroll for the Club shall be handled and expended exclusively through the Payroll Account. KSM shall provide Lessee with a completed ACH Form (available from the Lessee Finance Department), authorizing Lessee's direct deposit into the Operating Expense Account.

3.7. Employees. As part of the Operating Budget, KSM shall (i) determine personnel requirements, recruitment schedules, and compensation levels, (ii) furnish job descriptions, performance appraisal procedures, employee benefit programs, and operational and procedural manuals for all personnel, and (iii) establish forms and procedures for employee compensation and Club incentive programs. KSM shall hire, promote, discharge, and supervise all employees performing services in and about the Club. All of the employees of the Club shall be employees of KSM.

3.8. Marketing. KSM shall make recommendations to Lessee as to fees and rates. KSM shall develop the ongoing marketing plan for the Club and define a schedule of marketing and advertising activities, which shall be submitted to Lessee as part of the Operating Budget. KSM shall indicate on the premises that the Club is being managed by KSM.

3.9. Environmental Remediation. Throughout the Term, if KSM becomes aware of the presence of any Hazardous Material in a quantity sufficient to require remediation or reporting under any Environmental Law in, on or under the Property or if KSM, Lessee, the Club, or the Property becomes subject to any order of any federal, state or local agency to investigate, remove, remediate, repair, close, detoxify, decontaminate or otherwise clean up the Property, KSM shall notify Lessee and Lessee, at its sole expense, shall use all commercially reasonable efforts to carry out and complete any required investigation, removal, remediation, repair, closure, detoxification,

decontamination or other cleanup of the Property; provided that such remediation activities shall be at KSM's expense if such activities are required as a direct consequence of Hazardous Material being present in, on or under the Property solely as a result of grossly negligent actions undertaken by KSM. Lessee acknowledges and agrees that Lessee shall be solely responsible for any legal or other liability arising out of the presence of any Hazardous Material in, on or under the Property, except to the extent such Hazardous Material is present in, on or under the Property solely as a result of grossly negligent actions undertaken by KSM.

3.10. Contracts. KSM shall recommend to Lessee such agreements as KSM may deem necessary or advisable for the furnishing of all food, beverages, utilities, concessions, entertainment, operating supplies, equipment, repairs and other materials and services as KSM determines are needed from time to time for the management and operation of the Club. All such agreements shall be approved by and executed by the Lessee. Where applicable, Lessee purchases may be eligible for discounted prices offered to KSM clients as part of a national buying program established by KSM for eligible purchases on behalf of the Club. In consideration of KSM's efforts to manage and administer such national buying program and leverage volume across the aggregate of its portfolio of clients, KSM may retain any national aggregation fees, rebates, administrative fees and similar considerations provided to KSM by participating vendors with respect to such national account purchases.

3.11. Licenses, Permits and Accreditations. Following prior written approval by Lessee, KSM shall apply for and use its commercially reasonable efforts to obtain and maintain in Lessee's name (or, if otherwise required by applicable law, in KSM's name), all licenses, permits, and accreditations required in connection with the management and operation of the Club, the cost of which shall be an Operating Expense. Lessee will cooperate with KSM in applying for, obtaining, and maintaining such licenses (including liquor licenses), permits, and accreditations.

3.12. Legal Action. KSM may not institute any legal action by or on behalf of Lessee or the Club without the prior written consent of Lessee and Lessee may not institute any legal action by or on behalf of KSM without the prior written consent of KSM.

3.13. Emergency Expenditures. In the event, at any time during the Term, a condition should exist in, on, or about the Property of an emergency nature which, in KSM's sole and absolute discretion, requires immediate action to preserve and protect the Property, to better assure the Club's continued operation, or to protect the Club's customers, guests, or employees, KSM is authorized to take all steps and to make all reasonable expenditures necessary to repair and correct any such condition, whether or not provisions have been made in the applicable Budgets for any such expenditures. Lessee shall be notified of the need for, and estimated amount of, any such emergency expenditures as soon as reasonably practical.

3.14. Compliance with Laws. KSM shall, at Lessee's expense, use commercially reasonable efforts to (i) comply in all material respects with all federal, state and local laws, ordinances, rules, or governmental regulations now or hereafter in force, or by order of any governmental or municipal power, department, agency, authority, or officer (collectively "Laws") applicable to the use, operation, maintenance, repair and restoration of the Club and Property, whether or not compliance therewith shall interfere with the use and enjoyment of the Club and Property; and (ii), except for those which are the obligation of Lessee or Lessee's separate

contractors, procure, maintain and comply with all licenses and other authorizations required for any use of the Club and Property then being made, and for the operation and maintenance of the Club and Property or any part thereof, the costs of which shall be Operating Expenses. Notwithstanding the foregoing, Lessee acknowledges and agrees that Lessee or its construction contractors shall be responsible for procuring, maintaining and complying with all licenses and other authorizations relating to design, construction, zoning, erection, installation and similar matters relating to any construction at the Club. If at any time during the Term KSM is notified or determines that repairs, additions, changes, or corrections in the Property of any nature shall be required by reason of any Laws, KSM shall notify Lessee and request Lessee's consent to take all reasonable steps and to make all reasonable expenditures necessary to repair and correct any such repairs, additions, changes, or corrections whether or not provisions have been made in the applicable Budgets for any such expenditures, the costs of which shall be Operating Expenses. If Lessee withholds such consent, KSM shall not be liable for any failure of the Property to be in compliance with such Laws and Lessee shall indemnify KSM pursuant to Article 7 hereof in connection with any such withholding of consent.

3.15. Other Duties and Prerogatives. KSM shall use commercially reasonable efforts to perform any act that KSM determines is necessary to operate and manage the Club and the Property during the Term, subject to the terms and conditions hereof. In fulfilling its operational and managerial responsibilities hereunder, KSM shall have all rights ordinarily accorded to a manager in the ordinary course of business, including, without limitation, the collection of proceeds from the operation of the Club and the Property, the incurring of Trade Debts, not to exceed five thousand dollars (\$5,000.00), in Lessee's name, the approval and payment of such Trade Debts, and the negotiating leases of personal property, no lease term of which may exceed one (1) year. KSM shall obtain Lessee's prior, written consent prior to incurring Trade Debts in excess of five thousand dollars (\$5,000.00), leases of personal property for a term in excess of one (1) year, or other contractual obligation. For purposes hereof, a "Key Employee" of KSM shall mean debt owed for a good or service received but not yet paid for, and due and owing within ninety (90) days. KSM shall not be obligated to advance any of its own funds to or for the account of Lessee nor to incur any liability, unless Lessee shall have furnished KSM with funds necessary for the full discharge thereof. Further, KSM shall not be obligated to sign any leases, contracts or other agreements in KSM's name. However, if for any reason KSM shall have advanced funds in payment of any reasonable expense in connection with the maintenance and operation of the Club or the Property, Lessee shall reimburse KSM within thirty (30) days after invoice for the full amount of such payments. Lessee's failure to reimburse KSM as provided herein for any such payment shall be an Event of Default by Lessee.

ARTICLE 4

RESPONSIBILITIES OF LESSEE

4.1 Expenditures. Lessee acknowledges that it is solely responsible for all Operating Expenses and capital expenditures required for or on behalf of the Club, provided that such Operating Expenses and capital expenditures are made in accordance with the terms of this Agreement. Lessee shall be responsible for all other expenditures and obligations in connection with the Club and the Property, including without limitation, all federal, state and local taxes and all principal and interest payments on indebtedness.

4.2 Lessee's Advances. Lessee shall advance funds to the Operating Expense Account and the Payroll Account described in Section 3.6 to conduct the affairs of the Club and maintain the Property ("Lessee's Advances") as set forth below. Such Lessee's Advances shall be paid in the form and manner as described in Section 3.6. Lessee acknowledges and agrees that it has sole responsibility for providing Lessee's Advances and KSM shall have no responsibility to provide funds for the payment of any Operating Expenses, Gross Payroll, debts or other amounts payable by or on behalf of the Club, the Property or Lessee.

4.2.1 Operating Expense Account. On or before the Commencement Date (and in any event, prior to KSM's incurrence of any Operating Expenses), Lessee shall deposit into the Operating Expense Account, Lessee's Advances equal to two (2) months' estimated Operating Expenses ("Operating Expense Minimum"). Lessee shall replenish the Operating Expense Account in order to maintain the Operating Expense Minimum in the Operating Expense Account as described below. KSM shall use the funds in the Operating Expense Account to pay the Operating Expenses of the Club. On a monthly basis, KSM shall provide Lessee with a statement describing the anticipated source and use of funds for the Club for the next monthly period. Within thirty (30) days after Lessee's receipt of such statement from KSM, Lessee shall remit to the Operating Expense Account the amount set forth in such statement, less the amount, if any, then on deposit in the Deposit Account to the extent Lessee authorizes the transfer of such amount to the Operating Expense Account. The Parties agree to adjust the Operating Expense Minimum seasonally, or as otherwise required from time to time, in order to reflect the then-current payment obligations of the Club.

4.2.2 Payroll Account. On or before the Commencement Date (and in any event, prior to KSM's incurrence of any Gross Payroll obligations), Lessee shall remit to KSM for deposit into the Payroll Account, Lessee's Advances equal to at least two (2) months' estimated Gross Payroll obligations ("Payroll Expense Minimum"), whichever amount is greater. Lessee shall replenish the Payroll Account in order to maintain the Payroll Expense Minimum in the Payroll Account as described below. Every two (2) weeks, KSM shall fund payroll and the Gross Payroll obligations from the Payroll Account and concurrently provide Lessee with a statement containing such funded Gross Payroll obligations of the Club. Within thirty (30) days after Lessee's receipt of such statement from KSM, Lessee shall remit to the Payroll Account the amount set forth in such statement, less the amount, if any, then on deposit in the Deposit Account to the extent Lessee authorizes the transfer of such amount to the Payroll Account. The Parties agree to adjust the Payroll Expense Minimum seasonally, or as otherwise required from time to time, in order to reflect the then-current payroll obligations of the Club.

4.3 Insurance. Insurance for the Property shall be as set forth in Exhibit C "Insurance Provisions" attached hereto.

ARTICLE 5

FEES AND EXPENSES

5.1 Management Fee. Lessee shall pay KSM management fees as follows (collectively, the "Management Fee"):

5.1.1 Base Management Fee. During the Term, Lessee shall pay KSM a monthly fee of seven thousand dollars (\$7,000.00), prorated for partial months ("Base Management Fee"). The Base Management Fee shall be increased each year on the anniversary of the Commencement Date by three (3) percent. Payment of the Base Management Fee, and the Home Office Services Fee set forth below, shall be made directly to the Operating Expense Account.

5.1.2 Home Office Accounting Services Fee. In addition to the Base Management Fee described above, in consideration for the Home Office Services, Lessee shall pay KSM a fee of two thousand dollars (\$2,000.00) per month, prorated for any partial months (the "Home Office Accounting Services Fee").

5.1.3 Method of Payment of Management Fee. On a monthly basis, KSM shall submit to Lessee an itemized invoice for the Management Fees, which Lessee shall pay within thirty (30) days of receipt.

5.2 Out-of-Pocket Expenses. In addition to all other fees and expenses recited herein payable to KSM, and subject to Lessee's prior approval of same in the Budgets, it is agreed that Lessee shall reimburse KSM within thirty (30) days of invoice for all actual out-of-pocket expenses incurred by KSM in the performance of this Agreement. Out-of-pocket expenses shall include, but shall not be limited to, reasonable travel, air express, courier service, costs of recruitment (including applicable agent's fees), and other incidental expenses. In addition, the costs of an interim General Manager, including but not limited to, compensation, reasonable travel, temporary housing, etc., shall be included as Operating Expenses. Reimbursement for such out-of-pocket expenses will be made at actual cost and may be made directly from the Operating Expense Account.

ARTICLE 6

COVENANTS AND REPRESENTATIONS

6.1 Lessee's Covenants and Representations. Lessee makes the following covenants and representations to KSM, which covenants and representations shall, unless otherwise stated herein, survive the execution and delivery of this Agreement:

6.1.1 Corporate Status. Lessee is a duly constituted municipal corporation duly organized, validly existing, and in good standing under the laws of Idaho, and authorized to transact business in Idaho, with full corporate power and authority to enter into this Agreement.

6.1.2 Authorization. The making, execution, delivery, and performance of this Agreement by Lessee has been duly authorized and approved by all requisite action, and this Agreement has been duly executed and delivered by Lessee and constitutes a valid and binding obligation of Lessee, enforceable in accordance with its terms.

6.1.3 Effect of Agreement. Neither the execution and delivery of this Agreement by Lessee nor Lessee's performance of any obligation hereunder (a) shall constitute a violation of any law, ruling, regulation, or order to which Lessee is subject, or (b) shall constitute a default of any term or provision or shall cause an acceleration of the performance required under any other agreement or document (i) to which Lessee is a party or is otherwise bound, or (ii) to which the Club, the Property or any part thereof is subject.

6.1.4 Property Rights. Lessee currently possesses, and shall retain during the Term, all of the property interests in the Club and the Property necessary to enable KSM to perform its duties pursuant to this Agreement peaceably and quietly. Such property interests shall include all trade names and logos Lessee uses in the operation of the Club. Lessee represents and warrants that KSM's performance of the services required by this Agreement shall not violate the property rights or interests of any other Person.

6.1.5 No Litigation. There are no actions, suits or proceedings pending, or to the best of Lessee's knowledge, threatened against Lessee that may adversely affect the Club, the Property or the Lessee in connection with the operations of the Club.

6.1.6 No Violation. There is no existing violation or breach of any ordinance, code, law, rule, requirement or regulation applicable to the Club or the Property, and Lessee is not aware of the basis for any such violation or breach.

6.1.7 Hazardous Material. Lessee is not aware of the presence of any Hazardous Material in, on or under the Property in a quantity sufficient to require remediation or reporting under any Environmental Law, and Lessee has not received notice of any violation or alleged violation of any Environmental Law with respect to the Property.

6.1.8 Documentation. If necessary to carry out the intent of this Agreement, Lessee agrees to execute and provide to KSM, on or after the Commencement Date, any and all other instruments, documents, conveyances, assignments, and agreements which KSM may reasonably request in connection with the operation of the Club.

6.2 KSM's Covenants and Representations. KSM makes the following covenants and representations to Lessee, which covenants and representations shall, unless otherwise stated herein, survive the execution and delivery of this Agreement:

6.2.1 Corporate Status. KSM is a corporation duly organized, validly existing, and in good standing under the laws of Illinois, and authorized to transact business in Idaho, with full corporate power to enter into this Agreement and execute all documents required hereunder.

6.2.2 Authorization. The making, execution, delivery, and performance of this Agreement by KSM has been duly authorized and approved by all requisite action and this Agreement has been duly executed and delivered by KSM and constitutes a valid and binding obligation of KSM, enforceable in accordance with its terms.

6.2.3 Effect of Agreement. Neither the execution and delivery of this Agreement by KSM nor KSM's performance of any obligation hereunder (i) will constitute a violation of any law, ruling, regulation, or order to which KSM is subject, or (ii) shall constitute a default of any term or provision or shall cause an acceleration of the performance required under any other agreement or document to which KSM is a party or is otherwise bound.

ARTICLE 7

INDEMNIFICATION

7.1 Lessee's Indemnification Obligations. To the extent allowed by Idaho law, Lessee shall defend, indemnify and hold KSM and its Affiliates and each of their shareholders, members, officers, directors, managers, employees, agents, and representatives (the "KSM Related Parties") harmless of and from all liability, loss, damage, cost, or expense (including, without limitation, reasonable attorneys' fees and expenses) arising from or relating to (i) the performance of the Management Services on behalf of Lessee including in connection with the transition of the management of the Club to KSM; or (ii) Hazardous Materials or other conditions existing at the Club or the Property; (iii) any acts or omissions of Lessee (or its officers, directors, agents, employees, representatives, contractors and others for whom Lessee is responsible); (iv) any acts or omissions occurring in connection with the operation or management of the Club prior to the Term; and (v) any breach by Lessee of any of Lessee's covenants, representations, and warranties herein; to the fullest extent permitted by law, except to the extent such liabilities were caused by KSM's willful or criminal misconduct, gross negligence or fraudulent conduct.

7.2 KSM's Indemnification Obligations. KSM shall indemnify Lessee and Lessee's shareholders, officers, directors, employees, agents, and representatives ("Lessee Related Parties") from all liability, loss, damage, cost, or expense (including, without limitation, reasonable attorneys' fees and expenses) arising out of third party claims caused by KSM's willful misconduct, gross negligence or fraud of its corporate executive level employees and Executive Golf Employees, to the fullest extent permitted by law, except to the extent such acts or omissions were directed or approved by Lessee, or such liabilities were caused by Lessee's willful or criminal misconduct, gross negligence or fraud..

7.3 Survival. The defense and indemnification obligations contained in this Article 7 shall survive the expiration or termination of this Agreement for any reason.

ARTICLE 8

REMEDIES

8.1 Events of Default. The occurrence of any one or more of the following events which is not cured within the specified cure period, if any, shall constitute a default under this Agreement (hereinafter referred to as an "Event of Default"):

- (i) Failure to Pay Sums Due. Either Party's failure to pay any sums payable under this Agreement when and as the same shall become due and payable and such failure shall continue for a period of five (5) days after written notice (specifying the item not paid) thereof from the other Party to the defaulting Party;
- (ii) Failure to Comply. Either Party's material failure to comply with any of the terms or conditions of this Agreement, and such failure shall continue for a period of thirty (30) days after written notice thereof from the other Party to the defaulting Party specifying in detail the nature of such failure. Notwithstanding the foregoing, in the event any such failure cannot with due diligence be cured within such 30-day period, if the defaulting Party proceeds promptly and diligently to cure the same and thereafter diligently prosecutes the curing of

such failure, the time within which the failure may be cured shall be extended for such period as may be necessary for the defaulting Party to cure the failure;

- (iii) Bankruptcy. If either Party (i) applies for or consents to the appointment of a receiver, trustee, or liquidator of itself or any of its property, (ii) is unable to pay its debts as they mature or admits in writing its inability to pay its debts as they mature, (iii) makes a general assignment for the benefit of creditors, (iv) is adjudicated as bankrupt or insolvent, or (v) files a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors, or taking advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or admits the material allegations of a petition filed against it in any proceedings under any such law, or if any action shall be taken by said party for the purpose of effecting any of the foregoing (collectively, an "Insolvency Proceeding"); or
- (iv) Reorganization; Receiver. An order, judgment, or decree is entered without the application, approval, or consent of either Party by any court of competent jurisdiction approving a petition seeking reorganization of said Party or appointing a receiver, trustee, or liquidator of said Party, or of all or a substantial part of any of the assets of said Party, and such order, judgment, or decree remains unstayed and in effect for a period of ninety (90) days from the date of entry thereof.

8.2 Lessee's Remedies. Upon the occurrence of an Event of Default by KSM, Lessee may: (i) seek specific performance of KSM's obligations or injunctive relief, as applicable; (ii) demand and receive payment of all amounts due Lessee under the terms of this Agreement and the payment of all costs, damages, expenses, and reasonable attorneys' fees of Lessee arising due to KSM's Event of Default; (iii) proceed to remedy the Event of Default, and in connection with such remedy, Lessee may pay all expenses and employ counsel. All sums so expended or obligations incurred by Lessee in connection therewith shall be paid by KSM to Lessee, upon demand by Lessee, and on failure of such reimbursement, Lessee may, at Lessee's option, deduct all costs and expenses incurred in connection with remedying the Event of Default from the next sums becoming due to KSM from Lessee under the terms of this Agreement; and (iv) terminate this Agreement by written notice of termination to KSM. Upon proper termination of this Agreement, KSM shall surrender occupancy of the Property to Lessee, shall remit to such Lessee any and all funds not used for the designated purposes thereof.

No remedy granted to Lessee is intended to be exclusive of any other remedy herein or by law provided, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, in equity, or by statute. No delay or omission by Lessee to exercise any right accruing upon an Event of Default shall impair Lessee's exercise of any right or shall be construed to be a waiver of any Event of Default or acquiescence thereto.

IN NO EVENT SHALL KSM BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING OUT OF THIS AGREEMENT OR PERFORMANCE OR NON-PERFORMANCE HEREUNDER (INCLUDING BUT NOT LIMITED TO LOST PROFITS, LOST BUSINESS AND LOSS OF GOODWILL) EVEN IF ADVISED OR AWARE OF THE POSSIBILITY OF SUCH DAMAGES.

8.3 KSM's Remedies. Upon the occurrence of an Event of Default by Lessee, KSM may: (i) seek specific performance of Lessee's obligations or injunctive relief, as applicable; (ii) demand and receive payment of all amounts due KSM under the terms of this Agreement and the payment of all costs, damages, expenses, and reasonable attorneys' fees of KSM due to Lessee's Event of Default; (iii) proceed to remedy the Event of Default, and in connection with such remedy, KSM may pay all expenses and employ counsel. All sums so expended or obligations incurred by KSM in connection therewith shall be paid by Lessee to KSM, upon demand by KSM, and on failure of such reimbursement, KSM may, at KSM's option, deduct all costs and expenses incurred in connection with remedying the Event of Default from the next sums becoming due to Lessee from KSM under the terms of this Agreement; and (iv) terminate this Agreement by KSM's written notice of termination to Lessee. In such event, Lessee shall pay to KSM within ten (10) days of termination an amount equal to the total unpaid Management Fees that KSM would have earned had the Agreement remained in effect until the Termination Date.

No remedy granted to KSM is intended to be exclusive of any other remedy herein or by law provided, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, in equity, or by statute. No delay or omission by KSM to exercise any right accruing upon an Event of Default shall impair KSM's exercise of any right or shall be construed to be a waiver of any Event of Default or acquiescence thereto.

IN NO EVENT SHALL LESSEE BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING OUT OF THIS AGREEMENT OR PERFORMANCE OR NON-PERFORMANCE HEREUNDER (INCLUDING BUT NOT LIMITED TO LOST PROFITS, LOST BUSINESS AND LOSS OF GOODWILL) EVEN IF ADVISED OR AWARE OF THE POSSIBILITY OF SUCH DAMAGES.

8.4 Litigation. In the event of any litigation under or respecting this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees and court costs through all pretrial, trial, appellate, administrative, and post-judgment proceedings.

ARTICLE 9

TERMINATION

9.1 Events of Termination. This Agreement shall terminate upon the occurrence of any of the events set forth below:

- (i) An Event of Default by KSM, and Lessee sends to KSM a notice of termination for cause (after the expiration of any applicable cure period);
- (ii) An Event of Default by Lessee, and KSM sends to Lessee a notice of termination for cause (after the expiration of any applicable cure period);
- (iii) By Lessee upon thirty (30) days' prior written notice in the event of the failure of Lessee's governing board to appropriate funds for expenses related to this Agreement.

- (iv) Both Parties agree in writing to terminate this Agreement;

(v) Upon the expiration or termination of this Agreement according to its terms.

9.2 Employee and Other Obligations Upon Termination. Upon a termination of this Agreement for any reason, Lessee shall remain responsible for payment of obligations connected with the Management Services rendered through the effective date of termination (including all Operating Expenses, all Gross Payroll obligations, as well as the Management Fee and all out of pocket expenses). Such obligations shall include all amounts to become due and owing to the terminated staff of KSM at the Club through the effective date of termination. Lessee shall pay all accrued wages for the terminated staff through such termination date and shall reimburse and/or hold harmless KSM for workers compensation insurance and other employee benefits paid or accrued by KSM on behalf of Lessee to the terminated staff as of the termination date. Additionally, Lessee shall be responsible for the payment of vacation time, earned and accrued between the Commencement Date and the date of termination, owed or due to the terminated staff as a result of the termination as well as any manual adjustments of wages and any unclaimed wages due the terminated staff accruing prior to the termination date and shall, if requested and verification provided by KSM, reimburse KSM for any such payments made by KSM. Any amounts owed to KSM pursuant to this Section shall be paid to KSM within ten (10) days of written request therefor.

9.3 Other Payments Upon Termination. Upon expiration or termination of this Agreement, all sums owed by either Party to the other shall be paid within thirty (30) days of the effective date of such termination.

ARTICLE 10

NOTICES

10.1 Notices. Any notices or other communications required or permitted hereunder shall be sufficiently given if in writing and (i) delivered personally, (ii) sent by certified mail, return receipt requested, postage prepaid ("Mail"), or sent by nationally-recognized overnight mail or courier service ("Overnight Courier"), addressed as shown below, or to such other address as the Party concerned may substitute by written notice to the other. Any notice will be deemed received (A) upon the date personal delivery is made, (B) three (3) business days after the date it is deposited in the Mail, (C) one (1) business day after it is deposited with an Overnight Courier, or (D) the date upon which attempted delivery of such notice, whether by Mail, Overnight Courier or personal delivery, is refused or rejected.

If to Lessee:

City of Meridian
33 E. Broadway Avenue
Meridian, Idaho 83642
Attention: Parks & Recreation Department

If to KSM:

Kemper Sports Management, Inc.
500 Skokie Boulevard, Suite 444
Northbrook, Illinois 60062
Attention: Steven K. Skinner, Chief Executive
Officer

with a copy to:

Kemper Sports Management, Inc.
500 Skokie Boulevard, Suite 444
Northbrook, Illinois 60062
Attention: General Counsel

10.2 Changes. The addresses and addressees may be changed by giving notice of such change in the manner provided herein for giving notice. Unless and until such written notice is received, the last address and addressee given shall be deemed to continue in effect for all purposes.

ARTICLE 11

MISCELLANEOUS

11.1 Exhibits. All Exhibits attached hereto are incorporated herein by this reference as if fully set forth herein. If any Exhibits are subsequently changed by the mutual written agreement of the Parties, the Exhibits shall be modified to reflect such change or changes and dated.

11.2 Entire Agreement. This Agreement and the Exhibits hereto embody the entire agreement and understanding of the Parties relating to the subject matter hereof and supersede all prior representations, agreements, and understandings, oral or written, relating to such subject matter.

11.3 Amendment and Waiver. This Agreement may not be amended or modified in any way except by an instrument in writing executed by all Parties hereto; provided, however, either Party may, in writing, (i) extend the time for performance of any of the obligations of the other, (ii) waive any inaccuracies and representations by the other contained in this Agreement, (iii) waive compliance by the other with any of the covenants contained in this Agreement, and (iv) waive the satisfaction of any condition that is precedent to the performance by the Party so waiving of any of its obligations under this Agreement.

11.4 Proprietary Information. KSM shall be permitted to use the trade names, trademarks and logos of Lessee (collectively, "Lessee Marks") in connection with the performance of the services provided under this Agreement and as otherwise provided in this Agreement or as agreed upon by Lessee; provided, however, that Lessee agrees that KSM may use the Lessee Marks in its marketing and promotional materials as a Club managed by KSM. All specifically identifiable information developed by KSM for Lessee at the expense of Lessee shall be the property of both KSM and Lessee and such information may continue to be used by Lessee at the Club beyond any expiration or termination of this Agreement; provided, however, that Lessee may not use or grant others the right to use such information at any other location nor disclose or grant any rights to such information to any third party. All of KSM's proprietary information, including

(i) trade names, trademarks and logos as well as programs that have been or may be developed by KSM, and (ii) software and technology, shall remain the exclusive property of KSM and neither Lessee nor any of its affiliates or successors may use or disclose such proprietary information without the advance written consent of KSM. The obligations and restrictions contained in this Section shall survive the expiration or termination of this Agreement for any reason.

11.5 No Partnership or Joint Venture. Nothing contained herein shall be deemed or construed by the Parties hereto or by any third party as creating the relationship of (i) a partnership, or (ii) a joint venture between the Parties hereto; it being understood and agreed that neither any provisions contained herein nor any acts of the Parties hereto shall be deemed to create any relationship between the Parties hereto other than the relationship of independent contractor.

11.6 Restrictions as to Employees. During the Term and for a period of two (2) years after the end of the Term, it is agreed that Lessee and/or its agents and contractors shall not, directly or indirectly, seek to contact, entice, or discuss employment or contracting opportunities with any Key Employee of KSM nor shall Lessee, its agents and/or contractors employ or otherwise engage or seek to employ or otherwise engage, directly or indirectly, any such Key Employee, without first obtaining the written consent of KSM. For purposes hereof, a "Key Employee" of KSM shall mean any individual holding any of the following positions at any time during the Term: the general manager, , or any employee of KSM's corporate office, provided, however the foregoing restriction shall only apply to a general manager sourced by KSM and shall not apply to the general manager in place as of the Commencement Date if not sourced by KSM.

11.7 Assignment; Successors and Assigns. This Agreement may not be assigned by either Party hereto without the express written consent of the other Party, except that KSM may assign this Agreement to any of its Affiliates. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors, legal representatives, and permitted assigns.

11.8 Severability. Except as expressly provided to the contrary herein, each section, part, term, or provision of this Agreement shall be considered severable, and if for any reason any section, part, term, or provision herein is determined to be invalid and contrary to or in conflict with any existing or future law or regulation by a court or governmental agency having valid jurisdiction, such determination shall not impair the operation of or have any other effect on other sections, parts, terms, or provisions of this Agreement as may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the Parties hereto, and said invalid sections, parts, terms, or provisions shall not be deemed to be a part of this Agreement.

11.9 Survival. All covenants, agreements, representations, and warranties made herein shall survive the execution and delivery of (i) this Agreement, and (ii) all other documents and instruments to be executed and delivered in accordance herewith, and shall continue in full force and effect.

11.10 Accord and Satisfaction; Allocation of Payments. No payment by Lessee or receipt by KSM of a lesser amount than that which is owed to KSM shall be deemed to be other than on account of such amounts owed to KSM, nor shall any endorsement or statement on any check or letter accompanying any check or payment to KSM be deemed an accord and satisfaction, and

KSM may accept such check or payment without prejudice to KSM's right to recover the balance of the amounts owed to KSM or pursue any other remedy provided for in this Agreement or as otherwise provided at law or in equity. In connection with the foregoing, KSM shall have the absolute right in its sole discretion to apply any payment received from Lessee, regardless of Lessee's designation of such payments, to any outstanding amount of Lessee then not current and due or delinquent, in such order and amounts as KSM, in its sole discretion, may elect.

11.11 Construction and Interpretation of Agreement. This Agreement shall be governed by and construed under the laws of the State of Idaho, without regard to conflicts of laws principles. Should any provision of this Agreement require judicial interpretation, it is agreed that the court interpreting or considering same shall not apply the presumption that the terms hereof shall be more strictly construed against a party by reason of the rule or conclusion that a document should be construed more strictly against the party who itself or through its agent prepared the same. It is agreed and stipulated that all Parties hereto have equally participated in the preparation of this Agreement and that legal counsel was consulted by each Party before the execution of this Agreement.

11.12 Captions. Captions, titles to sections, and paragraph headings used herein are for convenience of reference and shall not be deemed to limit or alter any provision hereof.

11.13 Governing Document. This Agreement shall govern in the event of any inconsistency between this Agreement and any of the Exhibits attached hereto or any other document or instrument executed or delivered pursuant hereto or in connection herewith.

11.14 Outside Businesses. Nothing contained in this Agreement shall be construed to restrict or prevent, in any manner, any Party or any Party's affiliates, parent corporations, or representatives or principals from engaging in any other businesses or investments, nor shall Lessee or KSM have any right to share or participate in any such other businesses or investments of the other Party.

11.15 Unavoidable Delays. The provisions of this Section shall be applicable if there shall occur during the Term any (i) strikes, lockouts, or labor disputes, (ii) inability to obtain labor or materials, or reasonable substitutes therefor, (iii) acts of God, governmental restrictions, regulations or controls, enemy or hostile governmental action, civil commotion, fire, or other casualty, or (iv) other conditions beyond the reasonable control of the Party obligated to perform. If either Party shall, as the result of any of the above-described events, fail punctually to perform any obligation on its part to be performed under this Agreement, then such failure shall be excused and not be a breach of this Agreement by the Party claiming an unavoidable delay (an "Unavoidable Delay"), but only to the extent the delay is occasioned by such event. If any right or option of either Party to take any action under or with respect to the Term is conditioned upon the same being exercised within any prescribed period of time or at or before a named date, then such prescribed period of time or such named date shall be deemed to be extended or delayed, as the case may be, upon written notice, as provided above, for a time equal to the period of the Unavoidable Delay. Notwithstanding anything contained herein to the contrary, the provisions of this Section shall not be applicable to either Party's obligation to pay any sums, monies, costs, charges, or expenses required to be paid pursuant to the terms of this Agreement.

11.16 No Third-Party Beneficiaries. Nothing herein contained shall be deemed to establish any rights of third parties against the Parties hereto; it being the intent that the rights and obligations set forth herein are those of the Parties hereto alone, with no third party beneficiary rights intended.

11.17 Certain Services Excluded. Notwithstanding anything else contained in this Agreement to the contrary, KSM's services are limited to those specifically noted in the Agreement and do not include, among others and without limitation, architectural, engineering, design or general contracting services, facility planning services, accounting or tax-related assistance or advice, legal advice or services, expert witness services, cost report preparation, data processing or information services, or feasibility studies. KSM's services will not constitute an audit, review or compilation or any other type of financial statement reporting or consulting engagement subject to the rules of the AICPA or other similar bodies. KSM will not be expressing any professional opinions and makes no representations or warranties in conjunction with this engagement.

11.18 Confidentiality. The terms and provisions of this Agreement shall be released to third parties only in connection with carrying out their respective duties and obligations described herein, in connection with any order of court or in order to comply with the Idaho Public Records Act or other governmental rules and regulations, and as required by any proposed purchaser or mortgagee of all or any portion of Lessee's interest in the Club or Property, and then only to the extent as may be reasonably necessary. The foregoing shall not be construed to limit KSM's ability to announce both privately and publicly that it manages the Club and Property.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first written above.

KEMPER SPORTS MANAGEMENT, INC.

CITY OF MERIDIAN

By: _____

Steven K. Skinner
Chief Executive Officer

By: _____

Robert E. Simison
Mayor

ATTEST:

Chris Johnson
City Clerk

EXHIBIT A

DEFINITIONS

All capitalized terms referenced or used in the Management Agreement (the “Agreement”) and not specifically defined therein shall have the meaning set forth below in this Exhibit A, which is attached to and made a part of the Agreement for all purposes.

- Affiliate(s). The term “Affiliate(s)” shall mean a Person that directly or indirectly, or through one or more intermediaries, controls, is controlled by, or is under common control with the Person in question and any officer, director, or trustee, and any stockholder or partner of any Person referred to in the preceding clause owning fifty percent (50%) or more of such Person. For purposes of this definition, the term “control” means the ownership of fifty percent (50%) or more of the beneficial interest of the voting power of the appropriate entity.
- Environmental Laws. The term “Environmental Laws” shall mean all current and future federal, state, and local statutes, regulations, ordinances, and rules relating to (i) the emission, discharge, release, or threatened release of a Hazardous Material into the air, surface water, groundwater, or land; (ii) the manufacturing, processing, use, generation, treatment, storage, disposal, transportation, handling, removal, remediation, or investigation of a Hazardous Material; or (iii) the protection of human health, safety, or the indoor or outdoor environment, including, without limitation, the Clean Air Act, the Federal Water Pollution Control Act, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Occupational Safety and Health Act, all amendments thereto, all regulations promulgated thereunder, and their state or local statutory and regulatory counterparts.
- Executive Golf Employees. The term “Executive Golf Employees” shall mean the General Manager of the Club.
- Gross Revenues. The term “Gross Revenues” shall mean all monthly receipts related to or derived from the operation of the Club from cash or credit transactions recognized during the Term, computed on an accrual basis, including, but not limited to, greens fees, cart rental fees, guest fees, membership initiation fees and/or membership dues, income derived from the investment of Gross Revenues, the amount of all sales (wholesale or retail) of food, beverages, goods, wares, or merchandise on, at, or from the Property, or for services of any nature performed on, at, or from the Property, determined in accordance with generally accepted accounting principles applied on a consistent basis. Gross Revenues shall be reduced by any refunds, rebates, discounts, and credits of a similar nature given, paid, or returned by KSM or Lessee.

Gross Revenues shall not include:

- Applicable gross receipts taxes, admission, cabaret, excise, sales, and use taxes, or similar governmental charges collected directly from customers or their guests or as a part of the sales price of any goods or services;
- Service charges that are percentage gratuities added to billings, to the extent paid to employees of the Club;
- Proceeds of borrowings by Lessee;
- Proceeds paid as a result of an insurable loss, unless paid for the loss or interruption of business, to the extent such sums are used to remedy said loss;
- Interest or investment income earned on Gross Revenues; or
- Lessee's Advances.

Any of the above provisions resulting in a double exclusion from Gross Revenues shall be allowed as an exclusion only once.

- Hazardous Material. The term "Hazardous Material" shall mean any solid, liquid, or gaseous substance, chemical, compound, product, byproduct, waste, or material that is or becomes regulated, defined, or designated by any applicable federal, state, or local governmental authority or by any Environmental Law as hazardous, extremely hazardous, imminently hazardous, dangerous, or toxic, or as a pollutant or contaminant, and shall include, without limitation, asbestos, polychlorinated biphenyls, and oil, petroleum, petroleum products and petroleum byproducts.
- Improvements. The term "Improvements" shall mean the improvements, structures, and fixtures placed, constructed, or installed on the Real Property for the Club, and any additions or subsequent modifications thereto.
- Intangible Personal Property. The term "Intangible Personal Property" shall mean all intangible property or rights owned or held by Lessee in connection with the Club, including, but not limited to, security deposits, prepaid rents, liquor and operating licenses, and all trademarks related to the Club.
- KSM. The term "KSM" means Kemper Sports Management, Inc., an Illinois corporation, and its successors, legal representatives, and permitted assigns.
- Operating Expenses. The term "Operating Expenses" shall mean all operating expenses of the Club incurred or paid on behalf of Lessee during the Term, computed on an accrual basis, including, but not limited to, the following items:
 - Salaries, wages, employee benefits, and payroll expenses, including without limitation, payroll service bureau fees, payroll processing fees, payroll taxes, Club profit sharing programs, and insurance for all employees employed on-site in the direct operation of the Club, excluding, however, service charges, which are

defined as percentage gratuities added to billings and paid to employees (collectively, the “Gross Payroll”);

- Marketing, advertising, and promotional expenses;
- Purchase and replacement, as necessary, of inventories of maintenance parts and supplies, food stores and bar supplies;
- Purchase and replacement, as necessary, of silver, chinaware, glassware, cooking utensils, and other similar items of equipment;
- Purchase and replacement, as necessary, of office supplies, computers, printers, facsimile machines, photocopiers, postage, printing, routine office expenses, and lease payments on any item of furniture, fixtures or equipment to the extent not excluded below from Operating Expenses, and accounting services incurred in the on-site operation of the Club;
- The costs of IT consultants and other consultants utilized for the Club;
- Reasonable travel expenses of on-site employees incurred exclusively in connection with the business of the Club;
- Accrual of a reserve for insurance (including workers’ compensation) and property taxes each month in an amount or at a rate that is sufficient to pay such insurance premiums or property taxes when they become due and payable;
- Insurance premiums, administrative and financing charges and expenses, property taxes, to the extent not provided for in the reserve established therefore and any deductible amounts required to be paid pursuant to Lessee insurance coverage;
- Accounts receivable previously included within Gross Revenues, to the extent they remain unpaid ninety (90) days after the first billing;
- Auditing, accounting costs, computer fees (including costs to license and maintain accounting software), and legal fees incurred in respect of the operation of the Club, including any reasonable financial management and reasonable accounting fees paid to third party accounting firms, if included in the Budgets;
- Costs incurred for utilities, including, but not limited to, all electric, gas, and water costs, and any other private utility charges incurred in connection with the operation of the Club;
- Ordinary maintenance and repairs, exclusive of any capital improvements or capital replacements, which are hereby excluded;
- All out-of-pocket expenses incurred by KSM in providing the services under the terms of the Agreement, including without limitation, reasonable travel for

employees employed on-site at the Property and KSM's other employees while engaged in performing the obligations of KSM hereunder, air express, costs of recruitment (including applicable agent's fee), and other incidental expenses included in the Budget;

- Expenses, including legal fees, damages or other costs, involved in defending any employment-related lawsuits, charges or claims involving personnel of the Club;
- All expenses set forth in the approved Budgets; and
- All other customary and reasonable expenses incurred in the operation of the Club and the Improvements.

Any of the above provisions resulting in a double inclusion as an Operating Expense shall be allowed as an inclusion only once.

Operating Expenses shall not include (i) depreciation or amortization, (ii) principal or interest payments on indebtedness, (iii) rental or lease payments for major items of furniture, fixtures, or equipment which, in accordance with generally accepted accounting principles, are purchased and capitalized as fixed assets, and (iv) federal, state and local income taxes of any nature or kind incurred by Lessee or KSM.

- Person. The term "Person" shall mean any individual, partnership, corporation, association, or other entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such Person where the context so permits; and, unless the context otherwise requires, the singular shall include the plural, the masculine shall include the feminine and the neuter, and vice versa.
- Personal Property. The term "Personal Property" shall mean the Intangible Personal Property and the Tangible Personal Property.
- Property. The term "Property" shall mean (i) the Improvements, (ii) the Personal Property, and (iii) the Real Property.
- Real Property. The term "Real Property" shall mean that certain parcel of land upon which the Club is located.
- Tangible Personal Property. The term "Tangible Personal Property" shall mean all equipment, machinery, fixtures, furnishings, accessories, and other tangible personal property placed or installed, or to be placed or installed, on or about the Real Property and used as a part of or in connection with the operation of the Club.

EXHIBIT B

LEGAL DESCRIPTION OF REAL PROPERTY

Parcel I

A parcel of land being a portion of the West half Section 3, Township 3 North, Range 1 West, Boise Meridian, Meridian, Ada County, Idaho and more particularly described as follows:

Beginning at a brass cap marking the Southeast corner of the Northeast Quarter of Section 3, Township 3 North, Range 1 West, Boise Meridian, Meridian, Ada County Idaho; thence along the Southerly boundary of said Northeast Quarter of Section 3

North 88°55'29" West 2643.29 feet to a brass cap marking the Southwest corner of the Northeast Quarter; thence leaving said Southerly boundary

North 75°30'00" West 190.00 feet to a 2" iron pipe; thence North 40°00'00" West 40.00 feet to an iron pin; thence South 75°59'31" West 70.00 feet to an iron pin; thence South 25°00'00" West 64.19 feet to an iron pin; thence

North 89°25'06" West 254.51 feet to a point, said point also being the REAL POINT OF BEGINNING; thence continuing

North 89°25'06" West 100.01 feet to a point; thence South 00°30'11" West 407.92 feet to a point; thence

South 68°54'11" East 276.46 feet to a point marking a point of curve; thence along a curve to the right 59.46 feet, said curve having a central angle of 34°04'10", a radius of 100.00 feet, tangents of 30.64 feet and a long chord of 58.59 feet bearing

South 51°52'06" East to a point marking a point of tangents; thence South 34°50'01" East 292.99 feet to a point; thence

South 89°48'41" East 147.34 feet to a point; thence North 35°00'00" West 109.03 feet to a point; thence North 51°45'00" West 580.00 feet to a point; thence

North 00°29'44" East 335.18 feet to the POINT OF BEGINNING.

Parcel II

A parcel of land lying in portions of the South half of the North half and the North half of the South half of Section 3, Township 3 North, Range 1 West, Boise Meridian, Meridian, Ada County, Idaho and more particularly described as follows:

Beginning at a point marking the Northwest corner of the said North half of the South half of Section 3; thence

South 89°25'06" East 2,077.73 feet along the Northerly boundary of the said North half of the South half of Section 3 to a point also said point being the REAL POINT OF BEGINNING;

thence South 0°29'44" West 335.18 feet to a point; thence

South 51°45'00" East 580.00 feet to a point; thence South 35°00'00" East 285.33 feet to a point; thence

South 22°15'00" West 60.05 feet to a point; thence

South 43°58'10" East 238.75 feet to a point; thence South 29°00'00" East 110.00 feet to a point; thence

North 61°00'00" East 81.19 feet to a point of curve; thence Northeasterly along a curve to the left 147.14 feet, said curve having a central angle of 48°10'28", a radius of 175.00 feet, tangents of 78.23 feet and a long chord of 142.84 feet bearing North 36°54'46" East to a point of ending of curve; thence North 56°30'00" West 151.38 feet to a point; thence North 41°30'00" West 203.92 feet to a point; thence North 17°15'00" West 94.14 feet to a point; thence North 22°15'00" East 147.00 feet to a point; thence North 65°50'00" East 45.00 feet to a point; thence South 87°20'00" East 78.40 feet to a point; thence South 68°00'00" East 61.48 feet to a point; thence South 71°33'25" East 88.05 feet to a point; thence South 60°00'00" East 108.33 feet to a point of beginning of curve; thence Northeasterly along a curve to the right 139.32 feet, said curve having a central angle of 25°35'19", a radius of 311.95 feet, tangents of 70.84 feet and along chord of 138.16 feet bearing North 56°12'20" East to a point of tangent; thence North 69°00'00" East 115.08 feet to a point of curve; thence Northeasterly along a curve to the left 125.75 feet, said curve having a central angle of 24°25'22", a radius of 295.00 feet, tangents of 63.84 feet and a long chord of 124.80 feet bearing North 56°47'19" East to a point of ending of curve; thence North 44°00'00" West 79.63 feet to a point; thence North 67°45'00" West 160.00 feet to a point; thence South 65°50'00" West 244.67 feet to a point; thence North 50°30'00" West 114.35 feet to a point; thence North 44°00'00" East 90.00 feet to a point; thence North 17°00'00" West 175.00 feet to a point; thence North 12°00'00" East 280.00 feet to a point; thence North 77°30'00" West 170.00 feet to a point; thence South 68°00'00" West 265.00 feet to a point marking the Northeast corner of the Southwest Quarter of the said Section 3; thence North 75°30'00" West 190.00 feet to a point; thence North 40°00'00" West 40.00 feet to a point; thence South 75°59'31" West 70.00 feet to a point; thence South 25°00'00" West 64.19 feet to a point on the said Northerly boundary of the North half of the South half of Section 3; thence North 89°25'06" West 254.51 feet along the said Northerly boundary of the North half of the South half of Section 3 to the POINT OF BEGINNING.

EXCEPT that portion lying within the following subdivisions:

Cherry Lane Village No. 1 Subdivision, according to the plat thereof, filed in Book 44 of Plats at Pages 3537 and 3538, records of Ada County, Idaho;

Cherry Lane Village No. 2 Subdivision, according to the plat thereof, filed in Book 46 of Plats at Pages 3791 and 3792, records of Ada County, Idaho;

The Lake at Cherry Lane, according to the plat thereof filed in Book 52 of Plats at Pages 4569 and 4570, records of Ada County, Idaho;

The Lake at Cherry Lane No. 2, according to the plat thereof filed in Book 54 of Plats at Pages 4882 and 4883, records of Ada County, Idaho; The Lake at Cherry Lane No. 4 Subdivision, according to the plat thereof, filed in Book 74 of Plats at Pages 7674 and 7675, records of Ada County, Idaho.

Parcel III-A

A portion of the West half of Section 3, Township 3 North, Range 1 West, Boise Meridian, Meridian, Ada County, Idaho, more particularly described as follows:

Commencing at the corner common to Sections 4, 9, 10 and the said Section 3; thence North 0°38'11" East 2651.19 feet to the quarter corner common to said Sections 3 and 4 as same was reestablished by LS 972 (CP & F Instrument No. 7852146, records of Ada County, Idaho); from which the Northwest corner of said Section 3 bears North 0°38'27" East 2697.49 feet; thence North 0°38'27" East 22.64 feet to a 5/8" iron pin; thence South 88°55'31" East 379.53 feet to the REAL POINT OF BEGINNING; thence continuing South 88°55'31" East 182.65 feet to a point; thence South 8°18'10" East 440.66 feet to a point; thence South 16°18'25" West 218.04 feet to a point; thence North 89°13'51" East 540.22 feet to a point; thence North 71°43'34" East 442.46 feet to a point; thence North 10°33'50" East 487.84 feet to a point; thence South 88°55'31" East 124.84 feet to a point; thence South 50°38'25" East 89.99 feet to a point; thence 165.33 feet along the arc of a curve to the right, having a radius of 250.25 feet, a central angle of 37°51'08", and a long chord bearing South 31°42'52" East 162.34 feet to a point; thence North 89°29'44" West 120.24 feet to a point; thence South 4°27'17" East 80.30 feet to a point; thence South 0°30'16" West 230.52 feet to a point; thence South 10°31'20" West 123.51 feet to a point; thence South 30°14'07" West 119.57 feet to a point; thence South 50°50'29" West 134.39 feet to a point; thence South 71°28'48" West 120.64 feet to a point; thence South 82°45'52" West 225.84 feet to a point; thence South 89°02'57" West 67.30 feet to a point; thence North 89°10'41" West 825.06 feet to a point; thence North 77°29'20" West 148.07 feet to a point; thence North 89°10'41" West 160.40 feet to a point lying 65.00 feet East of the West boundary of said Section 3; thence along a line 65.00 feet East of and parallel to the West boundary of said Section 3 North 0°38'11" East 247.64 feet to a point, thence South 89°21'49" East 156.03 feet to a point; thence North 45°03'16" East 163.61 feet to a point; thence North 5°39'31" East 502.42 feet to the POINT OF BEGINNING.

Parcel III-B

A portion of the West half of Section 3, Township 3 North, Range 1 West, Boise Meridian, Meridian, Ada County, Idaho, more particularly described as follows:

Commencing at the corner common to Sections 4, 9, 10 and the said Section 3; thence North 0°38'11" East 2651.19 feet to the quarter corner common to said Sections 3 and 4 as same was reestablished by LS 972 (CP & F Instrument No. 7852146, records of Ada County, Idaho); from which the Northwest corner of said Section 3 bears North 0°38'27" East 2697.49 feet; thence

North 0°38'27" East 22.64 feet to a 5/8" iron pin; thence

South 88°56'31" East 1977.72 feet to a 5/8" iron pin and the REAL POINT OF BEGINNING; thence

South 0°30'15" West 413.59 feet to a point; thence North 68°54'11" West 26.71 feet to a point; thence

North 0°30'15" East 217.93 feet to a point; thence 211.88 feet along the arc of a curve to the left, having a radius of 249.75 feet, a central angle of 48°36'25" and a long chord bearing North 23°47'57" West 205.58 feet to a point; thence

South 88°55'31" East 109.62 feet to the POINT OF BEGINNING.

Parcel IV-A

A portion of the Southwest Quarter of the Northwest Quarter of Section 3, Township 3 North, Range 1 West; Boise Meridian, Meridian, Ada County, Idaho, more particularly described as follows:

Commencing at the corner common to Sections 4, 9, 10 and the said Section 3; thence North 0°38'11" East, 2651.19 feet to the quarter corner common to said Section 3 and 4 as same was reestablished by LS 972 (CP & F Instrument No. 7852146, records of Ada County, Idaho); from which the Northwest corner of said Section 3 bears North 0°38'27" East, 2697.49 feet; thence North 0°38'27" East 22.64 feet to a 5/8" iron pin; thence South 88°55'31" East, 379.53 feet to the REAL POINT OF BEGINNING; thence North 5°39'31" East, 290.28 feet to a point; thence 46.45 feet along the arc of a nontangent curve to the right, having a radius of 250.00 feet, a central angle of 10°38'46", and a long chord bearing South 49°22'43" East, 46.39 feet to a point; thence South 44°03'20" East, 136.41 feet to a point; thence South 8°18'10" East, 165.80 feet to a point; thence North 88°55'31" West, 182.65 feet to the POINT OF BEGINNING.

Parcel IV-B

A portion of Government Lot 4 and the Southwest Quarter of the Northwest Quarter of Section 3, Township 3 North, Range 1 West Boise Meridian, Meridian, Ada County, Idaho more particularly described as follows:

Commencing at the corner common to Sections 4, 9, 10 and the said Section 3; thence North 0°38'11" East, 2651.19 feet to the quarter corner common to said Section 3 and 4 as same was reestablished by LS 972 (CP & F Instrument No. 7852146, records of Ada County, Idaho); from which the Northwest corner of said Section 3 bears North 0°38'27" East, 2697.49 feet; thence North 0°38'27" East 22.64 feet to a 5/8" iron pin; thence South 88°55'31" East, 834.71 feet to a point; thence North 1°04'29" East, 77.45 feet to the REAL POINT OF BEGINNING; thence 199.31 feet along the arc of curve to the right having a radius of 270.00 feet, a central angle of 42°17'41" and a long chord bearing North 65°12'11" West, 194.81 feet to a point; thence North 44°03'20" West, 198.06 feet to a point; thence North 37°38'05" East, 125.90 feet to a point; thence North 4°26'20" West, 178.94 feet to a point; thence North 49°13'43" West, 619.18 feet to a point; thence North 89°21'33" West, 39.72 feet to a point; thence North 0°38'27" East, 178.61 feet to a point; thence South 89°21'33" East, 104.94 feet to a point; thence North 26°46'55" East, 463.73 feet to a point; thence North 13°05'08" East, 186.18 feet to a point; thence South 89°23'04" East, 221.37 feet to a point; thence South 0°36'56" West, 30.00 feet to a point; thence North 89°23'04" West, 114.43 feet to a point; thence South 10°38'11" West, 162.48 feet to a point; thence South 5°36'09" East, 160.95 feet to a point; thence South 48°58'55" West, 66.41 feet to a point; thence South 10°49'04" West, 123.62 feet to a point; thence South 12°00'00" East, 85.00 feet to a point; thence South 53°26'21" East, 142.60 feet to a point; thence South 6°51'51" West, 151.05 feet to a point; thence South 41°14'14" East, 171.06 feet to a point; thence South 89°12'26" East, 122.33 feet to a point; thence South 43°03'05" East, 60.00 feet to a point; thence South 0°36'15" West, 671.50 feet to the POINT OF BEGINNING.

Parcel IV-C

A portion of the Northwest Quarter of Section 3, Township 3 North, Range 1 West, Boise Meridian, Meridian, Ada County, Idaho, more particularly described as follows:

Commencing at the corner common to Sections 4, 9, 10 and the said Section 3; thence North 0°38'11" East, 2651.19 feet to the quarter corner common to said Sections 3 and 4 as same was reestablished by LS 972 (CP & F Instrument No. 7852146, records of Ada County, Idaho); from which the Northwest corner of said Section 3 bears North 0°38'27" East, 2697.49 feet; thence

North 0°38'27" East 22.64 feet to a 5/8" iron pin; thence South 88°55'31" East, 1784.61 feet to a point; thence

North 1°04'29" East, 303.15 feet to the REAL POINT OF BEGINNING; thence North 66°28'40" West, 157.70 feet to a point; thence

North 56°56'39" West, 717.37 feet to a point; thence North 89°23'44" West, 36.12 feet to a point; thence

North 0°36'28" East, 5.00 feet to a point; thence 154.59 feet along the arc of a nontangent curve to the left, having a radius of 225.00 feet, a central angle of 39°22'00", and a long chord bearing North 19°04'45" West, 151.57 feet to a point; thence North 38°45'45" West, 39.00 feet to a point; thence North 51°14'15" East, 110.00 feet to a point; thence North 26°11'31" West, 134.78 feet to a point; thence North 4°04'20" West, 277.45 feet to a point; thence North 31°46'35" West, 241.56 feet to a point; thence North 0°36'56" East, 132.59 feet to a point; thence North 89°23'04" West, 110.00 feet to a point; thence North 0°36'56" East, 30.00 feet to a point; thence South 89°23'04" East, 175.94 feet to a point; thence South 78°05'29" East, 71.13 feet to a point; thence South 63°13'16" East, 65.34 feet to a point; thence South 56°28'32" East, 79.07 feet to a point; thence South 53°15'09" East, 86.07 feet to a point, thence South 42°31'18" East, 70.53 feet to a point; thence South 35°28'22" East, 77.08 feet to a point; thence South 5°49'06" East, 249.89 feet to a point; thence South 8°16'07" East, 125.42 feet to a point; thence South 13°56'20" East, 266.06 feet to a point; thence South 42°43'29" East, 283.07 feet to a point; thence North 61°49'13" East, 165.37 feet to a point; thence North 11°00'42" West, 399.24 feet to a point; thence South 89°18'49" East, 398.40 feet to a point; thence South 79°02'15" East, 61.16 feet to a point; thence South 60°40'15" East, 164.39 feet to a point; thence South 85°10'18" East, 136.30 feet to a point; thence South 0°30'15" West, 235.93 feet to a point; thence

North 89°29'45" West, 80.00 feet to a point; thence South 78°33'49" West, 182.71 feet to a point; thence South 11°45'15" West, 185.77 feet to a point; thence

South 0°30'15" West, 154.10 feet to a point; thence 288.86 feet along the arc of a nontangent curve to the left, having a radius of 425.00 feet, a central angle of 38°56'31", and a long chord bearing

South 63°04'11" West, 283.33 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM:

A portion of the Northwest quarter of Section 3, Township 3 North, Range 1 West, Boise Meridian, Ada County, Idaho and more particularly described as follows:

Beginning at a brass cap marking the Northeast corner of the Northwest quarter of Section 3, Township 3 North, Range 1 West, Boise Meridian, Ada County, Idaho;

thence along the Easterly boundary of the said Northwest quarter of Section 3,

South 00°27'29" West 1,365.57 feet to an iron pin marking the Southeast corner of the Northeast quarter of the Northwest quarter of Section 3, said iron pin also being on the Northerly boundary

of The Lake at Cherry Lane No. 4 Subdivision as filed for record in the office of the Ada County Recorder, Boise, Idaho, in Book 74 of Plats at Pages 7674 and 7675;
thence leaving said Easterly boundary and along the said Northerly boundary of The Lake at Cherry Lane No. 4 Subdivision,
North 89°18'58" West 301.76 feet to an iron pin marking the Northwest corner of said The Lake at Cherry Lane No. 4 subdivision; thence leaving said Northerly boundary and along the Westerly boundary of said The Lake at Cherry Lane No. 4 Subdivision,
South 00°30'18" West 486.13 feet to an iron pin, said iron pin being the Real Point of Beginning; thence continuing along said Westerly boundary,
South 00°30'18" West 19.38 feet to a point; thence leaving said Northwesterly boundary, North 89°29'45" West 79.95 feet to a point; thence
South 78°33'49" West 182.71 feet to a point; thence North 11°45'06" East 20.62 feet to a point; thence North 78°53'05" East 183.47 feet to a point; thence
South 89°29'54" East 74.99 feet to the Point of Beginning.

FURTHER EXCEPTING THEREFROM:

A portion of the Northwest quarter of Section 3, Township 3 North, Range 1 West, Boise Meridian, Meridian, Ada County, Idaho and more particularly described as follows:
Beginning at a brass cap marking the Northeast corner of the Northwest quarter of Section 3, Township 3 North, Range 1 West, Boise Meridian, Meridian Ada County, Idaho;
thence along the Easterly boundary of the said Northwest quarter of Section 3,
South 00°27'2.9" West 1,365.57 feet to an iron pin marking the Southeast corner of the Northeast quarter of the Northwest quarter of Section 3, said iron pin also being on the Northerly boundary of The Lake at Cherry Lane No. 4 Subdivision as filed for record in the office of the Ada County Recorder, Boise, Idaho, in Book 74 of Plats at Pages 7674 and 7675;
thence leaving said Easterly boundary and along the said Northerly boundary of The Lake at Cherry Lane No. 4 Subdivision,
North 89°18'58" West 301.76 feet to an iron pin marking the Northwest corner of said The Lake at Cherry Lane No. 4 subdivision;
thence leaving said Northerly boundary and along the Westerly boundary of said The Lake at Cherry Lane No. 4 Subdivision,
South 00°30'18" West 486.13 feet to an iron pin; thence leaving said Westerly boundary North 89°29'54" West 74.97 feet to an iron pin; thence
South 78°53'05" West 183.47 feet to an iron pin, said iron pin being the Real Point of Beginning; thence South 11°45'06" West 206.39 feet to an iron pin; thence
South 00°30'06" West 154.08 feet to an iron pin, thence
Southwesterly 24.54 feet along the arc of a curve to the left said curve having a radius of 425.00 feet, a central angle of 03°18'29", and a long chord bearing
South 80°53'03" West 24.54 feet, to a point on the Easterly right of way of the Eight Mile Lateral;
thence along said Easterly right of way
North 00°42'19" East 347.61 feet to a point; thence leaving said Easterly said right of way North 78°53'05" East 64.54 feet to the Real Point of Beginning.

Parcel IV-D

A portion of the Southeast Quarter of the Northwest Quarter of Section 3, Township 3 North, Range 1 West, Boise Meridian, Meridian, Ada County, Idaho, more particularly described as follows:

Commencing at the corner common to Sections 4, 9, 10 and the said Section 3; thence North 0°38'11" East, 2651.19 feet to the quarter corner common to said Sections 3 and 4 as same was reestablished by LS 972 (CP & F Instrument No. 7852146, records of Ada County, Idaho); from which the Northwest corner of said Section 3 bears North 0°38'27" East, 2697.49 feet; thence

North 0°38'27" East 22.64 feet to a 5/8" iron pin; thence

South 88°55'31" East, 1614.53 feet to the REAL POINT OF BEGINNING; thence

North 10°33'50" East, 72.37 feet to a point; thence 129.52 feet along the arc of a nontangent curve to the right, having a radius of 600.00 feet, a central angle of 12°22'07", and a long chord bearing

South 56°49'29" East, 129.27 feet to a point; thence South 50°38'25" East, 4.33 feet to a point; thence

North 88°55'31" West, 124.84 feet to the POINT OF BEGINNING.

Parcel IV-E

A portion of the Southeast Quarter of the Northwest Quarter of Section 3, Township 3 North, Range 1 West, Boise Meridian, Meridian, Ada County, Idaho, more particularly described as follows:

Commencing at the corner common to Sections 4, 9, 10 and the said Section 3; thence North 0°38'11" East, 2651.19 feet to the quarter corner common to said Sections 3 and 4 as same was reestablished by LS 972 (CP & F Instrument No. 7852146, records of Ada County, Idaho); from which the Northwest corner of said Section 3 bears North 0°38'27" East, 2697.49 feet; thence

North 0°38'27" East 22.64 feet to a 5/8" iron pin; thence

South 88°55'31" East, 1977.72 feet to a 5/8" iron pin and the REAL POINT OF BEGINNING; thence

North 88°55'31" West 109.62 feet to a point; thence 11.06 feet along the arc of a nontangent curve to the left, having a radius of 249.75 feet, a central angle of 2°32'16", and a long chord bearing

North 49°22'17" West, 11.06 feet to a point; thence

North 50°38'25" West, 94.32 feet to a point; thence 60.45 feet along the arc of a curve to the left, having a radius of 680.00 feet, a central angle of 5°05'36", and a long chord bearing North 53°11'13" West, 60.43 feet to a point; thence 30.13 feet along the arc of a curve to the right, having a radius of 20.00 feet, a central angle of 86°18'50", and a long chord bearing North 12°34'36" West, 27.36 feet to a point; thence

North 30°34'50" East, 84.13 feet to a point; thence 269.77 feet along the arc of a curve to the right, having a radius of 375.00 feet, a central angle of 41°13'04", and a long chord bearing North 51°11'21" East, 263.99 feet to a point; thence

South 0°30'15" West, 369.89 feet to the POINT OF BEGINNING.

Parcel V

Lots 1 and 52 in Block 5, and Lot 11 in Block 9 of Cherry Lane Village No. 1 Subdivision, according to the plat thereof filed in Book 44 of Plats at Pages 3537 through 3538, records of Ada County, Idaho.

Parcel VI

Lots 12 and 21 in Block 9 and Lot 4 in Block 11 and Lot 53 in Block 5 of Cherry Lane Village No. 2 Subdivision, according to the plat thereof, filed in Book 46 of Plats at Pages 3791 and 3792, records of Ada County, Idaho.

Parcel VII

Lot 83 in Block 5 and Lot 14, in Block 13 Cherry Lane Village No. 3 Subdivision according to the official plat thereof filed in Book 58 of Plats at Pages 5473 through 5475, records of Ada County, Idaho.

EXCEPTING THEREFROM that portion of Lot 83 in Block 5 of the proposed Cherry Lane Village No. 3 Subdivision located in the SE $\frac{1}{4}$ of Section 3, T. 3N., R. 1W., B.M., Ada County, Idaho, and more particularly described as follows:

Beginning at a brass cap marking the Southeast corner of said SE $\frac{1}{4}$; thence North $00^{\circ}19'11''$ East 451.29 feet along the Easterly boundary of said SE $\frac{1}{4}$ and the centerline of Ten Mile Road to a point marking the intersection of the centerline of the proposed Woodmont Drive and said centerline of Ten Mile Road; thence along the following courses and distances along said proposed centerline of Woodmont Drive;

North $89^{\circ}40'49''$ West 136.00 feet to a point of curve; thence Northwesterly along a curve to the right 54.87 feet, said curve having a central angle of $21^{\circ}40'49''$, a radius of 145.00 feet, tangents of 27.77 feet and a long chord of 54.54 feet bearing North $78^{\circ}50'25''$ West to a point of tangent; thence

North $68^{\circ}00'00''$ West 171.40 feet to a point of curve; thence Northwesterly along a curve to the left 78.86 feet, said curve having a central angle of $25^{\circ}49'14''$, a radius of 175.00 feet, tangents of 40.11 feet and a long chord of 78.20 feet bearing North $80^{\circ}54'37''$ West to a point of ending of curve; thence leaving said proposed centerline of Woodmont Drive along a non-tangent line, South $05^{\circ}35'15''$ West 25.40 feet to a point marking the Northwesterly corner of Lot 84, Block 5 of said proposed Cherry Lane Village No. 3 Subdivision, also said point being on the Southwesterly right-of-way line of said proposed Woodmont Drive, said point also being the REAL POINT OF BEGINNING;

thence continuing South $05^{\circ}35'15''$ West 66.64 feet along the Westerly boundary of said Lot 84, Block 5 to a point marking the Southwesterly corner of said Lot 84, Block 5, also said point being on the Southerly boundary of said proposed Cherry Lane Village No. 3 Subdivision; thence North $60^{\circ}50'49''$ West 3.00 feet along said Southerly boundary of the proposed Cherry Lane Village No. 3 Subdivision to a point; thence leaving said Southerly boundary, North $05^{\circ}13'51''$ West 62.96 feet to a point on said Southerly right-of-way line of proposed Woodmont Drive, also said point being a point on curve; thence Northeasterly along a non-tangent curve to the right along said Southerly right-of-way line of proposed Woodmont Drive 15.01 feet, said curve having a central angle of $05^{\circ}44'02''$, a radius of 150.00 feet, tangents of 7.51 feet and a long chord of 15.00 feet bearing North $81^{\circ}43'36''$ East to the POINT OF BEGINNING.

Parcel VIII

Lot 28 in Block 11 and Lot 39 in Block 13 Cherry Lane Village No. 4 Subdivision according to the official plat thereof filed in Book 63 of Plats at Pages 6376 and 6377, records of Ada County, Idaho.

Parcel IX

Lot 9 in Block 1 of Record of Survey No. 802 of adjusted lot lines for Lots 8, 9 and 10, in Block 1 of The Lake at Cherry Lane, according to the plat thereof, filed in Book 52 of Plats at Pages 4569 and 4570, records of Ada County, Idaho.

EXCEPT that portion lying within the original Lot 8.

Parcel X

Lot 5 in Block 1 and Lot 13 in Block 2, The Lake at Cherry Lane No. 2, according to the official plat thereof, filed in Book 54 of Plats at Pages 4882 and 4883, records of Ada County, Idaho.

Parcel XI

Lot 24 in Block 2 of The Lake at Cherry Lane No. 3 Subdivision according to the official plat thereof filed in Book 70 of Plats at Pages 7167 and 7168, records of Ada County, Idaho.

Parcel XII

Lot 19 in Block 1 and Lot 46 in Block 2 of The Lake at Cherry Lane No. 4 Subdivision, according to the official plat thereof, filed in Book 74 of Plats at Page 7674 and 7675, records of Ada County, Idaho.

EXHIBIT C

INSURANCE PROVISIONS

1. Club Insurance. During the Term, KSM shall secure, the cost of which shall be an Operating Expense, the following insurance covering its on-site activities under this Agreement:

(A) Property Insurance covering loss or damage to the buildings, structures or other Improvements, contents, equipment and supplies. Lessee shall provide KSM with the appropriate written specifications for all property to be insured under such policy. Lessee understands that coverage for flood, earthquake or wind damage shall be excluded from coverage and damages connected with such events shall be an Operating Expense. Upon Lessee's written request, KSM will attempt to obtain coverage for flood, earthquake and/or wind damage and, if available, such coverage shall be an Operating Expense.

The foregoing Property Insurance shall include Business Interruption, Loss of Income and Extra Expense Insurance that will reimburse Lessee and KSM for direct and indirect loss of earnings attributable to six months of business interruption and for the actual loss sustained until the structures are substantially rebuilt after an insured property loss.

(B) Commercial General Liability and Umbrella/Excess Liability Insurance providing coverage for bodily injury and property damage arising in connection with the operation of the Club or on the Property and including coverage for contractual liability providing limits of not less than:

Bodily Injury and Property Damage Liability -	\$5,000,000 each occurrence
Personal Injury and Advertising Liability -	\$5,000,000 per person or per organization
General Policy Aggregate -	\$5,000,000
Products Liability/Completed Operations Aggregate -	\$5,000,000

(C) Commercial Business Automobile Liability Insurance including coverage for all owned, non-owned, and hired vehicles providing coverage for bodily injury and property damage liability with combined single limits of not less than \$1,000,000.

(D) Commercial Liquor Liability/Dram Shop Insurance including coverage for damages arising out of the selling, serving or furnishing of any alcoholic beverage with a limit of \$5,000,000 per occurrence/\$5,000,000 aggregate limit or the minimum limits required by statute if higher.

Special Note: the limits of liability specified in B, C and D above can be satisfied through a combination of primary, umbrella or excess liability policies, provided that the coverage under such umbrella or excess liability policies is at least as broad as the primary coverage.

(E) Employment Practices ("EPLI") of not less than \$5,000,000 each occurrence,

(F) Crime Liability Insurance covering all employees who have access to or responsibility for or who handle Lessee funds of not less than \$3,000,000 each occurrence

(G) Workers' Compensation Insurance in such amounts that comply with applicable statutory requirements, and Employer's Liability limits, of not less than \$1,000,000 per accident, \$1,000,000 disease-policy limit, and \$1,000,000 disease each employee.

(H) Pollution Liability/Environmental Impairment of not less than \$3,000,000 per accident/aggregate limit.

All such insurance coverage maintained by KSM (except as set forth in (E), (F), (G) and (H)) shall name Lessee as additional insured to the extent of the indemnification by KSM under Section 7.2 of this Agreement and shall be maintained with insurance companies rated at least A- by Best Key Rating Guide and shall be licensed to do business in the state in which the Property is located. KSM shall deliver to Lessee certificates of such insurance evidencing the required policies. Lessee acknowledges that KSM has made no representations or warranties that the above coverages are sufficient to fully protect Lessee.

2. Lessee Provided Insurance. In addition to the insurance to be maintained by KSM as described above, Lessee shall maintain, at Lessee's sole cost and expense, with insurance companies licensed to do business in the state where the Property is located, sufficient insurance as Lessee deems necessary. Lessee shall deliver to KSM certificates of insurance evidencing the above-required policies.