

2025 RIVER'S EDGE RESTAURANT/BAR LEASE

This 2025 RIVER'S EDGE RESTAURANT/BAR LEASE ("Lease") is made and entered into this 12th day of September 2025, by and between the City of Needles ("City") and the 19th Hole Bar & Grill, LLC, a California limited liability company ("Lessee").

RECITALS

WHEREAS, the City operates a municipal golf course known as the River's Edge Golf Course located at 144 Marina Drive, Needles, California, hereinafter referred to as the "Golf Course".

WHEREAS, the City owns the assets of the restaurant/bar business at said Golf Course referred to as the "19th Hole" that is currently operated by Kristin Hoebel (nee Baran) and Scott Baran (collectively "Barans") under that certain RIVER'S EDGE SNACK BAR CONCESSION/LEASE dated September 17, 2014, as amended and assigned to the Barans ("Existing Lease");

WHEREAS, the 19th Hole operates from a modular building that also includes the separately owned and operated pro shop ("Pro Shop");

WHEREAS, the City Council at its regular meeting on August 12, 2025, did authorize and direct the City Manager to negotiate the terms of this Lease with Lessee which shall supersede and replace the Existing Lease;

WHEREAS, Barans make up all of the members of the Lessee, upon the issuance of the certificate of occupancy by the City for the New Improvements as provided in this Agreement below, the Existing Lease shall automatically terminate;

WHEREAS, the Lessee through the Barans has recognized ability, capable of furnishing restaurant services to the patrons of the 19th Hole, which would be of value to the City in the operation of the Golf Course; and

NOW, THEREFORE, in consideration of the promises and of the other good and valuable considerations herein given mutually by one party to the other, the parties hereto agree as follows:

SECTION 1. TERM AND OPTIONS

The initial term of this Lease shall be ten (10) years commencing on the first day of the calendar month of or immediately following the date of the certificate of occupancy for the New Improvements, as defined below ("Commencement Date"), a copy of which certificate of occupancy shall be attached to this Lease by City after issuance. Provided this Lease has not been terminated, and Lessee is not in default, Lessee may exercise an option to extend this Lease for a five (5) year period commencing on the expiration of the initial term (the "Option"). Said Option must be exercised in writing by Lessee at least 30 days prior to commencement of the option term. In the event that any term has expired, but the lessee has not properly exercised the option to renew, and the lessee has not vacated the Premises, then this lease shall revert to a month-to-month lease, with all other provisions remaining in full effect. At that point, either party may terminate the month-to-month lease by giving 30 days' written notice of termination. Neither City, nor its council members, officers, or employees thereof shall be liable in any manner to Lessee because of any action taken to decline to exercise an option, revoke or disapprove renewal of this Lease.

SECTION 2. 19th HOLE

In consideration for being granted this Lease, Lessee shall have the right and obligation to serve quality food and beverages at the Premises, as defined below, schedule and provide full maintenance of the Premises, as defined below, employ, train and supervise personnel with appropriate qualifications and experience to assist in such functions; perform or supervise employees in the performance of all other tasks related to the operation, maintenance and repair of the Premises, as defined below, and pay for and obtain all licenses and permits necessary for the operation of the 19th Hole including obtaining and maintaining an appropriate liquor license. The right to operate the 19th Hole and lease rights herein granted to Lessee are exclusive to Lessee and shall include the golf restaurant/snack bar and River Patio; banquet activities; the Colorado Room; the sale of food, beer, wine, and liquor, subject to the liquor license of Lessee. Notwithstanding the foregoing, it is understood and agreed by Lessee that the Pro Shop shall have the right to sell water, sports drinks, soft drinks and pre-packaged snacks at such times as the restaurant and/or restaurant kitchen is closed.

SECTION 3. PREMISES

The Premises subject to this Lease are located at The River's Edge Golf Course Restaurant in Needles, California also known as the 19th Hole described and depicted in **Exhibit "A"** attached hereto and made a part hereof by this reference. Lessee shall not use or allow the Premises to be used, in whole or in part, during the term of the Lease, for any use not specifically authorized in this Lease or in violation of any present or future laws, ordinances, rules, and regulations at any time applicable to the Premises including, but not limited to the Needles Municipal Code, and in particular all laws, rules and ordinances relating to sanitation, public health, and safety and regulating the sale of alcoholic beverages.

SECTION 4. REPAIRS AND MAINTENANCE

Lessee shall, at its sole cost and expense, keep and maintain the Premises and improvements thereon and all portions thereof including all structural and non-structural portions thereof, electrical and lighting facilities and equipment in, on or about the Premises, building, and interior of the Premises, in good and sanitary order, condition and repair and in compliance with all applicable laws, statutes and ordinances related thereto including any future changes, modifications or additions arising from present or future laws affecting or related to the Premises or any portion thereof and/or the use thereof. Lessee is responsible for daily cleaning of restrooms and routine maintenance of the restrooms. Lessee is responsible maintenance and repairs of the HVAC system and for quarterly servicing of HVAC system (filters, inspection). However, if the cost to repair the HVAC units exceeds 50% of the value of a new unit, as determined by City, City shall pay the cost of the repair or replacement (in the sole discretion of City) of the HVAC units. Lessee waives (to the extent permitted by law) the benefit of the provisions of Sections 1941, 1942, 1955 and 1957 of the California Civil Code, and the right to make repairs at City's expense under any law, statute or ordinance now or hereafter in effect. City shall not, for any reason, be required or obligated to make any repairs in, on, or about the Premises, or any portion thereof. City shall be responsible for the repair or maintenance of the roof, foundation and structural walls of the Premises as well as the exterior of the building, the parking lot and the landscaping.

SECTION 5. ACCEPTANCE OF PROPERTY; SURRENDER AT END OF TERM

Lessee accepts the Premises in its current condition and repair with all faults and acknowledges that it has completed its own independent investigation and inspection of the Premises and all matters relating thereto. On the last day of the then applicable term of this Lease or sooner termination of this Lease, Lessee agrees to surrender to City the Premises in good and sanitary condition and repair.

SECTION 6. NEW IMPROVEMENTS

- (a) **New Restaurant Improvements.** Lessee shall cause the Barans to make the Premises available to City to make the New Restaurant Improvements prior to the Commencement Date and prior to the expiration of the Old Lease. The Barans shall not be required to pay rent under the Existing Lease during the time that City causes the New Improvements to be constructed and shall hold the City harmless from any loss of business during such period. Prior to the Commencement Date, City and Lessee will cooperate reasonably and in good faith to develop plans for the following improvements and related expenses ("New Improvements") to the reasonable satisfaction of City and Lessee and to construct the New Improvements:

1. Demolition Per Plan
2. Building Permit(s)
3. Kitchen Improvements (Per Plans)
4. Provide Fixtures and Hardware for Kitchen (Per Plans)
5. Plumbing (Including Grease Interceptor) (Per Plans)
6. Electrical (Including Electrical Panels) (Per Plan)
7. Mechanical/HVAC (Per Plan)
8. Floor Framing Reimbursement & Roof Framing Reinforcement Per Structural Plan
9. Concrete / Asphalt / Striping Per Plan (ADA Parking)
10. Drywall, texture, paint new improvements per plan
11. One 2-Ton Carrier Ductless Mini Split AC with Heat Pump (Per Plan)

Lessee Contribution: Lessee shall contribute a minimum of Twenty-Five Thousand Dollars (\$25,000) ("Lessee Contribution") in cash and/or in-kind toward the following expenses incurred by City related to the New Improvements on or before the Commencement Date:

1. Plans (including corrections) from a licensed engineer/architect for the improvements (kitchen, grease interceptor, electric panel and new utility meters)
2. New/Refurbished Equipment (Furniture, Fixtures and Equipment) and or other improvements as approved by the City of Needles which may include, but not limited to, carpet/flooring, floor finish of patio, paint. This may also include the rehabilitation of certain fixtures and improvements, such as the bar in the Colorado River Room.
3. Other Item(s) may be considered for approval at the discretion of the City Manager for the City of Needles or his/her designee.

Lessee shall provide City copies of all invoices and proof of payment for in-kind contributions to be included as part of Lessee's Contribution. Payment of the cash portion shall be due within five (5) business days of City's delivery of invoices, receipts or other documentation for the balance of the Lessee Contribution.

- (b) **City to Cause Construction of the New Improvements.** Once the plans and specifications for the New Improvements are prepared and this Lease is executed by Lessee and City, City shall cause a contract to be bid and entered into for the New Improvements after which it shall cause the same to be constructed by the selected bidder subject to payment of prevailing wages and other legal requirements and thereafter issue the certificate of occupancy for the Premises which shall trigger the Commencement Date, as defined above

SECTION 7. LESSEE'S STAFFING

The Lessee, in the discharge of the duties and responsibilities herein provided may employ whom Lessee wishes as long as the performance of the incumbent adheres to the normative customer service standards of a quality golf course restaurant. Lessee shall be responsible for providing workers compensation coverage for any employees and shall be responsible for all federal and state payroll withholdings, employer taxes and tax reporting requirements.

SECTION 8. RENT

- (a) In consideration of the Lease granted herein, Lessee shall pay a monthly rent in the amount set forth below ("Base Monthly Rental"). The Base Monthly Rent shall be due on or before the ____ [insert date rent is due] day of each month. Base Model Rental shall be prorated for partial months based on a thirty (30) day month. Lessee is reminded that time is of the essence. Failure to make any payment by its due date will be a breach of the rental Lease and could result in eviction and/or eliminate the exercise the renewal option(s).

Years 1-5 - \$3,150 per month

Years 6-10 - \$3,500 per month

Option Years 11-15 - \$3,850 per month

- (b) Lessee hereby acknowledges that late payment by Lessee to City of rent and other sums due hereunder will cause City to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Thus, if any installment of rent or any other sums due from Lessee shall not be received by City within five (5) days after such amount shall be due, Lessee shall pay to City a late charge equal to ten percent (10%), or such lesser amount as may be required by law, of such overdue amount. The parties hereto agree that such late charge represents a fair and reasonable estimate of the costs City will incur by reason of any late payment by Lessee. Acceptance of such late charge, together with the overdue amount, by City shall not constitute a waiver of Lessee's default with respect to such overdue amount only.

SECTION 9. LATE CHARGE AND INTEREST

Lessee hereby acknowledges that late payment will cause the City to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. In the event that rent is not received prior to 5:00 P.M. 5 days beyond the date due, regardless of cause including dishonored checks, Lessee further agrees to pay a late charge to City equal to ten percent (10%) of the late payment. In addition any late payment under this Lease shall accrue interest at the rate of ten percent (10%) per annum.

SECTION 10. BAD CHECK SERVICE CHARGE

In the event Lessee's check is dishonored and returned for any reason to City, Lessee agrees to pay as additional rental the sum equal to ten percent (10%) of the monthly rent. If for any reason a check is returned or dishonored, City may require that all future rent payments will be by cash or money order.

SECTION 11. LESSEE'S USE OF CITY EQUIPMENT

Lessee shall have the use of such existing equipment owned by the City as now may be located upon the premises and used in connection with the snack bar operations. Lessee agrees to exercise general supervision and responsibility for the proper use and care of all equipment and furniture located upon the premises, which are specifically for the use and convenience of all public users of the Golf Course. The Lessee shall be responsible for coordinating the repair and replacement of equipment at Lessee's expense. An inventory and inspection of the equipment shall be taken by a representative of each of the parties within 30 days of this Lease being fully executed, and said inventory and inspection report shall be attached to and made a part of this Lease as **Exhibit "B"**. It is agreed by the parties hereto that an annual inventory and inspection report shall be made on or about January 1 of each year during the life of this Lease.

The City retains title and ownership of all furniture, fixtures and equipment on premises that was on site at or with the commencement of this Lease, equipment attached to the Premises and any equipment that was a replacement for any equipment that was on site at commencement of this Lease. Lessee shall not dispose of any equipment belonging to the City without written consent of the City.

Except as provided otherwise herein, Lessee shall retain any equipment that it placed in service to which it holds title. Any equipment placed in premises by Lessee and purchased or leased by Lessee that is not paid in full at lease termination, may be purchased by the City in consideration for the balance due, or the City may elect to allow Lessee to remove at the option of the City.

SECTION 12. CONTROL OF LEASED PREMISES

The City reserves the right to exercise control and supervision of the portion of the clubhouse premises and facilities available to the public (excluding the restaurant/ snack bar area leased to Lessee herein); and in consideration of the 19th Hole, Lessee agrees to clean and maintain all areas of the clubhouse in good and safe condition. Lessee shall be responsible for payment of all costs to operate the premises, including, but not limited to: purchase of all food, beverage, malt beverages, bottled drinking water, alcoholic beverages, and supplies; personnel payroll costs, workers' compensation insurance, general liability insurance, liquor license, fees and expenses, health permit(s), sales and use taxes, and any other costs associated with the operation of the business that are not expressly mentioned in this Lease. Lessee shall inform all vendors that payment for all purchases made on or after the commencement of 19th Hole operations shall be the sole responsibility of the Lessee, and that the City of Needles will not be responsible for the payment of any purchases made on or after Lessee commences operation of the 19th Hole.

SECTION 13. LESSEE'S DUTY TO EXHIBIT PRICE LIST

Lessee shall conspicuously exhibit a list of all prices and charges for food and beverage at all times during the term of this Lease.

SECTION 14. CITY'S DUTY TO PROVIDE UTILITIES; REIMBURSEMENT BY LESSEE

The City agrees to furnish to Premises water, wastewater, electric and sanitation for that portion and section of the premises covered by this Lease, as necessary for the operation of such facilities. Lessee shall pay the estimated pro-rated share of the cost of the utilities which costs are agreed to be as follows: 70% of electric and 60% of water for the entire building. City shall invoice Lessee for the cost of the forgoing utilities on a monthly or other basis, and the Lessee shall pay such invoices within thirty (30) days of receipt. Late payment of utility invoices from City to Lessee shall be subject to the same late payment penalty and bad check fee due under Sections 9 and 10 above. Lessee shall maintain and regularly service and clean out the grease trap for the Premises at its sole cost and expense. Lessee shall be responsible to indemnify City from the cost of any maintenance or repair of the septic system caused by Lessee's failure to regularly maintain and clean out the grease trap. Any additional utility services such as, but not limited to, telephone, cable, internet, natural gas or propane service shall be the sole responsibility of the Lessee. Lessee shall be responsible for paying the share of possessory interest taxes and personal property taxes attributable to the Premises and personal property located on the Premises prior to delinquency. If the property tax bill includes the area of the building not

occupied by the Lessee the City shall assist in equitably prorating the tax bill between the Lessee and the City and/or the operator of the golf pro-shop.

SECTION 15. DAYS AND HOURS FOR OPERATING THE 19TH HOLE

Lessee shall maintain regular hours of operation of the 19th Hole consistent with the operating hours of the Golf Course, but may maintain shorter or longer hours of operation with the prior consent written consent of the City Manager provided that such hours of operation are reasonable and customary for a restaurant operating at a golf course.

SECTION 16. DISCLAIMER OF LIABILITY

- (a) The City shall not be liable or obligated to Lessee for damage incurred by fire, theft, or other casualty, acts of God, acts compelled by the United States of America and State of California, civil disaster, and such other occurrences and events beyond control of the City. The Parties agree that the City of Needles shall not be liable to Lessee for lost profits or revenues, incidental damages, consequential or special damages or punitive damages.
- (b) Lessee shall maintain the premises in an orderly, safe, and clean condition and shall avoid the existence or creation of any conditions, which would be unsafe or hazardous or in any way endanger or harm persons entering thereon.

SECTION 17. NON-ASSIGNABILITY OF LEASE

Lessee shall sublet, assign or otherwise transfer this Lease or any interest in this Lease, except with the express written consent of the City, which shall not be unreasonably withheld or conditioned. Any such unauthorized sublease, assignment or transfer shall be void and of no effect. For purposes of this Lease, it is understood that operation of the Premises by the Barans is anticipated and expected by the City based on their personal qualifications. Therefore, a change in control of Lessee or a transfer or encumbrance by the Barans of a controlling interest in Lessee in one or more transactions over time shall be deemed an assignment hereunder requiring the consent of the City.

SECTION 18. INDEMNITY

Lessee, as a material part of the consideration to be rendered to City, hereby waives all claims against City (i) for damages to Lessee's personality and/or improvements now or hereafter existing in, upon, or about the Premises and (ii) for injuries to Lessee, its employees, agents or third persons in, on or about the Premises. Lessee hereby agrees to indemnify, defend and hold harmless City from and against all liabilities, obligations, claims, damages, penalties, causes of action (whether in law, equity or otherwise), costs and expenses (including reasonable attorneys' fees and costs) imposed upon or incurred by or asserted against City or the Premises by reason of the occurrence or existence after the Commencement Date of any of the following unless the same results solely from the negligence of the City:

- (a) any accident, injury to or death of persons (including workers) or loss of or damage to property occurring on or about the Premises or any part thereof or the adjoining sidewalks, curbs, vaults and vault space, if any, streets or ways arising for any reason, act or action; or
- (b) any use, non-use or condition of the Premises or any part thereof, or the existing or future condition of the improvements thereon, or the adjoining sidewalks, curbs, vaults and vault space, if any, streets or ways; or any failure on the part of Lessee to perform or comply with any of the terms of this Lease; or
- (c) performance of any labor or services or the furnishing of any materials or other property in respect to the Premises or any part thereof; or
- (d) arising from any damage or destruction of any existing or future improvements on the Premises.

In case any action, suit or proceeding in law, equity, or otherwise of any nature, kind or description is brought against City by reason of any such occurrence, Lessee, upon City's request, will at Lessee's expense indemnify City and defend such action, suit or proceeding as such costs are incurred by the City

SECTION 19. INSURANCE REQUIREMENTS

During the term hereof, Lessee agrees at its sole cost and expense, to provide and maintain at least the following insurance:

- (a) Public liability insurance to protect against any liability incident to the use of or resulting from any accident or liability resulting from any act or omission occurring in, on, or about the Premises, the liability coverage under such insurance to be not less than TWO MILLION DOLLARS (\$2,000,000.00) for any one person injured, or FIVE MILLION DOLLARS (\$5,000,000.00) for any one accident, and ONE MILLION DOLLARS (\$1,000,000.00) for property damage;
- (b) Casualty insurance for Lessee's personal property and trade fixtures in an amount not less than one hundred percent (100%) of the full replacement costs of the same which policy shall contain a replacement cost endorsement.
- (c) Worker's Compensation Insurance in the amount required by California law and employer liability coverage covering all employees in the minimum amount of One Million Dollars (\$1,000,000); and

Comprehensive Liquor Liability Insurance with coverage limits in the minimum amount of One Million Dollars (\$1,000,000)

- (d) All policies or certificates shall be issued by insurance companies rated A:VII or better in Best's Key Rating Guide or a reasonably comparable rating if such rating is discontinued, or Lessee may obtain such insurance from such companies as are approved in writing by City. The liability policy shall name City as an additional insured. Each policy shall contain an endorsement providing a waiver, for the benefit of City, of all rights of subrogation which said insurer might otherwise have against City or any agent of City. An appropriate certificate of insurance and endorsements shall be delivered to City at the commencement of the term of said policy or policies and upon each and every renewal of said policy or policies. In the event Lessee fails to obtain, maintain, or keep in full force and effect any or all of the above-described policies of insurance, City may, at its sole discretion, renew or procure such insurance, and the said costs thereof paid by City shall become due and payable to City by Lessee as additional rent at the next rental due date.

SECTION 20. ENTRY BY OWNER

City and its agents shall be permitted to enter the Premises at any time for purposes of inspection, access to the Pro Shop, maintaining the Premises, making repairs or alterations to the Premises, or to post reasonably sized notices of non-responsibility on the Premises; provided, however, that any such entry shall not unreasonably disturb or impair Lessee's use or enjoyment of the Premises. Except as specifically provided to the contrary in this Agreement, nothing contained in this Lease or this paragraph shall be construed to impose any obligation or liability on City to make or perform any maintenance, repairs or alterations of the Premises. However, if Lessee fails to make or perform such maintenance, repairs or alterations as are required to be made and performed by Lessee under this Lease, City shall have the right and option to make and perform such maintenance and repairs and Lessee shall be responsible to reimburse City for such costs upon receipt of an invoice for the costs.

SECTION 21. TERMINATION OF LEASE

If Lessee shall fail or refuse to perform or comply with any of the obligations, conditions, or duties herein agreed to by the Lessee, the city shall have the right to notify Lessee in writing of such specific default; and give Lessee ten (10) business days to cure the default. If Lessee does not cure said default within ten (10) business days thereafter, the city may, upon 15 days' notice, elect to cancel this Lease. Thereupon, this Lease may thereafter be deemed null and void at the election of the city. In the event of termination of this Lease for any reason prior to the termination date herein or at the date of termination, the city shall have the right, in its discretion, to purchase all inventory owned by the Lessee. The purchase price to be paid by the City for inventory shall be the lower of cost or market value. The City will not assume any Lessee's leases of equipment unless such Lease has been previously reviewed and approved by the city.

SECTION 21. DEFAULT AND REMEDIES

Upon the occurrence of a default by Lessee that is not cured (if curable) within the time periods set forth herein, the City shall have the option to pursue any one or more of the following rights and remedies:

- (a) Termination of Lease and Recovery of Damages. The City shall have the right to terminate this Lease and all rights of Lessee hereunder by giving Lessee written notice of the termination. No act of the City shall be construed as terminating this Lease except written notice given by the City to Lessee advising Lessee that the City elects to terminate this Lease. In the event the city elects to terminate this Lease, the City may recover from Lessee:

- (i) The worth at the time of award of any unpaid rent that had been earned at the time of termination of this Lease;
 - (ii) The worth at the time of award of the amount by which the unpaid rent that would have been earned after termination of this Lease until the time of award exceeds the amount of rental loss that Lessee proves could have been reasonably avoided;
 - (iii) The worth at the time of award of the amount by which the unpaid rent for the balance of the term of this Lease after the time of award exceeds the amount of rental loss that Lessee proves could be reasonably avoided; and
 - (iv) Any other amount necessary to compensate the City for all detriment proximately caused by Lessee's failure to perform its obligations under this Lease. The term "rent" as used in this Lease shall mean the Base Monthly Rental and all other sums required to be paid by Lessee pursuant to the terms of this Lease. As used in subsections (a) and (b), above, the "worth at the time of award" is computed by allowing interest at the rate of 10 percent per year.
- (b) The City's Right to Continue Lease in Effect After Breach.
- (i) The City may continue this Lease in effect by not terminating Lessee's right to possession of the Premises, in which event the City shall be entitled to enforce all its rights and remedies under this lease, including the right to recover the rent specified in this Lease as it becomes due under this Lease. For as long as the City does not terminate this Lease, Lessee shall have the right to assign or sublease the Premises with the City's prior written consent as provided in the Section above.
 - (ii) No act of the City, including but not limited to the City's entry on the Premises, efforts to relet the Premises, or maintenance of the Premises, shall be construed as an election to terminate this Lease unless a written notice of that intention is given to Lessee or unless the termination of this lease is decreed by a court of competent jurisdiction.
- (c) The City's Right to Relet. In the event Lessee breaches this Lease, the City may enter on and relet the Premises or any part of the Premises to a third party or third parties for any term, at any rental, and on any other terms and conditions that the City in its sole discretion may deem advisable and shall have the right to make alterations and repairs to the Premises. Lessee shall be liable for all of the City's costs in reletting, including but not limited to advertising costs, brokerage commissions, legal expenses and attorney's fees, the cost of placing the Premises in good condition and preparing the Premises for reletting and the costs of any alterations made in connection with such reletting. Any such reletting as provided for herein may be for the remainder of the term of this Lease or for a longer or shorter period. The City may execute any lease made pursuant to the terms hereof either in the City's own name or in the name of Lessee or assume Lessee's interest in and to any existing subleases of the Premises, as the City sees fit and Lessee shall have no right or authority to collect any rent from such sublessee. In the event the City relets the premises, Lessee shall pay all rent due under and at the times specified in this Lease, less any amount or amounts actually received by the City from the reletting.
- (d) The City's Right to Cure Lessee Defaults. The City may, but shall not be required to, cure Lessee's breach. Any sum expended by the City shall be reimbursed by Lessee to the City with the next due rent payment under this Lease.

SECTION 22: NON-DISCRIMINATION/ OTHER LAWS

A. The Lessee agrees that:

1. The Lessee shall observe the provisions of law prohibiting discriminate against any person who is an employee or patron because of race, religion, color, sex, sexual orientation, disability, national origin, ancestry or age;
2. In all solicitations or advertisements for employees, the Lessee shall include the phrase, "equal opportunity employer," or a similar phrase to be approved by the City;
3. The Lessee further agrees that it shall be Lessee's responsibility to comply with the California Age Discrimination In Employment Act and the Americans With Disabilities Act ("ADA") (42 U.S.C. 1201 et seq.) as well as all other federal, state and local laws, ordinances and regulations applicable to the

Premises and to furnish any certification required by any federal, state or local governmental agency in connection therewith. Any improvements made to Premises by Lessee shall comply with the ADA.

SECTION 23. PROVISIONS SEPARABLE

It is the intent of the parties hereto in the preparation and execution of this Lease to avoid any conflict with the applicable laws or regulations of the State of California; and if any provision herein is found to be in conflict with the any law or regulation, it is the intent of the parties hereto that such provision shall have no force and effect, and the remainder of the Lease shall be valid as though such conflicting provision had not been written or made a part hereof.

SECTION 24. INDEPENDENT CONTRACTOR

Nothing herein shall make Lessee a partner, joint venturer, employee or agent of the City.

SECTION 25. NOTIFICATION, CHANGES, AND CLAIMS

The Lessee agrees to immediately notify the City in writing of any claims or legal action filed by or against the Lessee or any employee or subcontractor. All notices required or contemplated by this Lease shall be personally served or mailed, postage prepaid and return receipt requested, addressed to the parties as follows:

To The City:

City Manager
City of Needles
817 Third Street
Needles, CA 92363

To the Lessee:

19TH HOLE BAR & GRILL, LLC
(name, title)
1477 Hilltop Drive
Norco, CA 92860

or to such other address as the parties may designate in writing.

SECTION 26. COSTS AND ATTORNEY FEES

In the event of a dispute, lawsuit or arbitration to enforce or interpret the term so of this Lease, the prevailing party shall be awarded its reasonable attorney fees and costs.

IN WITNESS THEREOF, the parties hereto have executed the above foregoing Lease on the date first above written.

CITY: (City of Needles)

BY: _____

TITLE: _____

DATE: _____

ATTEST:

BY: _____

TITLE: _____

DATE: _____

LESSEE:

19th Hole Bar & Grill, LLC, a California limited liability company

BY: _____

Kristin Hoebel, Manager/Member

TITLE: _____

DATE: _____

**THE UNDERSIGNED SCOTT BARAN ACKNOWLEDGES
THAT THE EXISTING LEASE WILL TERMINATE UPON
THE DATE WHEN THIS LEASE TAKE EFFECT**

BY: _____

SCOTT BARAN

EXHIBIT "A"
(DIAGRAM OF PREMISES)

River's Edge
Golf Course
CLUB HOUSE LEASE
EXHIBIT A

CONCESSION OPERATION
1,426 SF
INCLUDING SHARED
AREAS

PRO SHOP OPERATION
1,725 SF.
INCLUDING SHARED
AREAS

SHARED AREAS
1794 SF.

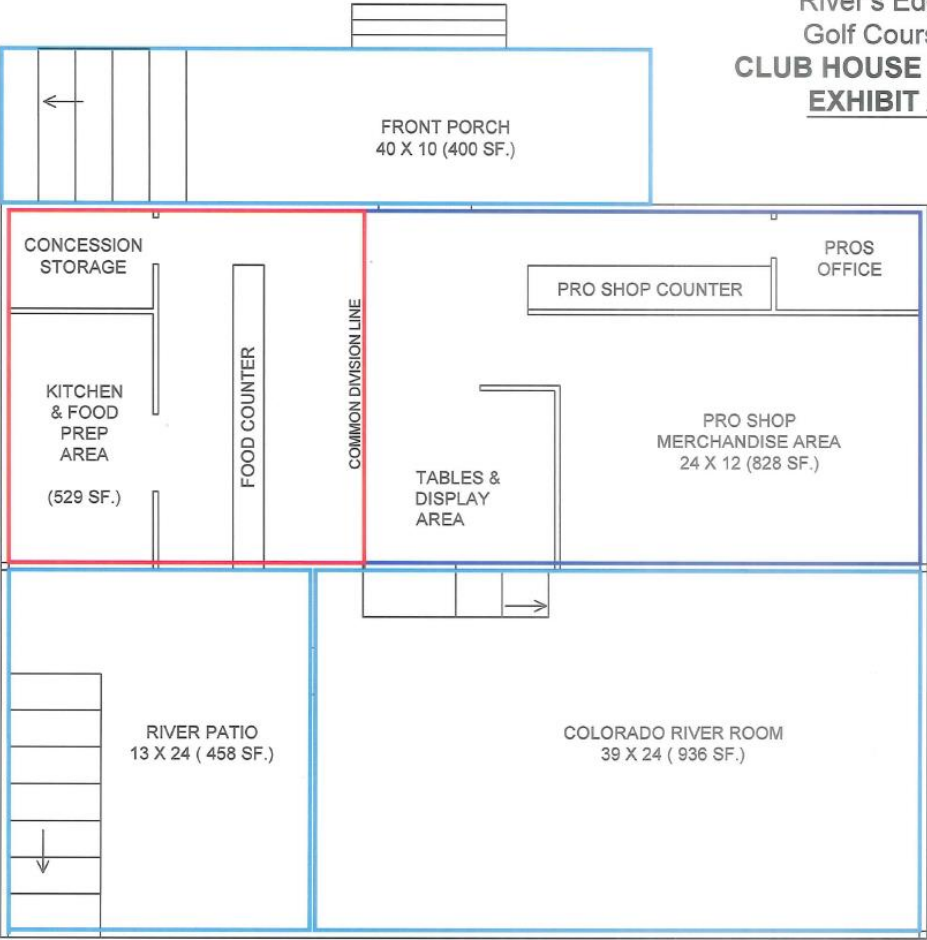


EXHIBIT "B"
(INVENTORY OF CITY PROPERTY ON PREMISES)

Section 1: Equipment in Use at 19th Hole

- A. 3 compartment sink- In use
- B. Ice bin- In use
- C. 44 black chairs- In use
- D. 11 tables- 8 in use
- E. Sandwich pizza prep table- In use

Section 2: Equipment in Storage

- A. Hot dog rotisserie- In storage
- B. 2 round tables- In storage

Section 3: Equipment from 2014 Lease Disposed of or Disposition Unknown

- A. 2 white freezers- Disposed
- B. 1 wells fryer- Disposed
- C. 1 star grill- Disposed
- D. Ice tea canister- Disposed
- E. 7-up cooler- Disposed
- F. 3 large wooden tables- Disposed
- G. 2 compartment sink- Never seen this item
- H. Floor pedal hand washing sink- Never seen this item