

**CITY OF FAIRFIELD**

**RESOLUTION NO. 2018 – 25**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIRFIELD APPROVING  
FOURTH AMENDMENT TO THE LEASE AND MANAGEMENT AGREEMENT WITH  
SPORTS RESTAURANT OF FAIRFIELD, INC. AND SPORTS RESTAURANT OF  
RANCHO SOLANO, INC. FOR THE OPERATIONS OF THE FOOD, BEVERAGE AND  
BANQUET SERVICE AT THE RANCHO SOLANO AND PARADISE VALLEY GOLF  
COURSES**

**WHEREAS**, the CITY owns certain properties commonly referred to as the Paradise Valley Golf Course and the Rancho Solano Golf Course (together, the “Golf Courses”); and

**WHEREAS**, the CITY contracts for food and beverage services at the Golf Courses pursuant to that certain Lease and Management Agreement for Restaurant Operations, by and between the CITY and Sports Restaurant of Fairfield, Inc. and Sports Restaurant of Rancho Solano, Inc., dated January 1, 2009 (the “SRI Management Agreement”); and

**WHEREAS**, the SRI Management Agreement terminates on February 28, 2018; and

**WHEREAS**, the SRI Management Agreement includes provisions to extend the agreement an additional five years, provided established performance measures were met; and

**WHEREAS**, SRI has met the contract requirements and established performance metrics; and

**WHEREAS**, the CITY wishes to amend the SRI Management Agreement and extend the agreement for an additional five years to December 31, 2022.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF FAIRFIELD HEREBY RESOLVES:**

Section 1. The Fourth Amendment to Lease and Management Agreement for Restaurant Operations is hereby approved.

Section 2. The City Manager is authorized and directed to execute the Fourth Amendment, substantially in the form attached, and to do all things necessary to implement this Resolution and the Fourth Amendment.

**PASSED AND ADOPTED** this 20th day of February, 2018, by the following vote:

AYES: COUNCILMEMBERS: PRICE/TIMM/BERTANI/MOY/VACCARO

NOES: COUNCILMEMBERS: NONE

ABSENT: COUNCILMEMBERS: NONE

ABSTAIN: COUNCILMEMBERS: NONE

*Henry J. Price*  
MAYOR

ATTEST:  
*Karen L. Bees*  
CITY CLERK  
pw

**FOURTH AMENDMENT TO  
LEASE AND MANAGEMENT AGREEMENT  
FOR RESTAURANT OPERATIONS**

This Fourth Amendment to the Lease and Management Agreement (“Amendment”) is made and entered into as of February 28, 2018, by and among the CITY OF FAIRFIELD, a municipal corporation (“City”) and SPORTS RESTAURANT OF FAIRFIELD, INC. (“SRF”) and SPORTS RESTAURANT OF RANCHO SOLANO, INC. (“SRR”), each a California corporation (collectively, SRF and SRR are referred to hereinafter as “LESSEE”), who agree as follows:

**RECITALS**

WHEREAS, CITY owns certain properties commonly referred to as the Rancho Solano Golf Course and the Paradise Valley Golf Course (“Paradise Valley”) (collectively, the “Golf Courses”).

WHEREAS, the Golf Courses are improved with several buildings and other improvements, including restaurants, bars, banquet facilities and other improvements.

WHEREAS, CITY has leased a portion of the Golf Courses to LESSEE (such portion being the “Facilities”) and the LESSEE operates the Facilities, pursuant to that certain Lease and Management Agreement, dated as of January 1, 2009 (the “Management Agreement”).

WHEREAS, the Management Agreement expires December 31, 2017.

WHEREAS, the City extended the Management Agreement to February 28, 2018.

WHEREAS, CITY wishes to amend the Management Agreement to retain LESSEE to operate the facilities for an additional term of five years, and to specify certain performance standards in connection with such operations

**ARTICLE 1. AMENDMENTS.**

1.1 Sections 2.4.3 (Use), 12.1 (Termination for Cause) and 13.1.3 (Delivery of Notices) are hereby amended by replacing the references to “Community Services” with “Public Works.”

1.2 Section 2.4 (Use) is hereby amended by adding a new Section 2.4.5 to read as follows:

“2.4.5 LESSEE shall cooperate with the Golf Course Operator to promote increased use of the Golf Courses to maximize the volume of business and revenue.

1.3 Section 3.1 (Term) is hereby amended in its entirety to read as follows:

“3.1 Term. The initial term of this Agreement shall begin on January 1, 2009 (the “Commencement Date”) and, unless terminated earlier in accordance with the provisions of this Agreement, shall expire on December 31, 2022.”

1.4 Section 4.1 (Rent) is hereby amended by adding new paragraphs (c) and (d) to read as follows:

“(c) Notwithstanding paragraphs (a) and (b) above, beginning on January 1, 2018, the amount of rent shall be the greater of: (i) an amount equal to ten percent (10%) of the amount of Gross Revenues less Banquet Revenues (as such terms are defined in Sections 4.2.3 and 4.2.4 below), plus an amount equal to twelve percent (12%) of Banquet Revenues, or (ii) the amounts set forth in the following table:

Calendar year	2018	2019	2020	2021	2022
Projected Gross Revenue and Banquets to base rent	\$3,460,000	\$3,529,000	\$3,599,000	\$3,672,000	\$3,745,000

(c) Notwithstanding paragraphs (a), (b) and (c) above, in the event that paid golf rounds decline by eight percent (8%) more in a calendar year, as compared to the immediately preceding calendar year, the amount of rent shall be equal to ten percent (10%) of the amount of Gross Revenues less Banquet Revenues (as such terms are defined in Sections 4.2.3 and 4.2.4 below), plus an amount equal to twelve percent (12%) of Banquet Revenues.”

1.5 Section 4.3(c) (Additional Rent) is hereby amended in its entirety to read as follows:

“(c) LESSEE fails to provide roving food and beverage carts on each Golf Course each day they are open, unless there are fewer than two (2) foursomes teeing off per hour, the rent paid to be on 1/30<sup>th</sup> notwithstanding the formula to determine the amount of additional rent stated above, for the purposes of this paragraph (c), additional rent, for each day that such failure occurred, shall be paid in an amount equal to 1/30 of the gross revenues from food and beverage cart sales for the same calendar month of the preceding year.

1.6 Section 7.1 (LESSEE Responsibilities) is hereby amended in its entirety to read as follows:

“7.1 LESSEE Responsibilities. Except as provided in Section 7.2, LESSEE shall be responsible, at its own expense, for all maintenance of the Premises (except the reserved portion of the Premises) in accordance with the maintenance standards attached to this Agreement as Exhibit C and incorporated herein by this reference. Such maintenance obligations include (i) the prompt and diligent repair, restoration and replacement within a reasonable time as required to remedy all damage and destruction caused by Lessee excluding reasonable wear and tear of all or any part of the Premises, (ii) repainting of the inside of the Premises as reasonably necessary, and (iii) maintaining kitchen equipment in proper working order and an

annual agreement with a kitchen equipment service professional to ensure compliance with this clause (iii).

1.7 Section 8.2 (Personnel Requirements) is hereby amended by adding a paragraph (b) to read as follows:

“8.2 Personnel Requirements.

- (a) LESSEE shall hire a professional manager to manage and a sufficient number of trained personnel to conduct day-to-day operations on the Premises so as to attract the maximum volume of patronage. The manager shall have a clearly sustained track record of successfully managing food and beverage operations of a similar scope and nature on a recent basis, as well as a level of training and education suitable for this position. CITY reserves the right to approve the professional manager hired, but that approval will not be unreasonably withheld or delayed. CITY and LESSEE shall meet at least annually to review the performance of the professional manager.
- (b) LESSEE shall provide employees, who operate food and beverage carts on the Golf Courses, training regarding service and golf course etiquette. The training program shall be approved by the Director within 30 days of submission. Employees who operate food and beverage carts on the Golf Courses shall demonstrate a good understanding of such service and etiquette requirements.

1.8 Marketing Program. Section 8.7 (Food and Beverage Carts) is hereby amended in its entirety to read as follows:

“8.7 Food and Beverage Carts. LESSEE shall operate roving food and beverage carts on the Golf Courses. CITY shall cause the Golf Course Operator to assign free of charge, permanent parking places in the covered golf cart storage areas for the roving food and beverage can. The receipts generated from these food and beverage sales shall be included within the definition of “Gross Revenues.” CITY retains the authority to prohibit the sale of alcoholic beverages from the roving food and beverage cart if, in the determination of the Director, these sales are leading to behavior which is disruptive to or inconsistent with the proper functioning of the Golf Courses. One cart must operate on each Golf Course Monday through Thursday from 10:00 a.m. until one hour before sunset, and at least one cart must operate on Fridays, Saturdays, Sundays and holidays from 9:00 a.m. until one hour before sunset; provided, however, that exceptions may be made if the Golf Course Operator staffing the pro shop determines that fewer than two (2) foursomes are teeing off per hour.”

1.9 Section 8.11 (Golf Course Use Rights) is hereby amended in its entirety to read as follows:

“8.11 Golf Course Use Rights. LESSEE shall be issued transferable executive golf passes for each Golf Course which can be used for a maximum of twelve (12) foursomes of golf per year at that Golf Course. Two (2) golf carts per foursome

will also be provided. LESSEE is required to provide information to CITY'S Golf Course Operator each time an executive golf pass is utilized identifying the user of the golf pass and the user's relationship to LESSEE. The sole purpose of the executive golf pass is to promote business for LESSEE at the particular Golf Course."

1.10 Article 8 (Operation of Food and Beverage Service) is hereby amended by adding a new Section 8.12 to read as follows:

"8.12 Performance Standards. The LESSEE's performance shall be measured as follows:

(a) For the time period beginning on January 1, 2018 and ending on December 31, 2022, the amount of revenue from weddings and banquets during the calendar year shall increase by at least two percent (2%) above the prior calendar year.

(b) For the time period beginning on January 1, 2018 and ending on December 31, 2022, the amount of revenue from grill and cart sales during the calendar year shall increase by at least two percent (2%) above the prior calendar year.

(c) The number of playable days shall be considered in evaluating the performance standards in this section 8.12. A "playable day" is a day that the golf course is deemed not to be impacted by, in the discretion of the Director: (i) poor climate conditions, such as excessive heat, cold, wind or snow, (ii) poor course conditions due to regular maintenance practices, such as greens aerification, or due to weather events such as standing water or soft and muddy terrain, or (iii) a forecast of precipitation."

1.11 Exhibit C (LESSEE Maintenance Responsibilities) is hereby amended and replaced in its entirety by Exhibit C to this Amendment.

1.12 Exhibit D (CITY Maintenance Responsibilities) is hereby amended and replaced in its entirety by Exhibit D to this Amendment.

## **ARTICLE 2. Miscellaneous**

2.1 Execution in Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed one and the same Amendment

2.2 Applicable Law. This Amendment shall be governed by and construed in accordance with the laws of the State of California.

2.3 Confirmation of Agreement. Except as expressly set forth in this Amendment, all provisions of the Management Agreement shall remain in full force and effect.

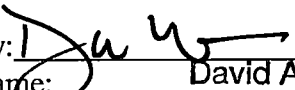
2.4 Captions. The captions or headings in this Amendment are for convenience only and in no way define, limit or describe the scope or intent of any provisions of this Amendment.

*[Signatures appear on next page.]*

IN WITNESS WHEREOF, each of the parties has caused its authorized representative to execute this Amendment as of the date set forth above.

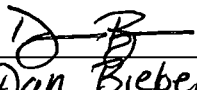
**CITY:**

CITY OF FAIRFIELD,  
a municipal corporation

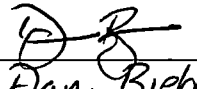
By:   
Name: David A. White  
Its: City Manager  
JBT

**LESSEE:**

SPORTS RESTAURANT OF FAIRFIELD, INC.  
a California corporation

By:   
Name: Dan Bieber  
Its: President

SPORTS RESTAURANT OF RANCHO  
SOLANO, INC., a California corporation

By:   
Name: Dan Bieber  
Its: President



## EXHIBIT C

### LESSEE Maintenance Responsibilities

LESSEE's maintenance responsibilities shall include, but not be limited to, the following (the amended responsibilities are identified with underlines):

- Existing furnishings, fixtures and equipment, including patio furnishings and storage buildings, shall be cleaned, maintained, replaced and repaired.
- Repair or replacement of any furnishings, fixtures and equipment as deemed necessary due to damage, beyond normal wear and tear, by LESSEE, its staff, vendors, or renters
- All utility connections
- 50%: Alarm system quarterly maintenance
- Internal door repairs such as broken door knobs, replacement, etc./ quarterly maintenance
- 50% for the following internal and external doors: (i) At Rancho Solano, the banquet door to wedding ceremony site, banquet door to the north patio, and kitchen exit door to loading dock; (ii) at Paradise Valley, the banquet door to golf course patio, south entry door to foyer and west exit/entry door to banquet room.
- 50%: Semi-annual maintenance of the existing partitions
- 50%: Partition replacement
- All building light replacements or addition of new lights
- Any additional electrical outlets installed
- Ninth tee telephone
- Interior painting as reasonably necessary
- Interior wall repairs as reasonably necessary
- Interior decorating as reasonably necessary
- Carpet cleaning at least three times annually, and spot cleaning.
- 50%: carpet replacement for new carpets installed by City
- 50%: floor tile replacement for new tile floors installed by City
- Restroom maintenance/janitorial per standards (100% of cost all interior restrooms)
- Maintenance and clean out of internal plumbing (100% of cost of all interior restrooms)
- Window cleaning inside and outside
- Broken windows
- Sports bar theme fixtures, such as televisions, satellites
- Garbage and recycle expenses
- Regular cleaning of all restrooms, entry / lobby areas, interiors, banquet and dining areas, bar seating areas, and kitchen
- Clean outdoor trash enclosures

LESSEE shall comply with the following standards in performing maintenance:

## 1. Restrooms

- Entry mat or carpet
- Entry door finger-mark free
- Tile and painted walls
- Toilets, bowls, rims, tank tops
- Toilet seats, tops and under sides
- Mirrors streak-free
- Soap dispensers and fill with soap
- Seat cover dispenser and fill with paper
- Maintain paper towel dispensers
- Counter top
- Sink and faucet fixtures, and check to make sure functional
- Light fixtures, functional, and bug free
- Room air freshener and functional
- Trash receptacle; clean with liner, reasonably empty
- Napkin receptacles with liners.
- Schedule cleaning of interior sewer quarterly or as needed during peak season

### Restroom Cleaning Procedure:

#### Daily Task

- Check all supply levels and fill as needed
- Clean wash basins
- Clean all counters
- Clean toilet bowls & urinals
- Clean all mirrors
- Sweep
- Wet mop floor
- Wash basins cleaned with comet cleaner bleach
- Toilet bowls, urinals and floor cleaned with Q.T germicidal deodorant detergent
- Windex on all glass surfaces

#### Weekly Task

- Clean toilet bowls and urinals with extra strength C.S.P. Cleaner
- Gel Gloss applied to counter tops on bi-weekly basis

#### Restroom Supplies

- Toilet paper
- Hand towels
- Liquid soap
- Kleenex

- Kotex Napkins
- Urinal Screens
- Deodorant cakes for both toilet bowls and urinals
- Comet cleaner bleach
- Q.T. germicidal detergent
- Extra strength C.S.P. cleaner
- Windex
- Gel-Gloss
- Deodorant cakes underneath benches for deodorizing air

2. Entry/Lobby

- Interior paint in good condition
- Walls and vents clean
- Wall-mounted pictures hung properly and clean
- Carpet vacuumed and spot-free or floor clean.

3. Interior

- Interior wall surfaces clean and cobweb-free
- Windows clean.
- Paint in good condition
- All signage in good condition and uniformed

4. Banquet Area

- Chairs, seats and frames clean and in good repair
- Tables clean, tops and bases
- Carpets clean and in good repair

5. Bar Seating Area

- Carpet vacuumed and spot-free
- Windows clean and streak-free
- Bar stools, tables and chairs clean
- Bar top clean with supplies neatly arranged
- Bar mats and floor clean
- Glass shelves clean and streak-free
- Staff in uniform with name tags
- Light fixtures clean and functional
- Back bar organizes liquor brands displayed and dusted
- Refrigerators clean and organized
- Beer dispenser and drains clean
- License framed, posted, and current

- Liquor brands display and dusted
- Refrigerators clean and organized
- Beer dispensers and drains clean

#### Bar Seating Area (continued)

- License framed, posted, and current
- Liquor storage shelves organized and clean
- Liquor storage floors, walls, and vents clean
- Approved-pouring brands in place for well and back bars.

#### 6. Kitchen

- Dish washing machine clean and sanitation procedures followed
- Garbage disposal operable
- Pots, pans and all shelving grease-free
- Garbage cans clean with liners
- Chopper, slicer and mixer clean and operable, kitchen floors clean
- Drains operable and clean
- Hoods, filters clean
- Refrigerators clean and organized-food stored off of the floor
- Food film covered in refrigerators and freezers
- Walls and floors clean
- Fire extinguishers current
- Schedule and provide documentation of quarterly grease trap cleanings, more as needed during peak season,
- Maintain all kitchen equipment in proper working order
- Maintain flooring to meet current Health Code requirements
- 50%: replacement or repair of epoxy flooring
- 50% grill improvements at Rancho Solano Grill as required by State, County or other public health regulator

## EXHIBIT D

### CITY Maintenance Responsibilities

As between CITY and LESSEE (and without regard to any obligation of a third party with respect to a particular repair or replacement), CITY shall be responsible for all maintenance and repairs to any part of the Premises inside the walls, under the floor or above the ceiling of the Premises, if not identified in the following list, which includes (the amended responsibilities are identified with underlines):

- All electrical problems in the walls and ceilings
- Alarm system
- 50%: Alarm system quarterly maintenance
- Restroom fixtures such as faucets, toilets, partition
- Exterior painting
- Exterior wall steam cleaning
- External door repairs i.e. broken door knobs, replacement, etc.
- 50% for the following internal and external doors: (i) At Rancho Solano, the banquet door to wedding ceremony site, banquet door to the north patio, and kitchen exit door to loading dock; (ii) at Paradise Valley, the banquet door to golf course patio, south entry door to foyer and west exit/entry door to banquet room.
- 50%: Semi-annual / annual maintenance of existing partitions
- 50%: Partition replacement
- Seal leakage of windows
- Exterior masonry wall repairs
- HVAC except thermostats damaged by staff
- Carpet replacement at Rancho Solano in 2018 and at Paradise Valley in 2020; and thereafter, 50% carpet replacement for new carpets installed by City
- Floor tile replacement at Rancho Solano in 2019 and thereafter, 50% floor tile replacement for new tile floors installed by City
- Restroom floor replacement
- 50%: replacement or repair of epoxy flooring
- 50% grill improvements at Rancho Solano Grill as required by State, County or other public health regulator
- Exterior sewer lines from the sewer to the street
- Pigeon removal
- Roof repairs
- The reserved areas designated for exclusive City use pursuant to Section 2.3

It is the intent of the parties that the City shall maintain Capital Improvements (or portions thereof) made by LESSEE during the term of this Agreement if, and to the extent that, they meet the criteria set forth in the preamble to this Exhibit D set forth above.