

SECOND AMENDMENT TO LEASE AGREEMENT

This Second Amendment to Lease Agreement (Second Amendment) is made and entered into effect as of the 21st day of January 2020 by the City of Deer Park, a municipal corporation organized under the laws of Texas and (hereinafter called "Landlord") and Touchstone Golf, LLC as Tenant (hereinafter called "Tenant"). For and in consideration of the mutual covenants and agreements herein contained Landlord and Tenant hereby amend as of the date of this Second Amendment that certain Lease Agreement ("Lease Agreement") and between Landlord and Tenant executed of May 29, 2013, related to the "Battleground at Deer Park" and the First Amendment to the Lease Agreement dated effective June 1, 2016 at Deer Park Golf Course, in the following respects:

Amendment to Lease Agreement

- A. Golf course expenses transferred to Landlord from Tenant:
- 1) The Landlord shall assume the payment of golf cart lease effective January 21, 2020.
 - 2) The Landlord shall assume payments of the electricity cost of the property effective January 21, 2020
 - 3) The City will assume financial responsibility for all capital improvement costs including equipment replacement. Capital improvements will not include maintenance items. Tenant's obligations under Section 11 of the Lease Agreement shall no longer be applicable and City acknowledges up to the effective date of this Second Amendment to Lease Agreement, Tenant has fulfilled its obligations under Section 11.
- B. Sections 6.1 and 6.2, Minimum Rent and Percentage Rent, respectively as amended by the First Amendment to Lease Agreement, shall be replaced as follows:
- Administrative Fee
- 1) Tenant shall be entitled to the first \$5,000.00 of Net Operating income per month.
 - 2) In the event that cash flow is insufficient in a month, Tenant may retain revenue in subsequent months to catch-up for months in which Net Operating Income is less than \$5,000.00.
 - 3) Any Net Operating income in excess of the first \$5,000.00 per month as described in Section B 1 above shall be split 80% to the Landlord and 20% to the Tenant. Payments shall be payable quarterly with a reconciliation and true-up at year end.
- C. If Tenant does not complete the full term of the lease due to its defaults as set forth in the Lease Agreement, Tenant shall owe Landlord amounts due to Landlord for the remaining time on Lease due under the original terms of Lease. For the sake of clarification, Section 17 of the lease, DAMAGE AND RESTORATION is not affected by the language in this paragraph "C." of the Second Amendment to Lease Agreement.
- Tenant shall produce monthly revenue and expense reports to Landlord. Landlord shall have right to have revenue and expense reports audited at the Landlords cost with reasonable notice to Tenant. Additionally Tenant shall produce monthly detailed reports of all bookings of Golf tournaments and building reservations.
- D. All past due payments due to Landlord through 1/21/2020 which totals \$101,444.50 shall be paid in 12 equal monthly installments of \$8,453.71 beginning February 1, 2020, provided the Tenant post a performance bond in the amount of \$150,000.00 payable to the City of Deer Park,

Texas upon the adoption of the second amendment with amounts payable to Landlord upon any defaults in any of the lease terms by Tenant. The bond shall renewed upon an annual basis during the entire remaining lease term.

E. Ratification

Except as amended hereby, the Lease Agreement and First Amendment shall remain unchanged and the terms, conditions, representations, warranties and covenants of said Lease Agreement and First Lease Agreement are true as of the date.

F. Assignment

Sale, conveyance, transfer of assignment, such successor in interest shall be deemed to have assumed Landlord's rights and obligations under this Lease, Landlord will be release from all obligations hereunder, and Tenant agrees to look solely to such successor-in-interest of Landlord for the performance of such obligations. Tenant shall have the right to engage independent contractors for professional gold instructions without obtaining Landlord's consent hereunder.

G. Ratification

Except as amended hereby, the Lease Agreement shall remain unchanged and the terms, conditions, representations, warranties, and covenants of said Lease Agreement are true as of the date hereof, are ratified and confirmed in all respects and shall be continuing and binding upon the parties.

H. Defined Terms

All terms in this Second Amendment which are defined in the Lease Agreement shall have the same meaning as in the Lease Agreement, except as otherwise indicated in the Second Amendment.

I. Multiple Counterparts

This Second Amendment may be executed by all the parties hereto in several separate counterparts, each of which shall be and original and all of which taken together shall constitute one and the same agreement.

J. Applicable Law

This Second Amendment shall be deemed to be a contract under and subject to, and shall be construed for all purposes in accordance with the laws of the State of Texas and proper venue shall be Harris County, Texas.

IN WITNESS WHEREOF, the parties caused this Second Amendment to be executed by their duly authorized officers as of the _____ day of _____ 2020.

LANDLORD:

CITY OF DEER PARK, a municipal corporation organized under the laws of Texas

By: _____

Name: Jerry Mouton

Title: Mayor

TENANT:

TOUCHSTONE GOLF, LLC

By: _____

Name: Stephen T. Harker

Title: President and Chief Executive Officer