



City of Palo Alto

City Council Staff Report

(ID # 12343)

Report Type: Consent Calendar

Meeting Date: 6/21/2021

Summary Title: Renewal of Golf Course Management and Restaurant Contracts

Title: Approval of Contract Amendment Number 1 to Contract Number C18169712 With OB Sports Golf Management (Baylands) LLC for a Period of Three-years for a Not-to-Exceed Increase Amount of \$8,878,721 for the Management of Golf Course Operations at the Baylands Golf Links; and Approval of Contract Amendment Number 1 to Contract Number C18171872 With OB Sports Golf Management (Baylands), LLC for a Period of Three-years for Restaurant Licensing to Provide Food and Beverage Services

From: City Manager

Lead Department: Community Services

Recommendation

Staff recommends that City Council:

1. Approve and authorize the City Manager or his designee to execute the attached Contract Amendment Number 1 to contract C18169712 with OB Sports Golf Management (Baylands), LLC (Attachment A) to renew the terms for three additional years in the amount of \$8,878,722 for a revised not to exceed compensation of \$17,886,722 for golf management services on the course, at the driving range, at the Golf Shop, and surrounding areas of the Palo Alto Baylands Golf Links for the term of July 1, 2021 through June 30, 2024;
2. Approve and authorize the City Manager or their designee to execute the attached Contract Amendment Number 1 to contract C18171872 with OB Sports Golf Management (Baylands), LLC (Attachment B) to renew the terms for three additional years for OB Sports to provide food and beverage services under a license arrangement for the term of July 1, 2021 through June 30, 2024 and for OB Sports Golf Management (Baylands), LLC to pay a minimum of \$198,000 which is subject to mutual increase based on net revenue expectations.

Background

In 2012, the City of Palo Alto sought designs for modification to the former Palo Alto Municipal Golf Course due to an adjacent San Francisquito Creek levee expansion project which would change the boundaries of the golf course. After a golf course architect was selected and designs were reviewed, the City Council selected a full course renovation design and staff began a five-year process of planning, architectural review, environmental permitting, course management contract revisions, course construction, and new course management selections. On July 1, 2016, the golf course closed to commence construction of a full course renovation and re-opened in May 2018 as the Baylands Golf Links.

In 2013, several existing course management and maintenance contracts were negotiated to expire concurrently in 2018 to allow the City to issue a Request for Proposal (RFP) for a full-service golf course operator to provide services after completion of the course renovation. The City received five formal proposals for review and conducted interviews with BrightView/Kemper Sports, Course Co., Landscapes Unlimited, OB Sports, and Troon.

Preceding the May 2018 course re-opening, OB Sports Golf Management (Baylands), LLC was awarded [contracts](#) through an RFP process to be the single full-service operator for Fiscal Years 2019, 2020, and 2021. Course management, course maintenance, customer service, and golf shop retail sales are provided through a golf management services contract while the provision of food and beverages is through a facility lease with a restaurant license agreement contract.

[OB Sports Golf Management \(Baylands\), LLC](#) is a golf management company providing services in course operations, course maintenance, food and beverage, sales and marketing, and course design. Based in Scottsdale, Arizona, the company operates or manages 55 courses in the United States, Bahamas, and Scotland. Courses managed include private, resort, and daily fee courses. Locally, OB Sports Golf Management (Baylands), LLC manages the Golf Club at Moffett Field, a daily fee course open to the public.

The selection of OB Sports Golf Management (Baylands), LLC to manage the Baylands Golf Links on the City's behalf included an assessment of their management operations as well as financial performance projections. The City reviewed OB Sports' projections, compared them to proformas prepared by the National Golf Foundation, and asked for an assessment by an established industry consultant.

Discussion

The City and OB Sports Golf Management (Baylands), LLC have two contracts for full-service operations at the Baylands Golf Links. The golf management contract covers course management, course maintenance, customer service, and golf shop retail sales. The restaurant facility lease covers the provision of food and beverage through a restaurant license agreement for OB Sports to operate Baylands Café.

The two contracts with OB Sports Golf Management (Baylands), LLC were established in 2018 through June 30, 2021 and each contain a mutual renewal option for up to three years (FY 2022

– FY 2024). If the first option to renew is exercised, a second mutual renewal option may be exercised for up to three additional years (FY 2025 – FY 2027).

Staff recommends Council approve contract renewals for both contracts for a period of three years (FY 2022 – FY 2024) to continue having a single operator provide all services at the golf course. For the first three fiscal years since the golf course re-opened after full course renovation, this operation model has resulted in a desired player experience with higher service levels than before.

For the past three fiscal years, OB Sports Golf Management (Baylands), LLC has successfully managed and maintained the Baylands Golf Links by reestablishing a customer base and making the Baylands Golf Links one of the premiere municipal courses in the Bay Area. OB Sports Golf Management (Baylands), LLC has placed an emphasis on creating a high-quality player experience, which incorporates attention to course play, course conditions, customer service, practice facilities, food and beverage selection, and aesthetics of the golf shop and restaurant.

The efforts of course design, construction, and course management has resulted in the course receiving several recognitions and awards. The course was named as one of Golfweek magazine's *Best Courses You Can Play* in the category of public courses. Additionally, the course has received recognition from Golf Inc. Magazine for design and the California Parks & Recreation Society for environmental sustainability.

In Fiscal Year 2019, green fee revenue from course play and tournaments overachieved its financial pro-forma projection and budget by 1%. However, revenue from merchandise sales underachieved sales targets. Numerous retail and online vendors competing for golf related merchandise sales remains an alternative for players. Although green fee revenue overachieved, when considered in combination with low merchandise sales, overall revenue from golf operations ended FY 2019 at 6% under target.

For Fiscal Year 2020, the overall revenue target was increased in alignment with prior pro-formas. Because the prior fiscal year resulted in strong green fee revenue, this revenue category was increased while the revenue target for merchandise sales was decreased.

However, in Fiscal Year 2020, the golf course underperformed financially by 26% less than target. During part of the first eight months of the fiscal year, the course was impacted by poor air quality from the 2019 wildfire season. Despite the poor air quality, revenue was performing on par in comparison to the prior Fiscal Year 2019. However, the course closed all operations in March 2020 due to the COVID-19 pandemic and in accordance with the Santa Clara County Shelter-in-Place Health Order. The course remained closed during most of the Spring 2020 season. Upon re-opening at the end of spring, the course operated at drastically less than capacity in accordance with the State and County Health Orders. Initial re-opening during the health pandemic was limited to singles play only, and as the Health Orders further changed, doubles play with members of the same household was allowed.

For Fiscal Year 2021, golf course revenue is projected to be 22% above revenue target. This is attributed to several factors:

- Increased leisure time during the COVID-19 health pandemic with few recreation and sports opportunities deemed safer than golf, combined with changes in State and County Health Orders allowing foursome play;
- Mild to warm weather throughout all four seasons in the Fiscal Year; and
- The reputation of Baylands Golf Links as a preferred premium player experience.

If not approved, the City would no longer have an operator for the golf course, pro shop, or restaurant facility until a new provider or new business model was developed and implemented. This would impact the strong customer base and reputation that OB Sports and the City has worked to develop since the opening of this new facility. The City and OB Sports have worked closely over the difficult first three years and recommend continuing this agreement ensuring no interruption in services at the golf course.

Resource Impact

The golf course operating budget in the General Fund FY 2022 Proposed Operating Budget is \$3.8 million in revenue and \$3.5 million in expenses, which includes debt service payments. The recommendation in this report to extend these contracts does not result in any direct change to resource impact, however staff and OB Sports may recommend revenue and expense adjustments as appropriate for the City Council's consideration during the FY 2022 Midyear budget process. As of the writing of this report, staff and OB Sports estimate a revenue increase of approximately \$250,000 for a new total revenue target of \$4.1 million and an expense increase of approximately \$85,000 for a new total expense budget of \$3.6 million. These projected impacts represent the assumption of continued strong revenue performance and the resources necessary to maintain service levels and the premium player experience the golf course has established. The expense increase will cover irrigation drainage improvements, higher costs of course maintenance supplies and materials, leasing of more powered golf carts, and additional staffing to include more on course marshals to monitor and reduce instances of slow play on course.

In addition to compensation for course management and maintenance services, the contract is established to financially incentivize the contractor to exceed annual revenue targets through a revenue share. After achieving select annual revenue targets, amounts in excess are shared by an 80/20 split with 80% retained by the City and 20% paid to the Contractor. However, all revenue up to the revenue target is fully retained by the City.

For FY 2023 and FY 2024, the revenue target is to be developed by OB Sports Golf Management (Baylands), LLC and City staff, with approval by Council during the annual budget process. Payment to the contractor for course management and maintenance is limited to no more than a 3% increase over the prior fiscal year.

The restaurant facility lease contract is a revenue contract with OB Sports Golf Management (Baylands), LLC paying rent and utilities in an amount of \$5,500 per month during the contract renewal period (FY 2022 – FY 2024) and subject to increase based on net revenue. This is the same amount of rent and utilities during FY 2020 and FY 2021 and an increase is not proposed as the restaurant has been negatively impacted by the COVID-19 pandemic. Impacts include complete closure during the County’s Shelter-in-Place Health Order, restricted capacity upon re-opening, and loss of non-golf customer base. During the pandemic, the restaurant has not had sales from banquets due to restricted capacity and social distancing requirements. The restaurant also lost sales from surrounding businesses due to employees working remotely. OB Sports Golf Management (Baylands), LLC has remained current on their monthly rent and utilities payments to the City.

Stakeholder Engagement

Community Services Department has been in communication with OB Sports and the Administrative Services Department to assess the financial impact of renewing the contracts for a term of three years.

Environmental Review

Council’s approval of these Contract Amendments for golf course services is categorically exempt from CEQA per CEQA regulations 15301 (Existing Facilities), 15304 (Minor Alterations to Land), and 15323 (Normal Operations of Facilities for Public Gatherings).

Attachments:

- Attachment A: Golf Operations Contract with OB Sports Golf Management (Baylands), LLC_C18169712 Amendment No. 1
- Attachment B: Restaurant Licensing with OB Sports Golf Management (Baylands), LLC_C18171872 Amendment No. 1

**AMENDMENT NO. 1 TO CONTRACT NO. C18169712
BETWEEN THE CITY OF PALO ALTO AND
OB SPORTS GOLF MANAGEMENT (BAYLANDS), LLC**

This Amendment No. 1 (this “Amendment”) to Contract No. C181769712 (the “Contract” as defined below) is entered into as of June 21, 2021, by and between the CITY OF PALO ALTO, a California chartered municipal corporation (“CITY”), and **OB SPORTS GOLF MANAGEMENT (BAYLANDS), LLC**, a Limited Liability Company, Department of Industrial Relations Registration No. 1000056828, located at 7025 E Greenway Parkway, Suite 550, Scottsdale, AZ 852540 (“CONSULTANT”). CITY and CONSULTANT are referred to collectively as the “Parties” in this Amendment.

RECITALS

A. The Contract (as defined below) was entered into by and between the Parties hereto for the provision of golf programming services of golf course management, course maintenance, practice facility maintenance, and retail sales, as more fully described in Exhibit “A” (Scope of Services).

B. The Parties now wish to amend the Contract in order to extend the term for three years through June 30, 2024 for continuation of golf programming services and to increase the compensation by Eight Million Eight Hundred Seventy Eight Thousand Seven Hundred Twenty One Dollars and Thirty Seven cents(\$ 8,878,721.37) from Nine Million Eight Thousand Dollars (\$9,008,000), to a not to exceed amount of Seventeen Million Eight Hundred Eighty Six Thousand Seven Hundred Twenty One Dollars and Thirty Seven Cents(\$17,886,721.37).

NOW, THEREFORE, in consideration of the covenants, terms, conditions, and provisions of this Amendment, the Parties agree:

SECTION 1. Definitions. The following definitions shall apply to this Amendment:

- a. **Contract.** The term “Contract” shall mean Contract No. C18169712 between CONSULTANT and CITY, dated April 10, 2018.
- b. **Other Terms.** Capitalized terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Contract.

SECTION 2. Section 2, “TERM AND OPTION”, of the Contract is hereby amended to read as follows:

“The term of this Agreement shall be from the date of its full execution and approval by City’s City Council (the “Commencement Date”) through **June 30, 2024**, unless terminated earlier pursuant to

Section 19 of this Agreement.

A renewal option for a period or periods of up to 3 years (from July 1, 2021 through June 30, 2024, is available as mutually agreed, to be executed in accordance with Section 27.4 of this Agreement. (In June 2021, the Parties agreed to the first renewal option in Amendment 1 to this Agreement.) A second renewal option for a period or periods of up to an additional 3 years (from July 1, 2024 through June 30, 2027), is available as mutually agreed, to be executed in accordance with Section 27.4 of this Agreement. Absent a mutually extended agreement, the City reserves the right to extend this Agreement for up to six months. During such six-month extension period, the parties may agree to a renewal option as provided for herein.

SECTION 3. Section 4, "NOT TO EXCEED COMPENSATION" of the Contract is hereby amended to read as follows:

The compensation to be paid to CONSULTANT for performance of the Services described in Exhibit "A" ("Scope of Services"), and reimbursable expenses as specified in Exhibit "B" ("Compensation") herein, shall not exceed **Seventeen Million Six Hundred Eighty Eight Thousand Eight Hundred Thirteen Dollars and Twenty Four cents (\$17,688,813.24)**, as detailed in Exhibit "B" ("Compensation"). CONSULTANT agrees to complete all Services, including specified reimbursable expenses, within this amount. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to the CITY. A Contingency Amount of **One Hundred Ninety Seven Thousand Nine Hundred Eight Dollars and Thirteen Cents (\$197,908.13)** is available, as detailed in Exhibit "B" ("Compensation"), to provide for reasonable and unforeseen costs/services, upon approval of City and to be executed via written amendment to this Agreement as provided for in Section 27.4 herein. In the event such Contingency Amount is utilized as provided for herein, the total compensation for Services, reimbursable expenses and the costs/services added under the Contingency Amount, shall not exceed **Seventeen Million Eight Hundred Eight Six Thousand Seven Hundred Twenty One Dollars and Thirty Seven Cents (\$17,886,721.37)** as detailed in Exhibit "B" ("Compensation").

SECTION 4. The following exhibit(s) to the Contract is hereby amended, as indicated below, to read as set forth in the attachment to this Amendment, which is hereby incorporated in full into this Amendment and into the Contract by this reference:

- a. Exhibit "B" entitled "COMPENSATION", AMENDMENT NO.1"
(AMENDED, REPLACES PREVIOUS)

SECTION 5. Legal Effect. Except as modified by this Amendment, all other provisions of the Contract, including any exhibits thereto, shall remain in full force and effect.

SECTION 6. Incorporation of Recitals. The recitals set forth above are terms of this Amendment and are fully incorporated herein by this reference.

(SIGNATURE BLOCK FOLLOWS ON THE NEXT PAGE.)

SIGNATURES OF THE PARTIES

IN WITNESS WHEREOF, the Parties have by their duly authorized representatives executed this Amendment effective as of the date first above written.

CITY OF PALO ALTO

City Manager (Contract over \$85k)

APPROVED AS TO FORM:

City Attorney or designee
(Contract over \$25k)

**OB SPORTS GOLF
MANAGEMENT(BAYLANDS), LLC**

Officer 1

DocuSigned by:
By: *Phil Green*
Name: Phil Green
Title: COO

Officer 2 (Required for Corp. or LLC)

DocuSigned by:
By: *C. A. Roberts*
Name: C. A. Roberts
Title: President

Attachments:

EXHIBIT "B" entitled "COMPENSATION, AMENDMENT NO. 1"

**EXHIBIT “B”
COMPENSATION, AMENDMENT NO.1
(AMENDED, REPLACES PREVIOUS)**

A. NOT TO EXCEED COMPENSATION.

ORIGINAL TERM (Execution of Agreement until June 30, 2021)

The not-to-exceed compensation to be paid to Consultant for performance of the Services described in Exhibit “A”, including both payment for professional services and reimbursable expenses, as detailed in this Exhibit “B” (“Compensation”), shall not exceed \$859,000 for FY 2018, and for Year 1 of this Agreement (FY 2019). The not-to-exceed amounts for Year 2 and Year 3 annual compensation to Consultant hereunder shall be as determined in the approved Annual Operating Budget for each such year, as provided for in this Agreement.

Payment of the annual compensation due to Consultant hereunder shall be made in quarterly installments.

Quarterly payments consist of the following:

1. A quarterly management fee of \$27,000.
2. Up to \$1,000 per month for travel reimbursement up to the not-to-exceed amount of \$39,000 for the Term of this Agreement.
3. Quarterly lump sum payments based on the approved Annual Operating Budget. The first quarterly lump sum payment includes payment for start-up costs which are detailed in Section D (“Start-Up Costs”) below.

Quarterly payments for FY 2018 and for Year 1 (FY 2019), paid upon receipt of invoice as provided for herein, shall follow the schedule below:

Q4 FY 2018*	\$ 859,000
Q1 FY 2019	\$ 670,000
Q2 FY 2019	\$ 662,000
Q3 FY 2019	\$ 618,000
Q4 FY 2019	\$ 679,000
Total	\$3,488,000

* Including start-up costs detailed in Section D (“Start-Up Costs”) below.

The quarterly payments for Year 2 (FY 2020) and Year 3 (FY 2021) of this Agreement shall be based upon the approved Annual Operating Budget for each such year as provided for in this Agreement. **In no event shall the Annual Operating Budgets for Year 2 and Year 3 of this Agreement grow by more than 3% over the prior year.**

BUDGET SCHEDULE NOT TO EXCEED AMOUNTS (ORIGINAL TERM ONLY):

Sub-total Services:	\$ 8,862,000
Total Reimbursable Expenses (Travel):	\$ 39,000
Total Services and Reimbursable Expenses:	\$ 8,898,000

Contingency Amount:	\$ 110,000
Maximum Total Compensation:	\$9,008,000

FIRST RENEWAL TERM (July 1, 2021-June 30, 2024)

The not-to-exceed compensation to be paid to Consultant for performance of the Services described in Exhibit "A", including both payment for professional services and reimbursable expenses, as detailed in this Exhibit "B" ("Compensation"), shall not exceed \$2,844,095 for Year 4 of this Agreement (July 2021-June 2022, aka FY2022). The not-to-exceed amounts for Year 5 (July 2022-June 2023) and Year 6 (July 2023-June 2024) annual compensation to Consultant hereunder shall be as determined in the approved Annual Operating Budget for each such year, as provided for in this Agreement.

Payment of the annual compensation due to Consultant hereunder shall be made in quarterly installments.

Quarterly payments consist of the following:

1. A quarterly management fee of \$27,000.
2. Up to \$1,000 per month for travel reimbursement up to the not-to-exceed amount of \$36,000 during the First Renewal Term of this Agreement.
3. Quarterly lump sum payments based on the approved Annual Operating Budget.

Quarterly payments for Year 4, paid upon receipt of invoice as provided for herein, shall follow the schedule below:

Q1 FY 2022	\$ 711,023.75
Q2 FY 2022	\$ 711,023.75
Q3 FY 2022	\$ 711,023.75
Q4 FY 2022	\$ 711,023.75
Total	\$ 2,844,095.00

The quarterly payments for Year 5 and Year 6 of this Agreement shall be based upon the approved Annual Operating Budget for each such year as provided for in this Agreement.

In no event shall the Annual Operating Budgets for Year 5 and Year 6 of this Agreement grow by more than 3% over the prior year.

BUDGET SCHEDULE NOT TO EXCEED AMOUNTS FOR YEARS 4 THROUGH 6:

Sub-total Services:	\$ 8,754,813.24
Total Reimbursable Expenses (Travel):	\$ 36,000
Total Services and Reimbursable Expenses:	\$ 8,790,813.24
Contingency Amount:	\$87,908.13
Maximum Total Compensation for Years 4-6:	\$ 8,878,721.37

REIMBURSABLE EXPENSES

The administrative, overhead, secretarial time or secretarial overtime, word processing,

photocopying, printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses.

City shall reimburse Consultant for the following reimbursable expenses at cost. Expenses for which Consultant shall be reimbursed are:

Travel for Consultant's management staff to travel from Consultant's headquarters to the Premise/City to ensure performance in accordance with this Agreement, not to exceed \$1,000 per month over the Term of this Agreement.

The expenses eligible for reimbursement under this paragraph are ordinary business expenses of Consultant and not operational expenses of managing the Premise.

INCENTIVE PAYMENTS

Consultant is eligible to receive incentive payments based upon achieving/exceeding annual revenue targets. For example, for FY 2022, revenue excluding golf retail merchandise sales, must exceed \$ 3,761,644 in order for Consultant to be eligible for incentive payments. If the revenue target is achieved/exceeded, then for every dollar of revenue achieved in excess of the annual revenue target, Consultant may retain \$0.20 as an incentive payment.

CONTINGENCY AMOUNT

An additional 1% of CONSULTANT compensation will be a contingency amount and is reserved by the City for possible use in the event of any reasonable and unforeseen costs during the fiscal year, as agreed to by City and implemented pursuant to a written amendment to this Agreement as provided for herein.

ADDITIONAL SERVICES

No Additional Services are authorized by the City through this Agreement, unless pursuant to a written amendment to this Agreement as provided for herein.

- B. **PAYMENT.** Subject to Section 5 ("Invoices") of the Agreement, Consultant shall submit quarterly invoices to the City in advance of each quarter. The Consultant's invoice will then be submitted to the fiscal section for payment at which point the City has 30 working days from the last date of the invoice to render payment to the Consultant. Invoices must include Consultant name, address, contract number, description of services, date of services, and compensation amount.
- C. **LATE FEES.**
1. City shall pay to Consultant all of the fees described above, and any other sums due Consultant, at the times, at the places, and in the manner herein provided. If any payment or any part thereof to be made by City to Consultant pursuant to the terms hereof shall become overdue for a period of sixty (60) days, a "late charge" may be charged by Consultant for the purpose of defraying the expense incident to handling such delinquency.
 2. The late charge shall be equal to the lesser of: (i) 1% of the quarterly management fee; or (ii) \$2,000 per month overdue based on the date payment was due.

3. In the event any portion of this Section violates any state or federal law or regulation, this Section shall be deemed void and shall have no other effect or make invalid any other provision of this Agreement.

D. **START-UP COSTS.** The City has agreed to pay, as a part of the Q4 FY 2018 payment to Consultant, the following items that Consultant shall purchase but City will retain ownership of. These include:

Item(s)	Amount
Point of Sale/Tee Time Systems "Clover" & Computers	\$ 10,000
Goose Dog	\$ 7,500
Office/Pro-Shop Equipment	\$ 16,116
Cart Storage & Range Equipment / Supplies	\$ 13,750
Restaurant tables, chairs and other furniture	\$ 44,189
Paint, Carpet, Flooring in Restaurant/Pro-Shop	\$ 80,000
New Inventory Purchases-Retail	\$ 50,000
Pre-Opening Marketing	\$ 71,075
Total Start-Up Costs	\$ 292,630

**AMENDMENT NO. 1 TO CONTRACT NO. C18171872 (RESTAURANT)
BETWEEN THE CITY OF PALO ALTO AND
OB SPORTS GOLF MANAGEMENT (BAYLANDS), LLC**

This Amendment No. 1 (this "Amendment") to Contract No. C18171872 (the "Contract" as defined below) is entered into as of June 21, 2021, by and between the CITY OF PALO ALTO, a California chartered municipal corporation ("CITY"), and **OB SPORTS GOLF MANAGEMENT (BAYLANDS), LLC**, a Limited Liability Company, Department of Industrial Relations Registration No. 1000056828, located at 7025 E Greenway Parkway, Suite 550, Scottsdale, AZ 852540 ("CONSULTANT"). CITY and CONSULTANT are referred to collectively as the "Parties" in this Amendment.

RECITALS

A. The Contract (as defined below) was entered into by and between the Parties hereto for the provision of restaurant services to provide food and beverages and banquet services, as more fully described in Exhibit "A" (Scope of Services).

B. The Parties now wish to amend the Contract in order to extend the term for three additional years from June 30, 2021 to June 30, 2024.

NOW, THEREFORE, in consideration of the covenants, terms, conditions, and provisions of this Amendment, the Parties agree:

SECTION 1. Definitions. The following definitions shall apply to this Amendment:

- a. **Contract.** The term "Contract" shall mean Contract No. C18171872 between CONSULTANT and CITY, dated April 10, 2018.
- b. **Other Terms.** Capitalized terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Contract.

SECTION 2. Section 2, "TERM AND OPTION", of the Contract is hereby amended to read as follows:

"The term of this Agreement shall be from the date of its full execution and approval by City's City Council (the "Commencement Date") through June 30, 2024 unless terminated earlier pursuant to Section 19 of this Agreement.

A renewal option for a period or periods of up to 3 years (from July 1, 2021 through June 30, 2024, is available as mutually agreed, to be executed in accordance with Section 27.4 of this Agreement. (In June 2021, the Parties agreed to the first renewal option in Amendment 1 to this Agreement.) A

Vers.: Aug. 5, 2019

second renewal option for a period or periods of up to an additional 3 years (from July 1, 2024 through June 30, 2027), is available as mutually agreed, to be executed in accordance with Section 27.4 of this Agreement. Absent a mutually extended agreement, the City reserves the right to extend this Agreement for up to six months. During such six-month extension period, the parties may agree to a renewal option as provided for herein.

SECTION 3. Legal Effect. Except as modified by this Amendment, all other provisions of the Contract, including any exhibits thereto, shall remain in full force and effect.

SECTION 4. Incorporation of Recitals. The recitals set forth above are terms of this Amendment and are fully incorporated herein by this reference.

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SIGNATURES OF THE PARTIES

IN WITNESS WHEREOF, the Parties have by their duly authorized representatives executed this Amendment effective as of the date first above written.

CITY OF PALO ALTO

**OB SPORTS GOLF
MANAGEMENT(BAYLANDS), LLC**

City Manager (Contract over \$85k)

Officer 1

DocuSigned by:
By: *Phil Green*
Name: Phil Green
Title: COO

APPROVED AS TO FORM:

City Attorney or designee
(Contract over \$25k)

Officer 2 (Required for Corp. or LLC)

DocuSigned by:
By: *C. A. Roberts*
Name: C. A. Roberts
Title: President