

AMENDMENT NO. 1 TO CONCESSION AGREEMENT
BETWEEN THE CITY OF PALOS VERDES ESTATES AND
THE PALOS VERDES GOLF CLUB

The City of Palos Verdes Estates (“City”) and Palos Verdes Golf Club (“Club”) hereby amend the Concession Agreement dated November 13, 2012 (“Concession Agreement”).

RECITALS

- A. The City and the Club entered into the Concession Agreement for the purpose of amending and restating certain provisions previously agreed to by the parties.
- B. This is the First Amendment to the Concession Agreement.
- C. Section 22 of the Concession Agreement provides that Regular Membership shall not consist of more than twenty percent (20%) non-Residential Property Owners.
- D. The City and the Club desire to increase the authorized number of non-Residential Property Owners to not more than thirty percent (30%), upon satisfaction of certain conditions.

NOW, THEREFORE, the City and the Club agree that the Concession Agreement is amended as follows:

1. Section 1.

The definition of “20% Limitation” is deleted.

2. Section 22. Regular Membership.

The introductory paragraph is deleted and replaced by the following:

“As provided in the Club’s Bylaws, there is one class of membership with voting rights—Regular Membership. Regular Membership consists of two groups—Residential Property Owners and non-Residential Property Owners. The membership requirements for the two groups are described in Subsections (a) and (b) below. Based on the City’s desire to impose some limitation on the percentage of Regular Members who do not own Residential Property, the parties agree the total number of Regular Members who are non-Residential Property Owners shall not exceed the limitations specified in Subsection (b) below.”

3. Section 22(b). Non-Residential Property Owners.

Section 22(b) is deleted and replaced as follows.

“(i) Admission. Subject to the limitations set forth herein and the maximum number of Regular Members set forth in Subsection (c), the Club may admit non-Residential Property Owners to Regular Membership provided there are no Residential Property Owners on the Waiting List who are willing to accept Regular Membership.

(ii) 20% Limitation. The parties agree that the total number of Regular Members who are non-Residential Property Owners shall not exceed twenty percent (20%) of the maximum allowable number of Regular Members as specified in this Agreement (the “20% Limitation”). At all times, applicants for membership who are Residential Property Owners and fulfill all other requirements shall have priority for membership over non-Residential Property Owners.

(iii) 25% Limitation. If at any time the Club is not at its authorized maximum Regular Membership and has achieved the 20% Limitation, an additional five percent of non-Residential Property Owners may become eligible for Regular Membership (the “25% Limitation”). The 25% Limitation shall be authorized after satisfaction of all of the following: 1) mailing of an invitation to apply for Regular Membership to property owners who acquired an ownership interest in property in the City within six months of the mailing; 2) mailing of an invitation to apply for Regular Membership to all Residential Property Owners; 3) a social media campaign to encourage residents and property owners to apply for Regular Membership; and 4) passage of four months from the date of the mailings.

(iv) 30% Limitation. If at any time the Club is not at its authorized maximum Regular Membership and has achieved the 25% Limitation, an additional five percent of non-Residential Property Owners may become eligible for Regular Membership (the “30% Limitation”). The 30% Limitation shall be authorized after satisfaction of all of the following: 1) mailing of an invitation to apply for Regular Membership to property owners who acquired an ownership interest in property in the City within six months of the mailing; 2) mailing of an invitation to apply for Regular Membership to all Residential Property Owners; 3) a social media campaign to encourage residents and property owners to apply for Regular Membership; and 4) passage of four months from the date of the mailings.

(v) Priority for Former Members. Any Regular Member who joined the Club after June 1, 1988 and ceases to be eligible for Regular Membership

based on the requirements set forth in Section 22(a) ("**Former Member**") may apply to be re-admitted as a non-Residential Property Owner Regular Member, and will be offered membership as a non-Residential Property Owner subject to the Club rules as established by the Club's Board of Directors ("Board") and provided the application for readmission is received within sixty (60) days from the termination of membership and the terminated membership had been consistently maintained for a period of no less than five (5) years (exclusive of any period of inactive status). The Former Member under these circumstances shall receive credit for the then current Regular Member initiation fee and will pay, in addition, a fee established from time to time by the Board for non-Residential Property Owners."

4. All other terms and conditions of the Concession Agreement are not amended and hereby remain in full force and effect.

This Amendment is executed on and shall become effective this 10th day of June, 2014, at Palos Verdes Estates, California.

CITY OF PALOS VERDES ESTATES

Ellen Perkins

ELLEN PERKINS, Mayor

ATTEST:

Vickie Kroneberger

Vickie Kroneberger, City Clerk

PALOS VERDES GOLF CLUB, INC.,

a Nonprofit Corporation

By: Kevin J. Longin

Its: PRESIDENT, BOJ