10-j

ACTION SHEET
ITEM FROM FINANCE COMMITTEE MEETING OF 10/05/15
FOR CITY COUNCIL MEETING OF 10/14/15

ISSUE:

16. Request for Approval of Amendment No. 4 to Lease Operating Agreement – Food and Beverage Services for Restaurant Facility at Marty Sanchez Links de Santa Fe Golf Course; Northern Ventures, LLC d/b/a The Links Bar & Grill. (Jennifer Romero)

FINANCE COMMITTEE ACTION:

Approved as Consent item.

FUNDING SOURCE: 51600.460255

SPECIAL CONDITIONS OR AMENDMENTS

STAFF FOLLOW-UP:

VOTE	FOR	AGAINST	ABSTAIN
COUNCILOR TRUJILLO	X		
COUNCILOR RIVERA	X		
COUNCILOR LINDELL	X		
COUNCILOR MAESTAS	X		
CHAIRPERSON DOMINGUEZ			

4-13-15

City of Santa Fe, New Mexico

memo

DATE: September 22, 2015

TO: Finance Committee

VIA: _____
Rob Carter, Parks & Recreation Department Director

FROM: Jennifer Romero, MRC Manager

RE: Amendment No. 4 to Professional Services Agreement #13-1169; Northern Ventures, LLC, DBA: The Links Bar & Grill

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SUMMARY:

Attached for your review and approval is Amendment No. 4 to the Professional Services Agreement #13-1169 between the City of Santa Fe and Northern Ventures, LLC; DBA: The Links Bar & Grill for lease and operation of the restaurant located at the Marty Sanchez Links de Santa Fe golf course.

A. Article 4, Option to renew, of Amendment No. 3 (#14-1060) to the original contract reads as follows:

"Lessee is granted, upon a satisfactory performance as determined by the Lessor on October 31, 2015, an option to renew this Agreement for an one year. Contractor and the City shall renegotiate the terms and conditions upon renewal. The option shall be exercised in writing by the Lessee no later than October 3, 2015 and Lessor shall approve or disapprove in writing prior to the expiration date of this Agreement."

An annual performance review of the vendor, conducted on September 14, 2015 and determined that Northern Ventures, LLC (dba: The Links Bar & Grill) has satisfied the following competencies:

- Scope of Services
- Staff/Personnel/Hours of Operation
- Licensing & Compliance/Cash Handling Reporting
- Cleanliness Standards for the restaurant, kitchen, eating area, bar & patio
- Customer Service

Based on a satisfactory rating of services provided by Northern Ventures, LLC, the Marty Sanchez Links de Santa Fe golf course would like to exercise its right to amend the contract and extend the term of the Agreement for an additional one year.

In addition, the following changes are being requested:

B. Article 2, Scope of Operating Services, Letter "F" of Amendment No. 3 (#14-1060) to the original agreement reads as follows:

"Maintain the same operating hours as the golf course unless there is approval from the Lessor to change or modify hours of operation. In the event of winter weather that results in close of the golf course, the Lessee shall be allowed to close the restaurant for a two (2) week period for the purposes of winter maintenance (painting, cleaning, refurbishing of furniture), during the following dates:

- December 22-January 5, 2014
- December 21-January 4, 2015
- December 19-January 2, 2016
- December 18-January 1, 2017"

This section has been amended so that Article 2, Letter F, reads in its entirety as follows:

"Maintain the same operating hours as the golf course unless there is approval from the Lessor to change or modify hours of operation. In the event of winter weather that results in close of the golf course, the Lessee shall be allowed to close the restaurant during such closures. In addition, the Lessee shall be allowed to close the restaurant for a two (2) week period for the purposes of winter maintenance (painting, cleaning, refurbishing of furniture), during the following dates:

- December 19-January 2, 2016
- December 18-December 31, 2016"

C. Article 5, Compensation, Letter "A" of Amendment No. 3 (#14-1060) to the original contract reads as follows:

"Rent – As rent for the use of the Facility that includes the kitchen, snack grill, bar area and outside patio area, the Lessee shall pay the Lessor each month during the high season (May, June, July, August and September) the sum of one thousand three hundred dollars ($1,300) per month. During the month of January, the Lessee shall pay two hundred and seventy five dollars ($275) per month. During the remaining six months (October, November, December, February, March, and April) the Lessee shall pay the Lessor five hundred dollars ($500) per month."

This section of the contract has been amended to decrease compensation by two hundred twenty five dollars ($225) per month during November, December and January so that Article 5 reads in its entirety as follows:

"Rent – As rent for the use of the Facility that includes the kitchen, snack grill, bar area and outside patio area, the Lessee shall pay the Lessor each month during the high season (May, June, July, August and September) the sum of one thousand three hundred dollars ($1,300) per month. During the months of (November, December and January), the Lessee shall pay two hundred and seventy five dollars ($275) per month. During the months of (October, February, March, and April) the Lessee shall pay the Lessor five hundred dollars ($500) per month."

D. Article 5, Compensation, Letter "G, H and I" of Amendment No. 3 (#14-1060) to the original contract reads as follows:

"Article 5, Item G., H., and I. are deleted in its entirety for calendar year 2015 and will be reviewed on a yearly basis to determine if the change is cost neutral for the Lessor. If it is determined that a percentage based on revenue increase is in the best interest of the City, the contract will be amended to revert back to the original language as outlined under Item "G.,H., and I"."

This section of the contract has been amended so that it reads in its entirety as follows:

"Article 5, Item G.H., and I. are deleted in its entirety for calendar year 2016."

B. Article 2, Utilities, of Amendment No. 3 (#14-1060) to the original contract reads as follows:

"Lessee shall pay sixty percent (50%) of all clubhouse utility costs, billed by Lessor on a monthly basis (monthly or quarterly) and due within fifteen (15) days of billing."

This section of the contract has been amended to decrease the percentage of all clubhouse utility costs so that Article 7 reads in its entirety as follows:

"Lessee shall pay forty percent (40%) of all clubhouse utility costs, billed by Lessor on a monthly basis (monthly or quarterly) and due within fifteen (15) days of billing.

After meeting with Northern Ventures, LLC (dba: The Links Bar & Grill), it was determined that the safety lights and exterior perimeter lights that surround the restaurant and parking lot area are kept on each night for safety reasons. We feel that the City should cover these utility expenses.

ACTION:

We request your review, approval, and submission to the Public Works Committee and City Council for their consideration.

Cc: MRC File

Attachments: Summary of Contracts Form
Original Agreement: #13-1169
Amendment #1, #14-0001
Amendment #2, #14-0078
Amendment #3, #14-1060
Amendment #4, "as to form"
Vendor's Current City Business License
Vendor's Current Certificate of Liability Insurance

AMENDMENT NO. 4 TO LEASE OPERATING AGREEMENT BETWEEN THE CITY OF SANTA FE AND NORTHERN VENTURES LLC, DBA THE LINKS BAR AND GRILL ("LESSEE") FOR RESTAURANT FACILITY AT MARTY SANCHEZ LINKS DE SANTA FE

AMENDMENT NO. 4 (the "Amendment") to the CITY OF SANTA FE LEASE AGREEMENT, dated December 19, 2013 (hereinafter "Lessor"), between the City of Santa Fe (the "City") and Northern Ventures, LLC; DBA: The Links Bar and Grill (hereinafter "Lessee"). The date of this Amendment shall be the date when it is executed by the City or the Contractor, whichever occurs last.

RECITALS

A. Under the terms of the Agreement, Contractor has agreed to operate a snack grille, kitchen, bar area, food and beverage cart and provide catering for special events and functions at the Marty Sanchez Links de Santa Fe located at 205 Caja del Rio, Santa Fe, NM 87505.

B. Pursuant to Article 26 of the Agreement, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the City and the Contractor agree as follows:

1. SCOPE OF OPERATING SERVICES

Article 2, paragraph F of the Agreement is amended so that Article 2, paragraph F. reads as follows:

F. Maintain the same operating hours as the golf course unless there is approval from the Lessor to change or modify hours of operation. In the event of winter weather that results in the closure of the golf course, the Lessee shall be allowed to close the restaurant during such closures. In addition, the Lessee shall be allowed to close the restaurant for a two (2) week period for the purpose of winter maintenance (painting, cleaning, refurbishing of furniture), during the following dates:

- December 19-January 2, 2016
- *December 18-December 31, 2016

2. COMPENSATION

Article 5, paragraph A of the Agreement is amended so that Article 5, paragraph A reads as follows:

A. Rent – As rent for the use of the Facility that includes the kitchen, snack grill, bar area and outside patio area, the Lessee shall pay the Lessor each month during the high season (May, June, July, August and September) the sum of one thousand three hundred dollars ($1,300) per month. During the months of November, December and January, the Lessee shall pay two hundred and seventy five dollars ($275) per month. During the months of (October, February, March, and April) the Lessee shall pay the Lessor five hundred dollars ($500) per month.

Article 5, Item G.H., and I. are deleted in its entirety for calendar year 2016.

3. UTILITIES

Article 7 of the Agreement is amended to decrease the percentage, so that Article 7 reads as follows:

7. Lessee shall pay forty percent (40%) of all clubhouse utility costs, billed by Lessor on a monthly basis (monthly or quarterly) and due within fifteen (15) days of billing.

4. TERM AND EFFECTIVE DATE

Article 9 of the Agreement is amended to extend the term of the Agreement, so that Article 9 reads in its entirety as follows:

This Agreement shall terminate on December 31, 2016, unless sooner pursuant to Article 11, infra.

5. AGREEMENT IN FULL FORCE.

Except as specifically provided in this Amendment, the Agreement remains and shall remain in full force and effect, in accordance with its terms.

ALL OTHER PARAGRAPHS OF THE LEASE OPERATING AGREEMENT REMAIN UNCHANGED. IN WITNESS WHEREOF, the parties have executed this Amendment No. 4 to the Lease on the date set forth below.

CITY OF SANTA FE:

_____
JAVIER M. GONZALES, MAYOR

Date:_____

LESSEE:

_____
FRANK GALLEGOS, CEO

Date:_____

CRS #13-00122748
City of Santa Fe Business
Registration No.15-00123230

ATTEST:

_____
YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:

MDM 9/17/15
KELLEY A. BRENNAN, CITY ATTORNEY

APPROVED:

_____
OSCAR RODRIGUEZ, FINANCE DEPARTMENT

51600.460255
BUSINESS UNIT/LINE ITEM

City of Santa Fe
Summary of Contracts, Agreements, & Amendments

Section to be completed by department for each contract or contract amendment

1 **FOR:** ORIGINAL CONTRACT ☑ CONTRACT AGREEMENT ☐
MAINTENANCE AGREEMENT ☐ LICENSE AGREEMENT ☐
LEGAL SERVICES AGREEMENT ☐ MEMORANDUM OF UNDERSTANDING ☐
MEMORANDUM OF AGREEMENT ☐ JOINT POWERS AGREEMENTS ☐
GRANT AGREEMENTS ☐ CHANGE ORDERS ☐

2 Name of Contractor Northern Ventures, LLC; DBA: The Links Bar & Grill

3 Complete information requested ☐ Plus GRT

☐ Inclusive of GRT

Original Contract Amount: Lease Agreement - Amendment #4

Termination Date: December 31, 2014

☑ Approved by Council Date: December 11, 2013

☐ or by City Manager Date:

Contract is for: Lease Operating Agreement for Food & Beverage Service Facility at Marty Sanchez Links de Santa Fe golf course.

Amendment # 4 to the Original Contract# 13-1169

Increase/(Decrease) Amount $

Extend Termination Date to: December 31, 2016

☑ Approved by Council Date:

☐ or by City Manager Date:

Amendment is for: Option to renew Agrement for one year

4 **History of Contract & Amendments:** (option: attach spreadsheet if multiple amendments) ☐ Plus GRT

☐ Inclusive of GRT

Amount $ of original Contract# 13-1169 Termination Date: 12/31/2014
Reason: Original contract for lease operating agreement

Amount $ amendment # 1 (14-0001) Termination Date: 12/31/2014
Reason: adding language related to the Governmental Liq. License

Amount $ amendment # 2 (14-0078) Termination Date: 12/31/2014
Reason: correcting language related to the Governmental Liq. License

Amount $ amendment # 3 (14-1060) Termination Date: 12/30/2015
Reason: option to renew for one year

Total of Original Contract plus all amendments: $ 28,275 (approximate) 2014-2016

√

City of Santa Fe
Summary of Contracts, Agreements, & Amendments

5 **Procurement Method of Original Contract:** (complete one of the lines)

RFP ☑ RFQ ☐ Sole Source ☐ Other ☐

6 **Procurement History:** last year of three year contract
example: (First year of 4 year contract)

7 **Funding Source:** 51600 **BU/Line Item:** 460255

8 **Any out-of-the ordinary or unusual issues or concerns:**

(Memo may be attached to explain detail.)

9 **Staff Contact who completed this form:** Jennifer Romero Phone # 955-4465

Division Contract Administrator: Jennifer Romero

Division Director:

Department Director: Rob Carter

10 **Certificate of Insurance attached.** (if original Contract) ☑

11 **Description of your efforts to reduce the cost of the contract including information on efforts to obtain other quotes for the contracted activity:**

12 **Prior year's contract amount?:**

13 **Describe service impact from an ongoing commitment to the contractor:**

14 **Why staff cannot perform the work?:** Restaurant contractor needed to provide service

15 **If extending contract, why?:**

16 **Was a Santa Fe company awarded contract? If not, why?:** Yes

17 **Has the contract has been approved as to form by City Attorney's Office?:** Yes

18 **Is this for City Manager or Council approval?:** Council Approval

To be recorded by City Clerk:

Contract #

Date of contract Executed (i.e., signed by all parties):

City of Santa Fe, New Mexico

BUSINESS LICENSE

THIS BUSINESS IS IN COMPLIANCE WITH THE CITY OF SANTA FE LIVING WAGE ORDINACE, §28-1 SFCC 1987

City Of Santa Fe
PO BOX 909
Santa Fe NM, 87504

Official Document
Please Post

Business Name: **THE LINKS BAR AND GRILL**

Location: **SF COUNTY**

Class: **BUSINESS LOCATED OUT OF CITY LIMITS**

Comment:

Control Number: 0063985

License Number: 15-00123230

Issue Date September 17, 2015

Expiration Date December 31, 2015

THE LINKS BAR AND GRILL
205 CAJA DEL RIO

SANTA FE NM 87506

THIS IS NOT A CONSTRUCTION PERMIT OR SIGN PERMIT. APPROPRIATE PERMITS MUST BE OBTAINED FROM THE CITY OF SANTA FE BUILDING PERMIT DIVISION PRIOR TO COMMENCEMENT OF ANY CONSTRUCTION OR THE INSTALLATION OF ANY EXTERIOR SIGN.

THIS REGISTRATION/LICENSE IS NOT TRANSFERABLE TO OTHER BUSINESSES OR PREMISES.

American Hallmark Insurance Company of Texas

777 Main St Ste 1000 Fort Worth, TX 76102

BUSINESSOWNERS POLICY

RENEWAL DECLARATION

POLICY NO. 44-PB-482105-01/000
RENEWAL OF 44-PB-000482105-0

NAMED INSURED AND MAILING ADDRESS	AGENCY AND MAILING ADDRESS 3080
THE LINKS BAR & GRILL NORTHERN VENTURES, LLC DBA 205 CAJA DEL RIO RD SANTA FE NM 87505	ZIA INSURANCE AGENCY 810 CALLE MEJIA STE 106 SANTA FE NM 87501

POLICY PERIOD: From 12/13/2014 to 12/13/2015 BEGINNING AND ENDING AT 12:01.A.M. AT THE LOCATIONS DESCRIBED HERE

FORMS AND ENDORSEMENTS

APPLYING TO THIS POLICY AT TIME OF ISSUE:

CBP001 01 14	AH0017 07 05	CBP066 03 05	CBP063 03 05	CBP055 03 05	CBP056 03 05
CBP183 10 10	CBP005 04 11	CBP025 04 11	CBP048 03 05	CBP114 01 08	CBP100 01 08
AH0018 09 09	NP0014 01 14	NP0035 01 14	CBP108 01 07	CBP059 01 07	

COUNTERSIGNED AT: Santa Fe, NM DATE: 11-14-14 BY: _____
AUTHORIZED REPRESENTATIVE

American Hallmark Insurance Company of Texas

777 Main St Ste 1000 Fort Worth, TX 76102

BUSINESSOWNERS POLICY

RENEWAL DECLARATION

POLICY NO. 44-PB-482105-01/000

RENEWAL OF 44-PB-000482105-0

NAMED INSURED AND MAILING ADDRESS	AGENCY AND MAILING ADDRESS 3080
THE LINKS BAR & GRILL NORTHERN VENTURES, LLC DBA 205 CAJA DEL RIO RD SANTA FE NM 87505	ZIA INSURANCE AGENCY 810 CALLE MEJIA STE 106 SANTA FE NM 87501

POLICY PERIOD: From 12/13/2014 to 12/13/2015 BEGINNING AND ENDING AT 12:01 A.M. AT THE LOCATIONS DESCRIBED HERE

OPTIONAL COVERAGES

Coverage	Limits of Liability
Valuable Papers Coverage	$25,000
Personal Property Off Premises Coverage	$25,000
Water Back-Up and Sump Overflow	$25,000

Deductible This Location (All Covered Causes of Loss Unless Otherwise Indicated): $1,000

TOTAL BUILDING-1 PREMIUM $1,109

SECTION II - BUSINESS LIABILITY & MEDICAL EXPENSES	Limits of Liability
Business Liability & Medical Expenses	$1,000,000 each occurrence
Medical Expenses	$5,000 each person
Damage To Premises Rented To You	$100,000 any one premises
Other Than Products Completed Operations Aggregate	$2,000,000
Products/Completed Operations Aggregate	$2,000,000

American Hallmark Insurance Company of Texas

777 Main St Ste 1000 Fort Worth, TX 76102

BUSINESSOWNERS POLICY

RENEWAL DECLARATION

POLICY NO. 44-PB-482105-01/000
RENEWAL OF 44-PB-000482105-0

NAMED INSURED AND MAILING ADDRESS	AGENCY AND MAILING ADDRESS 3080
THE LINKS BAR & GRILL NORTHERN VENTURES, LLC DBA 205 CAJA DEL RIO RD SANTA FE NM 87505	ZIA INSURANCE AGENCY 810 CALLE MEJIA STE 106 SANTA FE NM 87501

POLICY PERIOD: From 12/13/2014 to 12/13/2015 BEGINNING AND ENDING AT 12:01 A.M. AT THE LOCATIONS DESCRIBED HERE

BUSINESS DESCRIPTION: RESTAURANT
THE NAMED INSURED IS: LIMITED LIAB COMPANY

In return for the payment of the premium and subject to all the terms of this policy, we agree with the Named Insured to provide the insurance as stated in this policy.

LOCATION OF DESCRIBED PREMISES:

LOCATION: 1 BUILDING: 1

205 CAJA DEL RIO RD
SANTA FE NM 87505

SECTION I - BUILDING & BUSINESS PERSONAL PROPERTY

Described Premises	Limits of Liability
Coverage B - Business Personal Property	$20,000

OPTIONAL COVERAGES

Coverage	Limits of Liability
Employee Dishonesty (each occurrence)	$10,000
Exterior Signs	$10,000
Accounts Receivable Coverage (each occurrence)	$50,000

ITEM #

AMENDMENT NO. 2 TO THE CITY OF SANTA FE LEASE OPERATING AGREEMENT FOR FOOD AND BEVERAGE SERVICES FACILITY AT MARTY SANCHEZ LINKS de SANTA FE

The original Lease Operating Agreement was entered into on December 19, 2013 between Northern Ventures, LLC d/b/a The Links Bar & Grill (hereinafter "Lessee") and the City of Santa Fe, a municipal corporation (hereinafter "Lessor").

RECITALS:

The parties now desire to correct Amendment No. 1's title and amend the original Lease Operating Agreement to add the number of the Governmental Liquor License to Paragraph 2. X. of the Lease Operating Agreement. Therefore the parties agree to delete former Paragraph 2. X. and insert new Paragraph 2. X. as follows:

1. SCOPE OF OPERATING SERVICES:

Article 2, paragraph X is amended to the following:

X. Use of Governmental Liquor License #9025 -The Lessee shall be entitled to the lease and operation of a Governmental Liquor License #9025 located at Marty Sanchez Links de Santa Fe. Lessee shall use the Governmental Liquor License for the purpose of serving alcoholic beverages on the premises, in conjunction with Lessee's snack grille business.

2. TERMINATION.

Article 11, paragraph A is amended to the following:

A. This Agreement may be terminated by either of the parties without cause hereto upon written notice delivered to the other party in writing at least upon 90 days prior to the intended date of termination. This agreement may be terminated by the Lessor with cause hereto upon written notice delivered to the Lessee in writing at least upon 30 days prior to the intended date of termination.

3. AGREEMENT IN FULL FORCE.

Except as specifically provided in this Amendment, the Agreement remains and shall remain in full force and effect, in accordance with its terms.

ALL OTHER PARAGRAPHS OF THE LEASE OPERATING AGREEMENT REMAIN UNCHANGED.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 to the Lease on the date set forth below.

LESSOR: CITY OF SANTA FE:

BRIAN K. SNYDER, CITY MANAGER

Date: 2-5-14

LESSEE:
NORTHERN VENTURES, LLC.

FRANK GALLEGOS, CEO

Date: 2-6-14

CRS #13-00122748
City of Santa Fe Business
Registration No.13-00122748

ATTEST:

YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:

Judith Amer for
KELLY A. BRENNAN, INTERIM CITY ATTORNEY 1/30/14

APPROVED:

2/4/14
MARCOS A. TAPIA, DIRECTOR
FINANCE DEPARTMENT

51600.460255
BUSINESS UNIT/LINE ITEM

ITEM #[redacted]

AMENDMENT NO. 3 TO LEASE OPERATING AGREEMENT BETWEEN THE CITY OF SANTA FE AND NORTHERN VENTURES LLC, DBA THE LINKS BAR AND GRILL ("LESSEE") FOR RESTAURANT FACILITY AT MARTY SANCHEZ LINKS DE SANTA FE

AMENDMENT NO. 3 (the "Amendment") to the CITY OF SANTA FE LEASE AGREEMENT, dated December 19, 2013 (hereinafter "Lessor"), between the City of Santa Fe (the "City") and Northern Ventures, LLC; DBA: The Links Bar and Grill (hereinafter "Lessee"). The date of this Amendment shall be the date when it is executed by the City or the Contractor, whichever occurs last.

RECITALS

A. Under the terms of the Agreement, Contractor has agreed to operate a snack grille, kitchen, bar area, food and beverage cart and provide catering for special events and functions at the Marty Sanchez Links de Santa Fe located at 205 Caja del Rio, Santa Fe, NM 87505.

B. Pursuant to Article 26 of the Agreement, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the City and the Contractor agree as follows:

1. SCOPE OF OPERATING SERVICES

Article 2, paragraph F of the Agreement is amended so that Article 2, paragraph F reads as follows:

F. Maintain the same operating hours as the golf course unless there is approval from the Lessor to change or modify hours of operation. In the event of winter weather that results in a closure of the golf course, the Lessee shall be allowed to close the restaurant for a two (2) week period for the purposes of winter maintenance (painting, cleaning, refurbishing of furniture), during the following dates:

- December 22-January 5, 2014
- December 21-January 4, 2015
- December 19-January 2, 2016
- December 18-January 1, 2017

2. COMPENSATION

Article 5, paragraph A of the Agreement is amended so that Article 5, paragraph A reads as follows:

A. Rent – As rent for the use of the Facility that includes the kitchen, snack grill, bar area and outside patio area, the Lessee shall pay the Lessor each month during the high season (May, June, July, August and September) the sum of one thousand three hundred dollars ($1,300) per month. During the month of January, the Lessee shall pay two hundred and seventy five dollars ($275) per month. During the remaining six months (October, November, December, February, March, and April) the Lessee shall pay the Lessor five hundred dollars ($500) per month.

Article 5, Item G., H., and I. are deleted in its entirety for calendar year 2015 and will be reviewed on a yearly basis to determine if the change is cost neutral for the Lessor. If it is determined that a percentage based on revenue increase is in the best interest of the City, the contract will be amended to revert back to the original language as outlined under Item G.,H., and I.

2. UTILITIES

Article 7 of the Agreement is amended to decrease the percentage, so that Article 7 reads as follows:

7. Lessee shall pay fifty percent (50%) of all clubhouse utility costs, billed by Lessor on a monthly basis (monthly or quarterly) and due within fifteen (15) days of billing.

3. TERM AND EFFECTIVE DATE

Article 9 of the Agreement is amended to extend the term of the Agreement, so

that Article 9 reads in its entirety as follows:

This Agreement shall terminate on December 30, 2015, unless sooner pursuant to Article 11, infra.

4. OPTION TO RENEW

Article 10 of the Agreement is amended, so that Article 10 reads in its entirety as follows:

Lessee is granted, upon a satisfactory performance as determined by the Lessor on October 31, 2015, an option to renew this Agreement for an additional one (1) year. Contractor and the City shall renegotiate the terms and conditions upon renewal. The option shall be exercised in writing by the Lessee no later than October 3, 2015 and Lessor shall approve or disapprove in writing prior to the expiration date of this Agreement.

5. AGREEMENT IN FULL FORCE.

Except as specifically provided in this Amendment, the Agreement remains and shall remain in full force and effect, in accordance with its terms.

ALL OTHER PARAGRAPHS OF THE LEASE OPERATING AGREEMENT REMAIN UNCHANGED. IN WITNESS WHEREOF, the parties have executed this Amendment No. 3 to the Lease on the date set forth below.

CITY OF SANTA FE:

JAVIER M. GONALES, MAYOR

Date: 10/23/14

LESSEE:

FRANK GALLEGOS, CEO

Date: 11/4/14

CRS #13-00122748
City of Santa Fe Business
Registration No.14-00123230

ATTEST:

Yolanda Y. Vigil

YOLANDA Y. VIGIL, CITY CLERK

contes 10/8/14

APPROVED AS TO FORM:

Kelley A. Brennan

KELLEY A. BRENNAN, CITY ATTORNEY

APPROVED:

Teresita Garcia 10/20/2014

TERESITA GARCIA, ASSISTANT DIRECTOR
FINANCE DEPARTMENT

51600.460255
BUSINESS UNIT/LINE ITEM

ITEM # [redacted]

CITY OF SANTA FE
LEASE OPERATING AGREEMENT FOR FOOD AND
BEVERAGE SERVICE FACILITY AT
MARTY SANCHEZ LINKS de SANTA FE

THIS LEASE OPERATING AGREEMENT (hereinafter "Agreement") is made and entered into this 19 day of December 2013, by and between Northern Ventures, LLC; DBA: The Links Bar & Grill (hereinafter "Lessee"), and the City of Santa Fe, a municipal corporation (hereinafter "Lessor").

WITNESSETH:

In consideration of the mutual covenants and Leases hereinafter contained, the parties hereto agree as follows:

1. LEASED PROPERTY

Lessor does hereby lease to the Lessee the food and beverage facility that includes the kitchen, snack grille, bar area and outdoor patio located at Marty Sanchez Links de Santa Fe to operate food and beverage facility that includes the Facility for City golf course.

2. SCOPE OF OPERATING SERVICES

The Lessee shall provide for the Lessor the following services:

A. Operate the Facility that includes snack grille, kitchen, bar area, food and beverage cart and provide catering for special events and functions at the Marty Sanchez Links de Santa Fe located at 205 Caja del Rio, Santa Fe, NM 87505.

B. Provide food, non-alcoholic and alcoholic beverages to the general public.

C. Provide a varied menu consisting of breakfast, lunch, snacks, and evening meals that are priced competitively, healthy and subject to annual review and approval of the Lessor.

D. Provide food and beverages to a larger number of patrons when special events or tournaments require serving everyone at the same time.

E. Promote the use of the facility for private functions and be able to develop varied menus to accommodate the needs of the client.

F. Maintain the same operating hours as the golf course unless there is approval from the Lessor to change or modify the hours of operation.

G. Provide and operate on a daily basis, unless otherwise agreed to by the Lessor, a fully stocked food and beverage cart during the peak golfing season (April, May, June, July, August, September and October).

H. Concession prices must be posted on permanent displays on all stands and equipment.

I. Collaborate with the Lessor on advertising efforts that affect the facility. All advertising, direct mail and other promotional activity must be approved in advance by the Administrative Manager. Advertising and promotional items must carry the Marty Sanchez Links de Santa Fe logo.

J. Provide the Lessor with any menu price increase/decrease changes and subject to annual review and approval by Lessor.

K. Furnish, at its own expense, ice for all functions. Since past experiences have shown that the ice machine does not produce enough ice during peak times, it is recommended that the Lessee purchase additional ice.

L. Attend meetings as required by the Administrative Manager and include the monthly Advisory Board meeting and monthly marketing meeting.

M. Responsible for initiating, maintaining and supervising all safety precaution programs in connections with its services.

N. Report to the Administrative Manager any unusual condition which has occurred or which the Lessee anticipates, including complaints from customers, staff changes, legal action and other information which relates to the Lessee and its clients of the food and beverage facility.

O. Utilize window for food and beverage sales to golf patrons "making the turn" to the number 10 tee box.

P. PERSONNEL

(1) Provide adequate levels of staffing for both seasonal demand and for special events and functions that require additional staff.

(2) Provide staff who have both previous restaurant or concession experience and who have the ability to prepare food consistent with set standards and who have all been trained to provide quality customer service.

(3) Provide staff that is certified by the State of New Mexico to be able to serve alcohol.

(4) Require all staff to wear uniforms or proper golf attire. Uniforms shall be of a standard style selected and purchased by the Lessee and approved by the Lessor. It is recommended that uniforms have either the restaurant logo or the the Marty Sanchez Links de Santa Fe logo placed on uniform shirts.

Q. LICENSING AND COMPLIANCE

(1) Comply with all rules and regulations of the New Mexico

Department of Health, Liquor Licensing, and all applicable laws, statutes and ordinances of the State of New Mexico and the City of Santa Fe, including health and safety codes.

(2) Obtain at its own expense and maintain all permits and liquor licenses required by such laws and regulations.

(3) Assist the Lessor in obtaining and preparing any applications and supporting documents to renew the Liquor License.

(4) Possess a current City Registration License and a Gross Receipts Tax Identification (CRS) Number. The Lessee shall provide the Lessor with evidence of its compliance with this requirement as a condition prior to performing services under this Lease.

(5) Ensure that all supplies, equipment and funds are adequately secured.

(6) All food and beverages kept for sale shall be subject to inspection by the Lessor and/or appropriate governmental agencies.

R. CLEANLINESS STANDARDS

(1) Maintain at all times the receiving area where food and beverages are delivered in a clean and orderly manner.

(2) Keep the kitchen, snack grille, bar area, and outside patio clean, orderly and sanitary at all times in strict accordance with all federal, state, and local applicable laws, ordinances, rules and regulations. These areas, inclusive of the tables and chairs inside and outside, shall be cleaned thoroughly each day, and dependant on the amount of usage, shall be cleaned as frequently as deemed necessary.

(3) Carpeted areas are to be vacuumed daily and cemented areas are to be swept or washed down on a regular basis. On a quarterly basis, the carpeting within the snack grille and bar area shall be steam-cleaned.

(4) Trash containers shall be emptied on a daily basis and at no time may refuse be kept overnight within the kitchen, snack grill area, or bar area.

(5) In coordination with the Proshop vendor, clean the restrooms located in the breezeway each night on a daily basis and when used for catered events scheduled by the Lessee.

S. Agrees that it has inspected the facilities and equipment and thoroughly understands the area and equipment that is being provided by the Lessor. No other verbal indication of additional City facilities, equipment or improvements are authorized or binding.

T. Acknowledges that the Lessor is not responsible for any financial losses claimed by the Lessee.

U. Acknowledges that any additional kitchen equipment, in addition to the equipment currently owned by the Lessor, shall be purchased at its own expense.

V. Acknowledges that two food and beverage carts must be secured at its own expense.

W. Allow employees to enter upon and remain at the restaurant during events for a reasonable time prior to and subsequent to events, only for the purpose of providing the services herein mentioned.

X. Use of Governmental Liquor License -The Lessee shall be entitled to the lease and operation of a Governmental Liquor License located at Marty Sanchez Links de Santa Fe. Lessee shall use the Governmental Liquor License for the purpose of serving alcoholic beverages on the premises, in conjunction with Lessee's snack grille business.

Y. Only sell beer and wine upon and only within those areas of the Liquor License Premises that are shown and designated as the authorized area in the Lessor's application for the Liquor License ("Authorized Area"). Lessee may sell and dispense beer and wine only (i) by trained alcohol servers; and (ii) during hours consistent with the conditions of the Liquor License for all events where liquor is served.

Z. Assist the Lessor in obtaining and preparing any applications and supporting documents to renew the Liquor License as required by the State of New Mexico. Lessee shall pay to the Alcohol and Gaming Division all fees for applications for the Liquor License, renewals of the Liquor License and any other fees associated with the Liquor License. Lessee shall satisfy all requirements of the State of New Mexico in order to qualify as a user to operate under the Lessor's Liquor License. The Lessee shall have no liquor license violations during the term of the agreement and any liquor license violations are grounds for immediate termination by the Lessor.

3. RIGHTS OF THE LESSOR

A. The Lessor reserves the right to inspect and verify equipment inventory on a quarterly basis.

B. Lessor representatives, as authorized by the Administrative Manager, shall have the right to enter upon and have access to all spaces occupied by the Lessee during events and at all other times.

C. The Lessor reserves the right to direct the Lessee to partially or completely suspend sales during any events at which the Lessee's services may be unsatisfactory to the Lessor.

4. STANDARD OF PERFORMANCE; LICENSES

A. The Lessee must possess the personnel, experience and knowledge necessary to perform the services described under this Agreement.

B. The Lessee shall obtain and maintain throughout the term of this Agreement, all applicable professional and business licenses required by law, for itself, its employees, agents, representatives and subcontractors.

5. COMPENSATION

A. Rent -As rent for the use of the Facility that includes the kitchen, snack grille, bar area and outside patio area, the Lessee shall pay the Lessor each month during the high season (May, June, July, August and September) the sum of twelve hundred and fifty dollars ($1,250) per month. During the month of January, the Lessee shall pay two hundred and twenty five dollars ($225) per month. During the remaining six months (October, November December, February, March, and April) the Lessee shall pay the Lessor four hundred and fifty dollars ($450) per month.

B. Special Event Fees -When special events require catering to more than forty individuals, the Lessor shall be paid an amount equal to seven and one half percent (7.5%) of the total amount collected by the Lessee for food and beverage costs. The Lessee shall pay fees collected, fifteen (15) days after special event.

C. Special Event Fees -When special events require catering to more than one hundred individuals, the Lessor shall be paid an amount equal to six percent (6.0%) of the total amount collected by the Lessee for food and beverage costs. The Lessee shall pay fees collected, fifteen (15) days after special event.

E. The Lessee shall provide documentation on each special event that takes place, which has over forty individuals on the last day of each month, including the following:

(1) Catering Contracts

(2) Total amount paid to host a special event

(3) Receipts/proof of payment

F. All beverages, alcoholic and non-alcoholic, are to be provided by the Lessee.

G. Should revenues collected by the Lessee exceed two hundred thousand dollars ($200,000) during any calendar year of this Lease, the Lessee agrees to pay the Lessor an additional two and one half percent (2.5%) on revenues above this amount excluding catering revenues (see Attachment A).

H. Should revenues collected by the Lessee exceed above two hundred and fifty dollars ($250,000) during any calendar year of this Lease, the Lessee agrees to pay the Lessor an additional two percent (2.0%) on revenues above this amount excluding catering revenues (see Attachment A).

I. Should revenues collected by the Lessee exceed three hundred dollars ($300,000) during any calendar year of this Lease, the Lessee agrees to pay the Lessor an additional one percent (1.0%) on revenues above this amount excluding catering revenues (see Attachment A).

J. The Lessee shall be responsible for payment of gross receipts taxes levied by the State of New Mexico.

6. CASH HANDLING REPORTING

A. Lessee shall submit on a daily basis to the Lessor, an accounting of all food and beverage sales and food and beverage cart sales generated.

B. Lessee shall submit on a daily basis, to the Lessor, copies of all daily deposits.

7. UTILITIES

Lessee shall pay sixty percent (60%) of all clubhouse utility costs, billed by Lessor on a monthly basis (monthly or quarterly) and due within fifteen (15) days of billing.

8. APPROPRIATIONS

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Lessor for the performance of this Lease. If sufficient appropriations and authorization are not made by the Lessor, this Lease shall terminate upon written notice being given by the Lessor to the Lessee. The Lessor's decision as to whether sufficient appropriations are available shall be accepted by the Lessee and shall be final.

9. TERM AND EFFECTIVE DATE

This Agreement shall be effective when signed by the Lessor and the Lessee and shall terminate on December 31, 2014, unless sooner pursuant to Article 11 below or unless Lessee and Lessor renew for an additional three (3) years in accordance with paragraph 10 herein.

10. OPTION TO RENEW

Lessee is granted, upon a satisfactory performance as determined by the Lessor on October 31, 2014, an option to renew this Agreement for an additional three years . Contractor and the City shall renegotiate the terms and conditions upon renewal.

The option shall be exercised in writing by the Lessee no later than October 3, 2014 and Lessor shall approve or disapprove in writing prior to the expiration date of this Agreement.

11. TERMINATION

A. This Agreement may be terminated by either of the parties without cause hereto upon written notice delivered to the other party in writing at least upon 60 days prior to the intended date of termination.

B. The Lessee shall render a final report of food and beverage sales up to the date of termination and shall submit this report to the Lessor.

C. The Lessee shall pay the Lessor for any food and beverage sales in accordance with Paragraph 5 herein rendered through the effective date of such termination, and for utilities in accordance with paragraph 7 herein and compensation which was due at the time of termination but has not yet been paid.

12. CARE OF BUILDING AND EQUIPMENT

A. The Lessee shall be responsible and pay for any and all routine maintenance of the Facility including the kitchen, snack grille and bar area, such as clogged sinks, grease trap, oven hood, etc., and shall keep all Lessor property in good condition with ordinary wear and tear excepted.

B. In the event of any breakdown of permanent fixtures HVAC units, Security and/or Fire Alarm Systems, walk-in freezer, refrigeration units, roof and/or ceiling repair) to the building or malfunction of any Lessor property necessitating repair or replacement, the Lessee shall immediately notify in writing to the Lessor of such conditions. The Lessor shall replace or repair such property within a reasonable time upon receipt of written notification. The Lessee waives its rights to make any repairs at the expense of the Lessor except upon the written approval of the Lessor Manager or his/her designee.

C. Upon written request of the Lessee, the Lessor may furnish without charge to the Lessee, a limited storage and commissary space for stock and equipment where available. The decision whether space is available is within the sole discretion of the Administrative Manager. Locations of storage space requested by the Lessee shall be designated by the Administrative Manager. The Lessee shall acquire no rights to such locations once assigned, and the Lessor reserves the right to require the Lessee to move such storage.

D. The equipment below is provided by the Lessor, should a malfunction occur, it is the responsibility of the Lessee to maintain or replace equipment at your own expense. The equipment is as follows: Ice machine, microwave, sandwich bar, dishwasher, (servicing of unit), storage shelving, tables, chairs, televisions, PA system, deep-fry cooker, and meat slicers.

E. Any equipment donated to the Lessee shall become City property.

13. CONTENTS INSURANCE

A. The Lessee, at its sole expense, shall insure any contents or equipment kept by it on the premises and used by it which it desires to have insured; it is understood that the Lessor shall not be required to furnish such insurance.

B. The Lessor shall not be responsible for any goods, merchandise or equipment stored by the Lessee at the kitchen, snack grille, bar area or outdoor patio.

C. The Lessor shall not be responsible for damage resulting from any power failure, flood, fire, explosion or other causes beyond the Lessor's control.

14. ALTERATIONS AND IMPROVEMENTS

Lessee shall make no alteration, addition or improvement to the premises for the uses described hereinabove without the prior, written consent of Lessor, which consent

shall not be unreasonably withheld. Any alteration, addition or improvement made by Lessee after such consent shall have been given, and any fixtures installed as part thereof, shall become the property of the Lessor upon the termination of this Lease, unless Lessee elects to remove them and restore the premises to the condition existing prior to the installation of such fixtures, ordinary wear and use excepted; provided, however, that the Lessor shall have the right to require Lessee to remove such fixtures at Lessee's expense, upon the termination of this Lease.

15. STATUS OF LESSEE; RESPONSIBILITY FOR PAYMENT OF EMPLOYEES AND SUBCONTRACTORS

A. The Lessee and its agents and employees are independent Contractors performing professional services for the Lessor and are not employees of the Lessor. The Lessee, and its agents and employees, shall not accrue leave, retirement, insurance, bonding, use of Lessor vehicles, or any other benefits afforded to employees of the Lessor as a result of this Lease.

B. Lessee shall be solely responsible for payment of wages, salaries and benefits to any and all employees or subcontractors retained by Lessee in the performance of the services under this Lease.

16. CONFIDENTIALITY

Any confidential information provided to or developed by the Lessee in the performance of this Lease shall be kept confidential and shall not be made available to any individual or organization by the Lessee without the prior written approval of the Lessor.

17. CONFLICT OF INTEREST

The Lessee warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the

performance of services required under this Lease. Lessee further agrees that in the performance of this Lease no persons having any such interests shall be employed.

18. ASSIGNMENT; SUBCONTRACTING

The Lessee shall not assign or transfer any rights, privileges, obligations or other interest under this Lease, including any claims for money due, without the prior written consent of the Lessor. The Lessee shall not subcontract any portion of the services to be performed under this Lease without the prior written approval of the Lessor.

19. RELEASE

The Lessee, upon acceptance of final payment of the amount due under this Lease, releases the Lessor, its officers and employees, from all liabilities, claims and obligations whatsoever arising from or under this Lease. The Lessee agrees not to purport to bind the Lessor to any obligation not assumed herein by the Lessor unless the Lessee has express written authority to do so, and then only within the strict limits of that authority.

20. INSURANCE

A. The Lessee shall, at its own cost and expense, be required to carry and maintain in full force and effect comprehensive general liability insurance covering bodily injury and property damage liability, in a form and with an insurance company acceptable to the Lessor, with limits of coverage in the maximum amount which the Lessor could be held liable under the New Mexico Tort Claims Act for each person injured and for each accident resulting in damage to property. Such insurance shall provide that the Lessor is named as an additional insured and the Lessor is notified no less than 30 days in advance of cancellation for any reason. The Lessee will be required to furnish the Lessor with a copy of the Certificate of Insurance or other evidence of compliance with the provisions of this section prior to performing services under this Lease.

B. The Lessee shall obtain and maintain Workers' Compensation insurance required by law, to provide coverage for Lessee's employees throughout the term of this Lease. The Lessee shall provide the Lessor with evidence of its compliance with such requirement.

C. The Lessee shall maintain professional liability insurance throughout the term of this Agreement providing a minimum coverage the amount required under the New Mexico Tort Claims Act.

D. The Lessee shall obtain a Liquor Liability insurance policy with liability limits in amounts not less than one million ($1,000,000) combined single limit of liability for bodily injury, including death, and property damage in anyone occurrence. The Lessee shall provide the Lessor with evidence of its compliance with this requirement as a condition prior to performing services.

21. INDEMNIFICATION

The Lessee shall indemnify, hold harmless and defend the Lessor from all losses, damages, claims or judgments, including payments of all attorneys' fees and costs on account of any suit, judgment, execution, claim, action or demand whatsoever arising from Lessee's performance under this Agreement as well as the performance of Lessee's employees, agents, representatives and subcontractors.

22. NEW MEXICO TORT CLAIMS ACT

Any liability incurred by the City of Santa Fe in connection with this Lease is subject to the immunities and limitations of the New Mexico Tort Claims Act, Section 41-4-1, et. seq. NMSA 1978, as amended. The Lessor and its "public employees" as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, do not waive any defense and do not waive any limitation of liability pursuant to law. No provision in this Lease modifies or waives any provision of the New Mexico Tort Claims Act.

23. THIRD PARTY BENEFICIARIES

By entering into this Agreement, the parties do not intend to create any right, title or interest in or for the benefit of any person other than the Lessor and the Lessee. No person shall claim any right, title or interest under this Lease or seek to enforce this Lease as a third party beneficiary of this Lease.

24. RECORDS AND AUDIT

The Lessee shall maintain, throughout the term of this Agreement and for a period of three years thereafter, detailed records that indicate the date, time and nature of services rendered. These records shall be subject to inspection by the Lessor and internal Auditor. The Lessor shall have the right to audit the billing both before and after payment. Payment under this Lease shall not foreclose the right of the Lessor to recover excessive or illegal payments.

25. APPLICABLE LAW; CHOICE OF LAW; VENUE

Lessee shall abide by all applicable federal and state laws and regulations, and all ordinances, rules and regulations of the Lessor of Santa Fe. In any action, suit or legal dispute arising from this Lease, the Lessee agrees that the laws of the State of New Mexico shall govern. The parties agree that any action or suit arising from this Lease shall be commenced in a federal or state court of competent jurisdiction in New Mexico. Any action or suit commenced in the courts of the State of New Mexico shall be brought in the First Judicial District Court.

26. AMENDMENT

This Agreement shall not be altered, changed or modified except by an amendment in writing executed by the parties hereto.

27. SCOPE OF AGREEMENT

This Agreement incorporates all the Leases, covenants, and understandings between the parties hereto concerning the services to be performed hereunder, and all such Leases, covenants and understandings have been merged into this Lease. This Agreement expresses the entire Agreement and understanding between the parties with respect to said services. No prior Agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless Agreement throughout embodied in this Lease.

28. NON-DISCRIMINATION

During the term of this Agreement, Lessee shall not discriminate against any employee or applicant for an employment position to be used in the performance of services by Lessee hereunder, on the basis of ethnicity, race, age, religion, creed, color, national origin, ancestry, sex, gender, sexual orientation, physical or mental disability, medical condition, or citizenship status.

29. SEVERABILITY

In case anyone or more of the provisions contained in this Lease or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

30. NOTICE

Any and all notices provided for hereunder shall be in writing and shall be deemed delivered, given and received when (i) personally delivered, or (ii) five (5) days after the same are deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed to the applicable party at the address

indicated below for such party, or at such other address as may be designated by either party in a written notice to the other party:

Any captions to or headings of the paragraphs of this Lease are solely for the convenience of the parties, are not a part of this Lease and shall not be used for the interpretation or determination of validity of this Lease or any provisions hereof.

To Lessor:

City of Santa Fe,
Jennifer Romero, MRC Manager
PO Box 909,
Santa Fe, NM 87504-0909

To Lessee:

Frank Gallegos,
Northern Ventures, LLC;
DBA: The Links Bar & Grill
1613 Via de Estrellas,
Santa Fe, NM 87506

31. NO WAIVER

No waiver of a breach of any of the covenants contained in this Lease shall be construed to be a waiver of any succeeding breach of the same or any other covenant.

33. ENTIRE AGREEMENT

The foregoing constitutes the entire Agreement between Lessor and Lessee, represents their entire understanding and defines all of their respective rights, title and interest as well as all of their duties, responsibilities and obligations. Any and all prior agreements and understandings between the parties are merged herein.

34. BINDING EFFECT

This Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns and is specifically enforceable.

IN WITNESS WHEREOF, the parties have executed this Lease on the date set forth below.

CITY OF SANTA FE:

DAVID COSS, MAYOR

Date: 12-16-13

LESSEE:

FRANK GALLEGOS, CEO

Date: 12.19.13

CRS #13-00122748
City of Santa Fe Business
Registration No.13-00122748

ATTEST:

YOLANDA Y. VIGIL, CITY CLERK
CC mtg. 12-13-13

APPROVED AS TO FORM:

Judith Amer for 11/20/13
KELLY A. BRENNAN, INTERIM CITY ATTORNEY

APPROVED:

12/16/13
MARCOS A. TAPIA, DIRECTOR
FINANCE DEPARTMENT

51600.460255
BUSINESS UNIT/LINE ITEM

ITEM # [redacted]

AMENDMENT NO. 1 TO LEASE OPERATING AGREEMENT BETWEEN THE CITY OF SANTA FE AND NORTHERN VENTURES LLC, DBA BACK NINE GRILL ("LESSEE") FOR RESTAURANT FACILITY AT MARTY SANCHEZ LINKS DE SANTA FE

The original Lease Operating Agreement was entered into on December 19, 2013 between the City and the Lessee. The parties now desire to amend the original Lease Operating Agreement to add the number of the Governmental Liquor License to Paragraph 2. X.of the Lease Operating Agreement. Therefore the parties agree to delete former Paragraph 2. X. and insert new Paragraph 2. X. as follows:

X. Use of Governmental Liquor License #9025 -The Lessee shall be entitled to the lease and operation of a Governmental Liquor License #9025 located at Marty Sanchez Links de Santa Fe. Lessee shall use the Governmental Liquor License for the purpose of serving alcoholic beverages on the premises, in conjunction with Lessee's snack grille business.

ALL OTHER PARAGRAPHS OF THE LEASE OPERATING AGREEMENT REMAIN UNCHANGED. IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to the Lease on the date set forth below.

CITY OF SANTA FE:

BRIAN SNYDER, CITY MANAGER

Date: 1-2-14

LESSEE:

FRANK GALLEGOS, CEO

Date: 1-3-13

CRS #13-00122748
City of Santa Fe Business
Registration No.13-00122748

ATTEST:

Yolanda Y. Migil

YOLANDA Y. MIGIL, CITY CLERK

APPROVED AS TO FORM:

Judith Ramer for

KELLY A. BRENNAN, INTERIM CITY ATTORNEY 12/27/13

APPROVED:

1/2/14

MARCOS A. TAPIA, DIRECTOR
FINANCE DEPARTMENT

51600.460255
BUSINESS UNIT/LINE ITEM