



TO: Members of Troy City Council
FROM: Lori Grigg Bluhm, City Attorney
Christopher J. Forsyth, Assistant City Attorney
DATE: March 12, 2008
SUBJECT: Alcohol Sales on Golf Courses

The food and beverage service sub-contractors for Sanctuary Lake and Sylvan Glen Golf Course have requested permission to operate a beverage cart on the golf course proper. This would be prohibited by Troy's current ordinance provisions in Chapter 30. However, at the December 17, 2007 regular meeting, City Council expressed a willingness to explore amendments to the City ordinances to accommodate the sub-contractor's requests, which may also lead to additional use of the golf courses, and also possibly increased revenue for the City.

The Liquor Advisory Committee discussed the requested revision to Chapter 30, and recommended a modification that would limit the allowable sales on a beverage cart to only those beverages that contain less than 21 percent of alcohol by volume (essentially beer and wine). This recommendation has been incorporated into Version A, which is attached. A broader version of possible revisions to Chapter 30 is also included for your consideration, where the sub-contractor could sell any type of alcoholic beverage, including beer, wine, and spirits, from the beverage cart.

If Council is inclined to modify Chapter 30 to allow for a beverage cart on the golf course proper, then the Agreements with each of the sub-contractors must also be revised. Proposed revisions to these Agreements are also attached for your consideration and/or action. The first version of these amendments incorporates the Liquor Advisory Committee's recommendation to preclude the sale of spirits on the golf courses. Version B removes this limitation. Proposed resolutions are included in the Agenda Booklet.

If you have any questions, please let us know.

Version A: Incorporating Liquor Advisory Committee's Recommendation

CITY OF TROY
AN ORDINANCE TO AMEND
CHAPTER 30 OF THE CODE
OF THE CITY OF TROY

The City of Troy ordains:

Section 1. Short Title

This Ordinance shall be known and may be cited as an amendment to Chapter 30, Municipal Golf Course(s), of the Code of the City of Troy.

Section 2. Amendment

Chapter 30, Section 10, shall be amended as follows:

10. The City's sub-contractor has the ability to sell ~~up to two beers per golfer, which the golfer can then take onto the Golf Course for consumption~~ alcoholic beverages on the Golf Course, as long as the following conditions are satisfied:
 - a. The sub-contractor has the exclusive right to sell food and beverages on the Golf Course, pursuant to a lease or other agreement with the City, and the sub-contractor is in compliance with the terms of the lease or other agreement.
 - b. The sub-contractor has received a license to sell the alcohol from the Michigan Liquor Control Commission, and is compliant with the Administrative Rules and Regulations, and federal, state, and local laws concerning the sale of alcohol.
 - c. Alcoholic beverages sold on the Golf Course proper shall be limited to beer, wine, and other alcoholic beverages that contain less than 21% alcohol by volume. ~~No alcohol can be sold on the Golf Course proper.~~

Section 3. Savings

All proceedings pending, and all rights and liabilities existing, acquired or incurred, at the time this Ordinance takes effect, are hereby saved. Such proceedings may be consummated under and according to the ordinance in force at the time such proceedings were commenced. This ordinance shall not be construed to alter, affect, or abate any pending prosecution, or prevent prosecution hereafter instituted under any ordinance specifically or impliedly repealed or amended by this ordinance adopting this penal regulation, for offenses committed prior to the effective date of this ordinance; and new prosecutions may be instituted and all prosecutions pending at the effective date of this ordinance may be continued, for offenses committed prior to the effective date of this ordinance, under and in

accordance with the provisions of any ordinance in force at the time of the commission of such offense.

Section 4. Severability Clause

Should any word, phrase, sentence, paragraph or section of this Ordinance be held invalid or unconstitutional, the remaining provision of this ordinance shall remain in full force and effect.

Section 5. Effective Date

This Ordinance shall become effective ten (10) days from the date hereof or upon publication, whichever shall later occur.

This Ordinance is enacted by the Council of the City of Troy, Oakland County, Michigan, at a regular meeting of the City Council held at City Hall, 500 W. Big Beaver, Troy, MI, on the _____ day of _____, _____.

Louise E. Schilling, Mayor

Tonni Bartholomew. City Clerk

**VERSION A: INCORPORATING LIQUOR ADVISORY COMMITTEE'S
RECOMMENDATION**

THIRD ADDENDUM TO LEASE AGREEMENT

THIS AGREEMENT entered into on _____, 2008, between the CITY OF TROY, a Michigan Municipal Corporation, whose address is 500 W. Big Beaver Road, Troy Michigan, 48084, hereinafter referred to as the "City," and Gallatin, Inc. d/b/a Camp Ticonderoga, 2405 Rock Valley Road, Metamora, Michigan 48445 hereinafter referred to as the "Operator";

RECITALS

- A. On December 18, 1995, The City and Operator entered into a lease in which the City leased to the Operator certain premises to be used and occupied for the purposes stated in the lease, located at 5725 Rochester Road, Troy, Oakland County, Michigan, and adjacent to Sylvan Glen Golf Course.
- B. On May 1, 2000 the City and Operator agreed to *A Second Addendum to the Lease*. This addendum provided in paragraph (3) three "As a result of City Council's resolution on March 29, 1999, Lessee shall be permitted to sell to golfers a maximum of two (2) beers per golfer from the clubhouse on Lessor's premises for consumption on the Golf Course provided Lessee secures the necessary licenses from the Michigan Liquor Control Commission ("MLCC")"
- C. On March 17, 2008 the Troy City Council passed an amendment to Chapter 30, Golf Courses, of the City Code of Ordinances that repeals the March 29, 1999 resolution, and authorizes the City's sub-contractor permission to sell alcoholic beverages on the City's golf courses.
- D. Operator desires to serve alcoholic beverages on the Sylvan Glen Golf Course proper through use of a beverage cart.

NOW, THEREFORE, the City and Operator agree to the following terms and conditions as an addendum to the Agreement Food Service at Sylvan Glen Golf Course:

- 1. Definitions. The following terms in this Addendum to the Agreement are defined as follows:
 - A. "Alcoholic beverages" shall mean beer, wine, and other alcoholic beverages that contain less than 21% of alcohol by volume.
 - B. "Golf Course" shall mean Sylvan Glen Golf Course.
- 2. Sale of Alcoholic Beverages

- A. Paragraph (3) three of the *Second Addendum to the Lease* is hereby deleted.
- B. Operator shall be permitted to sell alcoholic beverages on the Golf Course proper through use of one (1) beverage cart, which shall be purchased or leased by the Operator.

3. Rent

- A. The Operator's monthly rent shall be upwardly adjusted \$300 for the remainder of the lease in addition to the previous lease terms, in consideration of the Operator's increased opportunity for revenue.

4. Other

- A. The Operator is ultimately responsible for compliance with all federal, state and local laws related to the sale, distribution, use, or possession of alcohol, and the administrative rules, procedures, and guidelines as provided by the Michigan Liquor Control Commission including, but not limited to, obtaining or maintaining the necessary license(s) or permit(s), which allow for the operation of the beverage cart on the Golf Course.
- B. Any employee operating the beverage cart must be trained to operate it in a safe manner. The operator or restaurant manager will train all operators of the beverage cart. The operator shall keep records of all training, and shall make such records available for review by the City upon request.
- C. The Operator has the responsibility of determining the routing and hours of operation for the beverage cart. However, the City may adjust the routing or hours of operation in the event of severe weather or other environmental conditions after consultation with the Operator.
- D. Storage of the beverage cart is the sole responsibility of the Operator. If the Operator chooses, the Operator may store the beverage cart with the golf carts during the golf season. Off season, the Operator is responsible for beverage cart storage. Storage of the beverage cart inventory is also the sole responsibility of the Operator. The City has no liability or responsibility for damages to the beverage cart during storage.
- E. Operator shall offer sandwiches, snacks, water and other nonalcoholic beverages in addition to alcoholic beverages, for sale on the beverage cart.
- F. It is understood that the purchase of the beverage cart is an investment with unknown return. Therefore, should the City cancel or otherwise terminate the ability of the operator to sell alcoholic beverages on the course before the end of the golf season in the year 2010, the City will purchase and take possession of the beverage cart. This does not

including food and beverage inventory, which is the sole responsibility of the Operator. The cost for the beverage cart will be the Operator's documented cost of acquisition minus depreciation based on the rules and regulations published by the IRS Act 1986 as amended. The Operator shall also have the discretion to remove the cart and waive payment as set out herein. If the City purchases the beverage cart, then payment shall be made within 60 days after receipt of documentation setting forth the Operator's cost, minus depreciation. Should the Operator lease the beverage cart, the City will have no obligation under this section.

- G. The City does not make guarantee of player load or other guarantee of revenue.
- H. All other terms of the executed lease agreement remain in effect, and are incorporated herein by reference.
- I. This agreement shall commence on April 1, 2008 or as soon as reasonably possible after that date.

CITY OF TROY, a Michigan Municipal Corporation

By: _____
Louise E. Schilling, Mayor

By: _____
Tonni Bartholomew, City Clerk

STATE OF MICHIGAN)

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COUNTY OF OAKLAND

The foregoing instrument was acknowledged before me on _____, 2008 by Louise E. Schilling, the Mayor of the City of Troy, a Michigan municipal corporation, on behalf of the corporation.

Notary Public, _____ County, Michigan

My commission expires:

STATE OF MICHIGAN)

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COUNTY OF OAKLAND

The foregoing instrument was acknowledged before me on _____, 2008 by Tonni L. Bartholomew, the City Clerk of the City of Troy, a Michigan municipal corporation, on behalf of the corporation.

Notary Public, _____ County, Michigan

My commission expires:

Gallatin, Inc. d/b/a Camp Ticonderoga

By: _____
Its: _____

STATE OF MICHIGAN)

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COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me on _____, 2008 by _____, the _____ of Gallatin, Inc. d/b/a Camp Ticonderoga

Notary Public, _____ County, Michigan

My commission expires:

**VERSION A: INCORPORATING LIQUOR ADVISORY COMMITTEE'S
RECOMMENDATION**

**ADDENDUM TO AGREEMENT FOOD SERVICE AT SANCTUARY LAKE GOLF
COURSE**

THIS AGREEMENT entered into on _____, 2008, between the CITY OF TROY, a Michigan Municipal Corporation, whose address is 500 W. Big Beaver Road, Troy Michigan, 48084, hereinafter referred to as the "City," and Kosch Special Events, L.L.C., a Michigan Limited Liability Company, whose address is 1450 E. South Street, Troy Michigan 48085, as the Food Service Provider for Sanctuary Lake Golf Course, hereinafter referred to as the "Operator";

RECITALS

- A. On April 16, 2007, The City and Operator executed an agreement entitled: *Agreement Food Service At Sanctuary Lake Golf Course*. Pursuant to Paragraph 8, section (D) of this agreement, "The Operator agrees that there shall be no sales of alcohol on the Sanctuary Lake Golf Course proper, but that the Operator, if licensed to do so by the Michigan Liquor Control Commission, may sell up to two beers per golfer at the Club House or the Outside Grill, which the golfer can then take onto the golf course for consumption."
- B. On March 17, 2008 the Troy City Council approved an amendment to Chapter 30, Golf Courses, of the City Code of Ordinances that authorizes the City's sub-contractor to sell alcoholic beverages on the City's golf courses.
- C. Operator desires to serve alcoholic beverages on the Sanctuary Lake Golf Course proper through use of a beverage cart.

NOW, THEREFORE, the City and Operator agree to the following terms and conditions as an addendum to the Agreement *Food Service At Sanctuary Lake Golf Course*:

- 1. **Definitions.** The following terms in this Addendum to the Agreement are defined as follows:
 - A. "Alcoholic beverages" shall mean beer, wine, and other alcoholic beverages that contain less than 21% of alcohol by volume.
 - B. "Golf Course" shall mean Sanctuary Lake Golf Course.
- 2. **Sale of Alcoholic Beverages**
 - A. Paragraph 8 section (D) of *Agreement Food Service At Sanctuary Lake Golf Course* is hereby deleted, as of the effective date of amendments to Chapter 30 of the City of Troy Ordinances that allow for the sale of alcohol on the Golf Course proper.

- B. Effective as of the date of the above referenced amendments to Chapter 30, Operator, as the City's subcontractor, shall be permitted to sell alcoholic beverages on the Golf Course proper through use of one (1) beverage cart, which shall be purchased or leased by the Operator.

3. Revenue Plan and Return Schedule

- A. The revenue plan and return schedule as set forth in the April 16, 2007 executed agreement remains the same. All monies received from the operation of the beverage cart will be paid to Operator.
- B. The revenue generated from the beverage cart sales shall become part of the Operator's gross revenue.

4. Other

- A. The Operator is ultimately responsible for compliance with all federal, state and local laws related to the sale, distribution, use, or possession of alcohol, and the administrative rules, procedures, and guidelines as provided by the Michigan Liquor Control Commission including, but not limited to, obtaining or maintaining the necessary license(s) or permit(s), which allow for the operation of the beverage cart on the Golf Course.
- B. Any employee operating the beverage cart must be trained to operate it in a safe manner. The operator or restaurant manager will train all operators of the beverage cart. The operator shall keep records of all training, and shall make such records available for review by the City upon request.
- C. The Operator has the responsibility of determining the routing and hours of operation for the beverage cart. However, the City may adjust the routing or hours of operation in the event of severe weather or other environmental conditions after consultation with the Operator.
- D. Storage of the beverage cart is the sole responsibility of the Operator. If the Operator chooses, the Operator may store the beverage cart with the golf carts during the golf season. Off season, the Operator is responsible for beverage cart storage. Storage of the beverage cart inventory is also the sole responsibility of the Operator. The City has no liability or responsibility for damages to the beverage cart during storage.
- E. Operator shall offer sandwiches, snacks, water and other nonalcoholic beverages in addition to alcoholic beverages, for sale on the beverage cart.
- F. It is understood that the purchase of the beverage cart is an investment with unknown return. Therefore, should the City cancel or otherwise terminate the ability of the operator to sell alcoholic beverages on the course before the end of the golf season in the year 2010, the City will

purchase and take possession of the beverage cart. This does not including food and beverage inventory, which is the sole responsibility of the Operator. The cost for the beverage cart will be the Operator's documented cost of acquisition minus depreciation based on the rules and regulations published by the IRS Act 1986 as amended. The Operator shall also have the discretion to remove the cart and waive payment as set out herein. If the City purchases the beverage cart, then payment shall be made within 60 days after receipt of documentation setting forth the Operator's cost, minus depreciation. Should the Operator lease the beverage cart, the City will have no obligation under this section.

G. The City does not make any guarantee of player load or other guarantee of revenue.

H. All other terms of the April 16, 2007 executed agreement remain in effect, and are incorporated herein by reference.

I. This agreement shall commence on April 1, 2008 or as soon as reasonably possible after that date.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum Agreement as of the day and year first above written.

CITY OF TROY, a Michigan Municipal Corporation

By: _____
Louise E. Schilling, Mayor

By: _____
Tonni Bartholomew, City Clerk

STATE OF MICHIGAN)

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COUNTY OF OAKLAND

The foregoing instrument was acknowledged before me on _____, 2008 by Louise E. Schilling, the Mayor of the City of Troy, a Michigan municipal corporation, on behalf of the corporation.

Notary Public, _____ County, Michigan

My commission expires:

STATE OF MICHIGAN)

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COUNTY OF OAKLAND

The foregoing instrument was acknowledged before me on _____, 2008 by Tonni L. Bartholomew, the City Clerk of the City of Troy, a Michigan municipal corporation, on behalf of the corporation.

Notary Public, _____ County, Michigan

My commission expires:

Kosch Special Events L.L.C., a

Michigan Limited Liability Company

By: _____

Its: _____

STATE OF MICHIGAN)

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COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me on _____, 2008 by _____, the _____ of Kosch Special Events, L.L.C., a Michigan Limited Liability Company

Notary Public, _____ County, Michigan

My commission expires:

Version B

CITY OF TROY
AN ORDINANCE TO AMEND
CHAPTER 30 OF THE CODE
OF THE CITY OF TROY

The City of Troy ordains:

Section 1. Short Title

This Ordinance shall be known and may be cited as an amendment to Chapter 30, Municipal Golf Course(s), of the Code of the City of Troy.

Section 2. Amendment

Chapter 30, Section 10, shall be amended as follows:

10. The City's sub-contractor has the ability to sell ~~up to two beers per golfer, which the golfer can then take onto the Golf Course for consumption~~ alcoholic beverages on the Golf Course, as long as the following conditions are satisfied:
 - a. The sub-contractor has the exclusive right to sell food and beverages on the Golf Course, pursuant to a lease or other agreement with the City, and the sub-contractor is in compliance with the terms of the lease or other agreement.
 - b. The sub-contractor has received a license to sell the alcohol from the Michigan Liquor Control Commission, and is compliant with the Administrative Rules and Regulations, and federal, state, and local laws concerning the sale of alcohol.
 - ~~c. No alcohol can be sold on the Golf Course proper.~~

Section 3. Savings

All proceedings pending, and all rights and liabilities existing, acquired or incurred, at the time this Ordinance takes effect, are hereby saved. Such proceedings may be consummated under and according to the ordinance in force at the time such proceedings were commenced. This ordinance shall not be construed to alter, affect, or abate any pending prosecution, or prevent prosecution hereafter instituted under any ordinance specifically or impliedly repealed or amended by this ordinance adopting this penal regulation, for offenses committed prior to the effective date of this ordinance; and new prosecutions may be instituted and all prosecutions pending at the effective date of this ordinance may be continued, for offenses committed prior to the effective date of this ordinance, under and in accordance with the provisions of any ordinance in force at the time of the commission of such offense.

Section 4. Severability Clause

Should any word, phrase, sentence, paragraph or section of this Ordinance be held invalid or unconstitutional, the remaining provision of this ordinance shall remain in full force and effect.

Section 5. Effective Date

This Ordinance shall become effective ten (10) days from the date hereof or upon publication, whichever shall later occur.

This Ordinance is enacted by the Council of the City of Troy, Oakland County, Michigan, at a regular meeting of the City Council held at City Hall, 500 W. Big Beaver, Troy, MI, on the _____ day of _____, _____.

Louise E. Schilling, Mayor

Tonni Bartholomew. City Clerk

VERSION B

THIRD ADDENDUM TO LEASE AGREEMENT

THIS AGREEMENT entered into on _____, 2008, between the CITY OF TROY, a Michigan Municipal Corporation, whose address is 500 W. Big Beaver Road, Troy Michigan, 48084, hereinafter referred to as the "City," and Gallatin, Inc. d/b/a Camp Ticonderoga, 2405 Rock Valley Road, Metamora, Michigan 48445 hereinafter referred to as the "Operator";

RECITALS

- A. On December 18, 1995, The City and Operator entered into a lease in which the City leased to the Operator certain premises to be used and occupied for the purposes stated in the lease, located at 5725 Rochester Road, Troy, Oakland County, Michigan, and adjacent to Sylvan Glen Golf Course.
- B. On May 1, 2000 the City and Operator agreed to *A Second Addendum to the Lease*. This addendum provided in paragraph (3) three "As a result of City Council's resolution on March 29, 1999, Lessee shall be permitted to sell to golfers a maximum of two (2) beers per golfer from the clubhouse on Lessor's premises for consumption on the Golf Course provided Lessee secures the necessary licenses from the Michigan Liquor Control Commission ("MLCC")"
- C. On March 17, 2008 the Troy City Council passed an amendment to Chapter 30, Golf Courses, of the City Code of Ordinances that repeals the March 29, 1999 resolution, and authorizes the City's sub-contractor permission to sell alcoholic beverages on the City's golf courses.
- D. Operator desires to serve alcoholic beverages on the Sylvan Glen Golf Course proper through use of a beverage cart.

NOW, THEREFORE, the City and Operator agree to the following terms and conditions as an addendum to the Agreement Food Service at Sylvan Glen Golf Course:

- 1. Definitions. The following terms in this Addendum to the Agreement are defined as follows:
 - A. "Alcoholic beverages" shall mean beer, wine, and spirits.
 - B. "Golf Course" shall mean Sylvan Glen Golf Course.
- 2. Sale of Alcoholic Beverages
 - A. Paragraph (3) three of the *Second Addendum to the Lease* is hereby deleted.

- B. Operator shall be permitted to sell alcoholic beverages on the Golf Course proper through use of one (1) beverage cart, which shall be purchased or leased by the Operator.

3. Rent

- A. The Operator's monthly rent shall be upwardly adjusted \$300 for the remainder of the lease, in addition to the previous lease terms, in consideration of the Operator's increased opportunity for revenue.

4. Other

- A. The Operator is ultimately responsible for compliance with all federal, state and local laws related to the sale, distribution, use, or possession of alcohol, and the administrative rules, procedures, and guidelines as provided by the Michigan Liquor Control Commission including, but not limited to, obtaining or maintaining the necessary license(s) or permit(s), which allow for the operation of the beverage cart on the Golf Course.
- B. Any employee operating the beverage cart must be trained to operate it in a safe manner. The operator or restaurant manager will train all operators of the beverage cart. The operator shall keep records of all training, and shall make such records available for review by the City upon request.
- C. The Operator has the responsibility of determining the routing and hours of operation for the beverage cart. However, the City may adjust the routing or hours of operation in the event of severe weather or other environmental conditions after consultation with the Operator.
- D. Storage of the beverage cart is the sole responsibility of the Operator. If the Operator chooses, the Operator may store the beverage cart with the golf carts during the golf season. Off season, the Operator is responsible for beverage cart storage. Storage of the beverage cart inventory is also the sole responsibility of the Operator. The City has no liability or responsibility for damages to the beverage cart during storage.
- E. Operator shall offer sandwiches, snacks, water and other nonalcoholic beverages in addition to alcoholic beverages, for sale on the beverage cart.
- F. It is understood that the purchase of the beverage cart is an investment with unknown return. Therefore, should the City cancel or otherwise terminate the ability of the operator to sell alcoholic beverages on the course before the end of the golf season in the year 2010, the City will purchase and take possession of the beverage cart. This does not including food and beverage inventory, which is the sole responsibility of the Operator. The cost for the beverage cart will be the Operator's documented cost of acquisition minus depreciation based on the rules and

STATE OF MICHIGAN)

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COUNTY OF OAKLAND

The foregoing instrument was acknowledged before me on _____, 2008 by Tonni L. Bartholomew, the City Clerk of the City of Troy, a Michigan municipal corporation, on behalf of the corporation.

Notary Public, _____ County, Michigan

My commission expires:

Gallatin, Inc. d/b/a Camp Ticonderoga

By: _____

Its: _____

STATE OF MICHIGAN)

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COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me on _____, 2008 by _____, the _____ of Gallatin, Inc. d/b/a Camp Ticonderoga

Notary Public, _____ County, Michigan

My commission expires:

VERSION B

ADDENDUM TO AGREEMENT FOOD SERVICE AT SANCTUARY LAKE GOLF COURSE

THIS AGREEMENT entered into on _____, 2008, between the CITY OF TROY, a Michigan Municipal Corporation, whose address is 500 W. Big Beaver Road, Troy Michigan, 48084, hereinafter referred to as the "City," and Kosch Special Events, L.L.C., a Michigan Limited Liability Company, whose address is 1450 E. South Street, Troy Michigan 48085, as the Food Service Provider for Sanctuary Lake Golf Course, hereinafter referred to as the "Operator";

RECITALS

- A. On April 16, 2007, The City and Operator executed an agreement entitled: *Agreement Food Service At Sanctuary Lake Golf Course*. Pursuant to Paragraph 8, section (D) of this agreement, "The Operator agrees that there shall be no sales of alcohol on the Sanctuary Lake Golf Course proper, but that the Operator, if licensed to do so by the Michigan Liquor Control Commission, may sell up to two beers per golfer at the Club House or the Outside Grill, which the golfer can then take onto the golf course for consumption."
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 - B. "Golf Course" shall mean Sanctuary Lake Golf Course.
2. Sale of Alcoholic Beverages
 - A. Paragraph 8 section (D) of *Agreement Food Service At Sanctuary Lake Golf Course* is hereby deleted, as of the effective date of amendments to Chapter 30 of the City of Troy Ordinances that allow for the sale of alcohol on the Golf Course proper.

- B. Effective as of the date of the above referenced amendments to Chapter 30, Operator, as the City's subcontractor, shall be permitted to sell alcoholic beverages on the Golf Course proper through use of one (1) beverage cart, which shall be purchased or leased by the Operator.

3. Revenue Plan and Return Schedule

- A. The revenue plan and return schedule as set forth in the April 16, 2007 executed agreement remains the same. All monies received from the operation of the beverage cart will be paid to Operator.
- B. The revenue generated from the beverage cart sales shall become part of the Operator's gross revenue.

4. Other

- A. The Operator is ultimately responsible for compliance with all federal, state and local laws related to the sale, distribution, use, or possession of alcohol, and the administrative rules, procedures, and guidelines as provided by the Michigan Liquor Control Commission including, but not limited to, obtaining or maintaining the necessary license(s) or permit(s), which allow for the operation of the beverage cart on the Golf Course.
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purchase and take possession of the beverage cart. This does not including food and beverage inventory, which is the sole responsibility of the Operator. The cost for the beverage cart will be the Operator's documented cost of acquisition minus depreciation based on the rules and regulations published by the IRS Act 1986 as amended. The Operator shall also have the discretion to remove the cart and waive payment as set out herein. If the City purchases the beverage cart, then payment shall be made within 60 days after receipt of documentation setting forth the Operator's cost, minus depreciation. Should the Operator lease the beverage cart, the City will have no obligation under this section.

G. The City does not make any guarantee of player load or other guarantee of revenue.

H. All other terms of the April 16, 2007 executed agreement remain in effect, and are incorporated herein by reference.

I. This agreement shall commence on April 1, 2008 or as soon as reasonably possible after that date.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum Agreement as of the day and year first above written.

CITY OF TROY, a Michigan Municipal Corporation

By: _____
Louise E. Schilling, Mayor

By: _____
Tonni Bartholomew, City Clerk

STATE OF MICHIGAN)

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COUNTY OF OAKLAND

The foregoing instrument was acknowledged before me on _____, 2008 by Louise E. Schilling, the Mayor of the City of Troy, a Michigan municipal corporation, on behalf of the corporation.

Notary Public, _____ County, Michigan

My commission expires:

STATE OF MICHIGAN)

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COUNTY OF OAKLAND

The foregoing instrument was acknowledged before me on _____, 2008 by Tonni L. Bartholomew, the City Clerk of the City of Troy, a Michigan municipal corporation, on behalf of the corporation.

Notary Public, _____ County, Michigan

My commission expires:

Kosch Special Events L.L.C., a

Michigan Limited Liability Company

By: _____

Its: _____

STATE OF MICHIGAN)

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COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me on _____, 2008 by _____, the _____ of Kosch Special Events, L.L.C., a Michigan Limited Liability Company

Notary Public, _____ County, Michigan

My commission expires: