

1 [Master Tournament Agreement Amendment - PGA TOUR, Inc. - Not to Exceed \$6,875,000]

2
3 **Resolution approving and authorizing the execution of a Fourth Amendment to the**
4 **Master Tournament Agreement with PGA TOUR, Inc., for the use of Harding Park Golf**
5 **Course for certain professional golf tournaments for a period beginning in 2015 and**
6 **ending in 2025 which will result in a value not to exceed \$6,875,000.**
7

8 WHEREAS, On April 19, 2002, the City and County of San Francisco (the "City"),
9 acting by and through its Recreation and Park Commission (the "Commission"), entered into a
10 Master Tournament Agreement (the "Master Tournament Agreement") with the PGA TOUR,
11 Inc., (the "PGA TOUR") to host various PGA TOUR events at Harding Park Golf Course
12 ("Harding Park"); and

13 WHEREAS, In April 2004 the City and the PGA Tour entered into a First Amendment
14 to the Master Tournament Agreement (the "First Amendment"), which amended the specific
15 golf events to be held at Harding Park and other related matters; and

16 WHEREAS, In May 2007 the City and the PGA TOUR entered into a Second
17 Amendment to the Master Tournament Agreement (the "Second Amendment"), which again
18 amended the specific golf events to be held at Harding Park and other related matters; and,

19 WHEREAS, In May 2012 the City and the PGA TOUR entered into a Third Amendment
20 to the Master Tournament Agreement (the "Second Amendment"), which again amended the
21 specific golf events to be held at Harding Park and other related matters; and

22 WHEREAS, The City and the PGA TOUR wish to further amend the Master
23 Tournament Agreement pursuant to the terms and conditions in the Fourth Amendment to
24 Master Tournament Agreement (the "Fourth Amendment"), which along with copies of the
25 Master Tournament Agreement and the First Amendment, Second Amendment and Third

1 Amendment is on file with the Clerk of the Board of Supervisors in File No. 141150, which is
2 hereby declared to be a part of this resolution as if set forth fully herein; and

3 WHEREAS, The Fourth Amendment provides for a revision of the schedule and of the
4 specific tournaments to be held at Harding Park for a period beginning in 2015 and ending in
5 2025; which will result in value not to exceed \$6,875,000; and

6 WHEREAS, The Fourth Amendment further provides for the addition of up to two more
7 tournaments than in the Third Amendment; and

8 WHEREAS, The Fourth Amendment further provides for an increase in fees to the City
9 for certain tournaments; and

10 WHEREAS, The Fourth Amendment extends the Master Tournament Agreement by
11 four years to 2025; and

12 WHEREAS, At its meeting on October 16, 2014, the Recreation and Park Commission
13 recommended that the Board of Supervisors approve the Fourth Amendment; now, therefore,
14 be it

15 RESOLVED, That the Board of Supervisors hereby approves the Fourth Amendment
16 and authorizes the General Manager of the Recreation and Parks Department (the "General
17 Manager") to execute the Fourth Amendment on behalf of the City; and, be it

18 FURTHER RESOLVED, That the Board of Supervisors authorizes the General
19 Manager to enter into any additions, amendments or other modifications to the Fourth
20 Amendment that the General Manager determines are in the best interests of the City, do not
21 materially decrease the revenue to the City contemplated in the Agreement or otherwise
22 materially increase the obligations or liabilities of the City, and are necessary or advisable to
23 complete the transactions contemplated in the Agreement and to effectuate the purpose and
24 intent of this resolution; and, be it,
25

1 FURTHER RESOLVED, That within thirty (30) days of the Fourth Amendment being
2 fully executed by all parties, the General Manager shall provide the final Fourth Amendment
3 to the Clerk of the Board for inclusion into the official file.

4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Items 1 and 2**Files 14-1147 and 1150****Department:**

Recreation and Parks Department (RPD)

EXECUTIVE SUMMARY**Legislative Objectives**

- The proposed ordinance (File 14-1147) would appropriate \$1,300,000 in PGA Tour reimbursements to RPD, including \$800,000 for maintenance and labor costs at Harding Park in preparation for the World Golf Championship–Cadillac Match Play that will be held at Harding Park from April 29, 2015 to May 3, 2015; and \$500,000 to replace revenues that will be lost while Harding Park is closed for use by the PGA Tour.
- The proposed resolution (File 14-1150) would approve the fourth amendment to the existing Master Tournament Agreement between the RPD and the PGA Tour to (1) amend the schedule of PGA Tour tournaments at Harding Park, (2) change the cancellation payments payable by the PGA Tour to the RPD in the event that certain tournaments are not held at Harding Park, (3) require the PGA Tour to reimburse the RPD for maintenance and labor costs by an amount of up to \$1,100,000 to \$1,375,000, depending on the event and (4) change the revenue-sharing thresholds under the Master Tournament Lease

Key Points

- In 2002, the Board of Supervisors approved a resolution approving a Master Tournament Agreement between the RPD and the Professional Golfers' Association Tour, Inc. (PGA Tour) for the PGA Tour to use Harding Park for PGA Tour Championship tournaments. Under the terms of the existing agreement, the PGA Tour was to hold a PGA Tour Championship Tournament at Harding Park three times over a nine-year period commencing on January 1, 2006.
- In March 2004, the Board of Supervisors has approved three amendments to the Master Tournament Agreement for the use of Harding Park. Each agreement revised the schedule of PGA Tour events and reimbursements to RPD. The third amendment to the Master Tournament Agreement, approved by the Board of Supervisors in May 2012 (a) revised the schedule of PGA Tour tournaments that the PGA Tour would host at Harding Park and (b) increased the number of PGA Tour events from six to seven and including two optional events for a potential total of nine events.
- Under the proposed fourth amendment, the PGA Tour would host two major golf tournaments at Harding Park in 2015 and in 2025 and would include two additional options, at the discretion of the PGA Tour, to host additional tournaments for a total of four optional PGA Tour events. Under the proposed fourth amendment, if the PGA Tour decided not to hold either of the two guaranteed events – the World Golf Championships/Cadillac Match Play in 2015 and Presidents Cup in 2015 - then the PGA Tour would have to make a cancellation payment to the RPD in the amount of \$1,000,000 per event.

Fiscal Impact

- Under the proposed resolution (File 14-1150), the RPD is to receive reimbursements from the PGA Tour for maintenance and labor costs and payment for lost revenues in an amount ranging from up to \$1,100,000 to \$1,375,000, depending on the event. In addition, RPD is to receive a percentage of PGA Tour event gross operating revenues over a certain threshold that varies by event.
- The proposed ordinance appropriates \$1,300,000 in Golf Fund monies to RPD, of which \$800,000 is to be reimbursed by the PGA Tour to the RPD for RPD's maintenance and labor costs and \$500,000 is to be reimbursed by the PGA Tour to RPD for lost revenues to host the World Golf Championships-Cadillac Match Play tournament in 2015.
- Under the proposed fourth amendment, the RPD is to be reimbursed up to \$1,100,000 payable by the PGA Tour for the RPD's labor and maintenance costs and for compensation for lost to host the 2015 World Golf Championships-Cadillac Match Play tournament.

Policy Consideration

- The Master Lease Agreement and proposed fourth amendment require the PGA Tour to reimburse the RPD for expenditures within 45 days of receiving invoices from the RPD. However, the Master Lease Agreement and proposed fourth amendment do not specify by when the RPD must submit such invoices. The Budget and Legislative Analyst's Office recommends amending the proposed fourth amendment to specify that such invoices should be submitted by the RPD to the PGA Tour no later than 60 days after any PGA Tour event.
- The RPD can receive a percentage of PGA Tour even gross operation revenues over a certain threshold depending on the event. However, the RPD has never received percentage revenues from PGA Tour's gross operating revenues for events at Harding Park. The RPD incurs ongoing costs to maintain Harding Park to meet PGA Tour standards, but does not receive revenues for PGA Tour events other than direct reimbursements for RPD costs and lost revenues. In addition, while the Golf Fund is responsible for Harding Park expenses, Golf Fund revenues are insufficient to maintain the City's golf courses, resulting in annual General Fund subsidies of \$4,961,627 in FY 2014-15 and \$4,784,499 in FY 2015-16.

Recommendations

- Amend the proposed resolution to require RPD to submit invoices to PGA Tour within 60 days of the PGA Tour event.
- The Budget and Legislative Analyst's Office considers approving the proposed fourth amendment and proposed supplemental appropriation to be a policy matter for the Board of Supervisors since the City only recovers the costs of maintaining Harding Park and a payment for lost revenues, and because the City has never received a portion of the PGA Tour event gross operating revenues.

MANDATE STATEMENT / BACKGROUND**Mandate Statement**

City Charter Section 9.118(a) states that contracts entered into by a department, board or commission that will generate revenue in excess of \$1 million or any modification of that contract is subject to Board of Supervisors approval.

City Charter Section 9.105 states that the Board of Supervisors shall approve by ordinance all amendments to the Annual Appropriation Ordinance after the Controller certifies the availability of funds.

Background**Harding Park Golf Course and the Golf Fund**

The Board of Supervisors approved the establishment of the Golf Fund (File 02-0197) in 2002. Under the Administrative Code, revenues from the Recreation and Park Department's (RPD) golf courses are deposited into the Golf Fund. The Golf Fund does not fully cover RPD's costs for operating and maintaining the golf courses, resulting in an annual General Fund subsidy to the Golf Fund.

When the Board of Supervisors approved establishing the Golf Fund, the Board also authorized spending \$16,627,627 in State Proposition 12 grant funds on the renovation of Harding Park Golf Course (Harding Park). Revenues from the Golf Fund are to be used to reimburse the Open Space Fund for use of the State Proposition 12 grant funds to renovate Harding Park. To date, the Golf Fund has reimbursed \$7,929,000 of the \$16,627,627 to the Open Space Fund.

PGA Tour Master Tournament Agreement

In 2002, the Board of Supervisors approved a resolution approving a Master Tournament Agreement between the RPD and the Professional Golfers' Association Tour, Inc. (PGA Tour) for the PGA Tour to use Harding Park for PGA Tour Championship tournaments. Under the terms of the existing agreement, the PGA Tour was to hold a PGA Tour Championship Tournament at Harding Park three times over a nine-year period commencing on January 1, 2006.

Under the original Master Tournament Agreement, the PGA Tour would reimburse RPD \$250,000 for maintenance costs incurred for each PGA Tour tournament. If RPD incurred maintenance costs in excess of \$250,000, the PGA Tour would reimburse RPD up to an additional \$130,000. The PGA Tour would also provide \$250,000 for golf course improvements. Therefore, the PGA Tour would pay the RPD between \$500,000 and \$630,000 per tournament, with \$250,000 allocated to Harding Park course improvements. In addition, the First Tee Program (a youth organization that promotes life skills through golf) would receive \$250,000 per tournament from the PGA Tour.

First Amendment

The Board of Supervisors approved the first amendment to the Master Tournament Agreement for the use of Harding Park in March 2004. Instead of the PGA Tour having three tournaments over nine years, the PGA Tour would host the PGA Tour Championship Tournament, the

American Express Championship Tournament or the NEC Invitational Tournament, and five approved PGA Tour tournaments over a 15-year period commencing in 2005.

Second Amendment

In May 2007, the Board of Supervisors approved the second amendment to the Master Tournament Agreement, which increased the number of PGA Tour tournaments to be held at Harding Park from five to six, and changed which tournaments the PGA Tour would host at Harding Park.

Between 2014 and 2020

The second amendment also included optional events to be held at Harding Park at the option of the PGA Tour including either: (a) the Presidents Cup, (b) a PGA Tour Playoff event, (c) the Bridgestone Invitational¹, (d) the Cadillac Championship² or, (e) the Accenture Match Play Championship³.

Under the second amendment, the PGA Tour would pay RPD an up-front facility fee equal to RPD's actual costs to host the PGA Tour tournaments up to \$1,000,000. Tournament costs include Harding Park maintenance costs and RPD's lost revenues from the closure of Harding Park during the tournaments. In addition to the up-front fee, the PGA Tour would pay the RPD 6.66 percent of gross operating revenues realized by the PGA Tour in excess of \$10,000,000.

Third Amendment

In May 2012, the Board of Supervisors approved a third amendment to the Master Tournament Agreement that (a) revised the schedule of PGA Tour tournaments that the PGA Tour would host at Harding Park and (b) increased the number of PGA Tour events from six to seven and including two optional events for a potential total of nine events.

Table 1 below shows the previous and currently scheduled tournaments under the Master Tournament Agreement as agreed to under the first, second, and third amendments.

¹ The Bridgestone Invitational is one of the annual World Golf Championships, a group of four annual events for male professional golfers.

² The Cadillac Championship is one of the annual World Golf Championships.

³ The Accenture Match Play Championship is one of the annual World Golf Championships.

Table 1: Previously Held and Currently Scheduled PGA Tour Golf Tournaments

Year	Event	Status
2005	American Express Championship	Held
2009	The Presidents Cup	Held
2010	Charles Schwab Championship	Held
2011	Charles Schwab Championship	Held
2013	Charles Schwab Championship	Held
2015	Charles Schwab Championship, Championship Tour Event, or \$500,000 cancellation payment	Pending
2016	PGA Tour playoff event	Pending
2017-2019	PGA Tour Option: <ul style="list-style-type: none"> • PGA Tour playoff event • World Golf Championship • Presidents Cup 	Pending
2021	PGA Tour Option: Presidents Cup	Pending

If the PGA Tour did not host the Charles Schwab Championship or Championship Tour Event at Harding Park in 2015, as listed in Table a above, then the PGA Tour is required to pay the RPD \$500,000 as a cancellation fee. The PGA Tour did not host either event and has made a \$200,000 payment to date with \$300,000 outstanding and due by December 31, 2015.

DETAILS OF PROPOSED LEGISLATION

File 14-1150

The proposed resolution would approve the fourth amendment to the existing Master Tournament Agreement between the RPD and the PGA Tour to (1) amend the schedule of PGA Tour tournaments at Harding Park, (2) change the cancellation payments payable by the PGA Tour to the RPD in the event that certain tournaments are not held at Harding Park; (3) require the PGA Tour to reimburse the RPD for maintenance and labors costs by an amount of up to \$1,100,000 to \$1,375,000, depending on the event and (4) change the revenue-sharing thresholds under the Master Tournament Lease.

Under the proposed fourth amendment, the PGA Tour would host two major golf tournaments at Harding Park in 2015 and in 2025 and would include two additional options, at the discretion of the PGA Tour, to host additional tournaments for a total of four optional PGA Tour events.

The new schedule of tournaments would be as follows:

2015 Guaranteed: World Golf Championships – Cadillac Match Play.

2016 – 2018 Option: Up to three tournaments at the sole discretion of the PGA Tour.

2021 – 2023 Option: One additional tournament at the sole discretion of the PGA Tour.

2025 Guaranteed: Presidents Cup.

Under the proposed fourth amendment, if the PGA Tour decided not to hold either of the two guaranteed events – the World Golf Championships/Cadillac Match Play in 2015 and Presidents Cup in 2015 - then the PGA Tour would have to make a cancellation payment to the RPD in the amount of \$1,000,000 per event.

This schedule completely replaces the previous schedule that was authorized under the third amendment to the Master Tournament Lease. The third amendment included a mandatory cancellation payment of \$500,000, payable by the PGA Tour to the RPD by December 31, 2015, if the PGA Tour did not host either the Charles Schwab Tournament or a Championship Tour Event in 2015. Under the proposed fourth amendment, the cancellation payment owed to RPD for the Charles Schwab Tournament or Championship Tour Event that was to take place in 2015 would be reduced from \$500,000 to \$400,000 in recognition of the fact that the PGA Tour is hosting the World Golf Championships-Cadillac Match Play event at Harding Park in 2015. As discussed above, the PGA Tour has paid \$200,000 of that \$400,000 and will be required to pay the remaining \$200,000 by December 31, 2014, one year earlier than was required under the previously approved third amendment.

Under the proposed fourth amendment, the PGA Tour would (1) be required to host a total of two events at Harding Park including the World Golf Championship-Cadillac Match Play in 2015 and the Presidents Cup in 2025, and (2) would increase the number of optional events, at the sole discretion of the PGA Tour by two from two to four.

File 14-1147: The proposed ordinance would appropriate \$1,300,000 in PGA Tour reimbursements to RPD, including \$800,000 for maintenance and labor costs at Harding Park in preparation for the World Golf Championship-Cadillac Match Play that will be held at Harding Park from April 29, 2015 to May 3, 2015; and \$500,000 to replace revenues that will be lost while Harding Park is closed for use by the PGA Tour.

FISCAL IMPACT

Proposed Fourth Amendment (File 14-1150)

Under the proposed resolution (File 14-1150), the RPD is to receive reimbursements from the PGA Tour for maintenance and labor costs and payment for lost revenues in an amount ranging from up to \$1,100,000 to \$1,375,000, depending on the event, as shown in Table 2 below. In addition, RPD is to receive a percentage of PGA Tour event gross operating revenues over a certain threshold that varies by event, as shown in Table 2 below.

Table 2: Payments Required To Be Paid By The PGA Tour Under the Proposed Fourth Amendment to the Master Tournament Lease

2015	Match Play Event	Reimbursement Up to \$1,100,000; payable by the PGA Tour to the RPD by no later than 45 days after receipt of invoices.	<u>AND</u>	6.66% of gross operating revenues greater than \$8,000,000
2016 -2018, 2021-2023	Optional Events	Reimbursement up to \$1,100,000 as adjusted for inflation from September 2013, payable by the PGA Tour to the RPD by no later than 45 days after receipt of invoices.	<u>AND</u>	6.66% of gross operating revenues greater than \$8M or \$10M depending on the event selected by the PGA Tour
2025	Presidents Cup	Reimbursement up to \$1,375,000, as adjusted for inflation from September 2013, payable by the PGA Tour to the RPD by no later than 45 days after receipt of invoices.	<u>OR</u>	9% of gross operating revenues, whichever is greater

Under the proposed fourth amendment, the RPD is to be reimbursed by the PGA Tour for the maintenance and labor costs and lost revenues to host each PGA Tour event at Harding Park up to a maximum reimbursement amount of \$1,100,000 to \$1,375,000, depending on the event and as shown in Table 2 above. According to Ms. Katie Petrucione, RPD Director of Finance and Administration, RPD does not anticipate that the Department's costs and lost revenues for hosting each PGA Tour event will exceed the maximum reimbursement amount under proposed fourth amendment.

The proposed fourth amendment provides for the RPD to receive a percentage of the gross operating revenues realized by the PGA Tour at each event, as shown in Table 2 above. However, although the prior second amendment and existing third amendment provided for RPD to receive 6.66 percent of PGA's gross operating revenues exceeding \$10 million for the four PGA events held between 2009 and 2013, the RPD has never received a percentage of gross operating revenues from a PGA Tour event.

Supplemental Appropriation (File 14-1147)

The proposed ordinance appropriates \$1,300,000 in Golf Fund monies to RPD, of which \$800,000 is to be reimbursed by the PGA Tour to the RPD for RPD's maintenance and labor costs and \$500,000 is to be reimbursed by the PGA Tour to RPD for lost revenues to host the World Golf Championships-Cadillac Match Play tournament in 2015. Under the proposed fourth

amendment, the PGA Tour is to reimburse the RPD for their expenses up to \$1,100,000 as compensation for lost revenues and RPD labor and maintenance costs to host the 2015 World Golf Championships-Cadillac Match Play tournament. Table 3 shows sources and uses of funds.

Table 3: Sources and Uses of Funds

Sources of Funds	
PGA Tour Reimbursement for Labor and Maintenance Costs and Lost Revenues	\$1,100,000
PGA Tour Cancellation Fee	200,000
Total Sources	\$1,300,000
Uses of Funds	
RPD Labor and Maintenance Costs	\$800,000
RPD Lost Revenues	500,000
Total Uses	\$1,300,000

According to Ms. Petrucione, the RPD will expend Golf Fund monies to pay for RPD labor and maintenance costs. Such costs are to be reimbursed by the PGA Tour to the Golf Fund. According to the proposed ordinance, the Controller will record transfers between funds and adjust the accounting treatment of sources and uses appropriated in the proposed ordinance to reconcile the RPD's expenditures with reimbursements received from the PGA Tour.

According to Ms. Petrucione, the RPD has spent \$158,282 in FY 2014-15 of the \$800,000 allocated to maintenance and labor at Harding Park as shown in Table 4 below.

Table 4: Expenditures for Maintenance and Labor at Harding Park June to November 2014

Maintenance Employees Overtime Costs	\$79,953
Maintenance Employees Fringe Benefits	29,595
Materials and Supplies	48,734
Subtotal, Expenditures Through November 15, 2014	\$158,282
Additional Maintenance Employees Overtime Costs	331,125
Additional Maintenance Fringe Benefits	32,067
Additional Materials and Supplies	211,266
Professional Service Contracts to Renovate the Driving Range	67,260
Subtotal, Estimated Additional Expenditures in FY 2014-15	\$641,718
Total Actual and Estimated Expenditures in FY 2014-15	\$800,000

According to Ms. Petrucione, the \$500,000 reimbursement for lost revenues payable by the PGA Tour to the RPD would be deposited to the Golf Fund to pay for standard expenditures from the Golf Fund as included in the FY 2014-15 Annual Appropriations Ordinance as approved by the Board of Supervisors.

POLICY CONSIDERATION**The fourth amendment does not set timelines for RPD to invoice PGA**

The Master Lease Agreement and proposed fourth amendment require the PGA Tour to reimburse the RPD for expenditures within 45 days of receiving invoices from the RPD. However, the Master Lease Agreement and proposed fourth amendment do not specify by when the RPD must submit such invoices. The Budget and Legislative Analyst's Office recommends amending the proposed fourth amendment to specify that such invoices should be submitted by the RPD to the PGA Tour no later than 60 days after any PGA Tour event.

RPD has never received revenues from the PGA Tour

Under the existing third amendment, the RPD was to be reimbursed for labor and maintenance costs and for lost revenues to host PGA Tour events at Harding Park. Under the proposed fourth amendment, RPD is to be reimbursed by the PGA Tour for the maintenance and labor costs and lost revenues to host each PGA event at Harding Park up to a maximum reimbursement amount of \$1,100,000 to \$1,375,000, depending on the event and as shown in Table 2 above. According to Ms. Petrucione, RPD does not anticipate that the Department's costs and lost revenues for hosting each PGA event will exceed the maximum reimbursement amount under proposed fourth amendment

As shown in Table 2 above the RPD can receive a percentage of PGA Tour even gross operation revenues over a certain threshold depending on the event. However, the RPD has never received percentage revenues from PGA Tour's gross operating revenues for events at Harding Park. The RPD incurs ongoing costs to maintain Harding Park to meet PGA Tour standards, but does not receive revenues for PGA Tour events other than direct reimbursements for RPD costs and lost revenues. In addition, while the Golf Fund is responsible for Harding Park expenses, Golf Fund revenues are insufficient to maintain the City's golf courses, resulting in annual General Fund subsidies of \$4,961,627 in FY 2014-15 and \$4,784,499 in FY 2015-16. The Budget and Legislative Analyst's Office considers approving the proposed fourth amendment and proposed supplemental appropriation to be a policy matter for the Board of Supervisors since the City only recovers the costs of maintaining Harding Park and a payment for lost revenues, and because the City has never received a portion of the PGA Tour event gross operating revenues.

RECOMMENDATIONS

1. Amend the proposed resolution to require RPD to submit invoices to PGA Tour within 60 days of the PGA Tour event.
2. Approval of the proposed resolution, as amended, and the proposed ordinance is a policy matter for the Board of Supervisors.



Edwin M. Lee, Mayor
Philip A. Ginsburg, General Manager

Date: October 16, 2014
To: Recreation and Park Commission
From: Philip A. Ginsburg, General Manager
Dana Ketcham, Interim Director of Property
Through: Tom Hart
Subject: Harding Park Golf Course

Agenda Item Wording:

Discussion and possible action to approve a resolution recommending that the Board of Supervisors approve the Fourth Amendment to the Master Tournament Agreement with the PGA TOUR, Inc., for the use of Harding Park Golf Course.

Background:

On April 19, 2002, the City entered into a Master Tournament Agreement ("Agreement") with the PGA TOUR, Inc. ("PGA TOUR") to bring high profile professional golf tournaments to the renovated Harding Park Golf Course ("Harding"). The Agreement has been amended three times; first on April 1, 2004 again on May 1, 2007 and then on May 8, 2012. This proposed Fourth Amendment, like the preceding three, addresses necessary scheduling changes and, if approved, will extend the Agreement by four years.

The Agreement, as amended, currently states the PGA TOUR will hold up to nine tournaments at Harding over a 16-year period ending January 1, 2021. The proposed Fourth Amendment increases the possible number of tournaments to eleven and extends the length of the Agreement four years through 2025. The 2015 WGC-Cadillac Match Play Championship and the 2025 President's Cup are required events in the Fourth Amendment and each carry a cancellation fee clause which will result in a payment to the City of \$1,000,000 if not played.

The facility fees for the proposed events have been set so that the Department will recoup all extraordinary expenses for preparation of the events as well as any revenue the course is expected to lose as a result of the course being closed to public play during the events. For the 2015 WGC-Cadillac Match Play Championship and the possible next four events, the Department can be reimbursed by up to \$1,100,000 per event. The corresponding reimbursement cap for the President's Cup is \$1,375,000. All facility fees are subject to CPI. In addition to the facility fee, the City has an opportunity to receive a participation fee equaling 6.66% of any Gross Operating Revenues exceeding \$10,000,000 per event. (The threshold for the participation fee is set at a lower level of \$8,000,000 for Championship and Championship Tour events.)

A comparison of the events listed in the Third Amendment and as proposed in the Fourth Amendment is as follows:

Third Amendment		Fourth Amendment (proposed)	
2005	American Express Championship (<i>held</i>)	2005	American Express Championship (<i>held</i>)
2009	The Presidents Cup (<i>held</i>)	2009	The Presidents Cup (<i>held</i>)
2010	Charles Schwab Championship (<i>held</i>)	2010	Charles Schwab Championship (<i>held</i>)
2011	Charles Schwab Championship (<i>held</i>)	2011	Charles Schwab Championship (<i>held</i>)
2013	Charles Schwab Championship (<i>held</i>)	2013	Charles Schwab Championship (<i>held</i>)
2015	Charles Schwab Championship, Champions Tour Event, or \$500K Payment (<i>not held, payment made</i>) ¹	2015	WGC-Cadillac Match Play Championship
2016	PGA TOUR Playoff Event	2016-18	Up to 3 Events at TOUR's option: WGC Event, PGA TOUR Playoff Event, PGA TOUR tournament, Championship, or Championship Tour event
2017-19 ¹	One event at TOUR's option: PGA TOUR Playoff Event, World Golf Championship, or The Presidents Cup	2021-23	One event at TOUR's option: WGC Event, PGA TOUR Playoff Event, PGA TOUR tournament, Championship, a Champions Tour event
2021 ¹	The Presidents Cup (TOUR's option)	2025	The Presidents Cup

¹ The 2015 Charles Schwab event carried a cancellation penalty of \$500,000. In consideration of bringing the WGC-Cadillac Match Play Championship in 2015 and the TOUR's assistance in facilitating the discussions for bringing the PGA Championship to Harding in 2020, the cancellation fee was reduced to \$400,000, \$200,000 of that was paid in 2013 as a contribution to a greens renovation project completed in March 2014. \$200,000 will be paid prior to December 31, 2015 as specified in the Third Amendment.

Recommendation:

Department management and staff recommend approval of a resolution recommending that the Board of Supervisors approve the Fourth Amendment to Master Tournament Agreement with the PGA TOUR, Inc., for the use of Harding Park Golf Course as the site for anticipated events listed above.

Financial Impact:

It is estimated that the Department will realize up to \$6,875,000 from facility fees associated with the events listed in the proposed Fourth Amendment to the Master Tournament Agreement with the PGA TOUR in order to reimburse the Department for expenses related to these events. Any possible participation fees would be additional revenue. In addition, these events increase demand for use of Harding and accordingly increase our revenues.

Supported By:

Department Management and Staff
PGA TOUR, Inc.
San Francisco Public Golf Alliance

Opposed By:

Unknown

Posted at Harding Park Golf Course

RECREATION AND PARK COMMISSION
City and County of San Francisco
Resolution No. 1410-009

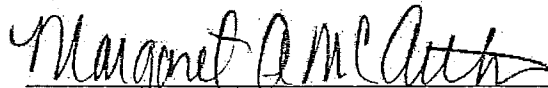
**HARDING PARK GOLF COURSE – APPROVAL OF FOURTH
AMENDMENT TO THE MASTER TOURNAMENT AGREEMENT
WITH PGA TOUR, INC.**

RESOLVED, That this Commission does approve a resolution recommending that the Board of Supervisors approve the Fourth Amendment to the Master Tournament Agreement with the PGA TOUR, Inc., authorizing the PGA TOUR, Inc. use of Harding Park Golf Course for tournaments in 2015 and 2025 for combined site fees totaling \$2.475 million, and authorizing an option for an additional four PGA TOUR tournaments for a site fee of \$1.1 million each.

Adopted by the following vote:

Ayes	5
Noes	0
Absent	2

I hereby certify that the foregoing resolution
was adopted at the Recreation and Park
Commission meeting held on October 16, 2014


Margaret A. McArthur, Commission Liaison

FOURTH AMENDMENT TO MASTER TOURNAMENT AGREEMENT

THIS FOURTH AMENDMENT TO MASTER TOURNAMENT AGREEMENT (this "Amendment"), dated for reference purposes only as of _____, 2014, by and between PGA TOUR, INC., a Maryland corporation ("TOUR"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, acting by and through its Recreation and Park Commission ("City").

RECITALS

A. TOUR and City are parties to that certain Master Tournament Agreement dated as of April 19, 2002 (the "Original Tournament Agreement"), for the conduct of a certain number of championships at the Harding Park municipal golf course complex in San Francisco, California ("Harding Park"), with TOUR paying certain fees set forth therein (collectively, the "Facility Fees") for each championship held at Harding Park, on, and subject to, the terms and conditions set forth in the Original Tournament Agreement. The Original Tournament Agreement provided for a nine (9) year initial term with three (3) 3-year renewal options and an early termination option in favor of TOUR.

B. TOUR and City modified and amended the Original Tournament Agreement by (i) that certain First Amendment to Master Tournament Agreement dated April 1, 2004 (the "First Amendment"), pursuant to which the parties, among other things, redefined the term "Championship," revised the number of events to be conducted at Harding Park during the initial term of the agreement, and revised the Facility Fees payable pursuant to the agreement, all of the foregoing on, and subject to, the terms and conditions set forth in the First Amendment; and (ii) that certain Second Amendment to Master Tournament Agreement dated May 1, 2007 (the "Second Amendment"), by which the parties, among other things, again redefined "Championship," again revised the number of events to be conducted at Harding Park during the initial term, and again revised the Facility Fees, all of the foregoing on, and subject to, the terms and conditions set forth in the Second Amendment; and (iii) that certain Third Amendment to Master Tournament Agreement dated March 1, 2012 (the "Third Amendment"), by which the parties, among other things, modified the Master Tournament Agreement to eliminate references to the initial term and the option terms, described the schedule of events to be held pursuant to the Master Tournament Agreement, set forth the fees payable in connection the events and options, and modified the agreement in certain other respects, and clarified that the Multiple Championships Tournament Facilities Agreement, dated January 20, 2005 (as amended from time to time, the "Facilities Agreement") will be applicable to the events held at Harding Park pursuant to the Master Tournament Agreement. The Original Tournament Agreement, as amended by the First Amendment, Second Amendment and Third Amendment, is referred to hereafter as the "Tournament Agreement." Capitalized terms not otherwise defined herein shall have the meanings given in the Tournament Agreement.

C. The Tournament Agreement provides that (i) one PGA TOUR Playoff Event will be held at Harding Park in 2016, (ii) one Event will be held at Harding Park during the 2017-2019 period, (iii) TOUR has the option to conduct a Championship or Champions Tour Event at Harding Park in 2015, and (iv) TOUR has the option to host the President's Cup at Harding Park in 2021. The Tournament Agreement sets forth the fees payable with respect to such events and the fees payable in consideration of TOUR's options if TOUR does not elect to conduct the optional events.

D. The Tournament Agreement provides that if TOUR does not exercise its option to play the Championship or a Champions Tour Event at Harding Park in 2015, TOUR will make a 2015 Option Payment in the amount of Five Hundred Thousand Dollars (\$500,000). TOUR has elected not to host a Championship or Champions Tour Event at Harding Park in 2015, but instead will play the WGC Match Play event at Harding Park in such year. In consideration of this and the benefit provided to City by TOUR's facilitation of discussions between City and PGA Tournament Corporation, Inc. ("PGA America"), regarding a proposed agreement for PGA America to host the 2020 PGA Championship at Harding Park on substantially the terms set forth in the attached Exhibit A, City has agreed to waive One Hundred Thousand Dollars (\$100,000) of the 2015 Option Payment otherwise payable under the Tournament Agreement. As of the date hereof, TOUR has paid Two Hundred Thousand Dollars (\$200,000) of the agreed upon reduced 2015 Option Payment in connection with such election.

E. Further, TOUR and City have reached agreement regarding a modified schedule of Events to be held at Harding Park, and options for TOUR to hold certain additional Events, as well as the fees payable in connection with the Events, as described below in this Amendment.

F. Accordingly, TOUR and City presently desire to amend the Tournament Agreement to modify provisions regarding payment of the 2015 Option Payment and modify the schedule of Events to be held at Harding Park and the fees payable with respect to such events, and to document certain other contributions to be made by TOUR, all on the terms and conditions set forth below.

NOW THEREFORE, in consideration of the mutual promises, covenants, and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, TOUR and City hereby agree as follows:

1. **Definitions.**

(a) Generally. Capitalized terms used herein that are not specifically defined herein will have the same meaning as set forth in the Agreement.

(b) Amendment to Tournament Agreement Definitions. Effective as of the Effective Date (as defined in Section 2 below), the following definition is added to Section 1(b) of the Tournament Agreement:

“(vii) **“PGA TOUR Tournament”** shall mean those certain golf tournaments co-sponsored, co-sanctioned, coordinated and/or approved as part of that certain professional golf tour known as the PGA TOUR.”

Furthermore, the definition of Event set forth in Section 1(b)(v) of the Tournament Agreement is deleted and the following definition is substituted therefor:

“(v) **“Event”** shall mean the Championship, a WGC Event, The Presidents Cup, Champions Tour Event, PGA TOUR Playoff Event, and/or PGA TOUR Tournament.”

2. **Effective Date; No Amendment of Prior Rights and Obligations.** The date on which this Amendment shall become effective (the "Effective Date") is the date upon which all of the following shall have occurred: (a) City's Recreation and Park Commission, in their sole discretion, shall adopt a resolution approving this Amendment, (b) City's Board of Supervisors, in their sole discretion, shall adopt a resolution approving this Amendment in accordance with all applicable laws, and (c) this Amendment is duly executed by the parties hereto. The rights and obligations of TOUR and City accruing under the Tournament Agreement prior to the Effective Date shall be governed by the Tournament Agreement without regard to the provisions of this Amendment.

3. **2015 Option Payment.** TOUR has elected not to exercise the option to play the Championship or a Championship Tour Event at Harding Park in 2015, but will instead play the WGC Match Play Event at Harding Park in such year. In consideration of TOUR's agreement to play the WGC Match Play Event at Harding Park in 2015 on the terms set forth in this Amendment as well as the benefit provided to City by TOUR's facilitation of discussions between City and PGA of America regarding a proposed agreement for PGA of America to host the 2020 PGA Championship at Harding Park and the other promises made in this Amendment, effective as of the Effective Date the 2015 Option Payment is reduced to \$400,000. City acknowledges receipt of \$200,000 of the \$400,000 2015 Option Payment as of the date hereof. TOUR shall pay the remaining unpaid balance of \$200,000 for the 2015 Option Payment to City no later than December 31, 2014.

4. **TOUR Events at Harding Park.** Effective as of the Effective Date, Section 1(a) of the Tournament Agreement hereby deleted and the following provision is substituted therefor:

“(a) **Schedule of Events at Harding Park.** Subject to the terms and conditions of this Agreement, TOUR and City agree as follows:

(i) **Required Events.** The following Events shall be held at Harding Park pursuant to this Agreement during the respective years indicated below:

2015: WGC Match Play.

2025: The President's Cup.

(ii) **Optional Events; Exercise of Option.** TOUR shall have the option, at its sole election, to conduct the following Events at Harding Park pursuant to this Agreement

during the respective years indicated below. Such option shall be made by written notice to City given not later than (a) June 15, 2015 for an Event in 2016, and (b) January 15th of the calendar year prior to the calendar year in which such Event shall be held for the 2017, 2018, 2021, 2022 and 2023 Events.

Period of 2016-2018: Up to three (3) Events during the period of 2016-2018, which, if held, at TOUR's option, shall be either the Championship, a Champions Tour Event, a WGC Event, a PGA TOUR Tournament, or a PGA TOUR Playoff Event.

Period of 2021-2023: One (1) Event, which, if held, shall, at TOUR's option, be either the Championship, a Champions Tour Event, a WGC Event, a PGA TOUR Tournament, or a PGA TOUR Playoff Event”

5. **Facility Fee and Other Contributions; Consideration for TOUR's Option Rights.** Effective as of the Effective Date, Section 8 of the Tournament Agreement is hereby amended by deleting such Section in its entirety and inserting the following in lieu thereof:

“8. **Facility Fee and Other Contributions.** For each Event held at Harding Park, TOUR shall pay the respective Facility Fees and make the additional contributions set forth below:

(a) **Facility Fee for 2015 WGC Match Play.** TOUR shall pay City a Facility Fee of One Million One Hundred Thousand Dollars (\$1,100,000) as compensation for both the lost revenues from the closure of Harding Park and the additional cost of maintaining the Harding Park Golf Course for the 2015 Event. Such Facility Fee shall be payable not later than forty-five (45) days following receipt of an invoice from City for such Facility Fee, which invoice shall be delivered not earlier than the conclusion of the 2015 Event.

(b) **Facility Fee for Optional Events in Period of 2016-2018 and Period of 2021-2023.** If TOUR conducts one or more Optional Events during the period of 2016-2018 or the period of 2021-2023, TOUR shall pay City a Facility Fee for each such Event of up to a maximum of One Million One Hundred Thousand Dollars (\$1,100,000) as compensation for both the lost revenues from the closure of Harding Park and the additional cost of maintaining the Harding Park Golf Course for the applicable Event, which amount will be increased in the same percentage as the increase, if any, in the CPI from the Index in effect for September 2013. Such Facility Fee shall be payable not later than forty-five (45) days following receipt of an invoice from City for such Facility Fee, which invoice shall be delivered not earlier than the conclusion of the applicable Event.

(c) **Facility Fee for 2025 President's Cup.** TOUR shall pay City a Facility Fee of One Million Three Hundred Seventy-Five Thousand Dollars (\$1,375,000) (which amount will be increased in the same percentage as the increase, if any, in the CPI from the Index in effect for September 2013) (the “Base 2025 Facility Fee”) or nine percent (9%) of Gross Operating Revenue, whichever is greater, as compensation for both the lost revenues from the closure of Harding Park and the additional cost of

maintaining the Harding Park Golf Course for the 2025 Event. Such Base 2025 Facility Fee shall be payable not later than forty-five (45) days following receipt of an invoice from City for such Base 2025 Facility Fee, which invoice shall be delivered not earlier than the conclusion of the 2025 Event. Not later than one hundred twenty (120) days after the conclusion of the 2025 President's Cup, TOUR shall deliver to City a statement certified as correct by an officer of TOUR and otherwise in form satisfactory to City, showing the Gross Operating Revenue for the 2025 President's Cup, as required to determine the amount of the Facility Fee, together with the difference, if any, between nine percent (9%) of Gross Operating Revenue for the 2025 President's Cup and the Base 2025 Facility Fee previously paid by TOUR.

(d) Participation Fee for Events. In addition to the Facility Fee, on or before the date which is one hundred twenty days (120) after each Event held at Harding Park pursuant to this Agreement, TOUR shall deliver to City a statement certified as correct by an officer of TOUR and otherwise in form satisfactory to City, showing the Gross Operating Revenue for such Event, and together with such statement TOUR shall pay (or cause the Event's host organization to pay) the City a "Participation Fee" in the amount equal to six and two-thirds percent (6.66%) (the "Multiplier") of any Gross Operating Revenues earned by TOUR (or the applicable host organization) for such Event, as applicable, in excess of the then-applicable Gross Operating Revenue Threshold for such Event. For the purposes of this Agreement, the "Gross Operating Revenue Threshold" for any Championship or Champions Tour Event shall be Eight Million Dollars (\$8,000,000), increased by an amount equal to the cumulative increases in the Consumer Price Index from September 2013, and the "Gross Operating Revenue Threshold" for any Event other than a Championship or Champions Tour Event shall be Ten Million Dollars (\$10,000,000), as increased by an amount equal to the cumulative increases in the Consumer Price Index from September 2013.

(e) Cancellation Fee for 2015 WGC Match Play Event and 2025 President's Cup. If TOUR, in its sole and unilateral discretion, elects to not host an Event at Harding Park in 2015, TOUR shall pay City a cancellation fee of One Million Dollars (\$1,000,000) (the "2015 Cancellation Fee") within thirty (30) days of cancelling the Event. If TOUR, in its sole and unilateral discretion, elects to not host an Event at Harding Park in 2025, TOUR shall pay City a cancellation fee of One Million Dollars (\$1,000,000) (the "2025 Cancellation Fee") within thirty (30) days of cancelling the Event.

(f) Gross Operating Revenues Defined. For purposes of this Agreement, "Gross Operating Revenues" shall mean cash revenues actually received by TOUR or the applicable host organization for the applicable Event, derived from the following categories: admissions, corporate hospitality, publications and on-site sponsorships (other than title, presenting, official or umbrella sponsorships), merchandise sales (less credit card commissions on such sales), and on-site concessions. Without limiting the foregoing, "Gross Operating Revenues" shall not include revenues generated offsite, direct charitable donations made to TOUR, nor any television or any other revenues relating to the applicable Event.

(g) CPI Adjustments. For the purposes of this Agreement, "Consumer Price Index," "CPI" or "Index" means the Consumer Price Index Urban Wage Earners and Clerical Workers (base years 1982-1984 = 100) for San Francisco-Oakland-San Jose area published by the United States Department of Labor, Bureau of Labor Statistics published most immediately preceding the date in question. If the Index is changed so that the base year differs from set forth above, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term of this Agreement, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

(h) Agronomy Consultation Contribution. TOUR, at its sole election and at its sole cost, may provide a qualified agronomy consultant to be engaged by or on behalf of TOUR (the "TOUR Agronomist"), who shall make suggestions regarding course maintenance to Department staff on behalf of TOUR and otherwise work with Department staff to develop an agronomy management plan for the course (the "Proposed Plan") on an annual basis, or on such other schedule as mutually agreed by TOUR and the General Manager of the Department. All salary, fringe benefits, travel expenses, bonuses and any other associated personnel expenses for the TOUR Agronomist shall be borne entirely by TOUR, and the TOUR Agronomist shall be an employee or contractor of TOUR, not of City. The TOUR Agronomist, in consultation with other agronomy experts from TOUR and Department staff, will recommend daily course maintenance requirements for Harding Park for both regular playing conditions as well as accelerated measures necessary for Event play, and shall present to the Department a detailed description, with estimated costs, for implementing the Proposed Plan no later than January 31st of each year. The TOUR Agronomist will make detailed course maintenance recommendations for Department gardeners and other golf course personnel and provide information regarding any staff actions, or inactions, that hamper the successful implementation of the Proposed Plan, or such other plan adopted by the Department from time to time. TOUR and Department staff shall use good faith efforts to regularly consult and cooperate to maximize the benefit of the services of the TOUR Agronomist, however TOUR acknowledges that all personnel and administrative matters with regard to Department staff, and all issues and questions regarding the implementation of the Proposed Plan by the Department shall be directed by the Department in its sole discretion. TOUR further acknowledges that the Department operates under strict budgetary constraints and processes, and the Department's annual budget is subject to the City's annual approval and appropriation process, including the approval by the City's Board of Supervisors in its sole discretion. If TOUR engages a TOUR Agronomist for the purposes described in this Section, TOUR shall provide City with not less than sixty (60) days advance written notice of any reassignment of the TOUR Agronomist.

(i) Charitable Contribution to Local Charity. In addition to payments to City, TOUR has agreed to make contributions (or cause the Event's host organization to

contribute) to local charities in the following amounts: One Hundred Twenty Five Thousand Dollars (\$125,000) for each Event held at Harding Park other than the President's Cup and Two Hundred Fifty Thousand Dollars (\$250,000) for the 2025 President's Cup if held at Harding Park. TOUR has selected the local chapter of The First Tee as the recipient of such contributions. TOUR will receive a credit against its agreement to pay and/or contribute money to local charities under this Agreement equal to each and every dollar/cent that: (i) a purchaser of corporate hospitality at a Championship pays and/or contributes directly to the local chapter of The First Tee; (ii) TOUR contributes in improvements to the local chapter of The First Tee (e.g. new signage, improvements to the practice range, etc.); or (iii) TOUR contributes to the local chapter of The First Tee pursuant to the TICKETS For CHARITY™ or similar program during the year in which the applicable Event was held. City acknowledges that City shall have no right to determine The First Tee's use of TOUR's charitable donation, and such use shall be determined by agreement of TOUR and First Tee. TOUR's failure to make any of the charitable contributions described herein shall be a default under this Agreement."

6. **Facilities Agreement.** City and TOUR agree that effective as of the Effective Date, the Facilities Agreement will be interpreted in a manner consistent with the Tournament Agreement, as amended by this Amendment.

7. **Reconfirmation of the Agreements / Conflict.** Except as amended and modified herein, the Tournament Agreement and Facilities Agreement remain in full force and effect. In the event of a conflict between the Tournament Agreement or the Facilities Agreement and this Amendment, the terms of this Amendment will control.

8. **Binding Agreement.** This Amendment will be binding upon and inure to the benefit of TOUR and City, and their respective heirs, successors, assigns, personal representatives, and legal representatives.

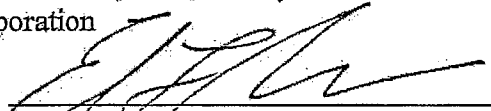
9. **Counterparts.** This Amendment may be executed by the parties hereto in two (2) or more counterparts, each of which will be an original, and all of which will constitute one and the same instrument.

[No further text this page.]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to be effective as of the Effective Date.

"TOUR"

PGA TOUR, INC., a Maryland corporation

By: 
Edward L. Moorhouse
Co-Chief Operating Officer

APPROVED
Chief Financial Officer 
Chief Legal Officer 

"City"

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, acting by and through its Recreation and Park Commission

By: _____
PHILIP A. GINSBURG, General Manager
Recreation and Park Department

APPROVED BY
RECREATION AND PARK COMMISSION
PURSUANT TO
RESOLUTION NO. _____ Dated _____

Margaret McArthur, Commission Liaison

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney
By: _____
Anita L. Wood
Deputy City Attorney

THIRD AMENDMENT TO MASTER TOURNAMENT AGREEMENT

THIS THIRD AMENDMENT TO MASTER TOURNAMENT AGREEMENT (this "**Amendment**"), dated for reference purposes only as of March 1, 2012, by and between **PGA TOUR, INC.**, a Maryland corporation ("**TOUR**"), and the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, acting by and through its Recreation and Park Commission ("**City**").

RECITALS

A. TOUR and City are parties to that certain Master Tournament Agreement dated as of April 19, 2002 (the "**Original Tournament Agreement**"), for the conduct of a certain number of championships at the Harding Park municipal golf course complex in San Francisco, California ("**Harding Park**"), with TOUR paying certain fees set forth therein (collectively, the "**Facility Fees**") for each championship held at Harding Park, on, and subject to, the terms and conditions set forth in the Original Tournament Agreement. The Original Tournament Agreement provided for a nine (9) year initial term with three (3) 3-year renewal options and an early termination option in favor of TOUR.

B. TOUR and City modified and amended the Original Tournament Agreement by (i) that certain First Amendment to Master Tournament Agreement dated April 1, 2004 (the "**First Amendment**"), pursuant to which the parties, among other things, redefined the term "Championship," revised the number of events to be conducted at Harding Park during the initial term of the agreement, and revised the Facility Fees payable pursuant to the agreement, all of the foregoing on, and subject to, the terms and conditions set forth in the First Amendment; and (ii) that certain Second Amendment to Master Tournament Agreement dated May 1, 2007 (the "**Second Amendment**"), by which the parties, among other things, again redefined "Championship," again revised the number of events to be conducted at Harding Park during the initial term, and again revised the Facility Fees, all of the foregoing on, and subject to, the terms and conditions set forth in the Second Amendment. The Original Tournament Agreement, as amended by the First Amendment and the Second Amendment, is referred to hereafter as the "**Tournament Agreement.**"

C. Pursuant to the terms of the Tournament Agreement, TOUR has held the following events at Harding Park: the 2005 American Express Championship, The 2009 Presidents Cup, the 2010 Charles Schwab Cup Championship, and the 2011 Schwab Cup Championship.

D. In accordance with the terms of the Tournament Agreement, City and TOUR entered into that certain Multiple Championships Tournament Facilities Agreement, dated January 20, 2005 (the "**Facilities Agreement**"), setting forth specific terms and conditions regarding the use of Harding Park for each championship event held at Harding Park pursuant to the Tournament Agreement during the initial term of the Tournament Agreement.

E. TOUR and City have agreed that certain events will be held at Harding Park in 2013 and 2016, and once during the 2017-2019 period, and that certain other events may, at TOUR's option, be held at Harding Park in 2015 and in 2021, and have agreed on the fees payable with respect to such events and the fees payable in consideration of TOUR's options if TOUR does not elect to conduct the optional events.

F. Accordingly, TOUR and City presently desire (i) to amend the Tournament Agreement to modify Section 1 and Section 8 of the Tour Agreement to eliminate references to the initial term and the option terms, describe the schedule of events to be held pursuant to the Tour Agreement after the date of this Amendment, set forth the fees payable in connection the events and options, and modify the Agreement in certain other respects, on the terms and conditions set forth below, and (ii) to clarify that the Facilities Agreement will be applicable to the events held at Harding Park pursuant to the Tournament Agreement, as amended by this Amendment, even though the events to be held pursuant the amended Tournament Agreement include events not originally described in the Original Tournament Agreement or the original Facilities Agreement.

NOW THEREFORE, in consideration of the mutual promises, covenants, and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, TOUR and City hereby agree as follows:

1. **Definitions.** Capitalized terms used herein that are not specifically defined herein will have the same meaning as set forth in the Agreement.

2. **Effective Date; No Amendment of Prior Rights and Obligations.** The date on which this Amendment shall become effective (the "Effective Date") is the date upon which all of the following shall have occurred: (a) City's Recreation and Park Commission, in their sole discretion, shall adopt a resolution approving this Amendment, (b) City's Board of Supervisors, in their sole discretion, shall adopt a resolution approving this Amendment in accordance with all applicable laws, and (c) this Amendment is duly executed by the parties hereto. The rights and obligations of TOUR and City accruing under the Tournament Agreement prior to the Effective Date shall be governed by the Tournament Agreement without regard to the provisions of this Amendment.

3. **TOUR Events at Harding Park.** Effective as of the Effective Date, Section 1 of the Tournament Agreement (as amended by the First Amendment and the Second Amendment) is hereby deleted and the following provision is substituted therefor:

"1. **TOUR Events at Harding Park.**

(a) **Schedule of Events at Harding Park.** Subject to the terms and conditions of this Agreement, TOUR and City agree as follows:

(i) **Required Events.** The following Events shall be held at Harding Park pursuant to this Agreement during the respective years indicated below:

2013: The Championship.

2016: One (1) PGA TOUR Playoff Event (as defined below).

2017 – 2019: One (1) Event during the 2017-2019 period, which shall be either a PGA TOUR Playoff Event, The Presidents Cup, or a WGC Event (as defined below), at TOUR's election; provided, however, in the event that TOUR notifies the City by the start of The 2017 Presidents Cup that TOUR elects to hold The 2021 Presidents Cup at Harding Park (as provided in Section 1(a)(ii) below), TOUR may at its sole option elect to either (A) nevertheless hold one of such above-listed Events at Harding Park during the 2017-2019 period, or (B) hold a Champions Tour Event (as defined below) at Harding Park during such period in lieu of such listed Event.

(ii) Optional Events. TOUR shall have the option to conduct the following Events at Harding Park pursuant to this Agreement during the respective years indicated below

2015: One (1) Event, which, if held, shall, at TOUR's option, be either the Championship or a Champions Tour Event.

2021: The Presidents Cup.

(b) Definitions. For purposes of this Agreement:

(i) “**Championship**” shall mean the Charles Schwab Cup Championship;

(ii) “**WGC Event**” shall mean a World Golf Championship event;

(iii) “**Champions Tour Event**” shall mean a Champions Tour golf tournament other than the Championship;

(iv) “**PGA TOUR Playoff Event**” shall mean one (1) of four (4) in the series of end-of-season events leading up to and including the TOUR Championship by Coca-Cola that determine the winner of the FedExCup, for which players qualify based upon their accumulated FedExCup points prior to the start of such events;

(v) “**Event**” shall mean the Championship, a WGC Event, The Presidents Cup, Champions Tour Event, and/or a PGA TOUR Playoff Event; and

(vi) “**Harding Park**” and “**Harding Park Golf Course**” will mean the Harding Park municipal golf course complex in San Francisco, California, which is a licensed TPC facility.

(c) Permitted Substitutions. The parties agree that another event may be substituted for an Event specified in Section 1(a) above by the mutual agreement of the TOUR and City, provided that the substituted event is comparable to the listed Event's Current Event Status (as defined below). The parties understand and agree that the Facility Fees and other consideration payable under this Agreement were established based on the expectation that the prize money, eligibility requirements (including “strength of field”), and television coverage for the Events listed above would remain generally comparable during the term of this Agreement to the status of those Events as of January 1, 2011 (the “**Current Event Status**”).

4. **Facility Fee; Consideration for TOUR's Option Rights**. Effective as of the Effective Date, Section 8 of the Tournament Agreement is hereby amended by deleting such Section in its entirety and inserting the following in lieu thereof:

"8. Facility Fee. For each Event held at Harding Park, TOUR shall pay the respective Facility Fees set forth below:

(a) 2013 Championship. For the 2013 Championship, TOUR will make payments as follows:

(i) An amount equal to (A) the average of the additional cost of maintaining the Harding Park Golf Course for the Championship in 2010 and 2011 *plus* (B) the average of the 2010 and 2011 lost revenue amounts from the closure of Harding Park during the Championship, which amount shall be increased in the same percentage as the increase, if any, in the CPI from the Index in effect at the time of the 2011 Championship;

(ii) Two Hundred Fifty Thousand Dollars (\$250,000) to the local First Tee Chapter; and

(iii) Two Hundred Thousand Dollars (\$200,000) in mutually agreed upon course reinvestment.

(b) 2015 Event; Election to Not Hold 2015 Event. For the 2015 Event, TOUR will make payments as follows:

(i) If TOUR exercises its option to play the Championship or a Champions Tour Event at Harding Park in 2015, TOUR will pay the City:

(A) the average of the additional cost of maintaining the Harding Park Golf Course for the Championship in 2010, 2011 and 2013 *plus* the average of the 2010, 2011 and 2013 lost revenue amounts from the closure of Harding Park for the Championship, which amount shall be increased in the same percentage as the increase, if any, in the CPI from the Index in effect at the time of the 2013 Championship; and

(B) Two Hundred Fifty Thousand Dollars (\$250,000) to the local First Tee Chapter; and

(C) Two Hundred Thousand Dollars (\$200,000) in mutually agreed upon course reinvestment at Harding Park.

(ii) If TOUR does not exercise its option to play the Championship or a Champions Tour Event at Harding Park in 2015, TOUR will pay the City Five Hundred Thousand Dollars (\$500,000) (the "**2015 Option Payment**") on or before December 31, 2015.

(c) 2016 PGA TOUR Playoff Event. For the 2016 PGA TOUR Playoff Event, TOUR will make (or cause to be made by the PGA TOUR Playoff Event's host organization) payments as follows:

(i) One Million One Hundred Thousand Dollars (\$1,100,000) as compensation for both the lost revenues from the closure of Harding Park and the additional cost of maintaining the Harding Park Golf Course for the PGA TOUR Playoff Event, which amount will be increased in the same percentage as the increase, if any, in

the CPI from the Index in effect at the time of the previous Event held at Harding Park; and

(ii) Two Hundred Fifty Thousand Dollars (\$250,000) to the local First Tee Chapter; and

(iii) A participation fee in the amount by which "Gross Operating Revenues" exceeds Six Million Dollars (\$6,000,000); provided, however, that in no event shall such participation fee exceed Three Hundred Thousand Dollars (\$300,000). For purposes of this Agreement, "**Gross Operating Revenues**" shall mean cash revenues actually received by TOUR or the applicable host organization for the applicable Event, derived from the following categories: admissions, corporate hospitality, publications and on-site sponsorships (other than title, presenting or umbrella sponsorships) and on-site concessions. Gross Operating Revenues shall not include any television or any other revenues relating to the PGA TOUR Playoff Event.

(d) Event Held in the 2017-2019 Period.

(i) If a PGA TOUR Playoff Event or a WGC Event is Held. If a PGA TOUR Playoff Event or a WGC Event is held at Harding Park in the 2017-2019 period, TOUR will make (or cause to be made by the Event's host organization) payments as follows:

- (A) One Million One Hundred Thousand Dollars (\$1,100,000) as compensation for both the lost revenues from the closure of Harding Park and the additional cost of maintaining the Harding Park Golf Course for the Event, which amount will be increased in the same percentage as the increase, if any, in the CPI from the Index in effect at the time of the previous Event held at Harding Park; and
- (B) Two Hundred Fifty Thousand Dollars (\$250,000) to the local First Tee Chapter; and
- (C) A participation fee in the amount by which "Gross Operating Revenues" exceeds Six Million Dollars (\$6,000,000); provided, however, that in no event shall such participation fee exceed Three Hundred Thousand Dollars (\$300,000).

(ii) If a President's Cup Event is Held. If a President's Cup Event is held at Harding Park in the 2017-2019 period, TOUR will make (or cause to be made by the Event's host organization) payments as follows:

- (A) One Million Two Hundred Thousand Dollars (\$1,200,000) as compensation for both the lost revenues from the closure of Harding Park and the additional cost of maintaining the Harding Park Golf Course for the Presidents Cup, which amount will be increased in the same percentage as the increase, if any, in the CPI from the Index in effect at the time of the previous Event held at Harding Park; and

(B) Two Hundred Fifty Thousand Dollars (\$250,000) to the local First Tee Chapter.

(iii) If a Champions Tour Event is Held. If TOUR notifies the City by the start of The 2017 Presidents Cup that TOUR elects to hold The 2021 Presidents Cup at Harding Park and elects to hold a Champions Tour Event at Harding Park in the 2017-2019 period as provided in Section 1(a)(i) above, TOUR will make (or cause to be made by the Event's host organization) payments as follows:

- (A) the average of the additional cost of maintaining the Harding Park Golf Course for the Events in 2010, 2011, 2013 and 2015 *plus* the average of the 2010, 2011, 2013 and 2015 lost revenue amounts from the closure of Harding Park for the Events, which amount shall be increased in the same percentage as the increase, if any, in the CPI from the Index in effect at the time of the from the previous Event held at Harding Park; and
- (B) Two Hundred Fifty Thousand Dollars (\$250,000) to the local First Tee Chapter; and
- (C) Two Hundred Thousand Dollars (\$200,000) in mutually agreed upon course reinvestment at Harding Park.

(e) The 2021 Presidents Cup. If TOUR elects to hold The 2021 Presidents Cup at Harding Park, TOUR will make (or cause to be made by the Event's host organization) payments as follows:

(i) One Million Two Hundred Thousand Dollars (\$1,200,000) as compensation for both the lost revenues from the closure of Harding Park and the additional cost of maintaining the Harding Park Golf Course for The Presidents Cup, which amount will increased in the same percentage as the increase, if any, in the CPI from the Index in effect at the time of the previous Event held at Harding Park; and

(ii) Two Hundred Fifty Thousand Dollars (\$250,000) to the local First Tee Chapter.

(f) Additional Payments to City; First Tee Payments. On or before the date which is one hundred twenty days (120) after each Event held at Harding Park, other than the Championship or Champions Tour Event, TOUR shall pay (or cause the Event's host organization to pay) the City and contribute (or cause the Event's host organization to contribute) to the local First Tee Chapter each an amount equal to six and two-thirds percent (6.66%) (the "**Multiplier**") of any Gross Operating Revenues earned by TOUR (or the applicable host organization) for such Event, as applicable, in excess of Ten Million Dollars (\$10,000,000), with such amount increased for each successive Event, as applicable, by an amount equal to the cumulative increases in the Consumer Price Index from the date of the prior Event, as applicable (as so increased, the "**Gross Operating Revenue Threshold**"). For purposes of any Championship or Champions Tour Event held at Harding Park, all of the provisions of this Section 8(f) shall apply, except that the Gross Operating Revenues Threshold shall be set at Eight Million Dollars (\$8,000,000), with such amount increased for each successive

Championship or Champions Tour Event by an amount equal to the cumulative increases in the Consumer Price Index from the date of the prior Championship or Champions Tour Event.

(g) Credits Against First Tee Obligation. TOUR will receive a credit against its obligation to pay and/or contribute money to the local First Tee Chapter under this Agreement equal to each and every amount of money that a purchaser of corporate hospitality at a Championship pays and/or contributes directly to the local First Tee Chapter or that TOUR contributes to the local First Tee Chapter pursuant to the TICKETS Fore CHARITY™ or similar program during the year in which the applicable Event was held.

(h) CPI Adjustments. For the purposes of this Agreement, "**Consumer Price Index**," "**CPI**" or "**Index**" means the Consumer Price Index Urban Wage Earners and Clerical Workers (base years 1982-1984 = 100) for San Francisco-Oakland-San Jose area published by the United States Department of Labor, Bureau of Labor Statistics published most immediately preceding the date in question. If the Index is changed so that the base year differs from set forth above, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term of this Agreement, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised. "

5. Course Closure. Effective as of the Effective Date, Section 4 of the Tournament Agreement shall be deleted and the following provision shall be substituted therefor:

"4. Course Closure. For each Event held at Harding Park, Harding Park will be partially or completely closed for public play for a period of up to two (2) weeks ending on the day after an Event is completed, as provided by the Multiple Championships Tournament Facilities Agreement entered into by City and TOUR, as amended from time to time."

6. Facilities Agreement. City and TOUR agree that effective as of the Effective Date, the Facilities Agreement will be interpreted in a manner consistent with the Tournament Agreement, as amended by this Agreement, and that references in the body of the Facilities Agreement to a "Championship" or to "Championships" shall be generally understood to refer to an Event or to Events, as defined in Section 1(b) of the Tournament Agreement (as amended by this Amendment).

7. Reconfirmation of the Agreements / Conflict. Except as amended and modified herein, the Tournament Agreement and Facilities Agreement remain in full force and effect. In the event of a conflict between the Tournament Agreement or the Facilities Agreement and this Amendment, the terms of this Amendment will control.

8. Binding Agreement. This Amendment will be binding upon and inure to the benefit of TOUR and City, and their respective heirs, successors, assigns, personal representatives, and legal representatives.

9. **Counterparts.** This Amendment may be executed by the parties hereto in two (2) or more counterparts, each of which will be an original, and all of which will constitute one and the same instrument.

[No further text this page.]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to be effective as of the Effective Date.

“TOUR”

PGA TOUR, INC., a Maryland corporation

By: [Signature]
Edward L. Moorhouse
Co-Chief Operating Officer

APPROVED
Chief Financial Officer [Signature]
General Counsel [Signature]

“City”

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, acting by and through its Recreation and Park Commission

By: [Signature]
PHILIP A. GINSBERG, General Manager
Recreation and Park Department

APPROVED BY
RECREATION AND PARK COMMISSION
PURSUANT TO
RESOLUTION NO. 1209-010 Dated 6/29/12
[Signature] FOR MARGARET McARTHUR
Margaret McArthur, Commission Liaison

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney
By: [Signature]
Anita L. Wood
Deputy City Attorney

RECREATION AND PARK COMMISSION
City and County of San Francisco
Resolution No. 1203-010

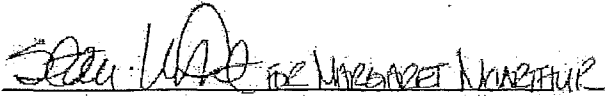
**PGA TOUR, INC. – THIRD AMENDMENT TO MASTER TOUR
AGREEMENT**

RESOLVED, That this Commission does approve a resolution recommending that the Board of Supervisors approve the Third Amendment to Master Tournament Agreement with the PGA TOUR, Inc., for the use of Harding Park Golf Course.

Adopted by the following vote:

Ayes	7
Noes	0
Absent	0

Thereby certify that the foregoing resolution was adopted at the Special Meeting of the Recreation and Park Commission held on March 15, 2012.


Margaret A. McArthur, Commission Liaison

1 Third Amendment to Master Tournament Agreement - PGA TOUR, Inc.]

2
3 **Resolution approving and authorizing the execution of a Third Amendment to the**
4 **Master Tournament Agreement with PGA TOUR, Inc., for the use of Harding Park Golf**
5 **Course for certain professional golf tournaments.**

6
7 WHEREAS, On April 19, 2002, the City and County of San Francisco (the "City"),
8 acting by and through its Recreation and Park Commission (the "Commission"), entered into a
9 Master Tournament Agreement (the "Master Tournament Agreement") with the PGA TOUR,
10 Inc., (the "PGA TOUR") to host various PGA Tour Championship events at Harding Park Golf
11 Course ("Harding Park"); and,

12 WHEREAS, In April 2004 the City and the PGA Tour entered into a First Amendment to
13 the Master Tournament Agreement (the "First Amendment"), which amended the specific golf
14 events to be held at Harding Park and other related matters; and,

15 WHEREAS, In May 2007 the City and the PGA TOUR entered into a Second
16 Amendment to the Master Tournament Agreement (the "Second Amendment"), which again
17 amended the specific golf events to be held at Harding Park and other related matters; and,

18 WHEREAS, The City and the PGA TOUR wish to further amend the Master
19 Tournament Agreement pursuant to the terms and conditions the Third Amendment to Master
20 Tournament Agreement (the "Third Amendment"), which along with copies of the Master
21 Tournament Agreement and the First Amendment and the Second Amendment is on file with
22 the Clerk of the Board of Supervisors in File No. 120287, which is hereby declared to be a
23 part of this resolution as if set forth fully herein; and,

24 WHEREAS, The Third Amendment provides for a revision of the schedule and of the
25 specific tournaments to be held at Harding Park; and,

FILE NO.

RESOLUTION NO.

1 WHEREAS, The Third Amendment further provides for the addition of two more
2 tournaments than required in the Second Amendment; and,

3 WHEREAS, The Third Amendment further provides for an increase in fees to the City
4 for certain tournaments; and,

5 WHEREAS, The Third Amendment extends the Master Tournament Agreement an
6 additional year to 2021 if, by 2017, The PGA TOUR designates Harding Park to be the host of
7 The Presidents Cup in 2021; and,

8 WHEREAS, At its meeting on March 15, 2012, the Recreation and Park Commission
9 recommended that the Board of Supervisors approve the Third Amendment; now, therefore,
10 be it

11 RESOLVED, That the Board of Supervisors hereby approves the Third Amendment
12 and authorizes the General Manager of the Recreation and Parks Department (the "General
13 Manager") to execute the Third Amendment on behalf of the City; and, be it

14 FURTHER RESOLVED, That the Board of Supervisors authorizes the General
15 Manager to enter into any additions, amendments or other modifications to the Third
16 Amendment that the General Manager determines are in the best interests of the City, do not
17 materially decrease the revenue to the City contemplated in the Agreement or otherwise
18 materially increase the obligations or liabilities of the City; and are necessary or advisable to
19 complete the transactions contemplated in the Agreement and to effectuate the purpose and
20 intent of this resolution.



City and County of San Francisco

Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 120287

Date Passed: May 08, 2012

Resolution approving and authorizing the execution of a Third Amendment to the Master Tournament Agreement with PGA TOUR, Inc., for the use of Harding Park Golf Course for certain professional golf tournaments.

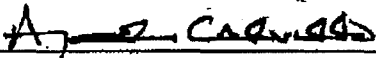
May 02, 2012 Budget and Finance Sub-Committee - RECOMMENDED

May 08, 2012 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Olague and Wiener

File No. 120287

I hereby certify that the foregoing Resolution was ADOPTED on 5/8/2012 by the Board of Supervisors of the City and County of San Francisco.


Angela Calvillo
Clerk of the Board


Mayor


Date Approved

SECOND AMENDMENT TO MASTER TOURNAMENT AGREEMENT

This Second Amendment to Master Tournament Agreement (the "Amendment") is made and entered into as of the first day of May, 2007, by and between the City and County of San Francisco, a municipal corporation, acting by and through its Recreation and Park Commission ("City"), and PGA TOUR, Inc., a Maryland corporation ("TOUR" and, together with City, the "Parties"), for good and valuable consideration, the receipt of which is hereby acknowledged.

This Amendment is made with reference to the following recitals of fact:

R E C I T A L S

A. WHEREAS, City and TOUR entered into that certain Master Tournament Agreement, dated April 19, 2002 (the "Original Agreement"), which was later amended by that certain First Amendment to Master Tournament Agreement, dated as of April 1, 2004, between the Parties (the "First Amendment" and, together with the Original Agreement, the "Agreement"); and

B. WHEREAS, City and TOUR agree that circumstances have changed surrounding the Championships as such term is defined under the Agreement, leading the parties to seek an understanding as to the scheduling of future events at Harding Park; and

C. WHEREAS, City and TOUR agree that the Presidents Cup, the penultimate PGA TOUR Playoff event, and a World Golf Championship event each generally meet the criteria for a Championship under the Agreement; and

D. WHEREAS, City and TOUR further wish to add to the Agreement their understanding as to the holding of Schwab Cup Championship events at Harding Park under the terms and conditions of the Agreement;

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City certifies and the parties hereto agree as of the date of this Amendment as follows:

A G R E E M E N T:

1. Defined Terms. Capitalized terms not separately defined herein shall have the same meaning provided in the Agreement

2. Tour Events at Harding Park. Section 1 of the Agreement is hereby amended by deleting the first two sentences of Section 1 from the Agreement and replacing them with the following:

Subject to the terms and conditions of this Agreement, TOUR hereby agrees to hold a Championship (as defined below) at Harding Park six (6) times over the fifteen (15) year period beginning January 1, 2005 (the "Initial Term") as further described

below. For purposes of this Agreement the definition of "Championship" shall include the Presidents Cup, the Schwab Cup Championship, the penultimate PGA TOUR Playoff event (as described further below), and a World Golf Championship event; provided, however, that for purposes of the provision of this Section 1 describing the circumstances under which TOUR may exercise its option to terminate this Agreement, the Schwab Cup Championship shall not be considered a "Championship."

The 2005 American Express Championship shall be considered the first Championship held at Harding Park under this Agreement. The remaining five (5) Championships held at Harding Park under this Agreement shall be held as follows:

- a. 2009 Presidents Cup;
- b. 2010 Schwab Cup Championship;
- c. 2011 Schwab Cup Championship;
- d. 2013 or 2014 PGA TOUR Playoff event, provided that such event shall be the penultimate playoff event of the FedEx Cup playoff series which narrows the field from approximately 70 golfers to the final TOUR Championship field (a "Penultimate Playoff Event"); and
- e. between 2014 and the expiration of the Initial Term, a World Golf Championship event, a Presidents Cup or a Penultimate Playoff Event.

The parties understand and agree that this Agreement is predicated on the prize money, eligibility requirements (including "strength of field"), and television coverage for the events listed above remaining comparable during the Term to the status of those events as of February 1, 2007 (the "Current Event Status"). The parties further agree that an event may be substituted for an event included in the above list by mutual agreement of the Parties, provided that the substituted event is comparable to the listed event's Current Event Status.

3. Facility Fee. Section 8 of the Agreement is hereby amended by replacing it with the following:

For each Championship held at Harding Park, TOUR shall pay the following fees in the following order of priority:

(i) No later than ten (10) days after TOUR's receipt of the Cost Documentation described in clause (a) below, TOUR shall pay a Base Reimbursement Fee of one million dollars (\$1,000,000) increased by an amount equal to the cumulative increases in the Consumer Price Index from the date of the prior Championship. Such Base Reimbursement Fee shall be paid as follows:

(a) TOUR shall pay to the City an amount equal to the incremental costs incurred by the City by the holding of such Championship (i.e. costs that would not have been incurred but for the hosting of such Championship, including costs of maintaining the Harding Park golf course and additions to the golf facilities that are caused by hosting the Championship, and that are in excess of regular maintenance costs), plus lost revenues from the closure of Harding Park for the Championship, up to

the full amount of the Base Reimbursement Fee (in the amount so paid, the "City Fee"), as such costs are documented and forwarded in a written notice by the City to TOUR (the "Cost Documentation").

(b) TOUR shall pay to the local First Tee chapter all Base Reimbursement Fee amounts remaining after the payment of the City Fee, if any (as so paid, the "First Tee Contribution").

(c) It is the intention of the parties that the Cost Documentation shall be provided in a single written notice from City to TOUR within a reasonable amount of time following the conclusion of the applicable Championship, in order to facilitate the prompt payment of the appropriate City Fee and the First Tee Contribution amounts.

(ii) No more than one hundred twenty days after the completion of each Championship held at Harding Park under this Agreement, other than any Schwab Cup Championship, the TOUR shall pay the City and shall contribute to the local First Tee Chapter at Harding Park each six and two-thirds percent (6.66%) of any "Gross Operating Revenues" in excess of Ten Million Dollars (\$10,000,000) (increased for each successive Championship by an amount equal to the cumulative increases in the Consumer Price Index from the date of the prior Championship) earned by the TOUR for such Championship (as so increased, the "Gross Operating Revenue Threshold"). "Gross Operating Revenues" shall mean gross revenues derived from the following categories: admissions, corporate hospitality, publications and on-site sponsorships (other than title, presenting or umbrella sponsorships) and on-site concessions. Gross Operating Revenues shall not include any television revenues relating to a Championship. For purposes of any Schwab Cup Championship held at Harding Park under this Agreement, all of the provisions of this paragraph shall apply, except that the Gross Operating Revenues Threshold shall be set at Eight Million Dollars (\$8,000,000) for the first Schwab Cup Championship, and shall be increased for each successive Schwab Cup Championship by an amount equal to the cumulative increases in the Consumer Price Index from the date of the prior Schwab Cup Championship.

4. Terms and Conditions of Agreement Remain in Full Force and Effect. Except as specifically amended hereby, the terms and conditions of the Agreement shall remain in full force and effect. The parties agree that the Tournament Facilities Agreement shall be amended to reflect the terms of this Amendment.

5. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Amendment has been executed as of the day and year first above written.



PGA TOUR, Inc., a Maryland corporation

By:

A large, stylized handwritten signature in black ink, appearing to read "E. Moorhouse".

Edward J. Moorhouse
Co-Chief Operating Officer

THE CITY AND COUNTY OF SAN FRANCISCO, a
municipal corporation, acting by and through its
RECREATION AND PARK COMMISSION

By:

Yomi Agunbiade
General Manager

Approved as to form:

DENNIS J. HERRERA
City Attorney

By:

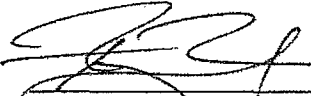
Deputy City Attorney

IN WITNESS WHEREOF, this Amendment has been executed as of the day and year first above written.

PGA TOUR, Inc., a Maryland corporation

By: _____
Edward L. Moorhouse
Co-Chief Operating Officer

THE CITY AND COUNTY OF SAN FRANCISCO, a
municipal corporation, acting by and through its
RECREATION AND PARK COMMISSION

By:  _____
Yomi Agunbiade
General Manager

Approved as to form:

DENNIS J. HERRERA
City Attorney

By:  _____
Deputy City Attorney

FIRST AMENDMENT TO MASTER TOURNAMENT AGREEMENT

This First Amendment to Master Tournament Agreement ("Amendment ") is made as of this 1st day of April, 2004, by and between the City and County of San Francisco, acting by and through its Recreation and Parks Commission ("City") and PGA TOUR, Inc., a Maryland corporation ("TOUR"), for good and valuable consideration, the receipt of which is hereby acknowledged.

This Amendment is made with reference to the following facts and circumstances:

- A. City and Tour entered into that certain Master Tournament Agreement, dated April 19, 2002 (the "Original Agreement", and together with this Amendment, the "Agreement").
- B. City and Tour desire to amend the Original Agreement as set forth below.

NOW THEREFORE, City and TOUR hereby agree as follows:

1. Defined Terms. Capitalized terms not separately defined herein shall have the same meaning provided in the Original Agreement.

2. Tour Events at Harding Park. Section 1 of the Original Agreement is hereby amended by deleting Section 1 from the Original Agreement and replacing it with the following:

Subject to the terms and conditions of this Agreement, TOUR hereby agrees to hold a Championship at Harding Park five times (5) times over the fifteen (15) year period beginning January 1, 2005 (the "Initial Term") or until the TOUR permanently cancels all three Championships (as defined below). For purposes of the Agreement, the definition of "Championship" under this Agreement shall include the TOUR Championship, the NEC Invitational or the American Express Championship, provided that, with respect to the American Express Championship and the NEC Invitational, the prize money, eligibility requirements (including "strength of field"), and television coverage for those events remains comparable during the Term to the current status of such measures for those events. TOUR and City shall have the option to renew the Agreement for three (3) nine-year terms (with three (3) championships played during each such term) on the same terms and conditions described herein, by written agreement no later than two (2) years prior to the expiration of the applicable term (each, a "Renewal Term"). TOUR shall have the option to terminate this Agreement by providing City with written notice thereof within (180) one hundred eighty days of the completion of any Championship held at Harding Park if, and only if, (i) at least three Championships have been held at Harding Park pursuant to this Agreement, (ii) average admissions, corporate hospitality sales, merchandise sales, and other revenues directly related to the most recent three (3) consecutive Championships held at Harding Park is less than ninety percent (90%) of the average of the last three (3) respective Championships held at venues other than Harding Park (the "Revenue Target"), and (iii) TOUR used its good faith efforts to cause the Championships held at Harding Park to meet or exceed the Revenue Target. TOUR shall provide City with at least twelve (12) months written notice of the next scheduled date for the Championship to be held at Harding Park. Notwithstanding the foregoing, if City performs its

obligations set forth in Sections 2 and 3 of this Agreement in a timely fashion, TOUR agrees to schedule as the first Championship at Harding Park an American Express Championship in the fall of 2005.

3. Facility Fee. Section 8 of the Original Agreement is hereby amended by deleting Section 8 from the Original Agreement and replacing it with the following:

For each Championship held at Harding Park, TOUR shall pay the following fees in the following order of priority:

(i) No later than thirty (30) days after the scheduled commencement date of any Championship held at Harding Park, the TOUR shall pay the City five hundred thousand dollars (\$500,000) (the "Base Reimbursement Fee"), and shall pay the local First Tee Chapter at Harding Park five hundred thousand dollars (\$500,000) (the "First Tee Contribution"). For each successive Championship, the amount of the Base Reimbursement Fee and the First Tee Contribution shall be increased by an amount equal to cumulative increases in the Consumer Price Index from the date of the prior Championship.

(ii) No more than one hundred twenty (120) days after the completion of each Championship held at Harding Park, the TOUR shall pay the City and shall contribute to the local First Tee Chapter at Harding Park each six and two-thirds percent (6.66%) of any "Gross Operating Revenues" in excess of Ten Million Dollars (\$10,000,000) (increased for each successive Championship by an amount equal to the cumulative increases in the Consumer Price Index from the date of the prior Championship) earned by the TOUR from such Championship. "Gross Operating Revenues" shall mean gross revenues derived from the following categories: admissions, corporate hospitality, publications and on-site sponsorships (other than title, presenting or umbrella sponsorships) and on-site concessions. Gross Operating Revenues shall not include any television revenues related to a Championship.

4. Additional TOUR Contributions.

(i) The Tour shall pay the City \$100,000 to help offset the costs of designing and constructing the clubhouse to accommodate the Championship within 60 days of the City request therefor.

(ii) The TOUR shall provide the City design consulting services regarding (i), construction of a new club house at Harding Park (ii) the renovation of the golf course at Lincoln Park and (iii) the renovation of the golf course at Sharp Park, free of charge, except for reimbursement of the Tour's actual travel, lodging and other reasonable out of pocket costs related to the provision of such consulting services. The TOUR shall also provide the City's golf maintenance staff at Harding Park, at no cost to City, with periodic agronomic report and training related to Harding Park as part of the TOUR's regular West Coast rotation.

(iii) Upon execution of this Amendment, the TOUR hereby agrees to forgive, as a contribution, all amounts currently owed TOUR by the local chapter of the First Tee for design consulting services previously provided by TOUR, but the local chapter of the First Tee shall

still reimburse the TOUR for its documented out of pocket costs associated with providing such services in the amount of One Hundred and Twenty Thousand Dollars (\$120,000).

5. Boathouse. To the extent City implements plans to renovate the "Boathouse" adjacent to the Golf Courses for a restaurant or similar use, City shall use its best reasonable efforts to include in any lease or other agreements regarding the use and operation of such Boathouse a provision requiring the operator thereof to make the Boathouse available exclusively for events and activities related to a Championship during the term of any such Championship, provided that the operator thereof is given the right to provide food and beverage service to TOUR during a Championship at reasonable and customary prices or is otherwise reasonably compensated therefor.

6. Terms and Conditions of Original Agreement Remain in Full Force and Effect. Except as specifically amended hereby, the terms and conditions of the Original Agreement shall remain in full force and effect.

7. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized representatives as of the day, month and year set forth above.

PGA TOUR, Inc., a Maryland corporation:

By: 

Edward L. Moorhouse
Executive Vice President
and Co-Chief Operating Officer

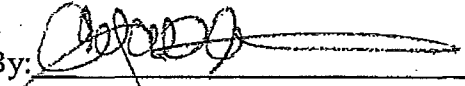
Recreation and Park Commission:

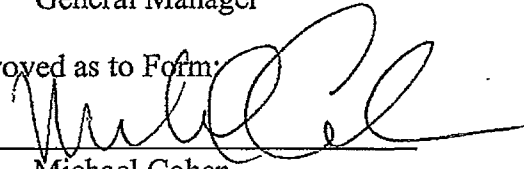
By: 

Margaret McArthur
Commission Secretary

Resolution Number: 0312-011

Recreation and Park Department:

By: 
Elizabeth Goldstein
General Manager

Approved as to Form:
By: 
Michael Cohen
Deputy City Attorney

MASTER TOURNAMENT AGREEMENT

This Master Tournament Agreement ("Agreement") is made as of this 19th day of April, 2002, by and between the City and County of San Francisco, acting by and through its Recreation and Parks Commission ("City") and PGA TOUR, Inc., a Maryland corporation ("TOUR"), and for good and valuable consideration, the receipt of which is hereby acknowledged, City and TOUR hereby agree as follows:

1. Championship at Harding Park. On July 1, 1999, the TOUR and the City held a joint press conference to announce that the Harding Park municipal golf course complex in San Francisco ("Harding Park") would become a regular site of the TOUR Championship (the "Championship") if certain improvements to Harding Park were made. Subject to the terms and conditions of this Agreement, TOUR hereby agrees to hold the Championship at Harding Park three (3) times over the nine (9) year period beginning January 1, 2006 (the "Initial Term") or until the TOUR permanently cancels the Championship. TOUR and City shall have the option to renew for three (3) more nine-year terms on the same terms and conditions described herein, by written agreement no later than two (2) years prior to the expiration of the applicable term (each, a "Renewal Term"). TOUR shall have the option to terminate this Agreement by providing City with written notice thereof within (180) one hundred eighty days of the completion of any Championship held at Harding Park if, and only if, (i) at least three Championships have been held at Harding Park pursuant to this Agreement, (ii) average admissions, corporate hospitality sales, merchandise sales, and other gross revenues directly related to the most recent three (3) consecutive Championships held at Harding Park is less than ninety percent (90%) of the average of the gross revenue from the last three (3) Championships held at venues other than Harding Park (the "Revenue Target"), and (iii) TOUR used its good faith efforts to cause the Championships held at Harding Park to meet or exceed the Revenue Target. TOUR shall provide City with at least twelve months written notice of the next scheduled date for the Championship to be held at Harding Park. Notwithstanding the foregoing, if City performs its obligations set forth in Sections 2 and 3 of this Agreement in a timely fashion, TOUR agrees to use its good faith efforts to schedule the first Championship at Harding Park in the fall of 2006.
2. Course Upgrades. TOUR's obligation to hold the Championship at Harding Park is specifically conditioned upon City performing the course upgrades, facilities construction and other improvements to Harding Park as described in Exhibit A attached hereto to the satisfaction of TOUR.
3. Maintenance Standards. TOUR's obligation to hold the Championship at Harding Park is further conditioned upon Harding Park Golf Course achieving course conditions suitable for the Championship, as reasonably determined by the TOUR's Agronomy and Rules and Competitions Departments. The parties agree that the general and Championship-specific course conditioning plans described on Exhibit B attached hereto generally describe such suitable conditions, but that other more specific factors that directly relate to the suitability of the course for the Championship may also be taken into consideration.

4. Course Closure. As more particularly set forth in the Tournament Facilities Agreement (as defined below), Harding Park will be partially or completely closed for public play for the two-week period commencing on the Monday before the start of a Championship week and ending on the day after the Championship is completed (each, a "Term").
5. Tournament Facilities Agreement. Subject to the prior consent of the Commission and as a condition of the TOUR's obligations hereunder, City and the TOUR shall promptly enter into a mutually agreeable agreement setting forth specific terms and conditions regarding the use of Harding Park for each Championship during the Initial Term (the "Tournament Facilities Agreement"). The Tournament Facilities Agreement shall have a term equal to the Initial Term of this Agreement and shall include, among other things, (i) a grant to TOUR exclusive use of Harding Park for the duration of each Championship, including the rights to certain concessions, except for the clubhouse and as otherwise set forth in the Tournament Facilities Agreement, (ii) a management plan for the conduct of the Championship, including parking and the preparation of Harding Park before a Championship, (iii) commercially reasonable indemnities and insurance protections for city's benefit and adequate assurances for City that the TOUR will promptly restore and repair any damage to Harding Park caused by such Championship, including, if reasonably necessary, a security deposit, letter of credit or similar instrument, (iv) three (3) nine-year renewal options to correspond with the Renewal Terms of this Agreement, and (v) additional requirements regarding course maintenance standards, facilities requirements and other matters.
6. Restoration and Repair. Without limiting the foregoing or the provisions of any Tournament Facilities Agreement, TOUR shall use due care at all times to avoid damage to Harding Park or the surrounding Lake Merced area, which the TOUR hereby acknowledges is an environmentally sensitive area. The TOUR shall, at its sole cost and expense, promptly remove all items and equipment that it has erected or installed on Harding Park under this Agreement, other than items and equipment necessary to conduct repairs, within a reasonable period of time from the conclusion of the Championship and shall repair, at its cost, any damage to Harding Park or other City property used by TOUR caused by the Championship or such removal, and shall surrender Harding Park free from hazards and clear of all debris and shall, at its sole cost, restore Harding Park to the same condition that existed immediately prior to the commencement of the applicable Championship, pursuant to a mutually agreeable schedule set forth in each Tournament Facilities Agreement.
7. Indemnity. Without limiting the foregoing or provisions of any Tournament Facilities Agreement, the TOUR shall indemnify, defend and hold harmless the City, its directors, officers, employees and agents from and against all claims, liabilities, losses, obligations, damages, accidents, occurrences, costs and expenses of every kind and nature (including reasonable attorney's fees) ("Losses") incurred by City arising from any act or action (including failure to act) of the TOUR, or any of its agents, invitees or employees in the operation of the Championship, in or about Harding Park, except as may arise from the negligence or willful misconduct of the City, its officers, agents or employees.

8. Facility Fee. For each Championship held at Harding Park, TOUR shall pay the following fees in the following order of priority:

- (i) To reimburse City for incremental maintenance costs incurred in connection with any Championship, at least thirty (30) days prior to the scheduled commencement date of the Championship held at Harding Park, the TOUR shall pay City a facility fee in the amount of two-hundred and fifty thousand dollars (\$250,000) (the "Base Reimbursement Fee"). For each successive Championship, the amount of the Base Reimbursement Fee shall be increased by an amount equal to cumulative increases in the Consumer Price Index from the date of the prior Championship.
- (ii) No more than one hundred twenty (120) days after the completion of each Championship held at Harding Park, the TOUR shall pay the local First Tee Chapter at Harding Park from any net revenues earned by the TOUR from such Championship two hundred fifty thousand dollars (\$250,000), as increased by an amount equal to the cumulative increases in the Consumer Price Index from the date of this Agreement (the "Phase 1 First Tee Fee"), if any. Tour shall only be obligated to pay the Phase 1 First Tee Fee from available net revenues generated by the applicable Championship. If net revenues from the applicable Championship are less than two hundred fifty thousand dollars (\$250,000), the amount of the Phase 1 First Tee Fee shall be limited to the amount of such net revenues.
- (iii) No more than one hundred twenty (120) days after the completion of each Championship held at Harding Park, from any net revenues earned by the TOUR from such Championship TOUR shall pay City an amount equal to the amount, if any, by which City's actual costs related to any Championship (as reasonably documented by City to TOUR) exceed the Base Reimbursement Fee, up to a maximum of one-hundred and thirty thousand dollars (\$130,000), as increased by an amount equal to the cumulative increases in the Consumer Price Index from the date of this Agreement (the "City Fee"). Tour shall only be obligated to pay the City Fee from available net revenues generated by the applicable Championship. If available net revenues from the applicable Championship after payment of the Phase 1 First Tee Fee are less than One Hundred thirty Thousand dollars, the amount of the City Fee shall be limited to the amount of such net revenues.
- (iv) No more than one hundred twenty (120) days after the completion of the each Championship held at Harding Park, the TOUR shall pay the local First Tee Chapter at Harding Park from any net revenues earned by the TOUR from such Championship two hundred fifty thousand dollars (\$250,000), as increased by an amount equal to the cumulative increases in the Consumer Price Index from the date of this Agreement (the "Phase 2 First Tee Fee"), if any. Tour shall only be obligated to pay the Phase 2 First Tee Fee from available net revenues generated by the applicable Championship. If available net revenues from the applicable Championship after payment of the Phase 1 First Tee Fee and the City Fee are

less than two hundred fifty thousand dollars (\$250,000), the amount of the Phase 2 First Tee Fee shall be limited to the amount of such net revenues.

- (v) From any available net revenues earned by the TOUR from such Championship after payment of the Phase 1 and 2 First Tee Fees and the City Fee, an amount equal to the City Fee shall be retained by TOUR (the "True-Up Fee").
- (vi) No more than one hundred twenty (120) days after the completion of each Championship held at Harding Park, from any net revenues earned by the TOUR from such Championship TOUR shall deposit into a joint account controlled by TOUR and City two-hundred and fifty thousand dollars (\$250,000), as increased by an amount equal to cumulative increases in the Consumer Price Index from the date of this Agreement (the "Improvement Fee"), if any. Tour shall only be obligated to pay the Improvement Fee from available net revenues generated by the applicable Championship. If, after payment of the Phase 1 and 2 First Tee Fees, the City Fee and the True-Up Fee, available net revenues from the applicable Championship are less than two hundred and fifty thousand dollars (\$250,000), the amount of the Improvement Fee shall be limited to the amount of such net revenues. As City and TOUR shall jointly agree, the Improvement Fee shall be first expended to make or cause to be made improvements to Harding Park, with any remaining funds to make or cause to be made improvements to the Lake Merced/Harding Park beautification effort.
- (vii) No more than one hundred twenty (120) days after the completion of each Championship held at Harding Park, the TOUR shall pay City at least fifty percent (50%) of any remaining net revenues from such Championship (the "Participation Fee"). City shall deposit such Participation Fee in a special Golf Fund established by the City.

9. Notices. Except as otherwise expressly provided in this Agreement, any notice given hereunder shall be effective only in writing and given by delivering the notice in person, or by sending it first class mail or certified mail with a return receipt requested or reliable commercial overnight courier, return receipt requested, with postage prepaid as follows:

Notice Address to City:

Recreation and Parks Department
 Director of Property Management
 Property Management Unit
 Recreation and Park Dept, McLaren Lodge Annex
 501 Stanyan Street
 San Francisco, California,, 94117

with a copy to:

Office of the City Attorney
 Room 234, City Hall
 1 Dr. Carlton B. Goodlett Place
 San Francisco, CA 94102-4682
 Attn: Michael S. Cohen
 Fax No.: (415) 554-4755

Notice Address of TOUR:

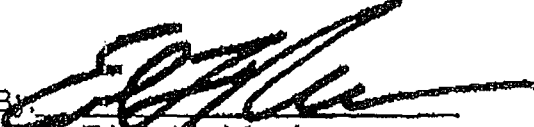
112 PGA TOUR Boulevard
Ponte Vedra Beach, Florida 32082
Attn: General Counsel

Any Party hereunder may designate a new address for notice purposes hereunder at least ten (10) days prior to the effective date of such change. Any notice hereunder shall be deemed to have been given two (2) days after the date when it is mailed if sent by first class or certified mail, one day after the date it is made, if sent by commercial overnight carrier, or upon the date personal delivery is made, and any refusal by either Party to accept the attempted delivery of any notice, if such attempted delivery is in compliance with this Section 9 and applicable Laws, shall be deemed receipt of such notice.

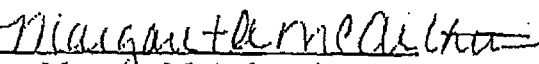
10. Amendments. Neither this Agreement nor any term or provisions hereof may be changed, waived, discharged or terminated, except by a written instrument signed by the Parties hereto.
11. Successors and Assigns. The terms, covenants and conditions contained in this Agreement shall bind and inure to the benefit of the Authority and Subtenant and, except as otherwise provided herein, their personal representatives and successors and assigns.
12. Severability. If any provision of this Agreement or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by Law.
13. Governing Law. This Agreement shall be construed and enforced in accordance with the Laws of the State of California.
14. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.
15. Further Assurances. The Parties agree to execute and acknowledge such other and further documents as may be necessary or reasonably required to express the intent of the Parties or otherwise effectuate the terms of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized representatives as of the day, month and year set forth above.

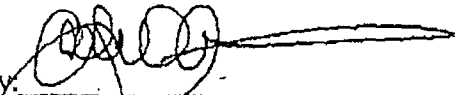
PGA TOUR, Inc., a Maryland corporation:

By: 
Edward L. Moorhouse
Executive Vice President
and Co-Chief Operating Officer

Recreation and Park Commission:

By: 
Margaret McArthur
Commission Secretary
Resolution Number: 0202-013

Recreation and Park Department:

By: 
Elizabeth Goldstein
General Manager

Approved as to Form:

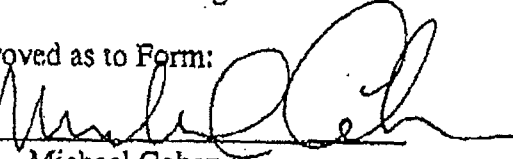
By: 
Michael Cohen
Deputy City Attorney

EXHIBIT A

COURSE UPGRADES

Harding and Fleming Course Renovations: As shown on the attached Appendix 1, the project would remove and replace the existing grasses that cover the tees, fairways, greens, and roughs of both the 18-hole Harding course and the 9-hole Fleming course. At the Harding course, the project would re-align the 13th fairway and green; relocate the 18th green; and re-grade and shape portions of other holes to modify the existing course topography, add or relocate sand traps, tees, and greens; and improve course playability and drainage. The alignment of the existing nine-hole Fleming course would remain the same as at present although this course would also be improved with new grasses and minor ground reshaping. The project will install new irrigation equipment in both courses.

Clubhouse: This project would demolish existing buildings (except the existing cart barn) and construct replacement structures. A new elevated two-story clubhouse would be built south and west of the existing clubhouse location. The architecture would feature a building designed in the Bay Area Tradition consisting of steel and wood construction with a metal-standing-seam roof. The clubhouse would include a Pro Shop, Dining Facility, Administrative Offices and Restrooms and include approximately 12,500 square feet. New site utilities would be provided for the clubhouse. The project would also demolish and replace the existing parking lots, generally in the same location as the existing main lot. The project would increase the number of on-site parking spaces by about 50, and would include lighting in the parking lot. The new clubhouse would be constructed under a separate contract from the course renovation and completed on a different schedule. Temporary facilities will be provided following course renovation and during building construction to ensure play resumes as scheduled.

Maintenance Facility: A new 7,200 square foot maintenance facility would be built on the southeastern portion of the site with access from Lake Merced Boulevard. The structure would be constructed of prefabricated steel and a standing-metal seamed roof. The maintenance facility would replace the existing facility and be built as quickly as possible to allow for maintenance of the renovated course scheduled for completion in July of 2003. The facility would include parking for maintenance equipment, vehicles and staff and include areas for fertilizer, landscape materials and agronomic supplies. The facility will also provide a vehicle wash-down area to prevent fertilizers from migrating to nearby Lake Merced. An alternate bid item will be developed for a "refreshment stand and bathroom facility" and awarded if funds are available.

Driving Range: The Harding and Fleming Golf Course Renovation Project would construct a new driving range west of the proposed parking lot with 26 hitting stalls located on the ground level. An alternate bid item will be developed for a two tier hitting area and awarded if funds are available. The range would be built with artificial turf and include target greens, yardage markers and fencing. The artificial turf will significantly reduce maintenance and increase the life of equipment and practice balls. The turf would also allow for percolation of rainwater through the surface and into the ground water below, not effecting the level of Lake Merced. The project will be developed with minimal design work and contracted pursuant to the Administrative Code to a Contractor specializing in Driving Range Construction. No evening lighting of the range is proposed.

EXHIBIT B

Course Conditioning Plans

Below are the general and Championship specific course conditioning guidelines for Harding Park. The guidelines are intended to assist the City in achieving Championship-caliber course conditions equivalent to other host venues for the Championship. Ultimate approval of course conditions remains at all times in the discretion of TOUR's Agronomy Department.

A. General Course Maintenance Operating Plan Summary

Following is the recommended weekly operating plan for the maintenance department at Harding Park Golf Courses to meet the RFP requirements and is subject to change based on site conditions and special requirements.

37. Greens will be mowed daily (7 times) by riding type greens mowers if necessary during the growing season. Care should be taken to limit the use of riding greens mowers all the time as wear patterns will develop and disease can be tracked on to the greens by the tires of the mowers. Single, walking type machines are to be used in place of the riding mowers during preparations 3 to 5 months prior to the tournament or at other times as dictated by conditions. n. Height of cut will vary 5/32 to 1/8 inch 5/32 inch to 1/8 inch or as conditions dictate.

38. Tees will be mowed on M,W,F (3 times) during the growing season with triplex mowers where possible and walking mowers where excessive wear is a problem. Frequency will reduce during off season. Height of cut will vary 1/2 to 3/4 inch or as conditions dictate.

39. Cups, tee placements, rope adjustments, ball washer service, course cleanup, ball mark repair, tee and fairway divot dressing and hand watering of greens and tees will be performed daily (7 times) or as needed.

40. Traps will be raked and edges groomed daily (7 times) or as needed to accommodate play. Weeds, debris and stones will be removed as they appear.

41. Fairways, approaches, green collars and intermediate roughs will be mowed on M,W,F (3 times) during the growing season and as necessary during the off season. Fairways will be mowed at 1/2 to 3/4 inch, collars at 3/8 inch and for the tournament a close roughs at 1 inch or as conditions dictate.

42. Formal roughs will be continuously mowed to ensure a frequency of at least one complete mowing per week and trimmed as needed to maintain a

1.5 to 2.5 inch cutting height or as conditions dictate. Natural and informal roughs will be maintained at least at 4 inches or higher.

44. Slopes of greens and tees will be mowed twice a week at 1.5 days per mow, or as needed to maintain a cutting height of 1.5 to 2.5 inches or as conditions dictate.

45. Spraying and fertilizing will be done so as to not expose golfers during play hours. It is advisable that One day shall be set aside per week to perform these applications or they be performed at night with minimal golfers present and the appropriate re-entry times will be observed.
46. Irrigation repairs will be done as needed with a visual daily checkout of the system and a thorough analysis of the computer run data from the previous night. Adjustments to the program will be made only by trained and qualified personnel under the direction of the superintendent.
47. Course improvements will be done as scheduled with emphasis on not interfering with play. All projects will be aimed at completion by Thursday of the current week.
48. Aerifying and top-dressing shall be completed not less than two (2) times each year. Periodic light verticutting and top-dressings on greens and tees will be performed throughout the growing season as needed to maintain smoothness and speed.
49. Irrigation will be done sparingly throughout the season to conserve water, prevent leaching and encourage good root development. Evapotranspiration rates will be calculated by an on-site weather station for use in determining the amount of precipitation to be applied.
50. All grounds will be cleaned of paper and debris daily with special emphasis on the clubhouse and driving range area. Mowing shall be the same as the formal rough areas.
51. All grounds will be monitored for water needs and treated accordingly on a daily basis.
52. All beds will be weeded at least once per week.
53. All walks will be edged as needed and curb lines will be trimmed when mowed.
54. All shrubs will be pruned for shape in Spring and Fall and maintained weekly as needed.
55. All beds will be mulched where appropriate in Spring and maintained as required for color and weed control.
56. All flower beds will be maintained with the appropriate floral material throughout the growing season.
57. All ornamental trees except those on the golf courses will be fertilized with a liquid root feeding once in the Spring and once in the Fall.

58. All ornamental trees will be pruned in the Spring and late Fall for dead material and shaping.

59. All turf and plant material including trees will be treated with pesticides as needed during the season according to IPM principles.

60. All dead or dying ornamental plant material will be replaced as needed during the growing season. Material that has died in previous years will be replaced with appropriate trees and shrubs as practical.

61. All bare areas of high visibility and main street shoulders will be seeded or sodded as practical in Spring and maintained as required.

62. All sidewalks and parking areas will be kept free of ice and snow as required during the Winter months.

63. All transplanted trees will be monitored and watered if necessary throughout the dry season.

B. Championship-Specific Course Preparation Plan

Following is the recommended golf course tournament conditioning plan for the week of the PGA TOUR CHAMPIONSHIP. Ultimately, all course conditions must meet with the approval of PGA TOUR Agronomy staff, in their discretion. The Golf Course Superintendent will work with the PGA TOUR Agronomy and Rules staff at various times of the year and during Advance Week to accomplish all tasks required to set up the golf course for Tournament Week, to include but not be limited to:

- establishing the required frequency and cutting height for tees, fairways, approaches, roughs and intermediate roughs
- rolling, vertical grooming, topdressing, brushing, and establishing mowing heights and frequencies to meet the requested greens speed and smoothness
- ensuring the appropriate depth and firmness of all sand bunkers and ensuring that the bunkers are all free of contamination
- filling and maintaining all divots on tees and fairways with requested material
- repairing all ball marks on greens
- accomplishing all spraying for disease control and necessary fertilization to avoid additional applications during Tournament Week

ensuring the irrigation system is in perfect working condition and establishing appropriate irrigation techniques for Tournament Week.

It should be noted that approximately 1500-2000 additional staff hours will be required during the final few weeks leading up to and during Tournament Week to fully prepare the course for the event.

The following is the recommended plan for golf course maintenance operations during Tournament Week, beginning on Monday and ending on Sunday or as needed in case of a playoff. The work schedule will require two shifts, AM and PM, to complete the appropriate tasks before and after scheduled play each day.

The AM shift typically requires approximately 5-6 hours and a minimum of 24-38 staff members to complete the tasks ahead of play. Two separate and complete teams will be needed for each nine holes to complete each task simultaneously for both the AM and PM shifts. The PM shift typically requires approximately 5-6 hours and 35-48 staff.

AM SHIFT (will need to start before daylight)

- A) TASK: MOW GREENS. The greens will be mowed with walk mowers at an agreed upon cutting height and at a frequency of 1-2 times, depending on the growth rate and desired speed.

EQUIPMENT: 8-12 walking greens mowers with lights and appropriate utility vehicles and trailers.

STAFF: 8-12

- B) TASK: ROLL GREENS. Depending upon desired speed, the greens may be rolled in the AM or the PM.

EQUIPMENT: 6 walking greens rollers, 6 trailers, 6 utility vehicles, or 2 side by side riding rollers.

STAFF: 2-6

- C) TASK: CHANGE PINS. The pins will be changed each morning according to the locations designated by the Rules Staff.

EQUIPMENT: Two complete sets of cup changing equipment, 2 utility vehicles

STAFF: 2

D) TASK: DEW REMOVAL. It may be necessary to sweep or roll the dew from the tees, walk paths, approaches, cellars, and fairway surfaces for the early morning play.

EQUIPMENT: 2 small utility vehicles, 1 rope or hose (100'), 4 roller type squeegees.

STAFF: 4-6

E) TASK: HAND WATERING. Additional touch up hand watering may be necessary for the greens, tees and fairways.

EQUIPMENT: 2-4 utility vehicles, 2-4 sections of 1/2" x 100' hose on hose reels.

STAFF: 2-4

F) TASK: RAKE BUNKERS. The bunkers will be raked every day in a manner approved by the Rules and Agronomy Staff to maintain the appropriate firmness, depth and playing condition. Hand raking will be the preferred method.

EQUIPMENT: 4-6 utility vehicles, 8-12, 24" approved rakes

STAFF: 8-12

G) TASK: SUPERVISORY. Supervisor (not the superintendent) for each nine holes.

EQUIPMENT: 2 utility vehicles

STAFF: 2

PM SHIFT (will need to work into darkness)

A) TASK: MOW GREENS. Greens may be required to be mowed in the evening depending upon growth rate and desired speed.

EQUIPMENT: 4-6 walking greens mowers with lights, 4-6 utility vehicles and trailers.

STAFF: 4-6

B) TASK: GREENS ROLLING. Additional greens rolling may be a requirement on a daily basis to maintain the requested speed.

EQUIPMENT: 4 walking greens mowers with lights, smooth rollers and added weight or 2 ride on, side by side type rollers.

STAFF: 2-4

- C) TASK: MOW TEES. Tees will be mowed every day in the PM to ensure a fresh cut.

EQUIPMENT: At least 2 tri-plex type greens mowers with lights, or 6 walking greens mowers with lights and utility vehicles with trailers, if necessary, due to size restrictions.

STAFF: 2-6

- D) TASK: MOW APPROACHES. Approaches will be cut every evening.

EQUIPMENT: At least 2 tri-plex type greens mowers with lights.

STAFF: 2

- E) TASK: MOW FAIRWAYS. Plan to mow fairways every day during the evening shift.

EQUIPMENT: At least 4, 3-plex fairway mowers with lights.

STAFF: 4

- F) TASK: MOW ROUGHS. Roughts are to be mowed as directed. Typically by Tournament Week, only those areas of rough inside the ropes may be required to be maintained at the designated cutting height.

EQUIPMENT: 1-2 large area (96"-110") out-front, rotary mowers with lights, and 1 small (60"-72"), out front rotary mowers with lights.

STAFF: 2-3

- G) TASK: MOW INTERMEDIATE ROUGH. The intermediate rough cut will be mowed each day, during the evening shift.

EQUIPMENT: 2, 72"-84" tri-plex, trim mowers with lights. The walk path from tee to fairway should be maintained at the same time with the same mower.

STAFF: 2

- H) TASK: FILL DIVOTS and REPAIR BALL MARKS. All fairway and tee divots will be filled, leveled and tamped each day during the evening shift. All ball marks will be repaired.

EQUIPMENT: 5-6 utility vehicles and at least 2 portable flood light towers.

STAFF: 10-12

- I) TASK: HAND WATERING. Appropriate irrigation will be applied to designated areas of the course as determined by the Rules Staff and in a manner approved by them and the Agronomy Staff. Typically, greens will be hand watered only by staff that are very familiar with hand watering methods and the specific requirements of the greens. Each member of the greens hand watering staff should be prepared to use both a small .5" soil probe and a Lang soil Penetrometer to aid in determining greens surface moisture and firmness. Most of the hand watering will be completed in the evening, however some additional watering may be required in the AM before play.

Fairway, tee and rough watering needs and application methods will be determined each day by the Rules Staff. Maintenance staff must be prepared, with the appropriate manpower and equipment, to hand water these areas as well.

EQUIPMENT: 4-6 utility vehicles equipped with hose reels and 100' of ½" hose, affixed with 6 Lesco brass showerhead nozzles.

STAFF: 4-6

- J) TASK: VACUUM PRACTICE TEE

EQUIPMENT: Utility vehicle and small pull behind vacuum.

STAFF: 1

- K) TASK: SUPERVISORY. Supervisor for each nine holes (not the superintendent).

EQUIPMENT: 2 utility vehicles

STAFF: 2

All mowers are to be checked daily for sharpness and correct adjustment. All equipment must be kept in perfect working condition and ready for both AM and PM Shifts. In addition to the staff listed above, equipment maintenance will require approximately 210-220 hours for the week of the Tournament.

OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Mayor Edwin M. Lee
RE: Fourth Amendment to Master Tournament Agreement between City and
PGA TOUR, Inc. – possible contract value \$6,875,000
DATE: November 4, 2014

Attached for introduction to the Board of Supervisors is a resolution approving and authorizing the execution of a Fourth Amendment to the Master Tournament Agreement with PGA TOUR, Inc., for the use of Harding Park Golf Course for certain professional golf tournaments.

Should you have any questions, please contact Nicole Wheaton (415) 554-7940.

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2014 NOV -4 PM 3:19
le

**FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL**
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members	City elective office(s) held: Board of Supervisors

Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: PGA TOUR, Inc.	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
<i>See attached sheet</i>	
Contractor address: 112 PGA TOUR Boulevard, Ponte Vedra Beach, FL 32082	
Date that contract was approved:	Amount of contract: Up to \$8,500,000
Describe the nature of the contract that was approved: 4 th Amendment to Master Tournament Agreement between City and PGA TOUR	
Comments:	

This contract was approved by (check applicable):

- the City elective officer(s) identified on this form
 a board on which the City elective officer(s) serves _____

Print Name of Board

- the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer:	Contact telephone number: ()
Address:	E-mail:

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

**FORM SFEC-126
Attached Sheet**

PGA TOUR, INC.

Board of Directors

Victor F. Ganzi	Chairmen
G. Kennedy Thompson	Independent Director
John B. McCoy	Independent Director
Randall L. Stephenson	Independent Director
Harrison Frazar	Player Director
James M. Furyk	Player Director
Bo Van Pelt	Player Director
Mark J. Wilson	Player Director
Ted M. Bishop	PGA of America Director

CEO, CFO & COO

Timothy W. Finchem	Commissioner
Jay Monahan	Deputy Commissioner
Victor F. Ganzi	President
Edward L. Moorhouse	Co-Chief Operating Officer
Ronald Price	Chief Financial Officer and Chief Administrative Officer
Thomas E. Wade	Chief Commercial Officer
Charles L. Zink	Co-Chief Operating Officer

Ownership

PGA TOUR, Inc. is a nonprofit, nonstick 501(c)(6) membership organization. No individual has 20% or more ownership interest.

Subcontractor

There is no subcontractor listed in the contract.

Political Committee

PGA TOUR, Inc. does not sponsor or control any political committee.