

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 Fore 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.

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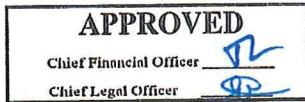
IN WITNESS WHEREOF, the parties hereto have executed this Amendment to be effective as of the Effective Date.

"TOUR"

PGA TOUR, INC., a Maryland corporation

By: _____

Edward L. Moorhouse
Co-Chief Operating Officer



"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