

AGREEMENT FOR THE

2021 UNITED STATES OPEN CHAMPIONSHIP®

dated as of March 3, 2014

by and between

UNITED STATES GOLF ASSOCIATION

and

THE CITY OF SAN DIEGO

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AGREEMENT

THIS AGREEMENT (this "Agreement") entered into as of March 3, 2014 by and between the UNITED STATES GOLF ASSOCIATION (the "Association"), a not-for-profit corporation organized under the laws of the State of Delaware, located at Golf House, 77 Liberty Corner Road, Far Hills, New Jersey 07931 and The City of San Diego (the "City"), a California municipal corporation, located at 202 C Street, San Diego, CA 92101.

WITNESSETH:

WHEREAS, the Association has accepted the gracious offer of the City to entertain the 2021 United States Open Championship (the "Championship") on the South Course at TORREY PINES GOLF COURSE, (the "Championship Course"), located at 11480 North Torrey Pines Road, La Jolla, CA 92037 which is and will continue to be owned by the City and operated in a manner necessary to conduct the Championship during the term of this Agreement, on the terms set forth herein; and

WHEREAS, the United States Open Championship is an annual event hosted each year at a golf club selected by the Association and the 2008 Championship was held on the Championship Course and hosted by the City; and

WHEREAS, the Association and the City agree that the 2008 Championship was a successful event that met the Association's standard for the conduct of the Championship; and

WHEREAS, the 2008 Championship generated more than \$142 million in economic impact to the San Diego region including \$1.5 million in Transient Occupancy Tax and \$1.6 million in local sales tax; and

WHEREAS, the Torrey Pines Golf Course has hosted national and international caliber tournaments on an annual basis since 1968; and

WHEREAS, such tournaments are temporary events that include the construction of temporary structures to accommodate and facilitate the event (which structures are removed at the conclusion of the event), off-site parking and shuttles; and

WHEREAS, the quality and conduct of the 2008 Championship shall serve as a minimum standard for the successful staging of the 2021 Championship, including the facility layout, usage of the Leased Property, and transportation plan; and

WHEREAS, the standards for the conduct of the Championship have evolved under the direction of the Association over a long period of years in a continuing effort to stage a competition of distinction appropriate for a national championship; and

WHEREAS, in keeping with the standards for the conduct of the Championship, the Association determines the conditions of play for the Championship;

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises, covenants and conditions hereinafter set forth and other good and valuable consideration, the parties hereto hereby agree as follows:

SECTION 1. LEASE OF PREMISES AND PROPERTY

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises, covenants and conditions hereinafter set forth and other good and valuable consideration, the parties hereto hereby agree as follows:

SECTION 1. LEASE OF PREMISES AND PROPERTY

A. The parties acknowledge and agree that (i) the Courses (as such term is defined below) are known as, referred to and comprise "Torrey Pines"; (ii) the City of San Diego (the "City") is the sole owner of Torrey Pines; (iii) all references herein to "Torrey Pines" for the purposes of geographical location shall mean the actual location of the Championship Course at 11480 North Torrey Pines Road, La Jolla, California, unless otherwise noted herein, and (iv) the Association is entitled to the use of Torrey Pines in a manner that is consistent with the requirements of the Association, the Championship and the provisions set forth in this Agreement throughout the term of this Agreement.

B. The City hereby leases to the Association and the Association leases from the City those areas of Torrey Pines golf courses as set forth in Exhibit A attached hereto and incorporated herein, including the Championship Course and the North Course, (collectively, the "Courses"), the driving range, all other buildings, facilities and parking located on the grounds of the Courses, any locker facilities located in the clubhouse and/or such similar facilities and all equipment and supplies related to the operation of the Courses, those areas which will be designated as office, hospitality and general public areas for use, or to be controlled by, the Association in accordance with Sections 10, 13.D and 15, and all personal property owned or controlled by the City, as well as utilities, used in connection with the operation of the Courses (collectively, the "Leased Property"). The Leased Property does not include that property leased by the City to and controlled by: the Torrey Pines Club Corporation ("TPCC"), including certain areas of the clubhouse and the existing golf shop and cart storage facility; the Lodge at Torrey Pines Partnership; and the Hilton Hotels Corporation, Hilton La Jolla Torrey Pines (collectively, the "City's Lessees"). As to those leased areas, the City consents to the Association's use for the purpose of conducting the Championship, as agreed to by each City Lessee in separate agreements with the Association. The location of any Association offices, corporate hospitality, player hospitality (as such term is defined below), general public and other similar areas in the clubhouse will be mutually agreed upon by the Association and the City. The remainder of the clubhouse and the Torrey Pines maintenance facilities, including the City's administrative offices, are not part of the Leased Property. The City and the Association acknowledge and agree that unless any real or personal property of the City which is located on or at the Torrey Pines grounds at 11480 North Torrey Pines Road, La Jolla, California is specifically excluded herein from the definition of Leased Property, such real and/or personal property shall be considered Leased Property.

C. The parties acknowledge and agree that certain necessary and required portions of the land and/or facilities adjacent to and/or around the Leased Property are critical to the success of the Championship (including, but not limited to, The Lodge at Torrey Pines and the Hilton La Jolla Torrey Pines, (the "Hotels"); the golf shop facility and other areas operated by TPCC; Scripps Memorial Hospital La Jolla; area at the Torrey Pines Gliderport; and parking areas at the University of California at San Diego and QUALCOMM Stadium). The City agrees to provide agreed upon City-owned areas of the Torrey Pines Gliderport and QUALCOMM Stadium parking lot for championship purposes consistent with the usage and use period utilized for the 2008 U.S. Open Championship as part of this Agreement and for no additional charge. Upon request, the City will use its good faith best efforts to facilitate agreements to be executed prior to or as of the date hereof with the City's Lessees and/or other applicable controlling parties of such land and facilities (collectively, the "Third Party Vendors"), acceptable in form and substance to the Association (including any terms which may in any way affect the Championship), in its sole discretion, and containing any and all Association-required provisions that provide and allow for the use of such necessary and required portions of land and/or facilities adjacent to and/or around the Leased Property in connection with the Championship (the "Third Party Use Agreements"). Upon the occurrence of any circumstance, other than any circumstance caused primarily by the Association, that may lead to the inability of the Association and/or the

Championship to utilize any of the necessary and required portions of such land and/or facilities that are the subject of any of the Third Party Use Agreements including the failure to enter into a satisfactory arrangement with any Third Party Vendor for the use of necessary and required portions of such land and/or facilities, the Association, in its sole discretion, may (i) terminate this Agreement, effective immediately upon written notice to the City, or (ii) cause the City to use its best efforts to assist the Association with entering into an Association approved alternate agreement for (x) a similarly situated parcel of land and/or similar facility; (y) the relevant and required period of time and (z) materially consistent financial terms.

SECTION 2. PURPOSE

The Leased Property shall be used for the preparation, conduct and tear down of the Championship and all related activities and for no other purpose without the prior consent of the City, which consent shall not be unreasonably withheld.

SECTION 3. LEASE TERM

A. The term of the lease for the Leased Property shall be as follows: the Association and all third parties involved in the conduct of the Championship and/or events and activities associated with the Championship, shall have non-exclusive access to and/or use of the Leased Property in connection with their responsibilities, rights and obligations hereunder during the periods commencing (i) upon execution of this Agreement, up to but not including the date on which the Exclusive Lease Period begins, as set forth more particularly in Section 3.B and (ii) at 12:01 a.m. on the second day following the conclusion of the Championship through the date which is seventy-five (75) days after the Championship (the "Non-Exclusive Lease Period"). During such Non-Exclusive Lease Period and upon reasonable notice to the City, the Association's right to utilize the Leased Property shall be limited in use for the purpose of planning, coordinating and implementing plans for the conduct of the Championship and all activities related thereto or being conducted in conjunction therewith, and for dismantling and removing all temporary structures erected for the Championship and other Championship related items. During the Non-Exclusive Lease Period and to the extent practicable, the Association shall coordinate its use of the Leased Property to minimize any impact on day-to-day operations of the City and/or its Third Party Vendors, provided, however, that the Association will require portions of the Leased Property and the Courses for periods prior to the Exclusive Lease Period described below for purposes of constructing structures and facilities for the operational requirements of the Championship.

B. The Association shall have the exclusive use of the Leased Property during the period beginning at 7:01 p.m. on Wednesday, June 9, 2021 and ending at 11:59 p.m. on the second day following the conclusion of the Championship (the "Exclusive Lease Period").

C. For no additional consideration other than that stated in Sections 4 and 15 herein, the City shall permit on reasonable notice and at reasonable times and frequency, from the date of this Agreement through August 1, 2021, up to six (6) designated members of the Association's staff to accompany up to three (3) guests per staff person at any one time to play golf on the Courses at times and dates that are mutually agreed to by the parties not to exceed twenty (20) groups of four (or the equivalent thereof) in any one calendar year unless otherwise requested by the Association and reasonably agreed to by the City. The Association staff, members of the Association's Executive Committee, and media/press representatives as designated by the Association will not be required to pay a green fee, and the applicability of a green fee to all other guests shall be mutually determined by the City and the Association, provided that any guest charged a green fee shall be charged a rate equal to the City resident green fee then in effect. In addition to the Exclusive Lease Period, the Association shall also have exclusive use of the Championship Course up to six (6) full days in the aggregate during the calendar years 2019, 2020 and/or 2021 for the purpose of holding golf outings for advertisers, corporate clients, the press and other special guests of the

Association for no additional consideration other than that stated in Sections 4 and 15 herein (at the Association's election, at least three such outings shall be in Spring, 2021). The exact dates of such exclusive use and the number of players for such outings shall be mutually determined by the Association and the City. The Association shall have free use of the Championship Course on such dates and, consequently, will not be charged any green fees for individuals participating in the golf outings. The Association will pay, however, at regular and customary prices, for other non-golf course related services used in connection with the outings, including but not limited to, fees for food and beverages and caddie fees.

SECTION 4. RENT

The Association shall pay the City an aggregate of Two Million Five Hundred Thousand Dollars (\$2,500,000.00) (the "Rental Amount"), for the lease of the Leased Property as set forth in this Agreement. The Association shall pay the Rental Amount to the City pursuant to the following payment schedule:

\$25,000.00 upon execution of this Agreement by both parties;

\$250,000.00 by May 15, 2020;

\$250,000.00 by September 15, 2020;

\$250,000.00 by January 15, 2021; and

\$1,725,000.00 by no later than June 30, 2021.

SECTION 5. TITLE OF THE CHAMPIONSHIP

In connection with any media interview, media release or other publicly issued communication, the Championship shall be identified by the City, whether orally or in writing, as the:

121st UNITED STATES OPEN CHAMPIONSHIP[®]
CONDUCTED BY THE UNITED STATES GOLF ASSOCIATION[®]

Once the foregoing identification has been made, the Championship may thereafter be referred to by the City as the:

UNITED STATES OPEN CHAMPIONSHIP[®]

or the

U.S. OPEN CHAMPIONSHIP[®]

or the

U.S. OPEN[®]

or the

2021 U.S. OPEN

or the

121st U.S. OPEN

or the

NATIONAL OPEN CHAMPIONSHIP®

or the

NATIONAL OPEN®

SECTION 6. CHAMPIONSHIP LOGO

A. (i) The Championship may also be identified by a Championship logo (the "Championship Logo") which shall be designed by the Association, in its sole discretion. The Association shall consult with the City when developing any portion of the Championship Logo that incorporates logos, emblems and/or Marks owned by the City or any other third party, as the case may be; but any and all final decisions related thereto shall be made by the Association, in its sole discretion.

(ii) In connection with the development and use of the Championship Logo by the Association, the City represents and warrants as set forth in Section 27 that it owns the name and trademark "Torrey Pines Municipal Golf Course," "Torrey Pines South Course," and "Torrey Pines North Course," that the name "Torrey Pines" is a geographical designation, and that the Torrey Pines tree logo is owned by the Torrey Pines Club Corporation. This representation and warranty shall apply to the City's obligations set forth in Section 27, including its obligations to provide for the non-exclusive use by the Association of the Torrey Pines name, images of the Championship Course and of the City's facilities owned or controlled by the City, and the Championship Course design.

B. Each of the Association and the City shall have the right to use the Championship Logo, provided that the City's use of the Championship Logo shall be limited to advertising and promotion of the Championship, including its use on items used internally by the City and/or its Third Party Vendor and not intended for sale, such as score cards, placemats, paper cups, etc., in conformance with the terms and conditions of Sections 26.B hereto. The City shall additionally have the right to use the Championship logo in advertising and promotion of Torrey Pines and the City provided such use is in conjunction with the statement that identifies Torrey Pines as the "Site of the 2021 U.S. Open Championship".

SECTION 7. DATES AND PRACTICE PRIVILEGES

A. The dates of the Championship are Thursday, June 17, 2021 through Sunday, June 20, 2021 and such succeeding day or days as may be occasioned by a play-off or postponement of any round or rounds (the "Championship Period"). The three (3) days prior to the Championship, June 14, 15 and 16, 2021, shall be practice days (the "Practice Days"). In addition, the fourth day prior to the Championship, Sunday, June 13, 2021, shall be an additional practice day (the "Sunday Practice Day") and shall be referred to, and included in, this Agreement as necessary. For purposes of this Agreement, the "Championship Week" shall include the Sunday Practice Day, the Practice Days and the Championship Period, Sunday, June 13, 2021 through Sunday, June 20, 2021 (in the event of no play-off or postponement). Any reference herein to the "conclusion of the Championship" shall necessarily extend through the Championship Week and include such succeeding day or days as may be occasioned by a play-off or postponement of the Championship.

B. For no consideration other than that set forth in Sections 4 and 15 herein, the City agrees to limit play on the Championship Course to Championship players and Association personnel only during the Exclusive Lease Period and on the Monday, June 7, Tuesday, June 8 and Wednesday, June 9 prior to the Exclusive Lease Period.

C. (i) The City will extend to players and their immediate families and/or guests grounds privileges from Sunday, June 13, 2021 through Sunday, June 20, 2021 and such succeeding day or days as may be occasioned by a play-off or postponement of any round or rounds. The City will also extend to players free use of the Course for practice during such period immediately preceding the Championship Week (Monday, June 7, 2021 through Saturday, June 12, 2021). During this time, the players may use the Championship Course but players and their guests shall comply with all other City rules relating to play on the Championship Course, including but not limited to dress code rules and rules relating to use of golf carts. The City shall not be obligated to give players preference with respect to tee times during such period provided, however, that all players who desire to use the Championship Course for practice on any given day must be accommodated.

(ii) During the period beginning Monday, June 7, 2021 through Saturday, June 12, 2021, the City or its Third Party Vendor may require players to pay for any and all services and goods they purchase at Torrey Pines at the point of sale. The City or its Third Party Vendor may also, however, choose to extend to players the privilege to sign for any and all goods and services. If the City or its Third Party Vendor chooses to extend such credit privileges, settlement of any unpaid debts shall be between the City or its Third Party Vendor and the players only, and shall in no circumstances become the responsibility of the Association.

SECTION 8. ASSOCIATION AND CITY COOPERATION; CITY SERVICES

The Championship is a major event which requires extensive planning and work in order to be conducted in a manner befitting a major national championship. Consequently, it is vital that each of the Association and the City works and cooperates with the other and each party agrees to do so for the period beginning upon execution of this Agreement and ending three (3) months after the conclusion of the Championship, provided that if circumstances require additional work relating to the Championship which extends beyond the end of such period, the Association and the City shall work and cooperate with each other for the length of time necessary to complete all such work. For the purpose of working with the Association to carry out the terms of this Agreement, the City's Assistant Chief Operating Officer, Director of Special Events, Deputy Director of Golf Operations, and Chief of Police (or as otherwise designated by the City's Mayor) shall serve as the City's primary contacts ("Executive City Staff"). The Executive City Staff shall assist the Association with the coordination among various City departments to successfully plan and conduct the Championship. The City will inform the Association at the earliest possible date of the names of the Executive City Staff, and the designated lead contact.

Except as otherwise set forth herein, any and all decisions made by the Association and the City in connection with this Agreement and/or the implementation of policies and procedures related in any manner to the Championship shall be decided and/or performed, as the case may be, in a manner consistent with the purpose and intent of this Agreement. The parties shall work together to ensure that the overall nature and experience of the Championship is, at a minimum, comparable to the 2008 United States Open Championship with reference to the lessons learned and best practices implemented at the 2017 through 2020 United States Open Championships (such concept, as it relates to the inclusive and overall nature of those Championships, shall be used and referred to herein as, the "Minimum Championship Standards"). In addition, both parties will focus on the administrative, physical, financial and other arrangements for the Championship, which require resolution, at the earliest possible date. In all respects, the parties to this Agreement have duties of good faith and fair dealing to each other.

Given the City's position as the course owner, it is important to the Association to have an identified group of individuals and organizations in the community who are committed to volunteering to fulfill various functions the Association typically receives from individuals associated with the host club and its community ("Local Host Committee"). These functions include marketing and sales of corporate hospitality venues, coordination and support of the Association's community relations efforts and volunteer recruitment and

organization. The Association anticipates these support elements to be similar to the efforts put forth by individuals associated with the volunteer host committee in connection with the 2008 U.S. Open Championship. The Association will identify individuals in the community who are both familiar with the Association's personnel, policies and procedures and have significant experience in the staging of a U.S. Open Championship at Torrey Pines who would be the best candidates to participate on the volunteer Local Host Committee. The Association will inform the City at the earliest possible date of the members of the Local Host Committee.

The Association and the City will discuss and mutually agree upon the means for providing cost reimbursement or other economic assistance to the Local Host Committee, if necessary, for the express purpose of directly assisting the Local Host Committee in carrying out its role and accomplishing the purposes of this Agreement. Such means may include a reduction in amounts currently allocated to the City, if agreed to by both the Association and the City.

SECTION 9. RIGHTS AND RESPONSIBILITIES

Each of the City and the Association shall have the rights and responsibilities with respect to the Championship that are allocated to it pursuant to this Agreement. Any right, including, but not limited to, rights to revenues and/or responsibility relating or in any way connected to the Championship that is not specifically allocated to the City pursuant to this Agreement shall be the exclusive right and/or responsibility of the Association. The City acknowledges that from the date hereof up through and including the commencement of the Championship, the Association has the right to make certain modifications and improvements to the Association's operations associated with the overall conduct of the Championship. As such, the City acknowledges and agrees that it shall assist and cooperate with the Association in maintaining the Minimum Championship Standards set forth and implemented by the Association for the 2017 through 2020 Championships, subject to variations dictated by venue differences; provided, however, that if any material modifications or improvements to operations made by the Association give rise to an additional expense or source of revenue that is not contemplated pursuant to this Agreement, the City and the Association shall discuss and mutually agree as to the proper treatment and/or allocation, as applicable, of any such additional expense as between the parties. The Association acknowledges that unless the additional costs can be absorbed as part of the City's existing operational budget, the City's ability to agree to pay additional costs is limited and may require additional action by the City Council. The Association shall decide as to the proper treatment and/or allocation, as applicable, of any additional source of revenue.

SECTION 10. CERTAIN OBLIGATIONS OF THE ASSOCIATION

In addition to its other obligations set forth in this Agreement, the Association agrees, at its expense (unless any expense is specifically allocated to the City or Third Party Vendors pursuant to the terms of this Agreement), to do the following with respect to the Championship:

- A. Determine the conditions of the competition for the Championship, as well as the playing conditions for the Championship Course as set forth more particularly in Section 18;
- B. Assume all activities and responsibilities concerning the printing, distribution and processing of all entries of players;
- C. Provide *The Rules of Golf* books, bag tags and identification badges for players;
- D. Provide paint for marking specific areas on the Championship Course, including, but not limited to, water hazards and ground under repair;
- E. Make available to the City with respect to the Championship Course only, the advisory services of its Green Section staff, in connection with the preparation and maintenance of the

Championship Course for the Championship for the period beginning upon execution of this Agreement through the conclusion of the Championship. The timing and extent of such advisory services to be provided to the Championship Course shall be mutually determined by the City and the Association;

F. Advise the City through the Executive City Staff periodically and from time to time, as the City may reasonably request, as to the status and nature of the arrangements for the Championship. The time, nature and location of such periodic updates from the Association, if applicable, shall be determined by the Association and conveyed to the City in a reasonably timely and acceptable manner;

G. Determine and provide all prizes to be awarded in conjunction with the Championship, including prize money;

H. Produce media credentials; process all applications for, determine the allocation of and issue all media credentials;

I. Provide and erect grandstands on or around the Championship Course at locations and with dimensions specified by the Association, in its sole discretion;

J. Provide freight transportation for Association equipment used at the Championship;

K. Provide media facilities and services. The Association shall have sole and total responsibility for arranging for and administering all media facilities, furnishings, utilities and services and all other activities which involve the media, including, but not limited to, determining the size and location of the media facility, interview area and food service area for the media. The parties acknowledge and agree that in connection with the media facilities and if requested by the Association, the Association shall have the right to use any facility within the Leased Property for such media facilities at no cost to the Association or any of the areas subject to the Third Party Use Agreements;

L. Provide facilities, tents, or other structures (e.g., product display tents) and related programs for Association-determined corporate partners. The Association shall have responsibility for arranging and administering all such corporate partner facilities and programs, including, but not limited to, determining the size and location of the corporate partner structures;

M. Provide a telecommunications system to service the various committee headquarters, public telephones, media facility and scoring system to supplement the existing telecommunications system at the Leased Property for purposes of the Championship, as determined by the Association, in its sole discretion;

N. Provide portable toilet facilities in quantities and at locations determined by the Association, in its sole discretion, provided that all requirements of local health officials or other applicable laws or regulations regarding such facilities shall be met;

O. Provide for the construction and dismantling of all tents, trailers and other temporary structures. The City and the Association may mutually determine to provide a tent(s) for the City and/or the Local Host Committee (the "City Tent") at an agreed upon location and at the City's expense; the City acknowledging and agreeing that such tent, if applicable, shall be constructed and designed by the Association's applicable Championship vendors and all such construction and/or design prices related thereto shall be the same as or substantially similar to the prices obtained by the Association in connection with such other comparable Championship facilities;

P. Provide and erect all signage for the Championship, other than that signage referred to below, including, but not limited to, road, directional and parking signs. The Association shall determine the number, location and make-up of all such signs in its sole discretion. The Association shall require, by separate agreement, that any applicable Third Party Vendor, and not the Association, shall be responsible for providing, erecting and assuming the cost for all signage relating to the food and beverage operation in all areas, if any, allocated to such parties pursuant to Section 16.A. All signage shall be produced by the

Association-selected signage vendor and shall be consistent with signage provided by the Association with respect to, among other things, size, style and color;

Q. Provide all plumbing required for the Championship which cannot be met with existing plumbing capability;

R. Provide all electrical needs for the Championship, other than electrical needs to be met by the City as set forth below, which cannot be met with existing City electrical capability, provided that the City shall have no obligation to provide the electrical needs of the Media Rightsholder (as defined in Section 21.C) and provided further that the Association's electrical needs shall be measured by a meter which is separate from the City's;

S. Devise and prepare an evacuation plan for players in the Championship and brief all personnel and security on such plan and provide the necessary vehicles to support the plan. The type, number, locations and times needed for such vehicles shall be determined by the Association and made a part of the evacuation plan;

T. Provide ropes and stakes for gallery control;

U. Provide for litter collection, garbage removal and general clean-up of the grounds and all necessary related equipment and personnel;

V. Provide, at its expense, electric golf carts and/or other specialty vehicles and the maintenance for such carts or vehicles required by vendors and/or contractors with whom the Association has contracted for the Championship;

W. Provide top-quality range balls for use by players during practice;

X. Provide for and conduct pre-registration and registration of players at times and locations specified by the Association, in its sole discretion;

Y. Provide courtesy transportation through the use of cars, vans and/or buses and paid professionals and/or volunteers to drive and/or otherwise assist with such courtesy transportation as follows:

a) Players and members of their immediate families: to and from the San Diego International Airport and thereafter to and from Torrey Pines and hotels where rooms are reserved for players and their immediate families;

b) Media: at the sole option of the Association, to and from Torrey Pines and hotels designated as media housing centers;

c) Association Officials: to and from the San Diego International Airport and thereafter to and from Torrey Pines and hotels where rooms are reserved for such officials; and

d) Association Guests: to and from Torrey Pines and hotels where rooms are reserved for such guests.

The hours that such volunteers and transportation are to be available shall be specified by the Association as will the number and type of vehicles to be supplied;

Z. Provide courtesy cars for exclusive use by Association officials, players and courtesy car drivers; such cars to be assigned by the Association, in its sole discretion;

AA. Reserve rooms at nearby hotels for players, media representatives (if the Association elects to contract rooms for such media representatives) and Association representatives and guests. Upon request by the Association, the City and/or the Local Host Committee shall use reasonable efforts to assist the Association in connection with securing such hotel rooms as set forth more particularly in Section 11.N;

BB. Provide first-aid stations, ambulances and medical personnel able to communicate immediately with the Association's officials and the City. The Association shall determine the number and location of first-aid stations, ambulances and medical personnel to be supplied, provided that there shall be a minimum of two (2) first-aid stations, each with at least one (1) licensed medical doctor, a minimum of two (2) individuals who have been trained and certified in the proper use of AED defibrillators, two (2) AED defibrillators and one (1) ambulance. If requested by the Association, the City shall use its reasonable best efforts to assist the Association, in obtaining such services and personnel free of charge;

CC. In consultation with the City, determine what licenses and permits, if any, will be needed for conducting all aspects of the Championship for which the Association is responsible, including but not limited to, for construction, routing of traffic and the serving of food and alcoholic beverages in those areas in which the Association will be responsible for the service of food and alcoholic beverages, and obtain all such licenses and permits. If requested by the Association, the City will assist in the procurement of any required licenses, permits or easements to the Leased Property that may be held by any Third Parties and may impact the conduct of the Championship. To the extent any of the necessary licenses or permits are subject to issuance by the City, the amounts charged for the issuance of such licenses and permits shall be included in the amount set forth in section 20.B.;

DD. Four (4) months prior to the Championship, deliver to the City a list identifying the Association's known vendors who will be working on the Championship;

EE. Provide a severe weather detection and warning system;

FF. Formulate and implement an operating plan for the conduct of the Championship, including locations of facilities and equipment and permanent and temporary access-ways and roadways that will be used in connection with the Championship, and a timeline that specifies the use of the Courses and Leased Property. In formulating the operating plan, the Association will use reasonable best efforts to minimize the impact of such plan on daily play and City operations, where possible. The operating plan shall be developed at the discretion of the Association in consultation with the City, and a summary thereof submitted to the City for review as early as practicable, but in any event no later than six (6) months prior to the commencement of the Championship Period. In connection with the Association's development of an operational plan for the Championship, the Association and the City shall mutually agree to designate, and at such times as are appropriate identify by signs or other suitable durable means those roadways, cart and/or foot paths and other feasible avenues of access and egress on the Courses which may be used by the Association, its vendors, the Company and others providing services to or working for the Championship, the principal purpose of such designations being to confine vehicle, cart and foot traffic on the Courses to as few such formal or informal avenues as is practical and to preserve the untrodden areas. The Association's staff members at Torrey Pines, and the employees of the City and its Third Party Vendors will collaborate in enforcing adherence to the designated avenues;

GG. Recognizing that pedestrian and general golf cart and/or other vehicular traffic will cause normal "wear and tear" to roughs and crossings in fairways customary for a U.S. Open and the Association shall not be required to replace turf that the parties reasonably conclude will return to its pre-Championship condition with irrigation and other care customarily provided by the City's grounds maintenance staff, the Association will work in conjunction with the City to develop a plan for the restoration and repair of sections of the Leased Property upon completion of the Championship (the "Restoration Plan"), including, but not limited to, an arrangement whereby the Association shall (i) remove temporary access roads and paths and restore affected terrain; (ii) replace shrubs and bushes that the Association has removed or damaged beyond repair and (iii) repair areas that have suffered excessive damage due to temporary construction directly associated with the Championship. The parties shall mutually agree upon the cost and methodology in connection with the development and implementation of the Restoration Plan. The Restoration Plan will restore such affected areas of the Leased Property in as timely a manner as practicable and at the Association's expense. In addition, the Association agrees to (i) remove all temporary structures as expeditiously as possible, conditions permitting, and (ii) use reasonable efforts to include a similar provision

in its applicable vendor agreements. The parties acknowledge and agree that (i) the provisions in this Section 10.GG shall in no way limit or affect the provisions set forth and the rights granted to the Association in Sections 11.A and 18 and (ii) the provisions of this Section 10.GG shall in no way apply to any changes directed and/or caused by the Association to the Championship Course and/or the Practice Facilities (as herein after defined) pursuant to Sections 11.A and 18 intended to improve playing conditions;

HH. Provide full-time Championship staff, the number, responsibilities, and timing of such staffing assignments to be determined by the Association, in its sole discretion.

SECTION 11. CERTAIN OBLIGATIONS OF THE CITY

In addition to its other obligations set forth in this Agreement, the City agrees, at its expense, and for no additional consideration other than as set forth in Sections 4 and 15 hereof, to do the following with respect to the Championship:

A. Agree to the conditions of play for the Championship as determined by the Association, as well as prepare the playing conditions of the Championship Course as more particularly set forth in Section 18;

B. Provide Practice Facilities (described below) and all related equipment owned and/or used by the City to be used by the Association and players during the Championship Week. (The Association shall enter into a separate agreement with TPCC for use of equipment and facilities controlled by TPCC.) The area to be used as Practice Facilities shall be located on Association determined areas of the North Course, and shall include a practice putting green, bunker and short game areas and a teeing area and range of a size so that at least thirty-five (35) players can practice simultaneously. Such Practice Facilities must have playing conditions similar to those of the Championship Course as developed and determined by the Association's agronomists pursuant to Section 18 and must be acceptable to the Association. In the event any Practice Facility is not reasonably acceptable to the Association, the City shall make all changes at its expense that are necessary to make such Practice Facility acceptable to the Association;

C. Provide stakes acceptable to the Association for marking specific areas on the Championship Course, including, but not limited to, water hazards and out of bounds. The number and type of stakes to be provided by the City shall be determined by the Association, in its sole discretion;

D. Provide areas and facilities on the Leased Property, (other than any areas utilized by the Association pursuant to the Third Party Vendor Agreements) for locating facilities and equipment, which shall be utilized in connection with the Championship, including, but not limited to, the hospitality facilities, Association corporate partner facilities, retail merchandise facilities, the media center, catering compounds and facilities, concession stands, grandstands, tents, equipment and trailers used by the Media Rightsholder. The Association shall make, and inform the City of, the initial selections of all such locations. After the Association has informed the City of its selection, the Association shall consult with the City regarding such selections and consider any changes proposed by the City. Following such consultation, the Association shall make the final location selections, in its sole discretion;

E. The City shall provide an area or areas in the clubhouse and/or other facilities located on the Leased Property, (or, in the alternative and at the request of the Association, assist the Association with providing such requirements in an area or areas contained in one or more of the Third Party Use Agreements), requested by the Association, to be used exclusively by the Association as the USGA Rules Offices for the times and dates specified by the Association. In the event the City is unable to provide any or all such area(s), the Association shall provide a trailer or trailers, at its own expense, located near the Clubhouse, or in any other location determined by the Association for its offices. The Association shall furnish the area(s) or trailer(s), as the case may be, with all necessary equipment;

F. Provide office space in a mutually agreed location on the Leased Property for Association Staff beginning a minimum of two (2) years prior to the Championship and concluding no later than ninety (90) days following the conclusion of the Championship. If the Association determines that there is not adequate space for such area within existing facilities owned and operated by the City or its Third Party Vendors the Association will provide a trailer or trailers for its own use and at its expense at an Association-determined location on the Leased Property;

G. If requested by the Association, provide space in the clubhouse or other existing facility that is owned and operated by the City on the Leased Property from Sunday, June 13, 2021 through the conclusion of the Championship for (i) the Association's exclusive use for officials, staff and guests and/or (ii) the exclusive use of players, their immediate families and guests (the "Player Hospitality Area"), for the Championship Week. If the Association determines that there is not adequate space in the clubhouse or other existing facilities for such hospitality area, the Association will provide a hospitality tent or tents for these purposes at its expense;

H. Intentionally omitted;

I. Intentionally omitted;

J. Notify the Association immediately as to any issues or problems which arise relating to labor unions which will or may affect this Agreement or the Championship. All decisions regarding labor issues that may affect the Championship shall be made exclusively by the Association unless they relate solely to the City employees, in which case they shall be made by the City. The City shall assist the Association, at the Association's request and cost, with all matters relating to labor unions;

K. Provide access to the Leased Property, including the Courses and other facilities, to vendors who are providing services to the Association for the Championship at such times, for such reasonable periods and in such manner as indicated by the Association. The City shall have the right to deny such access to vendors only if the contemplated access will cause extensive and/or irreparable damage to the Course or other Leased Property in the reasonable opinion of the Association and the City. In such a case, the City shall use best efforts to provide alternative access which will satisfy the relevant vendors' requirements. In the event that union activities make it necessary for vendors to remain on Torrey Pines or the Leased Property premises for the entire period, or part of the period, of time required to fulfill their obligations to the Association, the City shall allow such vendors to remain on Leased Property as needed and shall assist the Association in providing amenities to the vendors, provided that the City shall not be obligated to incur any costs in providing such assistance;

L. In connection with any City employees supplied by the City, the City represents that it has a sound understanding of the level of professionalism, decorum, courtesy and respect required by the Association in connection with the Championship and the treatment of the public at the Championship. In connection therewith, the City further represents that, subject to and consistent with applicable union contracts and federal, state and local employment laws, (i) it shall direct its employees to act in a sound, professional manner consistent with the high standards of the Association; (ii) it will have no knowledge or concern related to the background of any employee nor any experience with any employee that would cause it to doubt or question the ability and capacity of any employee to perform its obligations under this Agreement and/or directly or indirectly represent the City and/or the Association in a sound, professional and appropriate manner consistent with the objectives and high standards of the Association; (iii) it shall be solely responsible for any and all actions of its employees throughout the performance of its obligations under this Agreement other than those actions which are undertaken at the direction of the Association or its representatives, and (iv) based on past experiences and its professional judgment, it will have no knowledge or concern that any of its employees shall adversely affect the objectives and high standards of the

Association in connection with the Championship and/or the treatment of the public at the Championship due to the presence of any such employee at the Championship.

In connection with any vendor-related service employees supplied by the City, the City (i) represents that it will use reasonable efforts that meet the Minimum Championship Standards and are subject to and consistent with applicable union contracts and federal, state and local employment laws, to ensure that any such vendor has made reasonable inquiries and efforts to ensure that such vendor-related service employees shall act in a sound, professional manner consistent with the high standards of the Association and (ii) shall, as between the City and the Association, be solely responsible for any and all actions, or the failure to act, of such vendor-related service personnel throughout the performance of its obligations under this Agreement. The City further represents that, also subject to and consistent with applicable union contracts and federal, state and local employment laws, it shall (i) make reasonable inquiries if any negative and/or problematic information results from the inquiries and efforts set forth above in connection with vendor-related service employees and (ii) require that all Championship-related vendors represent and warrant to the City that they have performed substantially similar endeavors in connection with all employees. The City further represents that, subject to and consistent with applicable union contracts and federal, state and local employment laws, it shall not identify or supply any volunteers to work at the Championship if it has any knowledge or concern that any of such volunteers shall adversely affect the objectives and high standards of the Association in connection with the Championship and/or the treatment of the public at the Championship due to the presence of any such volunteers at the Championship. Furthermore, in connection with personnel supplied by the City pursuant to this Agreement, City staff shall assist with Championship-related activities at no cost to the Association throughout the Championship Week. The City shall, subject to and consistent with applicable union contracts and federal, state and local employment laws, permit and cooperate with the Association to the extent the Association determines to institute any additional procedures to ensure the adequacy of such personnel and volunteers and the safety of the Championship, players and attendees, including, but not limited to, the performance of background checks;

M. In connection with the Association's hotel requirements set forth in Section 10.AA, reasonably assist the Association in securing such rooms at the lowest rates available if requested by the Association; and

N. Unless otherwise agreed upon by the parties, from July 1, 2018 up to an including a period of one (1) year following the Championship, the City agrees that the current green fee payable by City residents for use of the Championship Course shall not be increased by any more than three percentage points corresponding to the City's existing business plan.

SECTION 12. COMMITTEES AND VOLUNTEERS

A. The Association and the City acknowledge and agree that the success of the Championship depends on the formation of a number of committees to handle various activities required to conduct the Championship as well as the recruitment and utilization of a large corps of volunteers. An initial list of required committees will be delivered to the Executive City Staff and the Local Host Committee by the Association no later than three (3) years prior to the first Practice Day. The Association shall notify the Executive City Staff and the Local Host Committee in the event modifications to such list become necessary. If requested by the Association, the Executive City Staff will support the efforts of the Local Host Committee to (i) assist the Association in supplying voluntary committee chairpersons to head committees designated by the Association; (ii) reasonably assist the Association in recruiting volunteers from outside clubs and organizations; (iii) advise the Association as to the best sources for additional pools of volunteers and (iv) as set forth herein, reasonably assist the Association in developing relationships and working with the local communities and governments, including, without limitation, police, fire and emergency service authorities and governments, as well as learning historical information regarding past championships and other similar events at Torrey Pines and within the local community. The City shall appoint one (1) chairperson from the

Executive City Staff and the Association shall request the appointment of one (1) person from the Local Host Committee to serve as liaisons with a representative of the Association on an as needed basis. The Association shall provide Championship staff to oversee and work with the liaisons. The Association acknowledges that except for the City's representation in 11.L above in connection with volunteers, and its specific undertakings herein, the Association is solely responsible for supervising volunteers during the Championship and is liable for all activities of the volunteers in connection with the Championship.

B. The Association shall determine, in its sole discretion, the attire for volunteers, which attire shall be uniform in color and style. The Association shall provide such uniforms for purchase at a reasonable cost to volunteers and, if approved by the City, to City employees working on-site during the Championship. The Association and City agree that, to the extent possible, any discounts or donations of the approved uniforms shall be made available to volunteers and employees alike.

C. Should the Association desire that all grounds maintenance workers, whether City staff or volunteer, wear the same attire, then the Association shall make such uniforms available for purchase at a discounted or reasonable rate. The City shall have the right to approve the wearing of the uniforms by City employees.

SECTION 13. ADMISSIONS AND SPECTATORS

A. The Association shall be responsible for the marketing, development, printing, sales and fulfillment of all admission tickets, credentials and badges and all activities relating thereto in advance of and during the Championship. This responsibility shall include the credentials and badges for City and Local Host Committee persons, and City and Third Party Vendor staff and volunteers. If requested by the Association, the City and Local Host Committee shall assist the Association with the promotion of ticket sales, provided that the Association will reimburse the City and Local Host Committee for reasonable expenses the City and Local Host Committee incur in providing such assistance.

B. Prices for tickets and the value of the individual items included therein, as well as all policies relating to the admission tickets, shall be determined by the Association, in its sole discretion. The Association may, in its sole discretion, develop and sell other types of admission tickets, including, but not limited to, daily tickets and tickets targeted to specific groups of people.

C. The Association shall be entitled to all receipts from all admission tickets, regardless of how sold, including admission to practice rounds on the Practice Days. Only those individuals assisting in the conduct of the Championship by serving as paid staff and/or volunteer workers and meeting certain minimum criteria established by the Association may be admitted to the Championship or the Practice Days without charge. The Association shall provide the City three hundred (300) weekly grounds tickets that include entrance to the City Tent described in Section 13F free of charge for use as by the City. The City shall also be entitled to purchase three hundred (300) weekly season ticket packages from the Association at a cost equal to the full retail cost of the admission ticket. Use of either ticket option is contingent upon adoption by the City Council of a distribution policy for their use. The City acknowledges that it assumes all responsibility for compliance with State, County, City and other applicable laws, regulations and policies regarding receipt of gifts, gratuities and complimentary tickets by government employees and officials. The City, its staff and the staff of its Third Party Vendors or suppliers shall not sell and/or re-sell any complimentary tickets and/or tickets purchased from the Association. The Association shall have the right to approve the Distribution Policy for the limited purpose of assuring that no blocks of tickets are being made available which might negatively impact corporate hospitality sales. Subject to Section 15.F, the Association shall be responsible for paying any applicable taxes occasioned by the sale of tickets. At the request of the Local Host Committee and pursuant to an agreement as stipulated by the Association, the Association shall make available to designated representatives of the Local Host Committee up to four hundred fifty (450)

weekly season ticket packages for purchase from the Association at a cost equal to the full retail cost of the admission tickets. The Association shall determine the dates and method of the sales program and shall set-up, conduct, and control the procedure by which such designated individuals shall be allowed to purchase tickets.

D. The Association may elect to sell individual admissions to the grounds and one or more temporary or permanent structure to be used as an upgraded spectator facility (the "Upgraded Spectator Facilities"). The Association shall be entitled to all gross receipts connected therewith for admission to the Upgraded Spectator Facility. The parties contemplate that such Upgraded Spectator Facilities, if applicable, shall be substantially similar to the Association's Minimum Championship Standards for Upgraded Spectator Facilities.

E. The maximum number of purchasers of admission tickets to be admitted to the Championship grounds, the clubhouse and any Upgraded Spectator Facility, on any one day shall be determined by the Association, in its sole discretion, subject to any applicable law or limits of occupancy, but in no event will it be greater than the daily capacities of the 2008 U.S. Open Championship (approximately 42,500 paid admissions).

F. The City and the Association shall mutually determine whether a hospitality tent for the City and/or the Local Host Committee (the "City Tent") will be required and the location and form of the structure for such Tent. In the event a City Tent is required, such tent shall be constructed by the Association's tent vendor. Material decisions relating to the City Tent, including but not limited to, the size and use thereof shall be mutually made by the Association and the City. There shall be no sales or marketing fee for the City Tent, regardless of size or location. All costs relating to the construction, dismantling and outfitting of the City Tent shall be borne by the City, however, such cost shall be deducted from the final payment to the City of proceeds from hospitality sales pursuant to section 14.F along with a deduction for any cost incurred by the Association for providing electricity to spaces in the clubhouse used by the City during the Championship. The Association will ensure that the pricing structure charged by its tent vendor is not in excess of that charged to the Association by said vendor. The City Tent shall not be considered part of the Hospitality Program as specified in Section 15.A., and therefore is not subject to revenue sharing as set forth in Section 15.F.

SECTION 14. OFFICIAL PROGRAM; COURSE MAP & GUIDE AND PAIRING SHEETS

A. The Association at its expense may, or may permit a third party to, produce, publish and distribute an official program for the Championship (the "Championship Program") daily pairing sheets, a course map and guide or their functional equivalents. The prices charged (if applicable) for the Championship program, pairing sheets, course map and guide shall be determined by the Association.

B. If the Association elects or permits a third party to produce and publish a Championship program and daily pairing sheets pursuant to paragraph A above, the Association shall, or shall cause a third party to, provide all editorial content for the program and the daily pairing sheets. All activities undertaken, and decisions made in connection with the program and the pairing sheets, including, but not limited to, the format, the promotion thereof, the price and nature of the advertising contained therein, the proposed circulation information and the distribution plan shall be determined by the Association or a designated third party in its sole discretion. The Association shall retain one hundred percent (100%) of the gross receipts from the production, sale or licensing of the official program and/or pairing sheets, including, without limitation, any advertising revenue. The City agrees to make available to the Association any and all historical information, photographs and the like reasonably requested by the Association or an entity designated by the Association for use in the program and/or daily pairing sheets and/or the course map and guide as well as for promotion of the Championship.

C. The City shall receive a number of such Championship Programs free of charge. Such number shall be determined by the Association after consultation with the City. In addition, the City may purchase from the Association, or such incurred third party up to that number of programs determined by the Association at a price equal to the cost of printing such additional Championship programs.

D. The Association and City shall work together in good faith to develop a mutually agreeable plan intended to provide the City, the Mayor and the Parks and Recreation Department an opportunity to welcome the Championship and its attendees as well as provide other exposure for the City. The parties shall agree upon the appropriate advertising and/or media vehicles for such plan during an appropriate time period leading up to the Championship.

SECTION 15. HOSPITALITY PROGRAM

A. The Association shall have the exclusive right to develop a hospitality program (the "Hospitality Program") for the Championship. The Hospitality Program shall include, at a minimum, the rental of any facility or space, or portion thereof, during the week of the Championship on the Leased Property and at Third Party properties (i.e., the Hotels) and facilities adjacent to the Leased Property, for hospitality purposes, provided however, that (i) the hospitality facility or facilities to be provided to the Media Rightsholder(s) pursuant to Section 21.C.4; (ii) any facility used by the Association or players; (iii) the City Tent (if applicable) and/or the Upgraded Spectator Facilities and (iv) any facility provided by the Association to its corporate partners or used by the Association as a trade-out for services provided by a Championship vendor, shall not be part of the Hospitality Program and thus shall not be subject to the terms of this Section 15; further *provided, however*, that (a) with respect to those facilities specifically utilized by corporate partners or as trade-outs pursuant to clause (iv) above (such facilities are in addition to the facilities set forth in clauses (i) through (iii) above), no more than five (5) tents and six (6) tables (or the functional and material equivalent thereto) shall be excluded from the Hospitality Program for purposes of this Section 15; and (b) the location of such tents and tables shall be determined solely by the Association (but not including the area (s) designated for use by the City and/or Local Host Committee).

B. The Association shall have the right, in its sole discretion, after consultation with the City, to determine the location, size, type and number of facilities and/or packages which are to be part of the Hospitality Program. The City will provide the site for the erection of the tents and/or the other hospitality facilities at the location(s) selected by the Association and will provide access to the Leased Property during the times identified by the Association to the vendors who will be involved with providing the tents and/or the other hospitality facilities and the related services therefore. The Association shall select, contract with and oversee such vendors, including but not limited to, the tent vendor and caterer. Except as otherwise set forth in this Section 15, the Association shall bear all costs and expenses of the Hospitality Program.

C. The Association, after consultation with the City, shall be responsible for determining, in its sole discretion, the rental prices for the hospitality packages and shall also be responsible for determining, in its sole discretion, the allocation of such rental price among the programs, admissions and parking, and/or any other items included as part of the hospitality package(s) offered to hospitality clients, including but not limited to, any food and beverages or other amenities. Any such allocation of the value of such programs, parking any other items included as part of the hospitality packages will be materially consistent with the allocations for such items under the Minimum Championship Standards. The amount allocated to admissions tickets shall be based on the face value of a grounds only admissions ticket.

D. (i) The Association shall develop a marketing plan for the Hospitality Program and shall appoint marketing personnel and/or a third-party vendor to oversee the implementation of such plan. The Local Host Committee and/or the City may assist the Association in marketing the Hospitality Program as directed by the Association and in coordination with the marketing personnel and/or third-party vendor

appointed by the Association. All activities undertaken by the City and/or the Local Host Committee in connection with the promotion and sale of the Hospitality Program shall require the express approval of the Association prior to any customer solicitation.

(ii) The Association shall be responsible for all costs expressly identified with the marketing plan it develops. In the event that the City or the Local Host Committee desires to undertake any marketing activities in connection with the implementation of the Hospitality Program that are not part of the plan, the City or the Local Host Committee may do so only if it receives the prior written approval of the Association with respect to each such activity. Provided the City or the Local Host Committee has asked for and received such prior approval from the Association, the Association shall bear the cost of the activity as approved, unless otherwise agreed by the parties. In the event the City or the Local Host Committee fails to get the prior approval of the Association or to conduct the activity as approved by the Association, the cost of the activity shall be borne by the City or the Local Host Committee and the Association shall have no responsibility whatsoever for any resulting costs and expenses.

E. The City and/or the Local Host Committee shall promptly notify the Association of the name of each entity and/or individual which has indicated an interest in purchasing a hospitality package as a result of the City's and/or the Local Host Committee's marketing and sales efforts, the appropriate contact person from such entity and/or individual and the type of package purchased, if applicable. The Association shall be responsible for delivering a copy of the hospitality package contract to such entity and to the extent necessary, negotiating the terms of such agreement. The Association shall collect all monies relating to the hospitality packages.

F. The City and the Association shall share in revenues derived from the Hospitality Program (as fully defined in Section 15.A above) with respect to the gross receipt value received from each corporate hospitality client at the Championship (the "Corporate Hospitality Package Fee"). The face amount value of all tickets and/or grounds admission passes, parking and programs included in each Corporate Hospitality Package Fee (the "Ticket Value") shall be deducted from the total Corporate Hospitality Package Fee, and the resulting amount (the "Net Fee") shall be shared at the rate of 80% to the Association and 20% to the City; provided, however, that with respect to the Hotels, the Net Fee shall be shared at the rate of 90% to the Association and 10% to the City.

In the event that the Association elects to include food and beverage or other amenities in the Corporate Hospitality Package Fee, the value of such food and beverage shall also be deducted from the Corporate Hospitality Package Fee for purposes of the above calculation. In connection with the formula set forth above, gross receipt value shall include all revenues paid to the Association as a Corporate Hospitality Package Fee, less any (i) sales, use or similar taxes and less (ii) returns and allowances.

SECTION 16. FOOD AND BEVERAGES

A. The Association shall be responsible for arranging for and overseeing all food and beverage service for the Championship, including, but not limited to, for all purchasers of hospitality packages, in the media facility and on the Leased Property.

B. The Association shall be entitled to all revenues from, and shall be responsible for all expenses relating to, the food and beverage services for which it is responsible

C. The Association shall determine, in its sole discretion, the location, size and number of food and beverage stands, the products and prices of products sold in all food and beverage stands, hospitality areas and the media facility and shall identify and contract with all necessary caterers and concessionaires. The City shall provide all Association selected vendors involved with food and beverage

service with access to its grounds during the times indicated by the Association, subject to the specific access terms of this Agreement.

D. The Association acknowledges that it, or its vendors, shall be responsible for, and will obtain, the necessary licenses granting permission for the sale of alcoholic beverages in those areas where it is responsible for providing alcoholic beverages. The City agrees that it shall assist the Association and/or its vendors in obtaining such licenses if requested by the Association, including an agreement to suspend any licenses or to assist with and secure the suspension of any other relevant licenses as required by the Association.

SECTION 17. PUBLIC SCORING SYSTEM

A. Other than as specifically set forth below, the Association shall provide and be responsible for all phases of the scoring operation, including, but not limited to the electronic scoring system. The City shall have no right to provide its own independent scoring information other than as set forth in this Section 17 or otherwise in this Agreement.

B. The Association may, or may contract with a company or companies (individually or collectively, the "Electronic Scoring Company") to provide equipment and personnel for electronic computation and display of scores.

C. Any and all scoring or scoring-related information generated, and the form of presentation of such information, by the Association and/or Electronic Scoring Company is the property of the Association and/or Electronic Scoring Company, as the case may be. Consequently, the City agrees that it will not, and will not permit any other person or entity within its control to, utilize the Association's and/or Electronic Scoring Company's information and/or presentation of information, in whole or in part, in any manner whatsoever including, but not limited to, manipulation of such information or presentation, without (i) the Association's and the Electronic Scoring Company's express permission and (ii) publicly giving the Association and/or the Electronic Scoring Company, as the case may be, appropriate credit for its or their role in providing such information and/or presentation.

SECTION 18. PLAYING CONDITIONS AND AGREED UPON CHANGES TO THE COURSE AND LEASED PROPERTY

A. The Association shall develop an agronomic program for the Championship Course and all Practice Facilities for the Championship, which shall be delivered to the City at an appropriate time to permit its implementation in a timely manner, but no later than June 1, 2019. Pursuant to such program, and after consultation with the City and the City's golf operations staff at the Courses, the Association shall determine, in its sole discretion, the playing conditions of the Championship Course and the Practice Facilities including, but not limited to, speed, firmness, grass height of playing surfaces, the need for tree trimming and other matters affecting play including, but not limited to, the green surrounds. The City shall cause the golf operations staff for the Championship Course to dedicate the resources necessary and work with diligence to implement all elements of the agronomic program.

B. The Association shall select all teeing areas, hole locations and the routing of the Championship Course and determine the width and contour of fairways and the extent and height of the cut of "rough" areas.

C. The Association may require that the “roughs” including, but not limited to, limited sections presently cut at “fairway” heights, be sodded or overseeded, at the City’s expense, with a species of grass to be mutually determined by the parties.

D. Subject to the terms of this Section 18, the City shall, at its expense, provide and prepare the Championship Course and all Practice Facilities in accordance with all Association instructions and the agronomic program developed by the Association. In connection with paragraphs A through D of this Section 18: (i) certain elements of the agronomic program shall include time line requirements that may commence as of the date hereof and extend through the Championship Period; and (ii) such Association-determined conditions and Championship Course-related requirements are not considered architectural changes to the Championship Course as described in Section E. below. The City shall not make or approve any changes to the Leased Property that will materially interfere with the ability of the Association to conduct the Championship pursuant to the terms of this Agreement without the prior reasonable approval of the Association.

E. No material architectural changes may be made to the Championship Course and/or any Practice Facilities by the City without the written consent of the Association. To the extent approved, the Association may witness first-hand any such architectural changes. The Association may, however, direct or require that additional architectural changes be made to the Championship Course. Such changes pursuant to this Section 18.E (and in addition to any changes required by the Association pursuant to paragraphs A through D of this Section 18) could include, but are not limited to, creation of new teeing areas, green modifications to allow additional hole locations, alterations to bunkers and the like. To the extent the Association directs or requires any such changes pursuant to this Section 18.E, it will do so in writing which specifically states that this is a “Section 18.E. Change.” The City will perform the work unless the City and the Association agree otherwise, and the Association and the City shall endeavor, to the extent possible, to fit the scope and timing of the work into regular course operations. In any event, the aggregate costs of such Section 18.E. Changes as directed or required by the Association, including labor, shall not exceed Three Hundred Fifty Thousand Dollars (\$350,000). If such aggregate costs of such Section 18.E. Changes exceed that amount, the Rental Amount shall be increased by such excess amount.

F. The City and the Association agree that, from the period which is up to six (6) weeks prior to the first Practice Day until the end of the Exclusive Lease Period, other than (i) to meet Americans with Disabilities (ADA) requirements or (ii) for players who have a doctor’s recommendation, golf carts will not be used on the Championship Course (except by the City’s management and staff) without prior approval of the Association and the parties will mutually agree to reasonably limit the number of rounds which may be played on the Championship Course during the period from January 1, 2021 through the start of the Championship. The Association agrees that it will have a consistent policy regarding any waivers of the restrictions set forth in this Section 18.F, as between (i) cart use for regular daily play, and (ii) cart use during any outing or guest play under Section 3.D. As of the date hereof, the Association and the City agree that the final two competitive rounds of a professional and/or nationally competitive golf tournament (i.e., the Saturday and Sunday rounds) shall not occur on the Championship Course during the period from January 1, 2021 through the start of the Championship. In addition to the foregoing, if a professional and/or nationally competitive golf tournament is to occur to any degree at the Courses during the 2021 calendar year, the City acknowledges and agrees that it shall work together with the Association to minimize any negative impact to the Championship Course, including, but not limited to, an agreement among the parties concerning the operating plan for any such tournament.

G. For no consideration other than that set forth in Sections 4 and 15 herein, the City agrees to limit play on the Championship Course to Championship players and Association personnel only during the Exclusive Lease Period and on the Monday, June 7, Tuesday, June 8 and Wednesday, June 9 prior

to the Exclusive Lease Period. Due to Course conditions or other matters affecting play the City and the Association may mutually agree to close the Course for a time period longer than that set forth above.

H. The City acknowledges that the then applicable Association's policy on footwear shall be a condition of play for the Championship.

SECTION 19. AUTOMOBILE PARKING

A. The Association shall determine the location of and make the necessary arrangements for parking spaces required for the Championship and shall be entitled to retain all revenues generated from paid parking in connection with the Championship less any expenses incurred by the City or City Lessee for use of parking management personnel. The City acknowledges and agrees that all parking areas in and around the clubhouse and certain areas on the North Course will, and other portions of the Leased Property may, be used for parking during the Exclusive Lease Period as mutually agreed upon by the Association and the City, as well as certain areas that are subject to the Third Party Use Agreements (more specifically, the Torrey Pines Gliderport parking area and the agreed upon areas at the University of California at San Diego, the Scripps Memorial Hospital La Jolla and QUALCOMM Stadium). The Association shall pay the cost of any repairs required to be made to the areas on the Leased Property as a result of such parking. In addition, the City acknowledges and agrees that the Association shall require certain limited parking areas (including possible areas on the North Course) in connection with its pre-Championship sale of Championship merchandise (as described in Section 27.B.) provided, however, that the Association acknowledges and agrees that it shall provide adequate security during such pre-Championship sale of Championship merchandise such that the general public will not have access to the Championship Course, the existing City's Golf Shop Facility, the clubhouse or other areas of the Leased Property. The Association shall determine the location of all parking facilities during the Exclusive Lease Period. If payment is required for additional parking areas, the Association shall bear the cost thereof. Any and all other parking expenses, including a transportation system to and from the clubhouse and parking area(s), if determined to be necessary by the Association, in its sole discretion, shall be borne by the Association. For the additional location(s) required for parking and if requested by the Association, the City shall (i) reasonably assist the Association in finding location(s) which are reasonably close to Torrey Pines and which can be used free of charge or for the lowest possible fee(s); and (ii) if the Association will be required to pay a fee for the use of such area(s), reasonably assist the Association, if possible, in the negotiation of favorable use rates at such areas.

B. Parking spaces for players and their immediate families, media representatives, television production personnel, City officials and Association officials and guests shall be provided free of charge at the Leased Property and/or other prime locations selected by the Association, in its sole discretion. The parties acknowledge and agree that the Association shall determine, in its sole discretion, the allocation of spaces in connection with the groups set forth above.

SECTION 20. POLICE, SECURITY AND TRAFFIC CONTROL

A. The Association shall work with the City to arrange for all policing, security and traffic control for, and in connection with, the Championship. The Association, after consultation with the City and approval of the City, shall determine the time, location, nature and extent of all such policing, security and traffic control. The Association shall select the private security firm(s) to be used for the Championship. The City and the Association shall work together to minimize out-of-pocket costs and expenses, if any, for policing, security, and traffic control services relating to the Championship provided by governmental entities (federal, state, local and otherwise) and the Association agrees to consult with the City in advance of agreeing to pay such governmental entities for any such services. If requested by the Association, the City shall assist the Association in dealing with local authorities on matters relating to

policing, security and traffic control to ensure levels of service consistent with the Minimum Championship Standards. If so requested, the City shall (i) assist the Association in securing such services from applicable federal, state, and local law enforcement agencies; and (ii) arrange for initial meetings between the Association and such applicable law enforcement agencies.

B. The Association will assume all expenses for private security required for the Championship, and up to a maximum of \$450,000 of all expenses for police, traffic control, fire, and emergency medical services provided by the City. The amount of this payment will be the entire amount the Association will pay to the City to reimburse the City for its police, traffic, fire and emergency services, and to cover any costs for City permits, including any Special Event Permit, Building Permits, or other required permits as may be necessary pursuant to City law and/or regulations.

C. The Association shall not be responsible for providing or paying for security of any type whatsoever for the City's storage areas or maintenance facilities, any other area which does not constitute the Leased Property under this Agreement, the Hotels or any other area that is the subject of the Third Party Use Agreements; provided, however, that if such areas that are subject to the Third Party Use Agreements are used for Association and/or Championship purposes, the Association shall pay for an Association-determined amount of security.

D. In the event the City desires any policing, security or traffic control beyond that provided by the Association, the City may arrange for such policing, security and/or traffic control, at its own expense, provided that in such a case the City must make such arrangements with the vendor with which the Association has contracted to provide such services, if applicable, or use pre-existing City security. If the Association has not contracted with a vendor to provide the service(s) which the City desires, the City may select its own entity or vendor, which entity or vendor must be approved by the Association.

SECTION 21. MEDIA RIGHTS/RIGHTSHOLDERS

A. The Association, as the owner of all the commercial rights relating to the Championship, shall have the sole authority to arrange for radio and television broadcast coverage of the Championship and all other uses of the Championship and excerpts thereof in any and all manner, format and media throughout the world, whether now known or hereafter devised, including, without limitation, television, radio, interactive television, satellite television and/or radio, internet streaming cellular applications and any other digital media now existing or hereafter devised. The Association shall have the sole authority to exploit such commercial rights in any manner it desires, including by granting the privilege of broadcasting, telecasting, photographing and filming (for all media and whether analog, digital or otherwise) on the grounds of the Leased Property and in any facility or structure located on the grounds, for the Championship Week. During this period, the City or its Third Party Vendors will not authorize or knowingly permit any equipment of any broadcasting or radio company, professional photographer, video or film maker, any digital media producer or other person or entity seeking to commercially exploit the Championship anywhere on the grounds of the Leased Property or in any facility or structure located on the grounds, except with the express prior written consent of the Association.

B. The City or its Third Party Vendors will not authorize or knowingly permit any activity by any person that would interfere with the exclusive broadcasting, telecasting, motion picture and/or video production, internet and/or other media or commercial privileges to the company or companies designated by the Association. Such company or companies shall have the right to locate cables and equipment for power transmission on the grounds of the Leased Property, erect temporary facilities and make such other provisions as may be necessary to provide for radio, television broadcasting, web casting and production of videos and motion pictures or any other form of reproduction, representation or commercial exploitation of the Championship. The Association, as the owner of the rights concerned, shall retain all

revenues from radio, television broadcasting and web casting from production of videos and motion pictures and any other form of reproduction, representation or commercial exploitation of the Championship.

C. If the Championship is to be televised and/or the subject of a web cast or any other method of transmission to individuals not attending the Championship in person, the City shall (subject to any rights specifically set forth in this Agreement) do or provide the following for the benefit of the broadcast company or companies, including any internet broadcaster(s), if applicable, providing the coverage (individually or collectively, the "Media Rightsholder(s)") to the extent the Association is unable to provide such items as a result of leasing the Leased Property pursuant to this Agreement:

1. Provide access to the Leased Property for Media Rightsholder(s) production, engineering and administrative personnel and all necessary equipment, including, but not limited to, towers and vehicles on which cameras will be mounted during times indicated by the Association, as well as equipment needed for internet production. The location for and details regarding the movement of such equipment shall be determined by the Association and/or the Media Rightsholder(s).

2. Provide an area on or adjacent to the Leased Property to the Media Rightsholder(s) to be used as a compound for storage of the Media Rightsholder(s) equipment and any other use(s) desired by the Media Rightsholder(s). The location of such compound shall be selected by the Association, in its sole discretion after consultation with the City.

3. Provide free parking on or adjacent to the Leased Property as near as possible to the Media Rightsholder(s) production compound for Media Rightsholder(s) production, engineering and administrative personnel and necessary equipment. Provide preferred parking spaces on or adjacent to the Leased Property free of charge for use by guests of the Media Rightsholder(s); the number of which shall be reasonably determined by the Association and communicated to the City.

4. Provide an area or areas on the Leased Property to the Media Rightsholder(s) to be used as a hospitality area(s). The location of such area(s) shall be determined by the Association after consultation with the Media Rightsholder(s) with the objective that such area(s) shall be among the most favorable hospitality location on the grounds, in a region separate and apart from other hospitality operations. Except for costs of constructing, furnishing and providing service to the area(s) (if these functions are not performed by the Media Rightsholder(s)), such arrangements will be without cost to the Media Rightsholder(s) and shall be borne by the Association (if not paid by the Media Rightsholder(s)). The Media Rightsholder(s) will have the right to use its own equipment, supplies and personnel to construct, furnish and provide service to its area(s) or at its election may use facilities, services and personnel provided by the Association. If the City has a valid union agreement requiring that construction services in the area(s) selected for the Media Rightsholder(s) hospitality operation be performed by union members, then the Media Rightsholder(s) will utilize such union members in the construction of its hospitality facilities (but not in any broadcast-related construction which the Media Rightsholder(s) own union agreements require its employees to perform). If the Media Rightsholder(s) elects to have the Association construct and provide services to its hospitality area(s) the Association shall use its selected tent vendor and caterer to perform the relevant work. The Media Rightsholder(s) tent(s) and the other services provided to the Media Rightsholder(s) in connection therewith in these circumstances shall not be part of the Hospitality Program referred to in Section 15. The Association shall determine, in its sole discretion, the amount which the Media Rightsholder(s) shall be required to pay for any hospitality tent(s) and services provided by the Association and the City shall not have any right to any revenues which the Association receives from the Media Rightsholder(s) for such tent(s) and services; all such revenues belonging exclusively to the Association.

5. Provide for access by the Media Rightsholder(s) to existing power outlets on the Leased Property and the right to add to such existing lines if necessary. The cost of such access and improvements, if necessary, and/or power shall be borne exclusively by the Media Rightsholder(s).

D. The Association will use its best efforts to ensure that its contract with the Media Rightsholder(s) provides that (i) the Media Rightsholder(s) shall pay the cost of repairing any damage which it causes to the Leased property, (ii) the Media Rightsholder(s) shall indemnify, defend, and hold the City harmless from and against all claims, liabilities, losses, damages, expenses, accidents and occurrences relating to the Media Rightsholder(s) and their activities, (iii) the Media Rightsholder(s) shall carry insurance coverage or self-insure consistent with the City's standard requirements including Commercial General Liability Insurance ("CGL") written on an occurrence basis covering all personal injury and property damage in the amount of at least one million dollars per occurrence and subject to an annual aggregate of two million dollars, commercial automobile liability insurance, and Workers' Compensation Insurance, shall include the City as an additional insured on its relevant insurance policies, and shall provide a Certificate of Insurance and Endorsement for each applicable policies prior to entering upon the Leased Property and (iv) any disputes between the Media Rightsholder(s) and the City as to the cause of property damage or the fairness of cost of repair which are not covered by the Media Rightsholder(s) insurance policies shall be impartially mediated by the Association's Executive Director whose finding shall be binding on both the Media Rightsholder(s) and the City. Nothing in this Section 21.D, including the mediation of a property damage dispute pursuant to (iv) above or a failure by the Association to obtain any of the foregoing in the contract with the Media Rightsholder(s), shall limit the responsibilities of the Association pursuant to Section 10.GG.

SECTION 22. DIGITAL MEDIA PLATFORMS

A. The City and the Association acknowledge and agree that the Association shall have the sole and exclusive right to develop a website, application or other digital platform for the purpose of promoting and commemorating the Championship (the "USGA Championship Digital Platforms"). The USGA Championship Digital Platforms shall be the "official" platforms of the Championship and the Association shall promote them as such. The Association shall develop the USGA Championship Digital Platforms and make all decisions relating thereto in its sole discretion. In the event the USGA Championship Digital Platforms generate revenues, all such revenues shall belong exclusively to the Association.

B. In connection with the USGA Championship Digital Platforms, the City and or its Third Party Vendors agree to provide the Association, at its request, with information, pictures, video, etc., about the Championship Course and the City, including, but not limited to, a hole by hole description of the Championship Course, photographs or images of each hole, including computer generated images, images of the Championship Course and clubhouse and relevant information regarding Torrey Pines, the Courses and its history, to the extent the City has such information, photographs and/or images, video, etc., available and owns such materials or is otherwise permitted to license such materials. To the extent necessary, the City will give the Association and/or any third party assisting the Association, reasonable access to the Leased Property and any materials jointly deemed relevant by the Association and the City for the purpose of selecting which City materials, if any, are suitable for the USGA Championship Digital Platforms. Any costs associated with duplicating, enlarging or otherwise associated with the Association's use of such materials in connection with the USGA Championship Digital Platforms shall be borne by the Association. Except as otherwise set forth in this Agreement, the City shall retain all copyrights, moral rights and/or other rights of reproduction in City materials but shall and does hereby grant to the Association a license to copy, reproduce, duplicate and disseminate such materials on the USGA Championship Digital Platforms or otherwise for Championship or USGA-related purposes. In addition, the City agrees to give the Association and any third party requested by the Association who is assisting the Association with the USGA Championship Digital Platforms and/or obtaining content for the USGA Championship Digital Platforms, reasonable access to the Leased Property for the purpose of taking photographs, video, etc., to be used on the USGA Championship

Digital Platforms. Such access shall be provided free of charge and all materials resulting therefrom shall be the exclusive property of the Association or the relevant third party, provided that nothing herein shall be construed to transfer or assign any rights of the City in the underlying work, and such materials shall only be used for the expressed purposes set forth herein. The Association shall give the City reasonable notice of any time it requires access to the Leased Property for the reasons described herein and the City and the Association shall mutually agree on a convenient time for such access.

C. The City shall have the right to promote the Championship on any existing website devoted to Torrey Pines or the City. In the event the City or its Third Party Vendor does not currently maintain a website, but elects to do so for the purpose of promoting Torrey Pines or the City in the future, the City may promote the Championship on such site (the "City Championship Website"). The City Championship Website shall not contain a mark of the Association in its domain name. The City may utilize a domain name that does not contain a mark of the Association or any derivation thereof (e.g. www.xyzCity.com is acceptable, but www.2021torreypinesusopen.org or www.2021torreypinesusopen.com is not acceptable).

D. The Association and the City agree that as of the date hereof, the City has not registered nor is it considered the owner of any domain name which includes marks of the Association, variations of Association marks or marks which are confusingly similar to Association marks. Furthermore, the City acknowledges and agrees that it shall not register, use and/or own any domain name which includes marks of the Association, variations of Association marks or marks which are confusingly similar to Association marks. Other than as set forth herein, the parties further acknowledge and agree that domain names bearing the year of the Championship and the name of Torrey Pines or the Championship Course shall not be used by either party to operate a website or direct users to a website or section of a website devoted to promoting the Championship.

E. With respect to content on the City Championship Website or on an existing website devoted to Torrey Pines, such content shall be focused on information regarding the fact of the Championship being conducted at Torrey Pines, as well as information pertinent to activities relating to the Championship that the City is carrying out in connection with the Championship and this Agreement. Examples of relevant information may include, depending on the responsibilities of the City or its Third Party Vendors as set forth in this Agreement, information about ticket sales, parking, accommodations, corporate hospitality packages, volunteer information, etc. The City acknowledges and agrees that in no event may any Championship-related merchandise be shown or sold through the City Championship Website or an existing website, such right belonging exclusively to the Association. The City shall put together a proposal outlining the relevant content to be included on the City Championship Website, for approval by the Association. Once any such proposal is approved, the City shall develop the relevant webpages and submit each proposed page to the Association for approval. The City shall make all changes to the webpages reasonably requested by the Association and shall not put any page or material relating to the Championship up on the internet without the approval of the Association. Should the City desire to make changes to the Championship-related content after it has been approved, or add additional Championship related content to the City Championship Website, the City shall submit all such changes to the Association for approval prior to inclusion of such changes on the City Championship Website.

SECTION 23. INDEMNIFICATION

A. The Association shall indemnify, defend and hold harmless the City, its elected officials, officers, employees, and agents from and against all claims, liabilities, losses, damages, expenses, accidents and occurrences (including all attorneys' fees and other costs of investigating and defending against such claims, liabilities, losses, damages, expenses, accidents or occurrences) arising out of, relating to, or in connection with, all activities pertaining to the Championship and/or the conduct thereof, including the active

or passive negligence of the Association, its owners, officers, directors, agents, employees, or subcontractors, provided, however, that the Association's indemnity shall not extend to any claims, liabilities, losses, damages, expenses, accidents or occurrences for which the City indemnifies the Association pursuant to subsection B below. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of the Association, its subcontractors or vendors, to conform to any federal, state or local law statute, ordinance, rule, regulation or court decree.

B. The City shall indemnify, defend and hold harmless the Association and its directors, officers, employees and agents from and against all claims, liabilities, losses, damages, expenses, accidents and occurrences (including all attorneys' fees and other costs of investigating and defending against such claims, liabilities, losses, damages, expenses, accidents or occurrences) arising out of, relating to, or in connection with (i) the gross negligence of the City and/or any of its elected officials, officers, employees, or agents; (ii) the City's use of automobiles or maintenance vehicles and golf carts; (iii) any merchandise activities of the City or any agent of the City other than the Association, including but not limited to, Championship related merchandise activities; (iv) the regular upkeep and maintenance of the Torrey Pines Facilities and its grounds and facilities, except such maintenance as may be performed at the direction or under the supervision of the Association; and/or (v) the breach of any of the City's representations and/or warranties set forth herein.

SECTION 24. INSURANCE

A. With respect to insurance coverage for activities covered by the Association's indemnification contained in Indemnification section A, the Association shall provide the City with a Certificate of Insurance, reasonably acceptable to the City, showing evidence of the Association's coverage through a special event policy and/or existing Association policies, no less than sixty (60) days prior to the first practice day. Such coverage shall be for amounts which are reasonable in the circumstances, provided that the Commercial General Liability insurance, or the equivalent thereof, the Automobile Liability and the Liquor Liability, where applicable, shall be in an amount at least equal to twenty million dollars (\$20,000,000.00) per occurrence and twenty million dollars (\$20,000,000.00) in the aggregate. All of the policies outlined above shall be primary and non-contributory, shall name the City as an additional insured, shall not be cancelled without sixty (60) days prior written notice to the City, and a copy of that endorsement shall accompany the Certificate of Insurance. The Association shall also provide the City with evidence of the Association's Workers' Compensation Coverage. The Worker's Compensation policy or policies shall be endorsed to provide that the insurer will waive all rights of subrogation against the City and its respective elected officials, officers, employees, agents and representatives for losses paid under its terms.

B. With respect to insurance coverage for activities covered by the City's indemnification contained in Indemnification section B, the City shall provide the Association with evidence of coverage, through its self-insurance or otherwise, no less than sixty (60) days prior to the first practice day. Such coverage shall be for amounts which are reasonable in the circumstances.

C. The City hereby, covenants and agrees that any and all agreements and/or arrangements which it makes with third party vendors and/or contractors for or in connection with the Championship shall include an agreement by the relevant third party to (i) indemnify the Association and its officers, directors, employees and agents to the same extent as the indemnification of the City; (ii) add the Association as an additional insured on all relevant insurance policies and (iii) deliver a Certificate of Insurance and Endorsement to the Association and the City, naming each of the Association and the City as additional insureds, prior to the third party's arrival on its grounds. In connection with such requirement, the City agrees to supply the Association with a copy of its standard and proposed insurance and indemnity sections that it shall endeavor to include in each such applicable agreement.

D. The Association hereby, covenants and agrees that any and all agreements and/or arrangements which it makes with third party vendors and/or contractors for or in connection with the Championship shall include an agreement by the relevant third party to (i) indemnify the City and its officers, directors, employees and agents to the same extent as the indemnification of the City; (ii) add the City as an additional insured on all relevant insurance policies and (iii) deliver a Certificate of Insurance and Endorsement to the Association and the City, naming each of the Association and the City as additional insureds, prior to the third party's arrival on City grounds. In connection with such requirement, the Association agrees to supply the City with a copy of its standard and proposed insurance and indemnity sections that it shall endeavor to include in each such applicable agreement.

SECTION 25. COMMERCIAL REVENUES

A. The City shall be entitled only to revenues from commercial activities, if any, specifically provided to the City in this Agreement. The rights to all other revenue-producing activities of any kind directly or indirectly relating to the Championship, whether or not contemplated by this Agreement, belong exclusively to the Association excepting revenues that may arise, relate to, or result solely from the City's normal operations or any increase in the City's normal operations such as, but not limited to, green fees. The Association acknowledges that it shall not be entitled to any revenues from the royalties, ongoing intellectual property licenses or contracts with third parties and/or other revenues generated by the City that are not associated with the Championship and/or this Agreement. Except as expressly provided herein, therefore, the City shall not directly exploit or knowingly permit the exploitation by others of the Championship, persons competing in the Championship, the grounds, the Course design or clubhouse, all as they relate to the Championship, or any elements, names, events or incidents of or connected to the Championship except (i) on terms and in a manner satisfactory to the Association and (ii) in accordance with prior written approval from the Association. The term "exploit" and "exploitation" as used in this Section 25.A shall include, but not be limited to, any activity or other matter which produces, directly or indirectly, or is intended to produce revenue or any other consideration or advantage in any form. If the City shall become aware of any situation and/or occurrence whereby the Championship, persons competing in the Championship, the grounds, the Course design or clubhouse, all as they relate to the Championship, or any elements, names, events or incidents of or connected to the Championship are being exploited, it shall (i) promptly inform the Association thereof and (ii) use its best efforts to work with the Association to prevent such exploitation.

B. The City or its Third Party Vendors will not permit, without prior written authorization of the Association, manufacturers, distributors, suppliers or any other person or entity, the privilege of having their products sold or their names, trademarks, logos and/or any other identifying mark, name or slogan seen or heard during the Championship including, but not limited to, by those people attending the Championship and those people viewing or listening to any broadcast of the Championship; if the City or its Third Party Vendors shall become aware of any such prohibited situation as set forth above, the City or its Third Party Vendors shall (i) promptly inform the Association thereof and (ii) use its best efforts to work with the Association to prevent such prohibited actions. The City or its Third Party Vendors has no responsibility for controlling the use of trademarks, logos, or names on players, caddies, or their equipment; nor will the City be responsible for controlling logos, names, Marks which may incidentally appear on hats, shirts, or other articles of clothing by staff, guests or spectators.

C. During the Exclusive Lease Period and at anytime as it relates to the Association and/or the Championship, the City or its Third Party Vendors will not authorize or permit placement on the Courses, or anywhere else on the Leased Property of any advertising, signage, billboard or other commercial display or permit commercial announcement or other mention of any advertiser or supplier, or the products or services of any advertiser or supplier, to be made without the express prior written consent of the Association.

D. In accordance with the Association's ownership of the service marks set forth in Exhibit B attached hereto and made a part of this Agreement (hereinafter collectively referred to as the "Marks"), the Association shall have the exclusive right to arrange for the sale, through Association-approved distribution channels, including the internet, and display of articles of apparel and other merchandise bearing any (i) name or logo of the Association and/or the Championship and/or (ii) elements, names, events or incidents of the Championship. In addition, to the extent that the City is the owner of the rights as explained in Section 27, the City shall and hereby does grant the Association the non-exclusive license and right to use the City, Torrey Pines and the Championship Course name, Marks, logo, facilities including, but not necessarily limited to, images thereof, and the Course design as provided in Section 27. The Association may assign such rights and any obligations related thereto to any individual or entity in connection with the Championship and the City and its Third Party Vendors shall cooperate with all such individuals and/or entities in the preparation and execution of all necessary contracts and all other matters as set forth in Sections 26 and 28.

E. The City is entitled to the following revenues from the Championship:

1. the Rental Amount in accordance with Section 4;
2. revenues from the sale of hospitality packages in accordance with Section 15.F; and
3. such other revenue as may be owing to the City pursuant to another written instrument executed by the parties.

The foregoing are the sole and total revenues to which the City is entitled, not including payment to the City for costs as set forth in this Agreement. Any revenues which are not so expressly granted to the City, whether or not discussed in this Agreement, shall belong solely to the Association.

SECTION 26. LICENSE FOR USE OF ASSOCIATION SERVICE MARKS

A. The Association is the owner of the Marks set forth in Exhibit B attached hereto. Subject to the City's compliance with the terms and conditions set forth herein, the Association grants to the City the non-exclusive, non-transferable right to use the Marks in connection with the advertising and promotion of the Championship. The parties also acknowledge that the Association will enter into a separate agreement with TPCC for the license of the Marks in relation to the sale of merchandise items.

B. In addition to the other terms and conditions contained in this Agreement, the City's right to use the Marks and the City's use of the Championship Logo shall be subject to the following terms and conditions:

1. Use of the Association Seal and official Association Logo is not permitted.
2. The Association shall have continuing control over the manner in which the Marks and the Championship Logo are used in advertising and other promotional materials the City intends to use. The City shall (i) submit copies of all proposed advertising and other promotional materials to the Association for written approval in advance of any use of such materials and (ii) not use any proposed advertising or other promotional material which has not been approved by the Association. The Association agrees to promptly respond to such requests to use the Marks and the Championship logo.
3. In the event that the Association at any time elects to apply for a federal or state trademark registration of any of the Marks City, the City agrees to render, and/or cause the relevant City Entity to render, the Association assistance towards obtaining such registration, including the execution of

documents deemed necessary or desirable by the Association, which documents shall be prepared and filed at the expense of the Association. Any and all other related expenses shall be borne by the Association.

4. In the event this Agreement is lawfully terminated prior to the Championship, the license granted to the City by the Association with respect to the Marks and the Championship Logo shall be immediately terminated and the City shall stop any and all uses of the Marks and the Championship Logo as of the date of termination.

SECTION 27. LICENSE FOR USE OF CITY INTELLECTUAL PROPERTY

The City represents and warrants that it owns the name and trademark "Torrey Pines Municipal Golf Course", "Torrey Pines South Course," and "Torrey Pines North Course." The City further represents that the name "Torrey Pines" is a geographical designation and not a registered trademark, and that Torrey Pines Club Corporation is the owner of the Torrey Pines tree logo used in connection with the course.

A. The City has the right and hereby grants to the Association the non-exclusive right to use the City marks, the name of the City and the Course and any related designs and logos owned by the City (the "City Marks"), images of the Course and of the City's facilities and the Course design in connection with the conduct of the Championship and all activities associated with the Championship, in the exercise of all of the rights associated with the Championship (including the media rights referred to in Section 21.A) and in any advertising or promotion of, or other references to, the Championship and all activities associated with or connected to the Championship. The Association shall use the City's Marks only as set forth in this Agreement, for the purpose of carrying out the terms of this Agreement, and not for any other purpose. Any use other than that specifically provided for by this Agreement shall require the prior written consent and approval of City. Neither the Association nor the City shall make use of the other's Marks in any manner that would bring the other party, or any of its respective agents, representatives, employees or contractors into public disrepute, contempt, scorn or ridicule or tend to shock, insult or offend the community, public morals or decency. The Association shall not use the City's Marks to incur any obligation or indebtedness on behalf of the City. The Association may assign its rights under this Section 27.A to third parties including, but not limited to, the Company broadcasting the Championship and/or the Electronic Scoring Company for the Championship.

B. The City has the right and hereby grants to the Association the non-exclusive right to use the City Marks (including, but not limited to, such use as part of the Championship Logo), images of the Course and of Torrey Pines' facilities, and the Course design (the "City's Intellectual Property") in connection with the advertisement and sale of Championship Product. Furthermore, (i) except as expressly provided in this Agreement, the Association shall have no additional right, title or interest in the City's Intellectual Property; (ii) the City is familiar with and approves of the manner in which the Association has previously used host City's intellectual property in connection with previous United States Open Championships and (iii) the Association shall not use the City's Intellectual Property in a manner that is inconsistent with the Association's use of host City intellectual property in connection with the Minimum Championship Standards. Except as set forth in this Section 27.B, such Championship Product may be advertised and sold by the Association in any manner and location which the Association chooses to employ including, but not limited to, in and around the San Diego metropolitan area, commencing on the date of this Agreement. The Association shall have the exclusive right to sell such Championship Product on the Leased Property during the period commencing on Wednesday, June 9, 2021 through the date which is two (2) days following the conclusion of the Championship. All other matters pertaining to the merchandise operations shall be determined by the Association, in its sole discretion. The Association may enter into any arrangements which it deems desirable for the manufacture and distribution of Championship Product and may assign its rights and obligations hereunder to one or more individuals or entities. The City and/or its designated Third Party Vendor shall cooperate with the Association and/or any assignees of the Association in arranging for the manufacture and distribution of such products and, should the Association at any time

decide to apply for a federal or state trademark registration of any Association trademark for any product, the City and/or its designated Third Party Vendor shall cooperate with the Association's representative on the preparation and execution of all necessary contracts, which documents shall be prepared at the Association's expense. All products manufactured and sold pursuant to this Section 27.B shall be first-quality goods.

C. The Association may utilize the rights granted to it pursuant to this Section 27 in connection with the promotion and/or commemoration of the Championship, as well as past and/or future U.S. Open Championships, other Association championships and the Association.

D. The rights afforded the Association under this Section 27 shall survive the termination of this Agreement indefinitely provided that termination does not occur prior to the Championship. In the event of termination of this Agreement prior to the Championship, the license granted by the Association pursuant to this Section 27 shall be immediately terminated and the Association shall stop using the City's Marks as of the date of any such termination.

E. The Association agrees that it shall not use the City Marks in an unlawful manner or in any way that materially injures or threatens to materially injure the City or its reputation.

SECTION 28. ACCOUNTING

A. Any monies received by either the City, its Third Party Vendors or the Association to be remitted to the other party shall be so remitted on the next following date of the remittance schedule set forth below unless such other remittance schedule is expressly set forth elsewhere in this Agreement:

1. From the date that this Agreement is fully executed by both parties through the period ending October 31, 2020:

<u>Period Ending</u>	<u>Remittance Date</u>
October 31	November 30
April 30	May 31

2. From November 1, 2020:

<u>Period Ending</u>	<u>Remittance Date</u>
December 31, 2020	January 31, 2021
February 28, 2021	March 31, 2021
April 30, 2021	May 31, 2021
June 30, 2021	July 31, 2021
August 31, 2021	September 30, 2021
October 31, 2021	November 30, 2021

If either party fails to remit any amount owing to the other party on the payment dates listed above, interest on the unpaid balance shall accrue at the annualized rate of 6% (.5% per month) from the date such payment was due.

B. The City and the Association hereby each agrees that it shall submit any and all invoices relating to the expenses to be borne by or reimbursed by the other party pursuant to the terms of this Agreement no later than September 30, 2021 unless as to certain matters in progress or where invoices cannot then be fairly rendered, as the Association and City may otherwise agree.

C. In addition to the specific requirements relating to records and accounts to be maintained by the parties as set forth in this Agreement, each party shall maintain complete and accurate records and accounts relating to all revenue-producing activities which it conducts and which the other party has a financial, ownership or other legal interest. Such records and accounts shall include itemized statements of income and expenses relating to the relevant activity together with copies of receipts, invoices and other back-up documentation (collectively, "Supporting Schedules"). Upon reasonable advance notice, each party will make all such records and accounts including, but not limited to, the Supporting Schedules, available for inspection and audit by the other party from the date of execution of this Agreement until eighteen (18) months following the completion of the Championship.

D. Each party (the "Audit Requesting Party") shall have the right, but no more often than twice in any calendar year, to conduct, or have its accountants conduct, an audit of the other party's books and records (the "Audited Party"). The Audited Party shall cooperate fully with any such audit. After the audit has been completed, the Audit Requesting Party shall deliver a copy of the results of the audit to the Audited Party. If the audit determines that the relevant financial records, reports, financials or payments were materially and/or substantially inaccurate or incomplete thereby damaged the Audit Requesting Party, the Audited Party shall take whatever measures are necessary to rectify such damage including, but not limited to, paying any amounts which are owed to the Audit Requesting Party. In such a case the Audited Party shall also reimburse the Audit Requesting Party for its reasonable costs and expenses relating to the audit. If the Audited Party does not agree with the results of the Audit Requesting Party's audit, the Audited Party shall have thirty (30) days to so notify the Audit Requesting Party. If the Audited Party does not so notify the Audit Requesting Party within the thirty (30) day period, the Audited Party will be deemed to have accepted the results of the Audit Requesting Party's audit and shall be obligated to comply with the terms of this paragraph D. In the event that the Audited Party notifies the Audit Requesting Party that it does not accept the Audit Requesting Party's audit, the parties shall attempt to resolve their differences. If the parties are unable to resolve their differences, they shall hire an independent accountant or accountants mutually acceptable to them to conduct an audit. The parties hereby agree that the determination of the independent accountant(s) shall be final and conclusive. If the independently conducted audit determines that the Audited Party's financial records, reports, financials or payments were inaccurate, the Audited Party shall take all necessary steps to rectify any negative impact such inaccuracies had on the Audit Requesting Party and, if the inaccuracy is greater than five percent (5%) of the reported payments to the Audit Requesting Party, the Audited Party shall pay the costs and expenses of the independent accountant(s). If the independent audit determines that the Audited Party's financial records, reports, financials or payments were not inaccurate, or were inaccurate by less than five percent (5%) of the reported payments to the Audit Requesting Party, the Audit Requesting Party shall pay the costs and expenses of the independent accountant(s).

SECTION 29. USAGE AND ANTI-DISCRIMINATION POLICY

A. The City represents and warrants that (i) it has demonstrably open usage policies and practices prohibiting discrimination of any kind whatsoever, including but not limited to, on the basis of race, creed, color, national origin, ancestry, sexual orientation, gender, disability or medical condition. The City further represents and warrants that during the Championship all facilities and areas of the Leased Property which are utilized relevant to the conduct of the Championship, shall be open to all people attending the Championship, provided that the Association, as set forth in the Agreement may restrict certain areas to designated ticket and/or badge holders so long as neither party discriminates on the basis of race, creed, color, national origin ancestry, sexual orientation, gender, disability or medical condition in the distribution or allocation of such tickets and/or badges.

B. The Association represents and warrants that is has demonstrably open usage policies and practices with respect to its operations and the conduct of Association events prohibiting unlawful discrimination of any kind whatsoever, including but not limited to, on the basis of race, creed,

color, national origin, sexual orientation or gender. The Association further represents that during the Championship all facilities and areas of the Leased Property to be operated by the Association shall be open to all people attending the Championship, provided that the Association, as set forth in this Agreement, may restrict certain areas to designated ticket and/or badge holders so long as the Association does not discriminate on any basis prohibited by law and as applicable to the Association in the distribution or allocation of such tickets and/or badges.

SECTION 30. CONTROL OF THE COURSE/LEASED PROPERTY AND FACILITIES

The City represents and warrants that it owns and controls the Leased Property, including the Courses and facilities constituting the Leased Property, as well as the City Intellectual Property to the extent necessary to fulfill its obligations under this Agreement. The City further represents and warrants that to its best knowledge, information and belief, no acts, facts, circumstances, events or conditions occurred or exist which could reasonably be expected to impair the City's ability to fulfill its obligations under this Agreement, including, without limitation, the ability of the City to grant the Association the right to use the Leased Property and City Intellectual Property as set forth in this Agreement. In the event of a change in the controlling interest or ownership of the Courses and/or facilities constituting the Leased Property, the Association shall have the right to terminate this Agreement, effective immediately, upon written notice to the City in the event that the new ownership is unacceptable to the Association, in its sole discretion. The City agrees to provide prompt written notice of any such change in the controlling interest and/or ownership of the City, the Courses or other areas constituting the Leased Property, and/or the City Intellectual Property to the Association.

SECTION 31. COMPLIANCE WITH APPLICABLE LAWS

A. All acts, actions and activities of the City and its employees and agents in connection with its performance under this Agreement shall at all times be in material compliance with all applicable federal, state and local laws, ordinances and statutes and all governmental rules, regulations, orders and directives including, but not limited to, the ADA. It shall be the responsibility of the City to ascertain the existence and applicability of any of the foregoing and the City shall not be entitled to rely to any extent on the Association in that regard, except as is expressly authorized by the Association in writing. The City represents and warrants that, to the best of its knowledge, it is currently in, and will continue to be in material compliance with all applicable federal, state and local laws, ordinances and statutes and all governmental rules, regulations, orders and directives as relate to its performance under this Agreement.

B. All acts, actions and activities of the Association shall at all times be in material compliance with all applicable federal, state and local laws, ordinances and statutes and all governmental rules, regulations, orders and directives including, but not limited to, the ADA. It shall be the responsibility of the Association to ascertain the existence and applicability of any of the foregoing and the Association shall not be entitled to rely to any extent on the City in that regard, except as is expressly authorized by the City in writing. The Association represents that it is a non-profit organization organized under the laws of Delaware.

SECTION 32. MISCELLANEOUS

A. This Agreement shall have a "Term" commencing as of the date of this Agreement and expiring on December 31 of the year of the Championship, unless otherwise terminated or extended pursuant to the terms hereof. Such "Term" is separate from and independent of the lease term contained in Section 3 hereto. The agreements contained in Sections 5, 6, 21, 22, 23, 24, 25, 26, 27, 28 and 32 shall survive and remain in full force and effect in accordance with their terms following any termination of this Agreement.

B. Without limiting any other termination rights of the Association as set forth herein, the Association shall have the right to terminate this Agreement if the City shall fail to perform or observe any material term, covenant or agreements contained in this Agreement required to be performed or observed by the City if the failure to perform or observe such term covenant or agreement remains unremedied for thirty (30) days after the Association sends notice of such failure and its intention to terminate this Agreement to the City. If the failure to perform is not remedied by the City at the end of the thirty (30) day period, the Association shall have the right to terminate the Agreement effective immediately.

C. The Association acknowledges that the City currently hosts an annual PGA Tour event (i.e., the Farmer's Insurance Open) which is anticipated to continue. With the exception of this tournament, the City shall not host another PGA Tour event, a PGA of America event or any other golf event of national scope during the period beginning on the date of this Agreement through the date which is no earlier than three (3) years following the conclusion of the Championship without the express written approval of the Association. In addition, in no event shall any announcement concerning the hosting of or sponsorship of any such event be made during the time period beginning July 1, 2020 through June 30, 2021 unless otherwise approved by the Association. . In the event the City hosts, commits to host, or announces such an event without the mutual agreement and approval of both parties within the prescribed time periods, without limiting any other remedies available to the Association, the Association shall have the right to terminate this Agreement, effective immediately. If the Association becomes insolvent or cannot perform its obligations under this Agreement, then the City may host any other events without regard to the provisions of this Section.

D. This Agreement sets forth the entire agreement and understanding of the Association and the City relating to the subject matter contained herein and supersedes any and all prior agreements, whether written or oral, between the City and the Association relating to the subject matter contained herein.

E. No modification or amendment may be made to this Agreement or be effective unless made in writing signed by the City and the Association.

F. No failure or delay on the part of any party in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to any party at law or in equity or otherwise.

G. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provision, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

H. Section headings contained herein are solely for the purpose of aiding in the location of general subject matter and are not intended to be used in the construction of this Agreement.

I. Nothing contained herein shall constitute or be construed to constitute a partnership or joint venture or an agency relationship between the parties.

J. The laws of the State of California shall govern and control the terms and conditions of this Agreement. No ambiguity, if any, in this Agreement shall be interpreted against either party because such applicable party drafted any portion of this Agreement. The venue for any suit or proceeding concerning this Agreement shall be in the County of San Diego, State of California.

K. If any controversy or claim directly or indirectly arises out of this Agreement, or the alleged breach thereof, or the interpretation thereof, and if said dispute cannot be settled through negotiations, the parties agree to first endeavor to settle the dispute in good faith, using mandatory non-binding mediation administered by a neutral professional mediator affiliated with and under the rules of the National Dispute Resolution Center ("NDRC") or JAMS, before having recourse in a court of law.

i) Any such mediation shall be held in San Diego, California. The Parties agree to select a mediator from NDRC's or JAMS's panel of approved neutrals.

ii) The expenses of witnesses for either side shall be paid by the Party producing such witnesses. All other expenses of the mediation, including required traveling and expenses of the mediator, and the cost of any proofs or expert advice produced at the direct request of the mediator, shall be borne equally by the Parties, unless they agree otherwise.

iii) Any agreements resulting from mediation shall be documented, in writing. All mediation results and documentation, by themselves, shall be "non-binding" and inadmissible for any purpose in any legal proceeding, unless such admission is otherwise agreed upon, in writing, by both Parties. Mediators shall not be subject to any subpoena or liability and their actions shall not be subject to discovery.

iv) In the event that a dispute cannot be resolved in the manner described above, the Parties agree to waive any and all rights to jury trial.

L. Except as required by applicable law, automotive transportation, including golf carts, shall not be permitted on the Courses or any practice facility during the practice rounds or during the Championship, except as expressly authorized by the Association. All golf carts used on the Leased Property grounds during the Championship must be electrically powered unless specifically authorized by the Association. The Association shall address these restrictions in its agreements with the City's Lessees.

M. The Association reserves the right to approve all advertising, press releases, stationery, printed matter, websites and any other item or matter relating to or in connection with the Championship. The City shall submit all such items and/or matters to the Association for its approval.

N. This Agreement, and any of its terms and conditions, may not be assigned by the City or the Association without prior written consent of the Association provided, however, that the Association may assign this Agreement to a wholly-owned subsidiary.

O. Formal notices between the Parties shall be addressed as follows:

To the Association:

Mike Davis
Executive Director
United States Golf Association
77 Liberty Corner Road
Far Hills, New Jersey 07931

With a separately sent copy to:

Chief Legal Officer
United States Golf Association
77 Liberty Corner Road
Far Hills, New Jersey 07931

To the City:

The City of San Diego
202 C Street
San Diego, CA 92101
Attn: Carolyn Wormser, Director, Special Events

With a separately sent copy to:

The Office of the City Attorney
1200 Third Avenue, Suite 1620
San Diego, CA 92101

Any and all invoices sent by the City to the Association must be sent by first class mail to the Association's Accounts Payable Department at the following address:

United States Golf Association
77 Liberty Corner Road
P.O. Box 708
Far Hills, New Jersey 07931
Attn: Accounts Payable

Invoices shall not be given to Association staff on-site at the Championship and invoice terms are Net 30 from the date of receipt of the invoices at the Association's Accounts Payable Department at the New Jersey address set forth above.

P. The Torrey Pines' name and location, for purposes of identification in Association literature and public notices is:

Torrey Pines Golf Course (and/or Torrey Pines)
San Diego, California

Q. This Agreement may be executed in any number of counterparts each of which shall be regarded as an original with the same effect as if the signature thereto and hereto were upon the same instrument and signatures on any counterpart delivered by facsimile transmission shall have the same effect as the original signature.

R. The Association may assign volunteers including, but not limited to, volunteers provided by the City or its Third Party Vendors, to perform tasks for which the Association has the responsibility of providing personnel for pursuant to this Agreement or otherwise.

S. Additional Representations of the Association. Subject to the provisions of this Agreement, the Association acknowledges and agrees that it:

i) shall not use or store in or around the Leased Property any hazardous substance, with the exception of hazardous substances that are reasonably necessary for a United States Open Championship and/or were utilized in connection with the Minimum Championship Standards, provided that the use and storage of the substances are in accordance with applicable law. Moreover, if the Association knows that any hazardous substance has been released on, around or beneath the Leased Property by the Association, the Association shall immediately notify the City of such knowledge and shall take all actions necessary to alleviate any imminent and substantial danger to public health and safety. For purposes of this Section 32.S, "hazardous substance" shall mean those hazardous substances listed by the Environmental Protection Agency in regularly released reports and other substances incorporated in the State of California list of hazardous substances;

ii) shall report to the City any accident causing more than Ten Thousand Dollars (\$10,000.00) worth of damage or any serious injury to persons on the Leased Property caused solely by or in connection with the Championship. Such report shall contain the names and addresses of the parties involved, the time of the occurrence, the addresses of any witnesses and any other reasonably pertinent information.

IN WITNESS WHEREOF, the Agreement is executed by the City of San Diego, acting by and through its Mayor or designee, pursuant to City Council Resolution _____, and by the United States Golf Association as of the day and year first written above.

UNITED STATES GOLF ASSOCIATION

By: Michael A. Butz
Name: Michael A. Butz
Title: Senior Managing Director
Open Championships & Association Relations

THE CITY OF SAN DIEGO

By: _____
Name:
Title:

JAN I. GOLDSMITH, City Attorney

I hereby approve the form and legality of the foregoing Agreement this _____ day of _____, 2014.

By: _____
Carrie L. Gleeson, Deputy City Attorney



Legend







- | | | | |
|---|---|---|-------------------------|
|  | Torrey Pines Golf Course
(Leased Property) |  | UCSD Property |
|  | Lodge at Torrey Pines |  | Gliderport |
|  | Hilton Torrey Pines |  | Torrey Pines Club Corp. |

EXHIBIT A

EXHIBIT B

MARKS

USGA

UNITED STATES GOLF ASSOCIATION

OPEN

U.S. OPEN

U.S. OPEN CHAMPIONSHIP

UNITED STATES OPEN

UNITED STATES OPEN CHAMPIONSHIP

NATIONAL OPEN

NATIONAL OPEN CHAMPIONSHIP