



**MOORE COUNTY BOARD OF COMMISSIONERS
SPECIAL MEETING
TUESDAY, SEPTEMBER 8, 2020, 4:30 PM**

The Moore County Board of Commissioners convened for a special meeting on Tuesday, September 8, 2020 at 4:30pm in the Commissioners' Meeting Room in the Historic Courthouse, Carthage, North Carolina.

Commissioners Present: Chairman Frank Quis, Vice Chairman Louis Gregory, Jerry Daeke, Catherine Graham, Otis Ritter

Chairman Quis called the meeting to order and welcomed everyone.

Items of Business:

Public Hearing / Economic Incentive Agreement – Project Woodpecker

Chairman Quis introduced County Manager Wayne Vest to provide background information regarding Project Woodpecker. Mr. Vest provided a brief presentation, hereby incorporated as a part of these minutes by attachment as Appendix A, explaining that this project would bring the United States Golf Association (USGA) to Moore County, and was a historic opportunity. Mr. Vest then introduced Moore County Partners in Progress Executive Director Pat Corso to provide further detail regarding what the USGA would bring to Moore County. Following Mr. Corso's presentation, Chairman Quis opened the duly advertised public hearing regarding this matter.

Mr. Tom Pashley, Chief Executive Officer of Pinehurst, Inc., discussed that the USGA move to Moore County was a dream come true for the area. He said it was a journey that may have begun in 1999 with the first US Open hosted in Pinehurst and that the community had earned this opportunity by how it handled that event and others. He said this project would lock in championships for the next three decades, and that the permanent physical presence of the USGA in Pinehurst via establishment of a second golf house was incredible. Mr. Pashley said the benefits were clear and significant.

Mr. Kelly Miller, Chief Executive Officer of Pine Needles, asked for the Board's support of this tremendous opportunity, which he deemed once-in-a-lifetime. He said the facilities and jobs the USGA would bring were fantastic but the championships were remarkable. Mr. Miller said the County should welcome the USGA with open arms and thank them for choosing Moore County and North Carolina.

Mr. Jamie Ledford, President of Eaton Golf Pride, offered his support for this unique opportunity. He said he could not think of a better opportunity for the community. He spoke of his experience in other areas of the country and recruitment of employees from major corporations located elsewhere to Moore County. Mr. Ledford said this could be a tipping point for the area and there were concrete benefits. He encouraged the Board's support.

Mr. Tom Beddow, Chairman of the Convention and Visitors Bureau Board (CVB) and President of the Country Club of North Carolina (CCNC), discussed the relevance of this project to the CVB's identity in its website, homeofamericangolf.com, and he made note of US Kids Golf's recent announcement of a move to Moore County. Mr. Beddow also discussed the importance of the project with regard to CCNC. He said he hoped the commissioners would support the project enthusiastically.

Senator Tom McInnis recalled the first meeting regarding this project and how engaged everyone was immediately. He discussed that what would have been a short walk turned in to a long journey as a result of COVID-19 and the State facing a potential \$5 billion shortfall in its budget. He said this project was an easy answer but it had to be a community effort with everyone in the game, and that everyone did get involved including the County, the Village of Pinehurst, and private philanthropists. He said he was also thinking about the other counties in his district and the opportunity to enjoin these outside communities. Senator McInnis said on behalf of the North Carolina Senate, and his colleague in the House of Representatives, Representative Jamie Boles (also present at the meeting), he asked humbly and beseeched the Board to come forward with a positive outcome.

Mr. John Misiasek shared that he tried to attend all of the commissioners' meetings and did not always agree with them but said he could not agree more with what was being presented at this meeting.

There being no further speakers, Chairman Quis closed the public hearing.

Commissioner Gregory made a motion, seconded by Commissioner Graham, to approve an incentive agreement with the USGA dated September 9, 2020.

Commissioner Graham encouraged her fellow commissioners to vote yes on this project. She said they had heard all of the positive comments. She shared that in her travels she made it a point to find out if people knew where Pinehurst was and about half of them knew, and she indicated that percentage would increase significantly with this project coming to fruition. Commissioner Graham said this project would benefit all people paying taxes in Moore County, as well as Moore County Schools due to the quarter cent sales tax. She said today was historic and a new generation would reap many rewards from the Board's decision this day. She again encouraged a yes vote.

Commissioner Gregory discussed that this project would provide job opportunities now and into the future far beyond anyone in the room this day. He said it was a historic event and would set Moore County apart, among its many other amenities. Commissioner Gregory said he approved and encouraged the entire Board's approval.

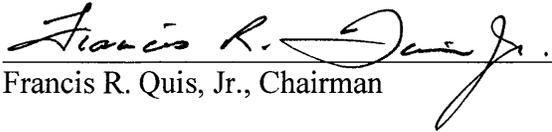
The motion for approval carried 5-0. A copy of the incentive agreement is hereby incorporated as a part of these minutes by attachment as Appendix B.

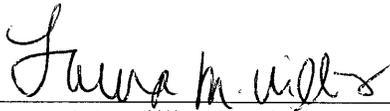
Chairman Quis introduced Craig Annis, Chief Brand Officer for the USGA, to offer comment. Mr. Annis said it was an honor to be present and speak on behalf of the USGA along with his colleague, Chris Fraser. Mr. Annis thanked the County for what had been done for the USGA. He said Pinehurst had always held a special place and appeal and this project created the opportunity for a perfect marriage that had probably had a 100 year courtship. He thanked everyone again and also thanked staff. He acknowledged the number of meetings and conversations that had been held and said it had been a wonderful working relationship.

Chairman Quis thanked Mr. Annis and welcomed the USGA to Moore County.

Adjournment

As there being no further business, upon motion made by Commissioner Ritter, seconded by Commissioner Daeke, the Board voted 5-0 to adjourn the September 8, 2020, special meeting of the Moore County Board of Commissioners at 5:09pm.

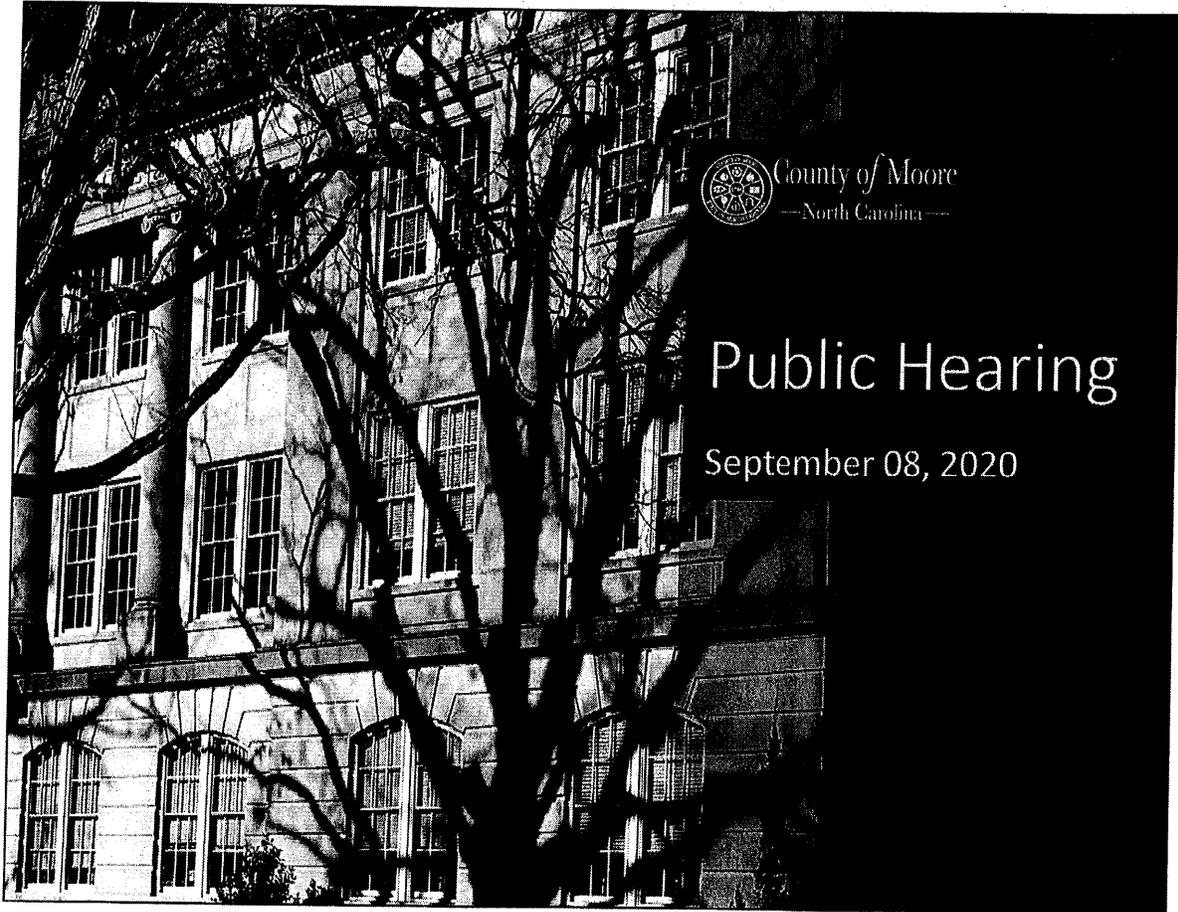

Francis R. Quis, Jr., Chairman

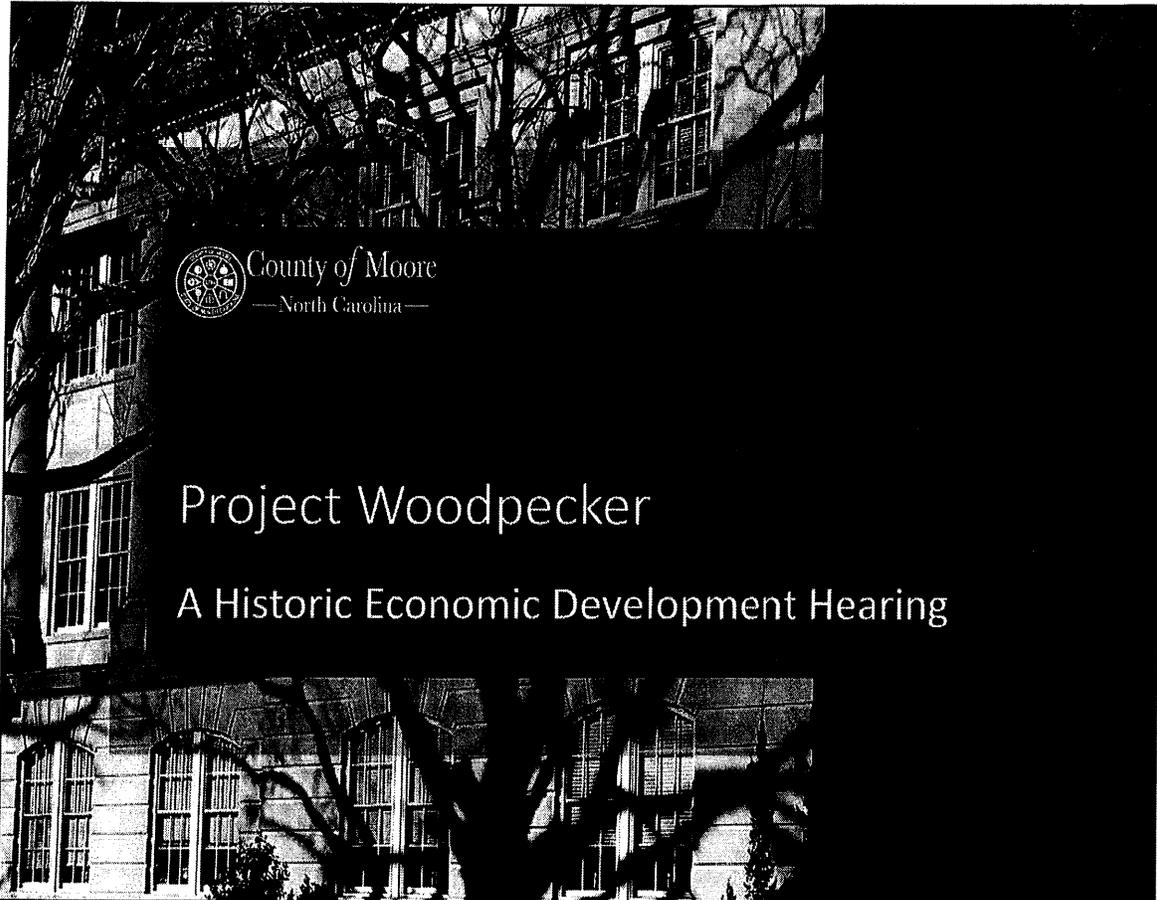

Laura M. Williams, Clerk to the Board



Appendix A
09/08/2020
Special Mtg.

9/8/2020



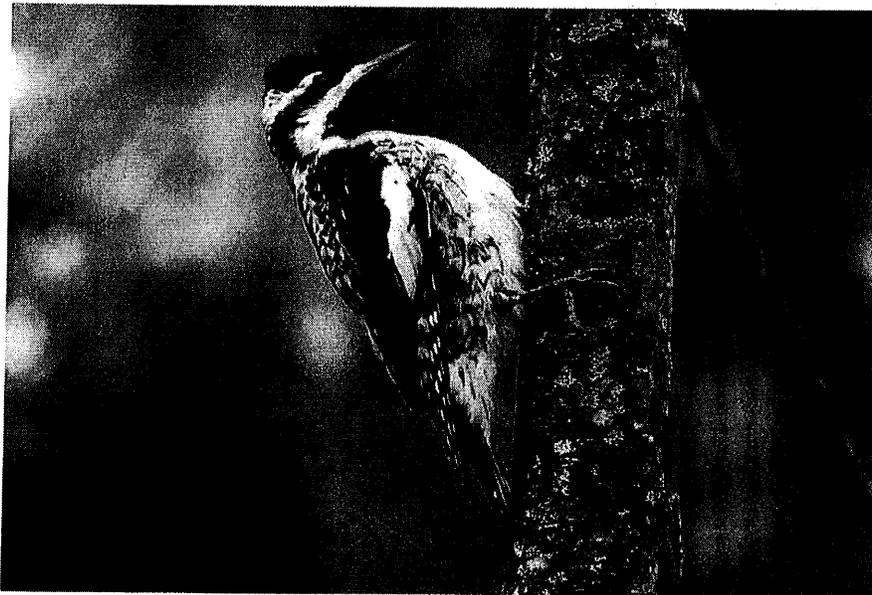


 County of Moore
— North Carolina —

Project Woodpecker

A Historic Economic Development Hearing

Project Woodpecker: Is About...





Project Woodpecker: Is About

Bringing the United States Golf Association
to Moore County:

Bringing:
Facilities
Jobs/Careers
Events
Visitors
Global Recognition
Economic Activity



Project Woodpecker:

Bringing the United States Golf Association to Moore County:

The Journey Getting Us To The Hearing Today

- Started with a brief discussion on 2/14/20
- Followed by meeting USGA Representatives on 2/25/20
 - Expanded to Board Closed Session on 3/3/20
- Has included a dozen Board closed session meetings
- Involved Chairman Quis & Commissioner Graham, at the Board's direction, participating in numerous discussions to gather information
- Discussions have included our State Senator and Representatives as well as Village of Pinehurst elected officials and staff
- Required Full-Board engagement to ensure ultimate project success



Project Woodpecker:

Bringing the United States Golf
Association to Moore County:

IS

A Historic Opportunity
A Once In A Lifetime Opportunity
A Transformative Opportunity
A Result of Commitment From State,
County, and Local Leaders



Project Woodpecker:

Bringing the United States Golf Association to Moore County:

The Hearing Notice Has Been Properly Advertised

Brief Presentation By Partners In Progress
Executive Director: Pat Corso

Followed By Public Hearing

Appendix B

09/08/2020

Special Mtg.

UNITED STATES GOLF ASSOCIATION

and

MOORE COUNTY, NORTH CAROLINA

INCENTIVE AGREEMENT

Dated as of September 9, 2020

NPRAL1:1607977.7

INCENTIVE AGREEMENT

THIS INCENTIVE AGREEMENT is dated as of September 9, 2020 (as supplemented or amended, the "Agreement"), and is between the **UNITED STATES GOLF ASSOCIATION**, a Delaware non-profit corporation (the "USGA"), and **MOORE COUNTY, NORTH CAROLINA**, a public body politic and a political subdivision of the State of North Carolina (the "County").

RECITALS:

The purpose of this Agreement is to describe certain incentives to be provided by the County to the USGA in connection with the USGA's relocation of facilities and making of commitments to the County.

WHEREAS, the USGA is the United States' national association of golf courses, clubs, and facilities; the governing body of golf for the United States, and is the entity that organizes the Men's and Women's U.S. Open Championships, U.S. Senior Open Championships, and Amateur U.S. Open Championships, and other golf championships and tournaments;

WHEREAS, the USGA is considering relocating portions of the USGA's operations that may include a golf equipment research and test center, museum and visitor center, offices for the USGA's foundation and greens section (the "Relocation"). The USGA anticipates housing the relocated and retained operations in two buildings in a campus-like setting, all, if located in the Village of Pinehurst, Moore County, NC (the "Village"), designed and built in a style consistent with the special aesthetic qualities of the Village. One of the buildings will be occupied by the USGA's golf equipment research and test center and supporting staff. The other building will house various USGA departments, including its Championship operations, and will include a museum and visitors center. The two buildings combined are anticipated to be no less than thirty thousand (30,000) square feet (the "Facilities"), and will involve Direct Investments of at least twenty five million dollars (\$25,000,000). The USGA anticipates employing fifty (50) people at the Facilities at an average wage of eighty two thousand dollars (\$82,000.00) per year;

WHEREAS, the USGA is prepared to commit to hosting five Men's U.S. Open Championships in the Village area, beginning in 2024, with one every five (5) to seven (7) years thereafter;

WHEREAS, the total positive economic impact of hosting the U.S. Open Championships per year, taking into account all direct, indirect, and induced impacts is estimated to be in excess of five hundred eighty five million three hundred sixty six thousand nine hundred thirty dollars (\$585,366,930), with a fiscal impact estimated to be in excess of thirty five million three hundred fifty six thousand three hundred seventy dollars (\$35,356,370);

WHEREAS, the initial economic impact of relocating the Facilities to Moore County taking into account all direct, indirect, and induced impacts, is estimated to be in excess of thirty one million eight hundred eighty five thousand nine hundred sixty two dollars (\$31,885,962), with a total ongoing estimated economic impact to be in excess of fifteen million six hundred eighty nine thousand two hundred seventy seven dollars (\$15,689,277), and an annual estimated fiscal impact in excess of seven hundred nineteen thousand seven hundred twenty two dollars (\$719,722);

WHEREAS, the relocation of the USGA's green operations is likely to provide substantial opportunities for collaboration with, and benefit to, the agronomy programs at North Carolina State University, and North Carolina A&T, and the golf course maintenance and management curricula at Sandhills Community College;

WHEREAS, USGA's consideration of the Relocation and construction of the Facilities and holding repetitive U.S. Open Championships remains competitive with other states;

WHEREAS, as an alternative to relocating to North Carolina, USGA is considering an expansion and renovation at its current operations in New Jersey. There is a competitive disadvantage for the USGA to relocate various operations from New Jersey to North Carolina. The incentives contemplated herein help to mitigate this disadvantage;

WHEREAS, the provisions of the Local Development Act, North Carolina General Statute § 158-7.1 authorize the County to provide incentives to support the Relocation and construction of the Facilities; and

WHEREAS, at public hearing on September 8, 2020 the County Commissioners in recognition of the substantial benefits offered by the Relocation and construction of the Facilities, including increases in tax revenue to the County, increased employment opportunities, economic impact from the USGA's operations and the U.S. Open Championships, and the increase in national and international awareness of the County that will support property values and future opportunities, voted to approve the incentives as provided for in this Agreement.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained in this Agreement, the parties hereby agree as follows:

ARTICLE I
DEFINITIONS; RULES OF CONSTRUCTION

1.01. Definitions. For all purposes of this Agreement, unless the context requires otherwise, the following terms shall have the following meanings:

“Applicable Tax Bill” has the meaning assigned in Section 4.02.

“Business Day” means any day that is not a Saturday or a Sunday, or a day on which banks in the State are required by law to be closed.

“Closing Date” means the date on which this Agreement is first executed and delivered by the parties and if the Agreement is not executed by the parties and exchanged on the same date, the date on which the final signature is received by the party who signed and delivered first.

“County” means Moore County, North Carolina.

“Direct Investment” means the capital investments of all land, infrastructure, buildings, furniture, fixtures, and equipment placed by or on behalf of the USGA on the ad valorem tax rolls, regardless of the funding sources for said property and regardless of any determination by the County regarding the tax exempt status of said property or the owner of such property.

“Facilities” has the meaning assigned in the second recital.

“Full Time Employees” means persons employed at the Facilities who are paid for at least thirty five (35) hours of work per week, and whose wages are subject to withholding for North Carolina income taxes.

“Grant Period” means the period beginning on the date the USGA submits its first application for an Incentive Payment as provided in Section 4.02 below and ending one hundred and twenty four (124) months thereafter, so as to afford the USGA the opportunity to receive ten (10) Incentive Payments.

“Incentive Payments” means the incentive payments from the County to the USGA as described in Article IV.

“Incentive Year” refers to the twelve (12) month period beginning January 1 and ending December 31.

“Initial Incentive Year” means the year in which, as determined solely by the USGA, in its sole discretion, Incentive Payments begin. USGA shall communicate to the County its election of the Initial Incentive Year no later than December 31, 2024.

“Performance Commitments” has the meaning assigned in Article II of this Agreement.

“Relocation” has the meaning assigned in the second recital.

“Site” means the real property in the Village of Pinehurst upon which the Facilities is to be constructed, as more specifically described in Exhibit A and Exhibit A-1, which description

is subject to adjustments prior to conveyance of the Site, based upon engineering analyses by the USGA.

“State” means the State of North Carolina.

“Support Commitments” has the meaning assigned in Section 5.01.

“Village” has the meaning assigned in the second recital.

1.02 Rules of Construction. Unless the context otherwise indicates:

(a) Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine and neuter genders as well;

(b) All references to articles, sections or exhibits are references to articles, sections and exhibits of this Agreement;

(c) All references to officers are references to County officers; and

(d) The headings of articles, sections, and sub-sections are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meanings, construction or effect.

(e) This Agreement shall be construed without regard to any presumption or other rule requiring construction against the party causing this Agreement to be drafted.

ARTICLE II

USGA’S COMMITMENTS

In return for the Incentive Payments and Support Commitments set forth herein, which are a competitive necessity for the USGA to select the Village as the site for the Relocation, construction of the Facilities, and holding five repetitive U.S. Open events, the USGA commits to certain Performance Commitments (defined below).

2.01 Performance Commitments. The USGA agrees to meet or exceed the following (collectively the “Performance Commitments”):

(a) On or before December 31, 2023 the USGA shall cause fifty (50) Full Time Employees to be employed at the Facilities. After December 31, 2023 the USGA will continue to employ a minimum annual average of fifty (50) Full Time Employees for the duration of the Grant Period.

(b) The USGA agrees that the average wage of all Full Time Employees shall be no less than eighty two thousand dollars (\$82,000) per year. The USGA will provide benefits to Full Time Employees, which benefits will include, but not be limited to, health insurance coverage, with the USGA paying at least fifty percent (50%) of the cost for such coverage.

(c) On or before December 31, 2023 the USGA shall cause to be made an initial Direct Investments equal to at least twenty-five million dollars (\$25,000,000). It is understood that Direct Investments will be made over a period of time from the Closing Date to December 31, 2023 on a phased basis. The Direct Investments in the Facilities will be maintained during the Grant Period.

(d) The USGA cause construction of the Facilities to be completed no later than December 31, 2023.

(e) The USGA will bring five (5) Men's U.S. Open Championships to the Village area, beginning in 2024, with one occurring every five (5) to seven (7) years thereafter.

2.02 Performance Commitment Confirmation. Confirmations of the USGA's attainment as to Performance Commitments shall be determined by the County based on the USGA's application for an Incentive Payment in the manner described in Article IV below.

ARTICLE III

CONSTRUCTION OF FACILITIES

The parties agree that the County shall have no obligation to construct the Facilities. The USGA shall cause the construction to be carried on in accordance with all applicable State and local laws and regulations. The USGA shall cause the Facilities to be constructed on the Site and shall insure (1) that the Facilities does not impermissibly encroach upon nor overhang any easement or right-of-way and (2) that the Facilities, when erected, will be wholly within any applicable building set-back lines, and will not violate applicable use or other restrictions contained in prior conveyances or applicable protective covenants or restrictions. The USGA shall cause all utility lines and streets serving the Site, which are located within the Site, to be completed in accordance with applicable regulations of any governmental agency having jurisdiction.

The USGA shall pay all taxes and all charges for utility services furnished to or used on or in connection with the Site and the Facilities. The USGA shall bear all risk of loss to and condemnation of the Site and the Facilities.

The USGA shall observe and comply promptly with all current and future orders of all courts and regulatory bodies having jurisdiction over the Facilities or any portion thereof (or be

diligently and in good faith contesting such orders), and all current and future requirements of all insurance companies writing policies covering the Facilities or any portion thereof.

ARTICLE IV

INCENTIVE PAYMENTS

4.01 Amount of Incentive Payments. Subject to the possible reduction contemplated in Section 4.02 below, the County commits to pay to the USGA Incentive Payments equal to ninety percent (90%) of the property taxes paid by the USGA to the County each year as shown on the Applicable Tax Bill (each an "Incentive Payment") for the Site, the Facilities, and the personal property located in the Facilities or at the Site. This calculation is for ease of determination of the amounts of the Incentive Payments. Such Incentive Payments may be paid by the County from any fund source available to the County, which is not restricted as to the use of such funds. The Incentive Payments will be paid for ten (10) years, which will be the term of this Agreement.

4.02 Application for Incentive Payments. In each Incentive Year during the term of this Agreement the USGA may make application to the County for an Incentive Payment, which application shall include (a) for the Site, the Facilities, and the personal property located in the Facilities or at the Site, the ad valorem tax bill that is due for payment no later than the following January (for each year the "Applicable Tax Bill") and (b) completed North Carolina Department of Commerce, Division of Employment Security forms NCUI-101 (employee names and social security numbers may be redacted) for the fourth quarter of the calendar year preceding its application. It is understood and agreed that for measuring entitlement to the full amount of any Incentive Payment, the USGA shall be deemed to have complied with the job creation and retention requirements if it creates or retains ninety percent (90%) or more of the jobs described above. If the number of Full Time Employees falls below such ninety percent (90%) amount, the Incentive Payment due to the USGA shall be reduced to equal the product of the Incentive Payment otherwise due multiplied by a percentage determined by dividing the number of Full Time Employees (calculated as provided above) by forty five (45). For example, if for the Incentive Year January 1, 2027 to December 31, 2027 an incentive of \$100,000 was otherwise due to the USGA, but the USGA employed only 40 Full Time Employees during that year, the Incentive Payment due the USGA would be \$88,888.88 ($\$100,000 \times (40/45) = \$88,888.88$). Notwithstanding anything to the contrary in this Agreement, the number of Full Time Employees as reported on the form NCUI-101 is the only element in the Performance Commitments that the County may assess in determining whether the USGA receives all or a portion of an Incentive Payment in any given Incentive Year; it being understood that the value of the Direct Investment is reflected in the amount of each Applicable Tax Bill.

4.03 Timing of Incentive Payments. The County shall make each Incentive Payment to the USGA no later than thirty (30) days after the later of (a) the date USGA submits a request

to the County or (b) the date on which the USGA pays the taxes invoiced in the Applicable Tax Bill.

4.04 Clawback of Incentive Payments. Notwithstanding anything in this Agreement to the contrary, and supported by the survival provisions in Section 7.04 of this Agreement, if the USGA ceases operations in the Facility in any Incentive Year after having received an Incentive Payment for such Incentive year, the County shall have the right to demand the return of the Incentive Payment paid to the USGA pursuant to Article IV of this Agreement for such Incentive Year, and the USGA agrees to return to the County such Incentive Payment within ninety (90) days of its receipt of Notice from the County demanding repayment pursuant to this Section 4.04. As provided in Section 2.01(e) the USGA shall bring five (5) Men's U.S. Open Championships to the County area beginning in 2024, with one occurring every five (5) to seven (7) years thereafter. The first U.S. Men's Open will occur in 2024. The second U.S. Men's Open will occur not later than 2031. The third U.S. Men's Open will occur not later than seven (7) years after the second. The fourth U.S. Men's Open will occur not later than seven (7) years after the third. The fifth U.S. Men's Open will occur not later than seven (7) years after the fourth. If any of those maximum allowable seven (7) year increments is violated, the County shall have the right to demand a return or partial return a of the Incentive Payments paid to the USGA pursuant to Article IV of this Agreement, and the USGA agrees to return to the County such portion of Incentive Payment within ninety (90) days of its receipt of Notice from the County demanding repayment pursuant to this Section 4.04. The right to demand a return of incentive payments shall arise on December 31 of the year corresponding to the maximum allowable seven (7) year outside dates specified above, and the portion of the Incentive Payments previously paid to the USGA that is subject to the clawback provided in this Section 4.04 shall be an amount equal to sixty-five percent (65%) of the Incentive Payments paid to the USGA (the balance of the Incentive Payments (35%)) being attributed to job creation and investment created through the Relocation) multiplied by: one-hundred percent (100%) for the first Championship that must have occurred by 2024, one-hundred percent (100%) for the second Championship that must have occurred by 2031; sixty-five percent (65%) for the third Championship that must have occurred by 2038; thirty-five percent (35%) for the fourth Championship that must have occurred by 2045, and ten percent (10%) for the fifth Championship that must have occurred by 2052. It is expressly agreed by all parties that the clawback rights of the County, and clawback obligations of the USGA, as set forth in this paragraph shall survive termination of this Agreement as provided in Section 7.04.

ARTICLE V

COUNTY SUPPORT COMMITMENTS

5.01 County Support Commitments. In addition to the commitment to make the Incentive Payments, the County makes the following commitments to the USGA in connection with the USGA's construction of the Facilities and U.S. Open Championship operations ("Support Commitments"):

(a) The County will support the development of the Facilities on the Site, consistent with applicable ordinances, statutes, and governing law.

(b) The County shall designate a primary contact with the County to serve as the USGA's primary coordinating contact for all matters related to zoning, site plan approval, permitting, inspections, and any other matter related development of the Site or construction of the Facilities that arises out of, or relates to, requirements imposed by statutes, rules, regulations, ordinances, procedures, guidelines, or similar matters of the State, County, Village, or any of their agencies, boards, departments, divisions, commissions, or instrumentalities. The contact shall be appointed by the County Manager and shall report directly to the County Manager on all matters related to the USGA.

(c) The County agrees to hold off-cycle meetings and/or hearings and to direct staff to act as promptly as allowed by applicable ordinances, statutes, and governing law all in an effort to expedite where possible the handling of all applications submitted by or on behalf of the USGA for zoning, site plan approval, land disturbance permits, building permits, inspections, and all similar matters related to the development of the Site or the construction of the Facilities. The County acknowledges that construction of the facility is estimated to require not less than eighteen (18) months and that avoiding delays and expediting applications submitted by the USGA is critical to meeting the required Facility completion date.

(d) Intentionally Deleted.

(e) For every U.S. Open Championship beyond 2024, the County shall provide direct services to the Championship including emergency, fire, inspections, public services, recreation and management to the USGA at rates consistent with standard wages of the employees providing such services as part of negotiated licensing agreements that are consistent with the licensing agreement for the 2024 U.S. Open.

5.02 Limitation on Support Commitments. Nothing contained in this Agreement shall be deemed or construed so as to in any way estop, limit, or impair the County from exercising or performing any regulatory, policing, legislative, governmental, or other powers or functions. The County Support Commitments in Sections 5.01(a) – (c) are intended to enhance communication, prevent delays, and support achievement of an occupancy date prior to December 31, 2023. The County Support Commitments in Section 5.01(e) is intended to provide support for U.S. Open Championships consistent with the County's past practice (excluding certain rental charges previously imposed).

ARTICLE VI

INDEMNIFICATION

The USGA hereby agrees to indemnify, protect and save the County and its officers, directors and employees harmless from all liability, obligations, losses, claims, damages, actions, suits, proceedings, costs and expenses, including reasonable attorneys' fees, arising out of, connected with, or resulting directly or indirectly from the Site or the Facilities or the transactions contemplated by or relating to this Agreement, including without limitation, the possession, condition, construction or use thereof, insofar as such matters relate to events subject to the control of the USGA and not the County.

ARTICLE VII

TERMINATION OF AGREEMENT

7.01. Termination by USGA. Upon the occurrence of any of the following events, the USGA shall have the option of terminating this Agreement by giving written notice to the County:

- (a) Failure of the County to make Incentive Payments, as provided in Article IV of this Agreement; or
- (b) Failure of the County to fulfill its Support Commitments, as provided in Article V of this Agreement.

7.02. Termination by County. Upon the occurrence of any of the following events, the County shall have the option of terminating this Agreement by giving written notice to the USGA:

- (a) The USGA ceases to conduct any operations in the Facilities for a period of greater than ninety (90) days; or
- (b) The USGA's failure to host at least one Men's U.S. Open Championship in the seven years after the 2024 U.S. Open.

7.03. Automatic Termination. If not sooner terminated pursuant to Section 7.01 or Section 7.02 above, this Agreement shall terminate at the end of the Grant Period after the USGA's receipt of the tenth (10th) Incentive Payment.

7.04. Survival. The obligations of the USGA contained in Section 2.01(e) shall survive until the earlier of a termination pursuant to Section 7.01(b) or December 31, 2052; the rights and responsibilities of the parties in Section 5.01(e) shall survive until December 31, 2052; and the rights and responsibilities of the parties in Section 4.04 shall survive until the earlier of a

termination pursuant to Section 7.01(b) or June 30, 2053. Rights and responsibilities not addressed in the preceding sentence do not survive termination.

ARTICLE VIII

TEMPORARY REDUCTIONS IN PERFORMANCE COMMITMENTS

Notwithstanding anything herein to the contrary, if the USGA shall be prevented or delayed from fulfilling, or continuing to fulfill the Performance Commitments as set forth herein, by reason of a:

- (a) Government moratorium;
- (b) Delay in obtaining any governmental or quasi-governmental approvals, permits, or certificates, despite reasonable efforts by the USGA to obtain same;
- (c) Enemy or hostile governmental or terrorist action;
- (d) Act of God, including but not limited to hurricane, tornado, snowstorm, windstorm, earthquake or flood, fire or other extreme weather conditions or other casualty;
- (e) Strike, lockout or a labor dispute involving entities other than the USGA which causes the USGA an inability to obtain labor or materials;
- (f) Delay in funding from any state or local government incentive to or for the benefit of the USGA; or
- (g) Any other event, other than normal business exigencies, which is beyond the reasonable control of the USGA;

Upon the occurrence of any of the above events, the Performance Commitments for the year(s) in which such event occurred shall be equitably reduced or the time for performance extended, or both to reflect the effect of such event.

The parties shall negotiate in good faith to make an equitable adjustment in the Performance Commitments for an affected year(s). However, if the parties cannot in good faith reach an agreement as to such adjustment, all parties agree to submit this issue to binding arbitration on an expedited basis.

ARTICLE IX

ASSIGNMENTS

No party shall sell or assign any interest in or obligation under this Agreement without the prior express written consent of all the parties. Provided, however, that this Agreement may be assigned by the USGA to a wholly owned subsidiary of the USGA, without the consent of the County, provided that the USGA will guarantee the performance by the subsidiary of the obligations due under this Agreement.

ARTICLE X

CONTINUING CONTRACT

It is understood and agreed to by the parties that this Agreement is a continuing contract as defined by North Carolina General Statute § 153A-13, and is a legal, valid and binding agreement of the USGA and the County, enforceable against the USGA and the County in accordance with its terms.

ARTICLE XI

MISCELLANEOUS

11.01 Governing Law. The parties intend that this Agreement shall be governed by the law of the State of North Carolina.

11.02 Notices.

(a) Any communication required or permitted by this Agreement must be in writing except as expressly provided otherwise in this Agreement.

(b) Any communication shall be sufficiently given and deemed given when delivered by hand or five days after being mailed by first-class mail, postage prepaid, and addressed as follows:

(1) If to the USGA, to:

Chris Fraser,
Chief Legal Officer
77 Liberty Corner Road
Liberty Corner, NJ 07938

With a copy to:

Ernest Pearson
Nexsen Pruet PLLC
4141 Parklake Ave, Suite 200
Raleigh, NC 27612

- (2) If to the County, to:
County Manager
Moore County
P.O. Box 905
1 Courthouse Square
Carthage, NC 28327

(c) Any communications hereunder may be sent by the attorney for the party making the communication.

(d) Any addressee may designate additional or different addresses for communications by notice given under this Section to each of the others.

11.03 Non-Business Days. If the date for making any payment or the last day for performance of any act or the exercising of any right shall not be a Business Day, such payment shall be made or act performed or right exercised on or before the next preceding Business Day.

11.04 Severability. If any provision of this Agreement shall be determined to be unenforceable, that shall not affect any other provision of this Agreement.

11.05. Entire Agreement; Amendments. This Agreement, including Exhibit A and Exhibit A-1 attached, which are incorporated herein and made a part hereof, constitutes the entire contract between the parties, and this Agreement shall not be changed except in writing signed by all the parties.

11.06. Binding Effect. Subject to the specific provisions of this Agreement, this Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

11.07. Time. Time is of the essence in this Agreement and each and all of its provisions.

11.08. Liability of Officers and Agents. No officer, agent or employee of the County or the USGA shall be subject to any personal liability or accountability by reason of the execution of this Agreement or any other documents related to the transactions contemplated hereby. Such officers, agents, or employees shall be deemed to execute such documents in their official

capacities only, and not in their individual capacities. This Section shall not relieve any such officer, agent or employee from the performance of any official duty provided by law.

11.09. Amendments and Waivers. No amendment of any provision of this Agreement shall be valid unless the amendment is in writing, signed by each party and expressly states it is amending of this Agreement. No waiver of any provision of this Agreement shall be valid unless the waiver is in writing, signed by the party granting the waiver and expressly identifies the provision of this Agreement to which the waiver applies. A failure by a party to enforce any provision of this Agreement in any particular circumstance for any period of time shall not constitute a waiver of (i) such provision in any other circumstance or at any future time, or (ii) any other right of such party under any other provision of this Agreement. Without limiting the generality of the foregoing, the USGA's delay in making application for an Incentive Payment shall not waive or diminish the USGA's right to receive any such payment.

11.10. Counterparts. This Agreement may be executed in several counterparts, including separate counterparts. Each shall be an original, but all of them together constitute the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their corporate names by their duly authorized officers, all as of the date first above written.

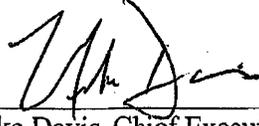
[SEAL]

UNITED STATES GOLF ASSOCIATION
a Delaware non-profit corporation

ATTEST:


Christopher A. Fraser, Secretary

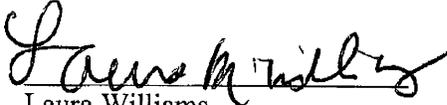
By


Mike Davis, Chief Executive Officer

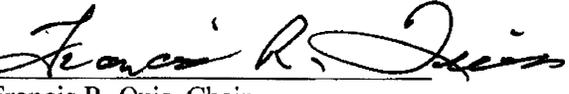
[SEAL]

MOORE COUNTY, NORTH CAROLINA

ATTEST:


Laura Williams
Clerk to the Board

By


Francis R. Quis, Chair
Moore County Board of Commissioners

This instrument has been pre-audited
in the manner required by The Local
Government Budget and Fiscal Control Act

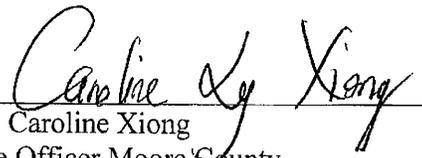

Name: Caroline Xiong
Finance Officer Moore County,
North Carolina

EXHIBIT A

SITE DESCRIPTION

The Site is bounded to west by a service road that runs generally parallel and to the east of Beulah Hill Rd. bounded to the east by Carolina Vista Dr., to the north by Cherokee Rd. and to the south by a line to be created just north of the existing tennis courts. The site is generally depicted on Exhibit A-1. The Site is approximately 2 acres and is subject to adjustment during the site planning and subdivision process.

The Site is a portion of, and will be subdivided from, a larger tract owned by Resorts of Pinehurst, Inc., being more particularly described as follows:

That certain tract or parcel of land containing 69.73 acres more or less bounded by N.C. Highway #5 on the east Morganton Road on the South, Cherokee Road on the North and Village Green Road and portion of Golf Course #2 and #4 on the East and being more particularly described as follows:

BEGINNING at the intersection of the southern right of way of Cherokee Road with the eastern right of way of N.C. Highway #5; running thence as the eastern right of way of N.C. Highway #5 in a southerly direction to its intersection with the northern right of way of Morganton Road; thence in an easterly direction with the northern right of way of Morganton Road to the golf cart crossing for Hole Numbers 1 and 2 and Hole Numbers 16 and 17 of Course Number 1; thence in a northerly direction a straight line to the southeastern right of way of Village Green Road; thence in a northeastern direction as the northwestern right of way of Village Green Road to its intersection with the southwestern right of way of Cherokee Road; thence as the right of way of Cherokee Road to the beginning.

The deed conveying the above property was recorded in the Moore County Register of Deeds at Book 1418, Page 403.

EXHIBIT A-1
SITE DESCRIPTION

