



Real Estate Assets Department

SDC003

CHH Torrey Pines Hotel Partners, LP
J202P1 - 005 - A02

Document Type

LEGAL DOCUMENTS



Sub - Category

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AGREEMENTS



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**AMENDED TORREY PINES GOLF COURSE
AGREEMENT ON RESERVED NONRESIDENT TEE TIMES**

THIS AGREEMENT is executed between THE CITY OF SAN DIEGO ("City") and HILTON HOTEL CORPORATION, CHH TORREY PINES TENANT CORP. (collectively "Hilton"), pursuant to Section 1.8, Use of Torrey Pines Golf Course by Hotel Guests, of the lease between City and Hilton, as amended by the First Amendment to Lease Agreement, City Clerk Document No. RR-296517, filed May 21, 2002. City and Hilton agree that Hilton will be allowed nonresident tee times at Torrey Pines Golf Course upon the following terms and conditions:

1. Tee Times Allotment:

- (a) Total of 20 players times per day, provided in 5 start times.
- (b) Times are 7:35 a.m.; 7:42 a.m.; 11:49 a.m.; 11:56 a.m.; and 12:07 p.m. (1:07 p.m. during Daylight Savings Time).
- (c) Play will be distributed 60% on the south course (12 players per day) and 40% on the north course (8 players per day), with exact distribution at the discretion of City's Golf Operations Manager.

2. Schedule:

- (a) No credit will be given for loss of tee times for the following reasons:
 - (i) Buick Invitational Tournament (approximately 10 to 12 days);
 - (ii) City Amateur Tournament (approximately 6 days);
 - (iii) Junior World Tournament (approximately 7 days);
 - (iv) Any other PGA or USGA Tournament (variable days);
 - (v) Inclement weather; and
 - (vi) Regular course maintenance causing the closing of either course.
- (b) When one-day tournaments displace Hilton's tee times but are less than full-course tournaments, such times will be displaced in the same day. All play schedules showing any such displacement will be provided by City to Hilton at least 90 days in advance.

3. Consideration:

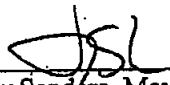
- (a) **Access Fee:** In consideration for the guaranteed access for 20 players per day, Hilton will, in lieu of paying an annual fee of \$75,000, provide the following "in kind" services: 1) The purchase of, and laundry services for, golf course employee uniforms; and 2) Provide custodial services for Torrey Pines Golf Course Clubhouse and on-course rest rooms.
- (b) **Tee Time Pricing:**
 - (i) Hilton will pay for each round guaranteed, regardless of whether such round is actually utilized. A round will be considered "guaranteed" if:
 - (1) Hilton has not returned any daily allotted round to City by 5:00 p.m., 10 calendar days prior to the tee time date, or

- (2) Hilton has otherwise guaranteed the rounds for a time when City has booked a full-course tournament.
 - (ii) Payment:
 - (1) Hilton will pay for each round at either (i) the then-current nonresident rate, plus a reservation surcharge of \$25 per player, for the north course, or (ii) the then-current nonresident rate, plus a reservation surcharge of \$30 per player, for the south course.
 - (iii) Fees will be payable to City monthly, based on actual tee times guaranteed.
 - (c) Rent:
 - (i) City will receive no percentage rent on the actual cost of tee times, cart rentals, and other similar services provided to Hilton guests.
 - (ii) City will receive percentage rent on the markup on tee times and cart rentals (i.e., the difference between the amount charged the guest and Hilton's actual cost) provided to Hilton guests at the then-current percentage rent for guest room rentals, if part of a room package.
 - (d) TOT: All gross revenues associated with golf course charges are subject to Transient Occupancy Tax at the then-current rate.
 - (e) These amounts are subject to confirmation by audit.
4. **Amendment:**
- (a) During the term of this agreement, the rates or surcharges shall not decrease unless an independent party confirms that the then-current rate plus surcharge paid by the Hilton are equal to or greater than the market rate for nonresident tee times. In such case, City and Hilton agree to negotiate in good faith to agree on an equitable adjustment in rates and/or surcharges. ✓
5. **Tournament Play:**
- (a) Booking:
 - (i) Hilton will also have the same right as any other party to book tournaments in addition to daily allotted times.
 - (ii) City's Golf Operations Manager will schedule up to 24 months in advance for tournaments of 144 players, 18 months in advance for tournament of 72 to 80 players, and 12 months in advance for tournaments of 20 to 70 players.
 - (b) Payment will be the then-current nonresident rate, plus a reservation surcharge of \$25 per player for the north course and \$30 per play for the south course, which shall include the rental of a golf cart for every 2-players.
6. **Term:**
- (a) This Agreement will expire ten (10) years from the date that it is executed by all parties unless the City, in its discretion, renews it. ✓

IN WITNESS WHEREOF, this Agreement is executed by City, acting by and through its Mayor and by Hilton, acting by and through its lawfully authorized officer.

Dated: February 9, 2007

CITY OF SAN DIEGO

By: 
Jerry Sanders, Mayor on behalf of the City
of San Diego

Dated: February , 2007

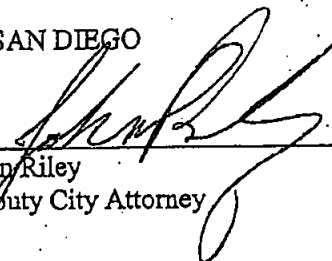
HILTON HOTELS CORPORATION
HILTON LA JOLLA TORREY PINES

By: _____
General Manager

APPROVED AS TO FORM:

Dated: February 13, 2007

CITY OF SAN DIEGO

By: 
John Riley
Deputy City Attorney

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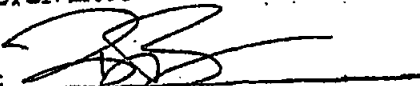
By: 

Jerry Sanders, Mayor on behalf of the City
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~~CHH TORREY PINES HOTEL PARTNERS, LP~~
Tenant Corp.

HILTON HOTELS CORPORATION
HILTON LA JOLLA TORREY PINES

Dated: February , 2007

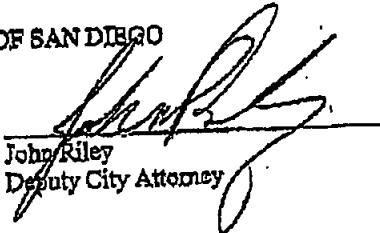
By: 

General Manager
Name Barry A.N. Bloom
Title Senior Vice President

APPROVED AS TO FORM:

Dated: February 13, 2007

CITY OF SAN DIEGO

By: 

John Riley
Deputy City Attorney