



CHARITY PARTICIPATION AGREEMENT



THIS CHARITY PARTICIPATION AGREEMENT (this “**Agreement**”) is made and entered into as of the ____ day of _____, 2022, by and between PGA TOUR, Inc., a corporation organized under the laws of the State of Maryland that is exempt from federal income tax under Internal Revenue Code Section 501(c)(6) (“**TOUR**”) and _____, a corporation organized under the laws of the State of _____ that is exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and is an organization described in Internal Revenue Code Section 509(a)(1) or 509(a)(2), with Federal Taxpayer Identification Number (EIN) _____ (“**Charity**”).

BACKGROUND

- A. TOUR is the organization of professional tournament golfers that co-sponsors, sanctions and administers the series of professional golf tournaments known as the PGA TOUR Champions.
- B. TOUR operates a certain professional golf tournament on the PGA TOUR Champions entitled the Charles Schwab Cup Championship (the “**Tournament**”).
- C. TOUR operates a ticket sales program whereby local charitable organizations may receive revenue as a result of consumer purchases of certain tickets to the Tournament (the “**Program**”).
- D. Charity desires to participate in the Program pursuant to the terms and conditions set forth herein.

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

1. **TERM.**

1.1 The term of this Agreement (the “**Term**”) shall commence upon full signature of this Agreement by the parties and terminate sixty (60) days following conclusion of the Tournament in 2022, which is scheduled to be conducted November 7-13, 2022 at the Phoenix Country Club in Phoenix, Arizona. Either party may terminate this Agreement upon fifteen (15) days prior written notice to the other party.

1.2 Notwithstanding anything in this Agreement to the contrary, in the event TOUR cancels the Program and/or Tournament due to COVID-19 precautions and/or regulatory or governmental recommendations or requirements in effect:

- (a) the Incentive Program discussed in Section 3 shall not be awarded; and
- (b) Payment of contributions will be distributed as of the date of such cancellation *less* any amounts refunded to ticket purchasers, if any, in accordance with Paragraph 4 below.

2. **THE PROGRAM.** Upon signature of this Agreement by the parties, TOUR will provide a unique identifier to Charity, such as a code or name (the “**Code**”). Charity may then encourage consumers to reference the Code when purchasing tickets to the Tournament. For each ticket purchased that references the Code, TOUR will contribute or cause to be contributed one hundred percent of the Ticket Sale Revenue to Charity. “**Ticket Sale Revenue**” means the revenue received from a consumer to purchase a ticket under the Program, exclusive of any ticket shipping fees, processing fees or taxes. Charity acknowledges and agrees that TOUR shall determine the dates of availability and price of the tickets, assign a specific level of access to the Tournament provided by such tickets, manage all ticket sales, be responsible for payment of applicable tax on the ticket sales, and determine any and all refund or other policies applicable to such ticket sales. All ticket sales are subject to availability and all rules and regulations established by TOUR governing access to the Tournament. Charity further acknowledges that not all tickets and hospitality sales to the Tournament shall be subject to the Program. TOUR will designate the particular tickets subject to the Program.

3. **INCENTIVES.** Multiple charitable organizations may be participating in the Program, and TOUR has secured a sponsor (the “**Sponsor**”) who has agreed to award a grant to certain charities participating in the Program based on the amount of overall Ticket Sale Revenue generated by such charities as indicated by the Codes used by consumers during the applicable purchase transactions, with determination of the grant recipients based solely on TOUR’s books and records (the “**Incentive Program**”). The Incentive Program is structured to award (a) Twelve Thousand Dollars (\$12,000) to the charity who has the largest volume of Ticket Sale Revenue as evidenced by codes used by consumers under the Program, (b) Six Thousand Dollars (\$6,000) to the charity with the second largest volume of Ticket Sale Revenue, and (c) Two Thousand Dollars (\$2,000) to the charity with the third largest volume of Ticket Sale Revenue; provided, however, (i) the Sponsor will not award any grant under the Incentive Program to an organization that does not, in the Sponsor’s sole discretion, meet the grant recipient requirements set forth in Schedule I attached hereto, and (ii) if the Sponsor terminates its sponsorship or the Tournament is cancelled in its entirety prior to commencement of competitive play for reasons beyond TOUR’s control, TOUR may terminate the Incentive Program without penalty. Charity acknowledges and agrees that (a) all federal, state and/or local income and other taxes, if any, on the complete value of the grant will be the recipient charity’s sole responsibility, (b) the recipient charities may be required to sign and return an affidavit of eligibility, release of liability and/or publicity release (where legal) within ten (10) days of notification of being awarded the grant, or the grant may be forfeited and an alternate charity may be selected, and (c) the number of incentive grants shall not exceed the number of charities participating in the Program.

4. **PAYMENT.** Within approximately sixty (60) days of conclusion of the Tournament, TOUR shall provide Charity with a report detailing the applicable ticket sales that referenced the Code. Along with such report, TOUR shall remit, or cause to be remitted, payment to Charity of the applicable contribution resulting from such sales. In addition, the Sponsor separately shall provide an additional grant to Charity under the Incentive Program, if applicable. Charity acknowledges and agrees that TOUR makes no representation (i) that Charity will receive any particular amount or be able to encourage any particular number of ticket sales as a result of this Agreement or (ii) that Charity will meet Sponsor’s grant recipient requirements. TOUR shall use commercially reasonable efforts to periodically inform Charity of the volume of ticket sales referencing the Code during the Term.

5. **MARKS.** Subject to approval of the title sponsor of the Tournament (*i.e.*, Charles Schwab), Charity shall be granted the right to use the name of the Tournament (*i.e.*, Charles Schwab Cup Championship) and the name of the Program (*i.e.*, TICKETS Fore CHARITY™) solely in conjunction with its efforts to generate ticket sales to the Tournament that designate Charity’s Code pursuant to this Agreement. Charity’s use of the Tournament and Program name shall be strictly limited to promotion of the availability and the sale of tickets and shall at all times be subject to the prior written approval of TOUR in each instance. **In all communications with consumers by Charity related to the Program, Charity shall ensure that consumers are notified that such ticket sales are not tax deductible as a charitable contribution for the consumer.** Charity shall not imply or infer an affiliation or association with TOUR, the Sponsor, the Tournament or the Program other than as a charitable recipient of the Program at the Tournament. TOUR shall provide Charity with a limited amount of marketing and promotional material and content (the “**Toolkit**”) for Charity’s use in connection with the Program. Charity shall not use any other marketing or promotional material or content that utilizes the Tournament logo (or the TICKETS Fore CHARITY logo), including on any website, without TOUR’s prior written approval in each instance. Neither shall Charity disassemble, parcel or separate the material within the Toolkit (*e.g.*, copy/cut/repurpose TOUR logos or player photos). Upon request by TOUR upon termination or expiration of the Term, Charity shall return to TOUR and/or certify the destruction of the Toolkit.

6. **REPRESENTATIONS AND WARRANTIES.** Charity is and shall remain throughout the Term, and at the time of receiving any additional grant pursuant to Section 3 of this Agreement if not during the Term, a United States entity recognized as exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and as an organization described in Internal Revenue Code Section 509(a)(1) or (a)(2), duly formed, validly existing and in good standing under the laws of the state in which it is organized, and that is qualified to do business in all jurisdictions in which the nature of its business or assets would so require. Charity does not and will not support or conduct, directly or indirectly, violence or terrorist activities of any kind and is in compliance with all U.S. law including but not limited to laws prohibiting the support of terrorism. Charity is not included on the "Specially Designated Nationals List" (SDN) maintained by The Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury. Charity, including the individual signing below on behalf of Charity, has full power

and authority to enter into and perform this Agreement. The execution and delivery of this Agreement by Charity and the consummation of the transactions contemplated hereby have been duly and validly authorized. This Agreement constitutes a legal, valid and binding agreement of Charity and is enforceable against Charity in accordance with its terms. Charity agrees that it and any employees, agents or contractors it may employ or utilize shall comply with all applicable laws, statutes, ordinances, rules and regulations of any governmental authority and with any rules or regulations promulgated by TOUR in connection with the Program.

7. **BREACH.** If TOUR determines, in its sole discretion following consultation with Sponsor, that Charity has breached any of its representations or warranties in this Agreement, TOUR may refuse to remit, or cause to be remitted, to Charity any Ticket Sale Revenue and/or grant under the Incentive Program under this Agreement and may demand the return of all or part of any such funds previously provided to Charity under this Agreement, which Charity shall immediately refund pursuant to instructions provided by TOUR.

8. **INDEMNIFICATION.** Charity covenants and agrees to indemnify and hold TOUR and Sponsor, and each of their respective officers, directors, employees, agents, affiliated entities, and sponsors (and their respective officers, directors and employees) (collectively, the “**TOUR Indemnities**”) harmless from and against any and all losses, claims, damages, expenses, judgments, awards, petitions, demands or liabilities (including without limitation reasonable counsel fees whether incurred in preparation for trial, at trial, on appeal or in bankruptcy proceedings), joint or several, to which any of TOUR Indemnities may become subject (collectively, “**Claims**”) arising out of or in connection with (a) Charity’s breach of any of its representations or obligations under this Agreement, (b) the negligence or willful misconduct by Charity or its officers, directors, employees, contractors or agents in connection with the performance of Charity’s obligations under this Agreement, except to the extent that any such Claim arises from the negligence or willful misconduct of TOUR, and/or (c) any aspect of the development, implementation, promotion, and operation of a sweepstakes, raffle or contest conducted by Charity related to this Agreement or the Program, including without limitation, any claim asserted by any governmental or regulatory entity related thereto. TOUR will notify Charity promptly upon receipt of notice of any such Claim, and Charity will assume responsibility for the defense thereof on behalf of the appropriate TOUR Indemnitee at Charity’s sole cost and expense. This indemnity shall survive termination or expiration of this Agreement.

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the date and year first above written.

CHARITY

By: _____

Print Name: _____

Print Title: _____

PGA TOUR, INC.

By: _____

Leonard D. Brown, Jr.
Chief Legal Officer & EVP/Licensing

SCHEDULE I

Grant Recipient Requirements

To qualify for and receive any amount from the Sponsor under the Incentive Program, a Charity must be based in the United States or one of its territories and must be recognized as a tax-exempt public charity under Section 501(c)(3) and either Section 509(a)(1) or 509(a)(2) of the U.S. Internal Revenue Code (per Section 170). In addition, educational institutions must be accredited by a regional accrediting association or by a recognized independent accrediting group.

Unless otherwise agreed in writing by Administrator, the following types of organizations are **not eligible** to receive any amount from the Sponsor under the Incentive Program, to be determined by the Sponsor in its sole discretion:

- Organizations that do not serve an educational, community service or charitable purpose for the community at large;
- Organizations or projects that are religious or political in nature;
- Organizations that are member-based (e.g., certain veteran and labor organizations, fraternal, or social clubs);
- Organizations that discriminate on the basis of age, disability, religion, ethnic origin, gender or sexual orientation; or
- Organizations with litigious or divisive public agendas.