

AGREEMENT REGARDING TOURNAMENTS

THIS AGREEMENT REGARDING TOURNAMENTS (the "Agreement") is made and entered into, and effective as of this 23rd day of March, 2006 ("Effective Date") by and among Desert Champions LLC, a California limited liability company ("Desert Champions"), Garden of Champions LLC, a California limited liability company ("Garden of Champions"), and the City of Indian Wells, a municipal corporation of the State of California ("City").

WITNESSETH:

A. Desert Champions owns an ATP Tour, Inc. ("ATP") men's professional tennis tournament and a WTA Tour, Inc. ("WTA") women's professional tennis tournament (collectively, the "Tournament"), both of which are, as of the date of this Agreement, held concurrently, on an annual basis, in March at the Indian Wells Tennis Garden located at 78-200 Miles Avenue, Indian Wells, CA 92210 ("IWTG") and referred to as the Pacific Life Open.

B. The Tournament provides substantial positive long-term benefits to the City, including, but not limited to, positive national and international publicity, economic vitality and goodwill. The City would not receive these benefits if the Tournament were not held at IWTG.

C. The IWTG is owned by Garden of Champions, which shares common ownership with Desert Champions.

D. The IWTG is burdened with too much debt, and Garden of Champions has requested that City assist Garden of Champions in reducing such debt by purchasing certain real property from Garden of Champions and thereafter leasing to Garden of Champions other property to use as a parking lot for the IWTG.

E. To ensure that the Tournament continues to be held at the IWTG and to protect the future of the long term benefits provided by the Tournament to the City, the City has agreed to such request of the Garden of Champions, subject to and in accordance with the terms and provisions of that certain Purchase and Sale Agreement and Joint Escrow and Instructions ("Purchase Agreement") and that certain Ground Lease ("Lease"), by and between the City and Garden of Champions, dated concurrently herewith.

F. The City would not have agreed to such request of the Garden of Champions or have executed the foregoing documents without the assurances provided in this Agreement with respect to the situs of the Tournament.

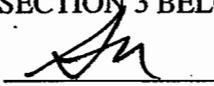
G. The City has been authorized by all requisite action of the City Council of the City of Indian Wells pursuant to the applicable sections of the Indian Wells Municipal Code, to directly negotiate with Desert Champions and Garden of Champions on the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is

hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

1. Covenant. As a material inducement for the City's agreement to enter into the Purchase Agreement, the Lease and all documents related thereto, Garden of Champions and Desert Champions each hereby covenant and agree, jointly and severally, that from and after the date of this Agreement until the Termination Date (as defined below), each and every year, the Tournament shall be held at the IWTG or at such other location as the City, Garden of Champions and Desert Champions may mutually agree, each in their sole and absolute discretion, subject, in all respects to (a) the Tournament being conducted as a sanctioned event of the ATP and/or the WTA (or conducted in the manner described in the immediately following sentences of this Section 1) and (b) the non-staging of the Tournament due to events of force majeure including without limitation, strikes, embargoes, inclement weather, shortages of labor or materials, governmental regulations, acts of God, terrorist activities, war, riots, or other strife. The Tournament currently receives sanctions from the ATP and the WTA. During the term of this Agreement, events within and without the tennis world may affect the issuance of those sanctions, the existence of the ATP and/or the WTA, or the desirability of conducting a tennis event under sanctions from those governing bodies or under sanctions from any other governing body. Accordingly, the parties agree that the foregoing covenant will not be breached so long as the Tournament is conducted as a sanctioned event of the ATP and the WTA or is conducted as an independent event combining men and women tennis professionals (or a partially independent event if it operates with a sanction from either the ATP or the WTA) that is recognized as a major international event of a stature comparable to the 1998 Tournament and which receives domestic and international broadcast coverage comparable to the 1998 Tournament.

2. Remedy; Liquidated Damages. GARDEN OF CHAMPIONS AND DESERT CHAMPIONS BOTH ACKNOWLEDGE AND AGREE THAT (I) THE CONTINUED USE OF THE IWTG AS THE SITUS OF THE TOURNAMENT IS MATERIAL CONSIDERATION FOR THE CITY'S AGREEMENT TO ENTER INTO THE PURCHASE AGREEMENT, THE LEASE AND ALL DOCUMENTS RELATED THERETO, (II) CITY WOULD NOT HAVE AGREED TO EXECUTE SUCH DOCUMENTS WITHOUT THE ASSURANCES PROVIDED BY THIS AGREEMENT AND, IN PARTICULAR, SECTION 1 HEREOF, AND (III) IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO FIX, PRIOR TO SIGNING THIS AGREEMENT, THE ACTUAL DAMAGES WHICH WOULD BE SUFFERED BY CITY IF THE COVENANT SET FORTH IN SECTION 1 OF THIS AGREEMENT IS BREACHED. THEREFORE, IN THE EVENT THAT THE COVENANT SET FORTH IN SECTION 1 OF THIS AGREEMENT IS BREACHED, CITY SHALL BE ENTITLED, IN ADDITION TO ANY OTHER REMEDIES THAT IT MAY HAVE AT LAW OR IN EQUITY, TO RECOVER FROM EITHER GARDEN OF CHAMPIONS. DESERT CHAMPIONS OR BOTH AN AGGREGATE AMOUNT EQUAL TO THE LIQUIDATED DAMAGES (AS DEFINED IN SECTION 3 BELOW).



Garden of Champions' Initials



Desert Champions' Initials

3. Payment of Liquidated Damages. As used herein, the term "**Liquidated Damages**" shall mean an amount equal to \$5,000,000, provided, however, that if the Tournament is sold at any time after the fifth (5th) anniversary of this Agreement, the Liquidated Damages shall mean an amount equal to five percent (5%) of the gross sales price of the Tournament. If the Tournament is not "profitable" for three (3) consecutive years, no payment of Liquidated Damages shall be required if the Tournament is sold within a twelve month (12) period upon notice to the City of the same. "**Profitability**" shall mean the normal operating revenue of the Tournament exceeds the normal operating expenditures of the Tournament (including debt service on \$16,500,000 amortized over a twenty-five (25) year period at an interest rate equal to seven percent (7%) per annum) before depreciation, taxes and distributions to the owners of the Tournament, as determined in accordance with GAAP. "**GAAP**" shall mean generally accepted accounting principles in the United States of America as in effect from time to time.

4. Termination Date. This Agreement shall terminate and shall thereafter be null and void and of no further force or effect on the date that is twenty (20) years after the date hereof (the "**Termination Date**").

5. Miscellaneous Provisions.

5.1 Joint and Several Obligations. The obligations of Garden Champions and Desert Champions set forth in this Agreement shall be joint and several.

5.2 Address for Notice. Any notice, consent, demand or other communication to be delivered to a party hereunder shall be deemed delivered and received when made in writing and transmitted to the applicable party either by receipted courier service, or by the United States Postal Service, first class registered or certified mail, postage prepaid, return receipt requested, or by electronic facsimile transmission ("Fax"), at the address or addresses indicated for such party below (and/or to such other address as such party may from time to time by written notice designate to the other):

If to Garden of Champions:

78-200 MILES AVENUE
INDIAN WELLS, CA 92210

Attn: RAYMOND J MOORE
Telephone: (760) 200-8403
Facsimile: (760) 200-8441
E-Mail: RJM.HIPPY@ADL.COM

With copy to:

WAIKOA HOLDINGS
11100 SANTA MONICA BLVD
SUITE 600
LOS ANGELES, CA 90025

Attn: MIKE SULTAN
Telephone: (310) 966-8182
Facsimile: (310) 478-7257
E-Mail: MIKE.SULTAN@MILLERPOBGROUP.COM

If to Desert Champions:

SAME AS ABOVE

With copy to:

SAME AS ABOVE

Attn: _____
Telephone: _____
Facsimile: _____
E-Mail: _____

Attn: _____
Telephone: _____
Facsimile: _____
E-Mail: _____

If to City:

City of Indian Wells
Attn. Greg Johnson, City Manager
44-950 Eldorado Drive
Indian Wells, CA 92210
Telephone: 760-346-2489 x 241
Facsimile: 760-346-0407
E-mail: gjohnson@cityofindianwells.org

With a copy to:

Manatt, Phelps & Phillips, LLP
11355 West Olympic Boulevard
Los Angeles, CA 90064-1614
Attn: Timi Anyon Hallem, Esq.
Telephone: 310-312-4217
Facsimile: 310-312-4224
E-mail: thallem@manatt.com

and shall be deemed delivered and received (A) if delivered or transmitted before 5:00 pm recipient's local time on a business day, or if delivery is unsuccessfully attempted between the hours of 9:00 am and 5:00 pm recipient's local time on a business day, then on the date of actual delivery or transmittal or of such attempted delivery, and (B) otherwise on the next business day following actual delivery or transmittal. For purposes of this notice provision, the date and time of delivery or attempted delivery shall be established by postal or courier receipt and of facsimile transmittal by a transmittal confirmation log sheet generated by the sending machine. To be effective, any delivery by Fax must be confirmed within three business days by duplicate notice delivered as otherwise provided herein.

5.3 Governing Law; Venue. The terms of this Agreement shall be governed by and construed in accordance with the laws of the State of California. Any litigation concerning this Agreement shall be conducted in Riverside County, California.

5.4 Construction. All provisions hereof are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each section hereof. The necessary grammatical changes required to make the provisions of this Agreement apply in the plural sense to either corporations, associations, partnerships or individuals, males or females, shall in all instances be assumed as though in each case fully expressed. This Agreement has been the subject of negotiations between the parties, and the interpretation hereof shall not be based upon any party being the draftsman hereof.

5.5 Captions. The headings of the several articles and sections contained herein are for convenience of reference only and do not define, limit or construe the contents of such articles and sections.

5.6 Partial Invalidity. If any term or provision of this Agreement shall to any extent be held invalid or unenforceable, the remaining terms and provisions of this Agreement shall not be affected thereby, but each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

5.7 Successors and Assigns. This Agreement and each and every covenant, agreement, condition and undertaking shall be binding upon and inure to the benefit of the respective parties hereto, their legal representatives, heirs, executors, administrators, successors and assigns.

5.8 Not a Partnership. Nothing herein contained shall be construed as creating a partnership, joint venture or any other relationship between City and Garden of Champions, other than that of landlord and tenant under that certain Ground Lease, of even date herewith, by and between City and Garden of Champions.

5.9 Facilitation. Each party agrees to perform such further acts and to execute and deliver such further documents as may be reasonably necessary to carry out the provisions of this Agreement and are consistent therewith.

5.10 Waiver. No waiver of any of the terms or conditions of this Agreement shall be binding or effective unless expressed in writing and signed by the party giving such waiver.

5.11 Attorneys' Fees. If any party brings an action to enforce the terms hereof or declare rights hereunder, the prevailing party in such action shall be entitled to reasonable attorneys' fees and costs of suit, including the costs allocable to internal legal counsel.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

City

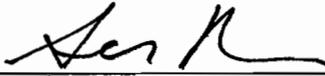
City of Indian Wells, a charter city duly organized under the Constitution and laws of the State of California

By: 
Name: Greg Johnson
Title: City Manager

Garden of Champions

Garden of Champions LLC, a California limited liability company

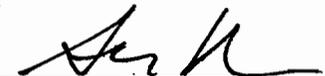
By: Indian Wells Tennis Tournament, LLC, a Nevada limited liability company, Member

By: 
Name: GEORGE MACKIN
Title: MEMBER

Desert Champions

Desert Champions LLC, a California limited liability company

By: Indian Wells Tennis Tournament, LLC, a Nevada limited liability company, Member

By: 
Name: GEORGE MACKIN
Title: MEMBER