



Westchester Country Club

January 13, 2008

My Dear Fellow Member:

I write to inform you about some startling events concerning the PGA Tour and The Barclays FedEx Cup. Much to our surprise and deep disappointment, the PGA Tour has written to us to inform us that they have decided to unilaterally terminate our six-year agreement with them. A copy of the letter is attached. The PGA Tour cites two reasons: first, lack of attendance at last year's event; and second, negative sponsor feedback on the Corporate Village concept, which the PGA Tour created in 2007.

To make matters worse, through our own investigations, we have learned that the PGA Tour for several weeks, at least, has been negotiating with and now intends to host the Barclays FedEx Cup this year at Ridgewood Country Club in Ridgewood, NJ. I want to assure you, up front, that your Board is doing everything within its power to address this situation. While we cannot compel the PGA Tour to hold an event here, we certainly can enforce our clear contractual rights and protect our Club's stellar reputation in the golf world.

By way of background, we were notified on February 23, 2007 that the PGA Tour was holding the Barclays FedEx Cup at our Club in 2008. A copy of the letter is attached. Subsequently, the PGA Tour requested a meeting with us at the end of November 2007 to review the Barclays FedEx Cup Tournament experience at Westchester Country Club. Rod O'Connor, Bob James and I met with the PGA representatives and discussed a variety of issues. At no time during the meeting did the PGA Tour representatives indicate any possibility that the Barclays would be moved from Westchester Country Club for 2008 (or otherwise), or that our contract would be terminated.

In fact, the conversation, in large part, focused on changes the PGA Tour wanted for the 2008 Barclays. Specifically, the PGA Tour representatives requested additional skybox venues on the golf course, total six-week access (including weekends) to build out the Tournament facilities, and the virtual exclusion of our entire membership from the premises (except as a paying customer) during Tournament Week. We indicated that while we did not believe we could accommodate all of these extraordinary requests without the consent of the membership, we would look into them with the appropriate Club committees, and do what we could to help the PGA Tour accomplish its tournament objectives. We asked them to send us a written account of the changes they were proposing so that we were clear about their requests.

Parenthetically, the six-year agreement that we signed with the Tour contained specific language - both in terms of the build-out phase and the time of the Tournament that was precisely and only what the PGA Tour requested of us. I am sure that you all will recall the Town Hall meetings with Commissioner Finchem and Rod's letters about the myriad of changes that took place when we last year moved the Tournament to August.

We received the PGA Tour's written request for changes to the Tournament on December 11, 2007. A copy of that letter is attached. Our Board immediately sent the requests to the appropriate committees for review and comment. We later learned that less than 10 days after sending their written request to us, the PGA Tour had made a presentation to the Ridgewood Country Club Board, seeking to have Ridgewood host the 2008 Barclays

Tournament. On January 7, 2008, the PGA Tour informed us orally that they either wished to move the Tournament for 2008 or terminate the six-year agreement as a whole. During that conversation, we indicated our disappointment with this request, made clear that our Committees were working on their proposed changes, and took no position on the suggestion that the agreement be terminated in whole. Two days later, on January 11, 2008, the PGA Tour sent us written notice of their desire to terminate our entire agreement.

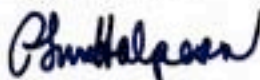
To say the least, we are deeply disturbed by the manner in which the PGA Tour has dealt with us during these recent events. We have always valued and treasured our partnership with the PGA Tour, and frankly, we expected and deserved better. While we still hope to negotiate a mutually acceptable resolution to this situation that serves the interests both of the Westchester Country Club and of the PGA Tour, unfortunately, members of the PGA Tour have spoken to the press. We, therefore, wanted to ensure that our members were aware of the discussions that have taken place. Rest assured that although this may be surprising to all of us, we are committed to bringing this matter to a proper conclusion as promptly as we can.

In the meantime, and because each of you may have individual questions, I and several Board members will make ourselves available at 2:00 pm on Saturday, January 19, and at 11:00 am on Saturday, January 26, in the Sports House Grill to answer any questions you may have.

I did not anticipate, during the infant stages of my presidency, having to write to you concerning these events - the ink is barely dry on the agreement the PGA requested of us - but there it is.

We fully intend to ensure that we are compensated for our losses due to the PGA Tour's termination of our six-year contract, and we will protect our Club's reputation within Westchester and the larger golf community. Yet, even with everything that has happened, I will continue to make it clear to the PGA Tour that Westchester Country Club values the partnership we have enjoyed since 1963, and will always welcome an opportunity to discuss hosting future PGA events at our Club. In a sport where a player's honor is every bit as important as his swing, it is sad that the PGA Tour chose to act like this toward a forty-year partner. It is unbecoming and dishonors our great sport. I will keep you posted as this situation continues to unfold.

Very truly yours,



Philip M. Halpern
President



Edward L. Moorhouse
*Executive Vice President & Co-Chief Operating Officer
Officer of the Commission*

January 9, 2008

Mr. Rod O'Connor
Brickman Associates
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Mr. Philip Halpern
President
Westchester Country Club
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Rye, New York 10580

Dear Rod and Phil:

Thank you for your time yesterday. I appreciated the opportunity to discuss with you the current situation relative to The Barclays and Westchester Country Club. I appreciate, too, our relationship and the ability to speak openly and frankly with you about the challenges we are facing.

As we discussed, after a thorough analysis of the PGA TOUR playoff events this year, we have determined that it would be in the best interests of The Barclays and the playoff events and, frankly, that of the membership of Westchester Country Club, to relocate The Barclays to a venue other than Westchester Country Club.

When we negotiated our current agreement, we discussed at length the complications resulting from moving The Barclays from the early June date to the late August date. These complications arose primarily from the fact that utilization of Westchester Country Club by its membership in late August and the weeks leading up to late August was extensive. Therefore, the encroachments that would be caused by preparing for and holding the tournament in late August would be problematical for the membership.

We attempted to deal with these issues by having in our agreement a very specific construction build out schedule and member access plan relative to the utilization of the clubhouse and other Club facilities. What we found this year was that working within those parameters prevented us from adequately preparing for the tournament in terms of staging, locating corporate hospitality areas in prime venues for our hospitality clients, and dealing with the normal requirements and preferences of our players relative to their exclusive use of a clubhouse and other club facilities which they are accustomed to at other events.

While we believe we all attempted to make The Barclays work at Westchester in late August, I believe it simply is not possible to stage a tournament at the level we need to

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stage this event, satisfy the needs and requirements of our players and accommodate the needs of the Westchester membership during that time of year.

In addition to the above, we also were unable to attract a gallery at Westchester Country Club on a par with the galleries attracted at the other playoff events. This is an extremely important matter for us.

Although in our phone call we discussed both terminating the overall agreement and leaving the agreement in place recognizing that we would not play The Barclays at Westchester in 2008 but might in future years, I believe the best course of action at this time would be to simply terminate the agreement.

Therefore, I would propose that we pay Westchester Country Club \$1 million and terminate the agreement.

We believe this is a very fair proposal for the membership at Westchester in that it will return to them their Club facilities at the prime time of the year and will not interfere with their enjoyment of the Club for the many weeks leading up to and through the tournament. At the same time, the membership will receive a substantial payment in the amount of \$1 million. Further, over the last couple of years we have funded capital improvements at Westchester in excess of \$1.5 million, which have enhanced the Club facilities for the benefit of all members.

Again, I appreciate the cooperative spirit with which the Club has approached this matter and I look forward to hearing your response to our proposal as soon as possible.

Very truly yours,



Edward L. Moorhouse