

CITIZENS' TASK FORCE ON CHARGERS ISSUES

September 17, 2002

Mr. Mark Fabiani
Special Counsel to San Diego Chargers
1261 Prospect Street, Suite 9
La Jolla, CA 92037

Dear Mr. Fabiani:

The Citizens' Task Force on Chargers Issues has established a Finance Committee to focus on the financial aspects of determining what can be done to keep the San Diego Chargers in San Diego in a fiscally responsible way. As part of our due diligence, the committee believes it is important to review various pieces of financial information so that we may understand the Chargers situation in regard to economic competitiveness.

Enclosed is a request for various pieces of information that will assist in this regard. Due to the limited timeframe the task force has in which to accomplish its work we would request that the information be provided as soon as possible, but no later than 30 days.

Thank you for your assistance and we look forward to receiving the information.

Sincerely,

Ron Saathoff
Finance Committee Chairperson

David E. Watson
Task Force Chairperson

Enclosure

cc: Dean Spanos, San Diego Chargers

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San Diego Chargers Historical Operating Data

Franchise Financial Data

- Five years audited financial statements.
 - Income Statement
 - Cash Flow Statement
 - Balance Sheet
- Current year budget (and any projections).
- Five years NFL Quartile reports.
- Summary of historical (five years) and projected expansion fee revenue.
- Summary of historical (five years) and projected relocation fee revenue.
- Projected operating revenues/expenses for proposed new stadium.

Event Data

- Five years historical event information by year.
 - Total Number of Annual Games
 - Regular Season
 - Pre-Season
 - Playoffs
 - Total Paid Attendance
 - General Seating
 - Luxury Suites
 - Club Seats
 - Total and Average Paid Attendance
 - Total and Average Complimentary Attendance
 - Total and Average No-Show Attendance
 - Total and Average Turnstile Attendance
 - Average Ticket Prices

Franchise Revenue Data

- Five years historical detailed revenue information by year (please feel free to provide in your existing format, or we can provide sample schedules).

Stadium Revenue Sources

- Gross/Net Ticket Revenue
- Gross/Net Concessions Revenue

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- Gross/Net Novelties Revenue
- Gross/Net Parking Revenue
- Luxury Suite Revenue (see luxury suite section below)
- Club Seat Revenue (see club seat section below)
- Advertising Revenue
- Naming Rights Revenue (Stadium/Club/Etc.)

Broadcasting Revenue Sources

- National Television
- National Radio
- Local Television
- Local Radio

Other Revenue Sources

- NFL League Distribution (Common Revenues)
- Advertising/Promotions/Sponsors
- Publications
- Miscellaneous

Franchise Expense Data

- Five years historical detailed expense information by year (please feel free to provide in your existing format, or we can provide sample schedules).

Stadium Expense Sources

- Rent
- Game Day

Payroll Expense Sources (Include Bonus & Deferred Compensation Information)

- Player Payroll
- Coaching Payroll
- General & Administrative
- Other

General & Administrative Expense Sources

- Team Travel and Related
- Football Administrative
- Broadcasting
- Public Relations/Marketing/Advertising/Promotions
- General & Administrative
- Other

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Luxury Suite Data

- Five years historical luxury suite information by year.
 - Luxury Suites (total number)
 - Reserved for San Diego Chargers
 - Reserved for San Diego Padres
 - Reserved for San Diego State University
 - Reserved for Public Sector
 - Reserved for Sponsors
 - Reserved for Media/Other
 - Total Available for Lease
 - Number Leased

 - Price (High)
 - Price (Low)
 - Price (Average)
 - Gross/Net Annual Revenue
- Projected/budgeted luxury suite revenue for the 2002/2003 season.
- Summary schedule of lease/license terms by luxury suite (pricing/term/escalation/parking spaces/etc.). Copies of marketing materials/brochure.
- Five years historical party/game day luxury suite information by year.

Club Seat Data

- Five years historical club seat information by year.
 - Club Seats (total number)
 - Reserved for San Diego Chargers
 - Reserved for San Diego Padres
 - Reserved for San Diego State University
 - Reserved for Public Sector
 - Reserved for Sponsors
 - Reserved for Media/Other
 - Total Available for Lease
 - Number Leased

 - Price (High)
 - Price (Low)
 - Price (Average)
 - Gross/Net Annual Revenue
- Projected/budgeted club seat revenue for the 2002/2003 season.

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- Summary schedule of lease/license terms by club seat (pricing/term/escalation/parking spaces/etc.). Copies of marketing materials/brochure.

Other

- Five years season ticket base.
 - Number of Season Tickets
 - Geographic Distribution
- Summary of historical charitable contributions.
 - Team
 - Players
 - Coaches
 - Owner
 - Other
- Summary of personnel contracts.
 - Players
 - Coaches
 - Administrative
 - Other
- Summary of third party agreements and amendments.
 - Local Television
 - Local Radio
 - Sponsors/Advertisers
 - Other
- Summary of franchise debt and schedule of debt service payments (if any).
- Franchise organizational chart.