



Appendix A

Dean A. Spanos
President- CEO

April 22, 2002

Hon. Dick Murphy
Mayor
City of San Diego
202 C Street
San Diego, California 92101

Dear Dick:

Thank you for meeting with me last week. I appreciate having the opportunity to discuss how we can work together to secure the Chargers' long-term future in San Diego.

I reaffirm what I said at our meeting: My family and I want to do everything possible to keep the Chargers in San Diego. That is our top priority. We are committed to San Diego. This is our home. We want to stay here for many years to come if we can ensure, that the Chargers will be able to remain economically competitive with the rest of the NFL teams.

As we discussed, the recent wave of new stadiums that have opened across the country has dramatically shifted the economics of the NFL and have put teams in older stadiums at a significant competitive disadvantage. As a result, Qualcomm Stadium is not an economically viable long-term option for the Chargers. Our economic challenges are further evidenced by the fact that we could have triggered our right to renegotiate the existing lease last year. If trends continue, it is likely that we will be in a position to trigger our renegotiation right this year as well. Although we did not pursue our renegotiation right last year, various factors may compel us to do so this year.

I firmly believe it is in the best interests of both the City and the Chargers to begin negotiations now, rather than forcing the Chargers to trigger the contractual renegotiation right. Exercise of the renegotiation right may be incorrectly perceived by the public as the first step in a relocation effort, which would damage the City (by increasing its burden under the ticket guaranty) and the Chargers (by causing unnecessary controversy for fans, eroding public support and reducing revenue streams not impacted by the guaranty). Furthermore, now that construction of the Padres' ballpark has resumed, public attention appears to have shifted to ensuring the Chargers' future in San Diego (spurred on, in part, by the publicity surrounding a potential new stadium in Los Angeles). Finally, the time-frames for renegotiation contemplated by our lease may not provide the fullest opportunity to explore available options. The present circumstances create the best environment for a successful negotiation; waiting creates a real possibility of economic impairment to both parties, as well as strained negotiations under unnecessary pressure.



Of course, I am aware of the private stadium development efforts in Los Angeles that have been widely covered in the press. I know the people who are spearheading the project, but I have had no discussions with them regarding a deal with the Chargers. While opportunities may arise in Los Angeles and elsewhere, the Chargers are committed to exploring every option for staying in San Diego, provided that we can do so and stay competitive in the NFL. The sooner we start exploring those options with the City, the more likely that we will be able to find one that works.

As I mentioned, I have assembled a negotiating team to be lead by Mark Fabiani. Mark is a renowned strategist and problem solver and is particularly well suited for this task. My team is ready to sit down with the City's representatives immediately. Please let me know who they should contact to begin this process.

Dick, I am eager to get started and am confident that we can work together to build a new home for the Chargers in San Diego.

Best regards,

Dean A. Spanos
President-CEO

Final

STATEMENT OF MARK FABIANI ON BEHALF OF
THE SAN DIEGO CHARGERS

May 29, 2002

Chargers Respond to Call from Los Angeles Stadium Group by
Postponing Discussions to Focus on Efforts to Remain in San Diego

Yesterday the San Diego Chargers received a call from a representative of the Anschutz Entertainment Group (AEG) regarding AEG's proposed new downtown Los Angeles professional football stadium.

The Chargers responded to this call by emphasizing that the team's desire is to remain in San Diego while keeping the team financially competitive with its NFL rivals over the long term. Moreover, the Chargers emphasized that, although they intend to review AEG's stadium proposal at some point in the future, the team's first priority is to focus on establishing a productive dialogue with the City of San Diego. Therefore, the Chargers have told AEG that the team will not discuss the proposed stadium with AEG until the middle of the summer. In the meantime, the Chargers' goal is to make progress with the City of San Diego toward a solution that will be acceptable to our community.

[For questions, please call Mark Fabiani at 858.551.2818.]