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1995 AGREEMENT FOR PARTIAL USE AND
OCCUPANCY OF SAN DIEGO JACK MURPHY STADIUM

between

CHARGERS FOOTBALL COMPANY, a California limited partnership

and

THE CITY OF SAN DIEGO, a municipal corporation

DATED: as of _____ May 30, 1995

DOCUMENT NO. 18182
FILED **MAY 30, 1995**
OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

TABLE OF CONTENTS

		PAGE
1.	Definitions	2
2.	Premises	18
	(a) Right to Use and Occupancy	18
	(b) Parking	20
3.	Construction of Improvements and Chargers' Facilities	
	(a) Improvements	20
	(b) Chargers' Facilities	25
	(c) Approved Contractors	27
	(d) Performance of Construction Work	28
	(e) Chargers' Inspections	29
	(f) Permits	29
4.	Term	30
5.	Use and Occupancy	30
	(a) Football Games and Other Events	30
	(b) Priority of Use	31
	(c) Conflicts with Padres Baseball Schedule	31
	(d) Sale of NFL Products	37
6.	Media	37
	(a) Broadcasts and Exhibitions	37
	(b) Commercial Sponsors	38
	(c) Press Facilities	38
7.	Chargers' Covenants	39
	(a) Home Games	39
	(b) Franchise	39

	PAGE
(c) No Transfer	39
8. Consideration	40
(a) Gross Income	40
(b) Payments to the City	40
(c) Payment of Consideration	41
(d) Existing Facilities Agreements and Chargers' Facilities	42
9. City Guaranty	42
(a) Guaranteed Attendance	42
(b) End of Season Reconciliation	43
(c) Excluded Games	44
(d) San Diego International Sports Council	44
10. Use and Occupancy by the City	45
11. City Covenants	45
(a) Maintenance of Stadium Premises	45
(b) Upkeep of Stadium and Playing Field	46
(c) Restoration	47
(d) Stadium Improvement Fund - User Fees ..:	47
(e) Stadium Concessionaire	49
(f) Additional Covenants	49
12. Crowd Control-Security Enforcement and Traffic Control	51
(a) Security	51
(b) Traffic Mitigation	52
13. Treatment of Tax	52
14. Operating Costs	53
(a) Home Games	53

(b) Other Chargers' Events 53

15. Signage 53

(a) Existing Signage Arrangement 53

(b) Interim Signage Arrangement 54

(c) New Signage Arrangement 55

(d) Equal Billing for Chargers 56

16. Entry and Inspection 56

17. Utilities and Service 57

18. Indemnification 57

(a) Indemnification of the City 57

(b) Indemnification of the Chargers 57

19. Insurance 58

20. Damage and Destruction 59

(a) Repairs of Damage and Termination Rights 59

(b) Damage During Last Year of Term 60

(c) Abatement 60

21. Records 60

(a) Chargers' Records 60

(b) City Records 61

22. More Favorable Terms 62

(a) Changes In Economic Terms 62

(b) Example 62

(c) Chargers' Option to Amend 63

23. Alterations and Improvements 63

24. • Waiver 64

	PAGE
25. Remedies of the City	64
(a) Charger Defaults	64
(b) Termination	65
(c) City Defaults	66
26. Eminent Domain	66
(a) Substantial Taking	66
(b) Condemnation Awards for Substantial Takings	67
(c) Partial Taking	68
27. Force Majeure	69
28. Successors	69
29. Quiet Enjoyment	69
30. Notices	70
31. Renegotiation Rights	71
(a) Definitions	71
(b) Triggering Events	72
32. Construction of this Agreement	75
(a) California Law	75
(b) Section Headings	76
(c) Sole Instrument	76
(d) Time	76
(e) Successors	77
(f) No Partnership	77
(g) Singular and Plural	77
33. Supersedure	77
34. Nondiscrimination	77

35.	Payments	78
36.	Drug-Free Work Place	78
37.	Chargers' Employees	78
38.	Workers' Compensation	79
39.	Agreement Subject to NFL Premium Waiver	79

EXHIBITS

EXHIBIT A

DESCRIPTION OF IMPROVEMENTS

EXHIBIT B

DESCRIPTION OF CHARGERS' FACILITIES

EXHIBIT C

DESCRIPTION OF EXCLUSIVE PREMISES

EXHIBIT D

PADRES OCCUPANCY AGREEMENTS

EXHIBIT E

DESCRIPTION OF STADIUM PREMISES

EXHIBIT F

END OF SEASON GUARANTY RECONCILIATION

EXHIBIT G

EXCLUSIONS FROM STADIUM PREMISES

1995 AGREEMENT FOR PARTIAL USE AND
OCCUPANCY OF SAN DIEGO JACK MURPHY STADIUM

THIS 1995 AGREEMENT FOR PARTIAL USE AND OCCUPANCY OF SAN DIEGO JACK MURPHY STADIUM ("Agreement") is made and entered into as of _____, 1995, at San Diego, California, by and between the CHARGERS FOOTBALL COMPANY, a California limited partnership (the "Chargers"), and THE CITY OF SAN DIEGO, a municipal corporation (the "City");

RECITALS

A. The City and the County of San Diego, a body politic (the "County"), have entered into a Joint Powers Agreement pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1, of the Government Code of the State of California beginning with Section 6500, creating the San Diego Stadium Authority (the "Authority").

B. The Authority was created for the purpose, among other things, of constructing the multipurpose sports Stadium in Mission Valley, County of San Diego commonly known as San Diego Jack Murphy Stadium (the "Stadium"). Having been constructed, the Stadium is used for the exhibition of sport contests and other events including, but not limited to, professional football.

C. The City and the Authority now propose to construct improvements and additions to the Stadium (the "Improvements") in accordance with the Approved Plans (as hereinafter defined) and which are generally described or listed on Exhibit A attached hereto and by this reference made a part hereof. The City

and the Authority propose to award contracts for construction of the Improvements substantially in accordance with the Approved Plans.

D. The Chargers are the owners of a professional football franchise in the *NFL* and are currently utilizing' the Stadium in accordance with that certain First Amended Agreement For Partial Use and Occupancy of San Diego Jack Murphy Stadium Between Chargers Football Company and The City of San Diego, dated April 11, 1983, as modified and supplemented by the Scoreboard Supplement (as hereinafter defined), an agreement dated February 19, 1985, and an agreement dated July 11, 1988, copies of all of which are on file in the office of the San Diego City Clerk as Document Nos. RR-258236, RR-261527-2, RR262549-1 and RR-271395, respectively (which agreement, as so modified and supplemented, is hereinafter referred to as the "Prior Occupancy Agreement").

NOW, THEREFORE, in consideration of the construction of the Improvements, the covenants and conditions set forth herein and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Chargers and the City have agreed to amend and restate the terms of the Prior Occupancy Agreement (other than with respect the Scoreboard Supplement) and do thus set forth herein their mutual agreements and understandings as follows:

1. Definitions. The terms as defined in this Section 1, shall have the following meanings in this Agreement unless the context otherwise requires:

"Actual Attendance Shortfall" shall have the meaning assigned thereto in Section 9 hereof.

"Approved Architect." shall have the meaning assigned thereto in Section 3 hereof.

"Approved Construction Schedule" shall have the meaning assigned thereto in Section 3 hereof.

"Approved Facilities Construction Schedule" shall have the meaning assigned thereto in Section 3 hereof.

"Approved Facilities Plans" shall have the meaning assigned thereto in Section 3 hereof.

"Approved Plans" shall have the meaning assigned thereto in Section 3 hereof.

"Architect's Certificate" shall mean a certificate of the Approved Architect, stating that the Improvements and the Chargers' Facilities have been completed and are ready for use and occupancy by the Chargers.

"Associates" shall mean Chargers Associates, a California limited partnership.

"Attendance Shortfall" shall have the meaning assigned thereto in Section 9 hereof.

"Attendance Shortfall Amount" shall have the meaning assigned thereto in Section 9 hereof.

"Attendance Shortfall Differential" shall have the meaning assigned thereto in Section 9 hereof.

"Authority" shall have the meaning assigned thereto in the recitals hereof.

"Business Day" shall mean any day on which commercial banks are not authorized or required to close in the City.

"CBA" shall mean any Collective Bargaining Agreement between the NFL players and the NFL member clubs

"Chargers" shall have the meaning assigned thereto in the preamble hereof.

"Chargers' Facilities" shall mean that certain office building, weight room and training facility and practice field more particularly described on Exhibit B attached hereto and by this reference made a part hereof, which facilities shall be constructed by the City in accordance with the terms hereof and occupancy rights therein will be granted by the City to the Chargers pursuant to the Facilities Occupancy Agreement.

"City" shall have the meaning assigned thereto in the preamble hereof.

"Concessions" shall mean the business of selling, renting and/or furnishing goods and/or services, including, without limitation, food, drinks, souvenirs, novelties (other than NFL Products) and cushions.

"Construction Completion Date" shall mean the date on which the Improvements are complete and ready for use and on which a certificate of occupancy has been issued by the City's Engineer.

"Coup " shall have the meaning assigned thereto in the recitals hereof.

"CPI" shall mean the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index for the San Diego area (All Urban Consumers, All Items) (1982-1984=100). If the CPI format should be revised, such revised CPI shall be modified, if necessary, by making such adjustments as may be required to produce substantially equivalent financial results to those that would have resulted if the format had not been revised. If the CPI should be so revised that such adjustment cannot reasonably be made, or, if the CPI shall be discontinued, there shall be substituted for the CPI a reasonably reliable and comparable index or other information furnished by a government or independent third party source evaluating changes in the cost of living or purchasing power of the consumer dollar in the San Diego area.

hereof.

"Damage" shall have the meaning assigned thereto in Section 20

hereof.

"Damage Estimate" shall have the meaning assigned thereto in Section 20 hereof.

"Excluded Games" shall have the meaning assigned thereto in Section 9 hereof.

"Exclusive Premises" shall mean the locker room, training room, ticket office, storage area, operations office, and the club seating ticket office described on Exhibit C attached hereto and by this reference made a part hereof.

"Existing Facilities Agreements" shall mean the following agreements, as the same have been amended, from time to time, on or before the date hereof: (i) that certain Lease Agreement, dated as of January 4, 1988, between the Chargers and the City, a copy of which is on file in the office of the San Diego City Clerk as Document No. RR-270055, (ii) that certain Lease Agreement, dated as of June 16, 1980, between the Chargers and the City, a copy of which is on file in the office of the San Diego City Clerk as Document No. RR252032 and (iii) that certain Agreement for Partial Use and Occupancy of the San Diego Jack Murphy Stadium Sports Field, dated as of May 11; 1987, between the Chargers and the City, a copy of which is on file in the office of the San Diego City Clerk as Document No. R-268322.

"Facilities Occupancy Agreement" shall mean that certain Facilities Use and Occupancy Agreement, dated as of the date hereof, between the City and the Chargers, pursuant to which the City has granted to the Chargers the right to use and occupy the Chargers' Facilities, a copy of which is on file in the office of the San Diego City Clerk as Document Number 18182

"Federal Securities" shall mean United States of America Treasury bills, notes, bonds or certificates of indebtedness, or obligations of, or obligations guaranteed, directly or indirectly, by the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America or any Federal Reserve Bank) or securities or other instruments evidencing direct ownership interests in such obligations or in specified portions of the interest on or principal of such obligations, which shall be held by a custodian on behalf of such owners.

"Force Majeure Event" shall mean any of the following events which prevents a party from performing its obligations hereunder: any act of God, strike, lockout, or other industrial disturbance; act of public enemy, blockade, war, insurrection, or riot; epidemic; landslide, earthquake, fire, storm, flood, or washout; title dispute, or other litigation; governmental restraint, either federal or state, civil or military; civil disturbance; or explosion.

"Franchise" shall mean and include all of the rights, privileges and powers granted by the NFL to the Chargers, including, without limitation, the right to conduct major league professional football games in and about the City of San Diego, County of San Diego, State of California, in accordance with the Constitution and Bylaws of the NFL now in effect or as changed during the term of this Agreement.

"Gross Income" shall mean, with respect to each Home Game, the sum of:

- (i) the total of all dollar amounts paid to the Chargers or to any person or entity authorized to receive the same on behalf of the Chargers from any source for admission to Home Games including any license fees charged in excess of the ticket charges;
- (ii) the imputed dollar value of any Trade-Outs; and
- (iii) all other revenues received by the Chargers, directly or indirectly, including, without limitation, (1) all Net Parking Revenues, (2) all Net Concession Revenues and (3) all revenue derived from the sale of NFL Products;

provided, however, that Gross Income shall not include, with respect to each Home Game, any of the following:

- (a) any revenue derived from the sale of broadcast rights (including, without limitation, Pay Television Receipts), commercial sponsorships or other media activities;
- (b) Net Signage Revenue;
- (c) any amounts received by the Chargers pursuant to Section 9 hereof;
- (d) any amounts actually refunded to ticket purchasers;

- (e) any federal, state or municipal taxes collected from ticket purchasers and paid as taxes; or
- (f) any User Fees charged pursuant to Section 11(d) hereof.

"Guaranty Period" shall have the meaning assigned thereto in Section 9 hereof.

"Home Game" shall mean any League Game or Pre-Season Game played by the Chargers at the Stadium.

"Improvement Completion Date" shall have the meaning assigned thereto in Section 3 hereof.

"Improvements" shall have the meaning assigned thereto in the recitals hereof.

"League Game" shall mean any professional football game scheduled by the NFL between the Chargers and any other league member, the outcome of which shall be included in determining the participants in the Super Bowl.

"Major League Baseball Team" shall mean a member team of the National League or American League of Professional Baseball Clubs as now or hereafter constituted or organized (or any successor thereto, irrespective of the name by which said baseball league is known or denominated) and recognized as a major league team by the Major League Rules (or any comparable rules then in

existence) adopted or approved by either the National League, American League or successor league from the standpoint of the skill, experience and national reputation of its players.

"Material Change" shall mean (i) any change (which shall include any single change or two or more changes which cumulatively comprise a material change) in (1) the general character, design, color or general aesthetic appearance of the exterior of the Improvements; (2) the size or capacity of the Improvements or the quality of the materials used therein; or (3) the orientation of or access and entrance to the Stadium; and (ii) any other change, if the cost of such change, as reasonably estimated by the City, is in excess of One Hundred Thousand Dollars (\$100,000).

"Net Concession Revenue" shall mean all revenue derived from Concession and catering sales in the Stadium, including the stadium club, during Home Games (but excluding that portion of the Concession and catering revenues described in Section 11(e) hereof) less all reasonable fees and expenses paid to or retained by the concessionaire in accordance with its concession agreement with the City in connection with the operation of Concession and catering services during Home Games.

"Net Parking Revenue" shall mean all revenue derived from the operation of On-Site Parking Facilities during Home Games (but excluding revenues from Off-Site Parking Facilities and parking shuttles) less all reasonable fees and expenses paid to or retained by the parking operator in accordance with its

agreement with the City in connection with the operation of the On-Site Parking Facilities during Home Games.

"Net Signage Revenue" shall mean all consideration received by the Chargers in connection with the operation of the scoreboard and signage at the Stadium (including, without limitation, the sale of advertising time or space) less all reasonable expenses of the Chargers in connection therewith, including, without limitation, expenses incurred in connection the operation, maintenance and marketing of such scoreboard and signage.

"1995 Skybox Agreement" shall mean that certain 1995 Agreement For Use And Occupancy Of Skybox Areas Of San Diego Jack Murphy Stadium, dated as of the date hereof, by and between Associates and the City, a copy of which is on file in the office of the San Diego City Clerk as Document No.

"NFL" shall mean the National Football League, or any other professional football league of which the Chargers is a member club at any time during the term of this Agreement, irrespective of the name by which said football league is known or denominated.

"NFL Products" shall mean the Chargers' or any other NFL club or league programs, year books or similar written and/or photographic material, pennants, caps, pencils and any other Chargers' or other NFL club or league personalized novelties.

"Notice" shall have the meaning assigned thereto in Section 30 hereof.

"Off-Site Parking Facilities" shall mean those areas in the general vicinity of the Stadium to be made available for the parking of motor vehicles and for which the City shall provide, or cause to be provided, shuttle access to and from the Stadium.

"Old Skybox Agreement." shall mean that certain agreement, dated as of February 19, 1980, between the City and Associates, a copy of which is on file in the office of the San Diego City Clerk as Document No. RR-251238-2, as amended on April 11, 1983, February 19, 1985 and July 11, 1988, copies of which are on file in the office of the San Diego City Clerk as Document Nos. RR-258237, RR-262548, and RR-271395, respectively.

"On-Site Parking Facilities" shall mean those areas immediately adjacent to the Stadium to be available for the parking of motor vehicles by persons attending events at the Stadium.

"Padres" shall mean San Diego National League Baseball Club, Inc.

"Padres Occupancy Agreement" shall mean those certain agreements between the City and the Padres described on Exhibit D attached hereto and by this reference **made a part hereof.**

"Parking Facilities" shall mean, collectively, the On-Site Parking Facilities and the Off-Site Parking Facilities.

"Pay Television" shall mean any method of transmitting television signals in connection with which a charge is made to the receiver or viewer for the reception of signals in a final usable form, including, without limitation, closed circuit television, telecasts in theaters to which viewers pay an admission charge, and any metered, subscriber or so-called "pay-per-view" home television.

"Pay Television Receipts" shall mean the gross amount received by the Chargers from or arising out of the broadcast of any Home Game on Pay Television or, if the amount received is a share or portion of receipts paid directly to the NFL, then the amount of such a portion received by the Chargers from the NFL after deductions from either of such amounts (as the case may be) or any part thereof which is required by the NFL to be paid to the visiting team, to any other football club, to the NFL or any fund established by the NFL for the benefit of NFL players and of any applicable taxes.

"Post-Season Game" shall mean any wildcard game, division or conference championship game or other game played by the Chargers at the Stadium following the completion of the scheduled season to determine the participants in the Super Bowl.

"Premium Amount" shall mean a dollar amount equal to that portion of any income in excess of the stated ticket price from the sale, leasing or licensing of seats at or admission to any Home Game, including club seats or other premium pricing (but excluding Skyboxes) which the Executive Committee

of the NFL approves to be excluded from gross receipts for the purposes of calculating a visiting club's share of income in accordance with Section 19.1(A)(3) of the Constitution and Bylaws of the NFL, in effect as of the date hereof and as the same may be amended from time to time, which Section currently provides that "the Executive Committee, on recommendation by the Finance Committee, may approve the exclusion of any excess income . . . by an individual club, to the extent and during the time that the excess income is dedicated to and used for financing construction, expansion or major refurbishing of a stadium."

"Pre-Season" shall mean the period from the first regularly scheduled Pre-Season Game to the last regularly scheduled Pre-Season Game of the Chargers in the Stadium, as established by the annual schedule of the NFL.

"Pre-Season Game" shall mean any football game played by the Chargers in the Stadium during the Pre-Season.

"Prior Occupancy Agreement" shall have the meaning assigned thereto in the recitals hereof.

"Project Costs" shall mean the following costs to the extent that such costs are incurred or accrued by or for the account of the City for the construction and development of the Improvements in accordance with the terms of this Agreement, not reimbursed or reimbursable by others, and properly allocable to the Improvements: all architectural and engineering costs, all permit costs, all direct costs for labor, materials and subcontract performance that are incorporated into the Improvements, demolition costs, construction costs, the cost

of equipment and other capital improvements installed in the Stadium Premises, site preparation costs, and all other costs which would customarily be considered to be "hard costs" or "architectural or engineering costs" of the Improvements and otherwise satisfy the criteria set forth in this sentence (provided, however, that the City shall bear the burden of proving that such other costs would constitute "hard costs" or "architectural or engineering costs" by construction industry customs and standards).

"Qualified Paid Attendance" shall have the meaning assigned thereto in Section 9 hereof.

"Regular Football Season" shall mean the period from the first League Game to the last regularly scheduled League Game of the Chargers in the Stadium Premises as established by the annual schedule of the NFL, including Post-Season Games, but excluding the Super Bowl.

"Renegotiation Notice" shall have the meaning assigned thereto in Section 31 hereof.

3 hereof.

"Revised Plans" shall have the meaning assigned thereto in Section

"Scoreboard Expiration Date" shall mean March 31, 2000.

"Scoreboard Supplement" shall mean that certain Supplement Number One to First Amended Agreement for Partial Use and Occupancy of San Diego Jack Murphy Stadium Between Chargers Football Company and The City

of San Diego, dated as of September 10, 1984, by and among the City, the Chargers and the Padres, relating to the construction and operation of a new scoreboard at the Stadium, a copy of which is on file in the office of the San Diego City Clerk as Document No. RR-261527-2.

"Skyboxes" shall mean (i) prior to the commencement of the 1997 Pre-Season, those areas of the Stadium covered by the Old Skybox Agreement and (ii) beginning with the commencement of the 1997 Pre-Season and thereafter throughout the term of this Agreement, those areas of the Stadium covered by the 1995 Skybox Agreement.

"Stadium" shall have the meaning assigned thereto in the recitals hereof and shall also include, without limitation, the On-Site Parking Facilities.

"Stadium Improvement Fund" shall have the meaning assigned thereto in Section 11 hereof.

"Stadium Premises" shall mean that part of the Stadium within the Stadium's perimeter wall necessary for the proper exhibition of professional football including the playing field, seating, certain locker rooms, and certain ticket sales facilities as set forth on the drawing attached hereto as Exhibit E, but excluding the Skyboxes and the office space reserved for the City and others described on Exhibit G attached hereto and by this reference made a part hereof.

"Super Bowl" shall mean the football game to determine the championship team of the NFL.

"Team Salary Can" shall have the meaning assigned thereto in Section 31 hereof.

"Termination Date" shall have the meaning assigned thereto in Section 31 hereof.

"Ticket Office Alterations" shall have the meaning assigned thereto in Section 3 hereof.

"Total Guaranteed Attendance" shall have the meaning assigned thereto in Section 9 hereof.

"Trade-Outs" shall mean those tickets to any Home Game or Post Season Game which are exchanged by the Chargers for specific goods, materials, or services which do not generate revenues which will be shared by the City; provided, however, that Trade-Outs shall not include the one thousand (1,000) promotional seats per game offered by the Chargers irrespective of whether such promotional seats are traded for goods, materials or services_ which do not generate revenues which will be shared by the City.

"Triggering Event" shall have the meaning assigned thereto in Section 31 hereof.

"Triggering Year" shall have the meaning assigned thereto in Section 31 hereof.

hereof.

"User Fees" shall have the meaning assigned thereto in Section 11 2.

Premises.

(a) Right to Use and Occupancy. The City hereby grants to the Chargers the right to use and occupy the Stadium Premises, but only for the purpose, at the time during each calendar year, for the consideration, and upon the terms and conditions hereafter expressed. The City warrants and represents that it has the right and power to grant the rights granted herein.

(b) Parking.

(i) Spectator Parking. The City shall operate and maintain or cause to be operated and maintained OnSite Parking Facilities and Off-Site Parking Facilities for not less than a total of twenty thousand (20,000) motor vehicles, the OnSite Parking Facilities portion of which shall accommodate not less than fifteen thousand (15,000) motor vehicles. For a period commencing no later than two (2) hours prior to each Home Game and ending no earlier than two (2) hours after each Home Game (which period shall be begin one (1) hour earlier and end one (1) hour later with respect to each Post-Season Game), the City shall provide, or cause to be provided, shuttle service between the Off-Site Parking Facilities and the Stadium, which shuttle service shall use equipment and follow a schedule approved by the

Chargers, which approval shall not be unreasonably withheld, provided that such

shuttle service provides reasonable and timely access between the Off-Site Parking Facilities and the Stadium. The round trip charge for shuttle service between the Off-Site Parking Facilities and the Stadium together with the charge for parking at the Off-Site Parking Facilities shall be priced to encourage the use of the Off-Site Parking Facilities, and determined by the City and the Chargers on an annual basis.

(ii) Chargers Parking. The Chargers shall have the right, at no additional cost to the Chargers, during the period covered by the Pre-Season Schedule and Regular Football Season, to use and occupy without charge not more than five hundred (500) parking spaces for officers, employees, and football players, and for members of the press, radio, television and advertising representatives on any day on which the Chargers are actually playing professional football in the Stadium Premises under this Agreement. In addition, the City shall provide to the Chargers, at the request of the Chargers, a number of additional parking spaces within the "inner-ring" of the On-Site Parking Facilities up to the sum of two hundred (200) plus one-half (½) of the number of club seats at the Stadium Premises, which parking spaces the Chargers may in turn make available to Skybox licensees and club seat ticket holders, provided that the Chargers pay the City with respect to each space made available to a Skybox licensee or club seat ticket holder an amount equal to the sum of (1) one sixth (1/6th) of the then current parking rates in effect for like parking spaces in the On-Site Parking Facility plus (2) any User Fees charged for such

spaces pursuant to Section 11(d) hereof. The Chargers shall have the right either to make said payments at the beginning of each Pre-Season or within thirty (30) Business Days after any Home Game in which said parking spaces are provided.

(iii) Parking Revenues. Commencing with the 1997 Pre-Season and thereafter throughout the term of this Agreement, the City shall require the operators of the Parking Facilities to pay all Net Parking Revenues directly to the Chargers promptly after each Home Game.

(c) Exclusive Premises. Notwithstanding anything to the contrary herein, the City hereby grants to the Chargers the exclusive right to use and occupy the Exclusive Premises throughout each year during the term of this Agreement.

3. Construction of Improvements and Chargers' Facilities. (a)

Improvements.

(i) Approval of Program and Estimate. The City shall deliver three (3) complete sets of its proposed construction program and estimate for the Improvements on or before July 15, 1995. The Chargers shall deliver to the City written notice of its approval or disapproval of such proposed program and estimate within twenty (20) Business Days after its receipt thereof, which approval shall not be unreasonably withheld, provided that the proposed program and estimate shall (1) be prepared by an architect approved by the

Chargers (the "Approved Architect"), which approval shall not be unreasonably withheld or delayed, (2) conform with the description of the Improvements set forth on Exhibit A attached hereto and (3) incorporate a level of design and a quality of materials which are substantially equal to the design and materials used at the newest and best constructed stadiums where NFL football is being played as of the date construction of the Improvements is commenced. If the Chargers disapprove such proposed program and estimate, then the Chargers' disapproval notice shall set forth the Chargers' reasons for such disapproval. Upon receipt of any such disapproval notice, the City shall revise its proposed program and estimate to address the Chargers' reasons for disapproval and shall resubmit such revised program and estimate to the Chargers within twenty (20) Business Days after the City's receipt of the disapproval notice. Each resubmission of the program and estimate shall be subject to the same approval process applicable to the original proposed program and estimate under this Section 3(a)(i). For the purposes of this Agreement, any program and estimate for the Improvements approved by the Chargers in accordance with this Section 3(a)(i) shall be referred to as the "Approved Program and Estimate." The City shall deliver to the Chargers_ a detailed description prepared by the Approved Architect of any changes, additions, or modifications to the Approved Program and Estimate. Any Material Change to the Approved Program and Estimate must be approved by the Chargers, which approval shall not be unreasonably withheld, provided that each of the approval conditions set forth in the second sentence of this subparagraph (i) are met, and which approval shall either be granted or denied within ten (10) Business Days after the Chargers receive the modified program and estimate incorporating such Material Change. The parties acknowledge that the Padres Occupancy Agreement gives the Padres certain approval rights with respect to any changes in the seating capacity of the Stadium Premises.

(ii) Approval of Construction Schedule. On or before July 15, 1995, the City shall deliver to the Chargers a reasonably detailed schedule for the construction of the Improvements. The Chargers shall deliver written notice to the City of its approval or disapproval of such proposed schedule within fifteen (15) Business Days after its receipt thereof, which approval shall not be unreasonably withheld. The proposed construction schedule shall provide that construction of the Improvements shall (1) commence on or before February 1, 1996, (2) be completed prior to the commencement of the first PreSeason Game of the 1997 Pre-Season Schedule and (3) be performed in a manner so as not to prevent or interfere with the playing of any Home Game or unreasonably interfere with the use, occupancy or enjoyment of the Stadium by the Chargers or its patrons. If the Chargers disapprove such proposed schedule, then the Chargers' disapproval notice shall set forth the Chargers' reasons for such disapproval. Upon receipt of any such disapproval notice, the City shall revise its proposed schedule to address the Chargers' reasons for disapproval and shall resubmit such revised schedule to the Chargers within ten (10) Business Days after the City's receipt of the disapproval notice. Each resubmission of such schedule shall be subject to the same approval process applicable to the original proposed schedule under this Section 3(a)(ii). For the purposes of this Agreement, any construction schedule for the Improvements approved by the Chargers in accordance with this Section 3(a)(ii) shall be referred to as the "Approved Construction Schedule."

(iii) Approval of Plans. The City shall submit for the Chargers approval three (3) complete sets of •its proposed plans and specifications for the Improvements as they are from time to time prepared in accordance with the Approved Construction Schedule and Approved Program and Estimate.

Prior to the commencement of construction of any of the Improvements, construction drawings, plans and specifications shall be approved by the Chargers. The Chargers shall approve or disapprove such proposed plans and specifications within fifteen (15) Business Days after its receipt thereof, which approval shall not be unreasonably withheld, provided that plans and specifications shall (1) be prepared by the Approved Architect, (2) conform with the description of the Improvements set forth in the Approved Program and Estimate and (3) incorporate a level of design and a quality of materials which are substantially equal to the design and materials used at the newest and best constructed stadiums where NFL football is being played as of the date construction of the Improvements is commenced. If the Chargers disapprove such proposed plans and specifications, then the Chargers' disapproval notice shall set forth the Chargers' reasons for such disapproval. Upon receipt of any such disapproval notice, the City shall revise its proposed plans and specifications to address the Chargers' reasons for disapproval and shall resubmit such revised plans and specifications to the Chargers within twenty (20) Business Days after the City's receipt of the disapproval notice. Each resubmission of plans and specifications shall be subject to the same approval process applicable to the original proposed plans and specifications under this Section 3(a)(iii). For the purposes of this Agreement, any plans and specifications for the Improvements approved by the Chargers in accordance with this Section 3(a)(iii) shall be referred to as the "Approved Plans." The City shall deliver to the Chargers a written description of any changes, additions, or modifications to the Approved Plans, submitting with such description appropriate modified plans and specifications prepared by the Approved Architect showing in detail the nature of each change, addition or modification. The Chargers shall have the right to approve any Material Change to the Approved Plans, which approval shall not be unreasonably withheld provided that each of the approval

conditions set forth in the third sentence of this subparagraph (iii) are met, and which approval shall be granted or denied within ten (10) Business Days after the Chargers receive the modified plans and specifications for such Material Change.

(iv) Prosecution of Construction.

(1) The City shall (A) use its best efforts to minimize any interference that the construction of the Improvements may have on the Chargers', the Padres' and their respective patrons' use of the Stadium, (B) ensure that such construction does not prevent the playing of any Home Game and (C) use its best efforts to ensure that the construction is being completed in accordance with the Approved Construction Schedule. Provided that the City is in compliance with its covenants in the preceding sentence, the Chargers shall bear any financial loss to the Chargers' business resulting from such construction. However, in the event that the City fails to comply with any of its covenants set forth in the first sentence of this subparagraph (iv), then the City shall reimburse the Chargers for any such economic loss within thirty (30) calendar days following the City's receipt of a reasonably detailed accounting of such losses.

(2) Following the execution and delivery of this Agreement, the Chargers shall have the right to complete the alterations (the "Ticket Office Alterations") described on Exhibit A attached hereto to the Chargers' ticket office at the Stadium Premises. The City shall reimburse the Chargers for the One Hundred Seventy Five Thousand Dollars (\$175,000) of the cost of the Ticket Office Alterations by either (A) granting the Chargers a credit against the first \$175,000 of consideration to be

paid by the Chargers under Section 8(b) hereof or (B) paying to the Chargers \$175,000 out of the proceeds of the bonds issued to finance the Improvements.

(v) Cost of Construction. The City shall expend not less than, and shall not be required to spend more than, Sixty Million Dollars (\$60,000,000) in Project Costs for the construction of the Improvements (including the Ticket Office Alterations) and the Chargers' Facilities. In the event that the projected Project Costs based upon the construction bids for the construction of the Improvements and the Chargers' Facilities in accordance with the Approved Program and Estimate and Approved Plans exceed Sixty Million Dollars (\$60,000,000) in Project Costs and the City is not willing to pay for such excess cost, then the City shall promptly deliver revisions to the Approved Plans to the Chargers (the "Revised Plans"), which Revised Plans shall reduce the Project Cost of constructing the Improvements and the Chargers' Facilities to Sixty Million Dollars (\$60,000,000). In the event that the Chargers are not willing to approve such Revised Plans, then the Chargers shall have the right to terminate this Agreement, in which event the Prior Occupancy Agreement shall be reinstated and be in full force and effect. Once the construction of the Improvements and the Chargers' Facilities shall have commenced, the City shall pay for all costs and expenses that arise in connection with such construction (including, without limitation, any cost overruns).

(b) Chargers' Facilities.

(i) Approval of Plans. The City shall deliver three (3) complete sets of its proposed plans and specifications for the

Chargers' Facilities on or before June 15, 1995. The Chargers shall approve or disapprove such proposed plans and specifications within twenty (20) Business Days after its receipt thereof, which approval shall not be unreasonably withheld, provided that such proposed plans and specifications shall (1) be prepared by the Approved Architect, (2) conform with the description of the Chargers' Facilities set forth on Exhibit B attached hereto and (3) incorporate a level of design and a quality of materials which are substantially equal to the design and materials used at the newest and best practice and training facilities used by other NFL teams as of the date construction is commenced. If the Chargers disapprove such proposed plans and specifications, then the Chargers' disapproval notice shall set forth the Chargers' reasons for such disapproval. Upon receipt of any such disapproval notice, the City shall revise its proposed plans and specifications to address the Chargers' reasons for disapproval and shall resubmit such revised plans and specifications to the Chargers within twenty (20) Business Days after the City's receipt of the disapproval notice. Each resubmission of plans and specifications shall be subject to the same approval process applicable to the original proposed plans and specifications under this Section 3(b)(i). For the purposes of this Agreement, any plans and specifications for the Improvements approved by the Chargers in accordance with this Section 3(b)(i) shall be referred to as the "Approved Facilities Plans." The City shall deliver to the Chargers a written description of any changes, additions, or modifications to the Approved Facilities Plans, submitting with such description appropriate modified plans and specifications prepared by the Approved Architect showing in detail the nature of each change, addition or modification. Any Material Change to the Approved Facilities Plans shall be approved by the Chargers, which approval shall not be unreasonably withheld provided that each of the approval conditions set forth in the second sentence of this subparagraph (i) are met, and which approval shall be

granted or denied within ten (10) Business Days after the Chargers receive the modified plans and specifications for such Material Change.

(ii) Approved Construction Schedule. On or before June 15, 1995, the City shall deliver to the Chargers a reasonably detailed schedule for the construction of the Chargers' Facilities. The Chargers shall approve or disapprove such proposed schedule within fifteen (15) Business Days after its receipt thereof, which approval shall not be unreasonably withheld, provided that the schedule shall provide that construction of the Chargers' Facilities shall (1) commence on or before August 1, 1995 and (2) be completed on or before June 1, 1996. If the Chargers disapprove such proposed schedule, then the Chargers' disapproval notice shall set forth the Chargers' reasons for such disapproval. Upon receipt of any such disapproval notice, the City shall revise its proposed schedule to address the Chargers' reasons for disapproval and shall resubmit such revised schedule to the Chargers within ten (10) Business Days after the City's receipt of the disapproval notice. Each resubmission of such schedule shall be subject to the same approval process applicable to the original proposed schedule under this Section 3(b)(ii). For the purposes of this Agreement, any construction schedule for the Chargers' Facilities approved by the Chargers in accordance with this Section 3(b)(ii) shall be referred to as the "Approved Facilities Construction Schedule."

(s) Approved Contractors. In constructing the Improvements and the Chargers' Facilities, the Chargers shall have the right to approve the City's list of proposed design/build team contractors, which approval shall not be unreasonably withheld or delayed. The City shall contractually require (and shall use reasonably diligent efforts to enforce such requirement) that all contras

tors and subcontractors comply with all legal requirements in connection with the performance of all construction work.

(d) Performance of Construction Work. The City shall, at its own cost and expense, construct, or cause to be constructed, (i) at the Stadium, the Improvements in accordance with the Approved Plans and the Approved Construction Schedule and (ii) at the site identified on Exhibit B attached hereto, the Chargers' Facilities in accordance with the Approved Facilities Plans and the Approved Facilities Construction Schedule. Any and all construction work shall be done diligently, in conformity with all applicable legal and environmental requirements, including, without limitation, the Americans with Disabilities Act (42 U.S.C. §12101, et. seq.) and the Building and Fire Codes of the City of San Diego, in a good and workmanlike manner and under the supervision of the Approved Architect. Once the City commences the construction of the Improvements and the Chargers' Facilities, the City will diligently prosecute such construction to completion in accordance with the Approved Construction Schedule and the Approved Facilities Construction Schedule, respectively, subject to delays resulting from Force Majeure Events outside of the control of the City, provided that the City **gives** the Chargers written notice of such delays promptly after the City becomes aware of the commencement of such delays. The City shall obtain all building permits necessary for the construction of the Chargers' Facilities and shall commence construction thereof not later than August 1, 1995. The City shall use its best efforts to complete construction of (i) the Improvements and cause the Construction Completion Date to occur prior to the commencement of the first Pre-Season Game of the 1997 Pre-Season Schedule and (ii) the Chargers' Facilities on or before June 1, 1996. The City at its own cost and expense shall cause the Approved Architect to prepare and provide to the Chargers monthly

progress reports describing in reasonable detail the status of the construction of the Improvements and the Chargers' Facilities, which reports shall be delivered to the Chargers within twenty (20) Business Days after the end of the applicable month.

(e) Chargers' Inspections. The Chargers, its architects, engineers and other representatives may, from time to time, at the Chargers' own cost and expense, during reasonable business hours, in a manner which will not unreasonably interfere with construction work in progress, inspect the Improvements and the Chargers' Facilities and the construction thereof and shall be furnished, if requested by any of them, with copies of all plans, shop drawings, and specifications relating to the Improvements and the Chargers' Facilities to determine whether or not the construction of the Improvements and the Chargers' Facilities is being or has been done in accordance with the provisions of this Agreement, the Approved Plans and the Approved Facilities Plans. The Chargers shall coordinate all requests for inspections and documents through the City's project manager.

(f) Permits. The City shall obtain all permits, licenses and other governmental approvals and authorizations which are required for the construction, operation or occupancy of the Improvements and the Chargers' Facilities. Before allowing occupancy or use of the Improvements and the Chargers' Facilities, the City, at its own cost and expense, shall obtain and deliver to the Chargers certificates of occupancy for the Improvements and the Chargers' Facilities. Upon completion of construction of each of the Improvements and the Chargers' Facilities, the City shall provide the Chargers with an Architect's Certificate.

4. Term.

The term of this Agreement shall be for each Pre-Season and Regular Football Season during the period commencing with the first Home Game which shall be scheduled for the Stadium in August, 1995 and extending to and including the last day of the Regular Football Season ending in 2020. Notwithstanding the foregoing, in the event that the Chargers do not approve any Revised Plans in accordance with Section 3(a) above, then this Agreement shall be considered to be null and void and the Prior Occupancy Agreement shall continue to govern the relationship between the parties.

5. Use and Occupancy.

(a) Football Games and Other Events. The Chargers shall have the exclusive right to play professional football games (and conduct pregame, half-time and post-game activities) at the Stadium Premises on each date on which a Home Game is to be played during the annual period commencing with the Pre-Season and including the Regular Football Season during each year covered by this Agreement. The Chargers shall exercise said right only on the dates (day or night) regularly scheduled for professional football games in accordance with the official NFL schedule pertaining to professional football games to be played in the Stadium Premises by the Chargers. The Chargers shall also have the right to (i) use the Stadium Premises for promotional events and press conferences, provided that such use does not materially conflict with other Stadium events and (ii) use the Stadium Premises (other than the playing field and stands) for the NFL draft days, notwithstanding other events scheduled for the

Stadium Premises on such days. Except as otherwise provided in this Section 5, the Chargers shall not be entitled to use of the Stadium Premises.

(b) Priority of Use. From the effective date of this Agreement (which for these purposes shall be considered to be the date upon which the City Council of the City authorizes the City Manager's execution hereof) to the end of the term hereof, the Chargers shall have priority of dates over any activity in the Stadium or the Stadium Premises, including, without limitation, professional, college and high school baseball and college and high school football. The City shall not schedule any high school football game at the Stadium during any ten (10) calendar day period immediately preceding any Home Game.

(c) Conflicts with Padres Baseball Schedule. Notwithstanding anything in Section 5(b) to the contrary and except as otherwise set forth below, with respect to the use of the Stadium Premises by the Padres, the priority of the Chargers shall apply only during the months of August, September, October, November, December, January and February of each calendar year; provided,, however, that the provisions of this Section 5(c) shall only. apply until March 31, 2000.

(i) August and September Priority Weekends.
During the months of August and September of each calendar year from 1995 through 2000, the Chargers shall have the right to play football at the Stadium Premises which right shall be a priority right, only during the number of weekends in each month as set forth below (as used herein the term "weekend" shall mean the period from 5 p.m. on Friday through midnight on Monday):

(1) during the month of August from 1995 through 2000, said priority shall apply for three (3) weekends in said month of each of said years;

(2) during the month of September from 1995 through 2000, said priority shall apply for two (2) weekends in said month of *each of* said years, except for the years 1995 and 2000 when said priority shall apply for three (3) weekends;

(3) on Labor Days from 1995 through 2000, the Chargers shall have priority of selection of a date during the Labor Day weekend in each year only in alternate years, commencing in 1995, such weekend selection shall be counted as one (1) of the priority weekends referred to in subparagraphs (1) and (2) above;

(4) the Chargers shall choose only one (1) day from each priority weekend referred to in subparagraphs (1) and (2) above for the playing of professional football games; and

(5) during the weekends in August and September of any year from 1995 through 2000 which are not selected by the Chargers as priority weekends in accordance with the preceding subparagraphs (1), (2) and (3), the Chargers shall nevertheless have the right to play a

football game on one (1) of the Mondays of said weekends, as selected by the Padres. The Padres shall advise the Chargers by October 21 of each year of the Monday during the ensuing August and September that the Padres have selected from among said non-priority weekends. If the Chargers do not schedule a game for such Monday by the July 1st preceding such Monday, then the Chargers shall be deemed to have waived its right to play on said date during that year.

(ii) Best Efforts - Notice. It is understood between the parties that pursuant to current scheduling practices of professional football and professional baseball the regular season schedule for professional baseball is determined several months prior to the time that the Regular Football Season schedule is established for the same calendar year. The Chargers shall use reasonable and best efforts to ensure that the selection of dates in the :number of priority weekends during each calendar year shall avoid conflicts with the Padres' schedule for the use of the Stadium Premises.

(iii) Exercise of Priority - Final Selection of Dates. On or before the 7th day of October of each calendar year during the term hereof, the Chargers shall notify the City and the Padres in writing of its final selections of the dates in the priority weekends during the months 'of August and September of the following calendar year. In making such final selections, the Chargers shall use their reasonable and best efforts and judgment to anticipate and avoid conflicts between football and baseball games. The Chargers shall advise the Commissioner of the NFL (or other person or group having jurisdiction over it) in writing of the final dates so selected by them and request that in fixing the Regular Football Season that due consideration be given to the dates selected by the Chargers for September so that conflicts with the Padres' home schedule can be avoided. The Chargers shall deliver to the City a copy of any such correspondence with the Commissioner of the NFL. In making its final selections of priority weekend dates, the Chargers shall not select dates in more than two (2) consecutive weekends in the months of August and September of any year. Such final selection of dates shall be binding and not subject to change, except as provided in subparagraph (iv) - below. If the City or the Padres notifies the Chargers on or before September 23 of any calendar year that said final selections need to be made by October 7 of such calendar year, and the Chargers fail to notify the City and the Padres by said date of such final selections, then such failure shall constitute a waiver by the Chargers of any and all priority of dates during August and September of the ensuing calendar year.

(iv) Change of Final Selections. Final selections of dates for Pre-Season Games shall not be subject to change except by the mutual consent of the Padres, the Chargers and the City. If, in accordance with the schedule for the Regular Football Season as fixed by the Commissioner of the NFL (or such other official or group having jurisdiction to fix said schedules) not later than July 1 of any year, the Chargers are scheduled to play not more than two (2) dates at home during weekends in September not previously selected by them in accordance with the terms hereof, then in lieu of other priority dates previously selected, the City agrees to require the Padres to re-schedule any baseball games which conflict with any such dates (not to exceed two (2) dates), provided that the Chargers shall relinquish in favor of the Padres the equivalent number of dates previously selected by the Chargers in its priority weekends in September.

(v) Re-Scheduling Losses. Until March 31, 2000, if a conflict arises pursuant to subparagraph (iv) above which requires the Padres to re-schedule a baseball game(s) and the City becomes obligated to pay the Padres any sum of money pursuant to the provisions of Section 4 of the Agreement for Partial Use and Occupancy of San Diego Jack Murphy Stadium, dated December 1, 1987, between the City and the Padres, a copy of which is on file in the Office of the San Diego City Clerk as Document No. RR-269870, as presently provided therein, then the Chargers shall pay to the City upon demand, as additional consideration for the use and occupancy of the Stadium for the calendar

year in which such conflict occurs, a sum of money equal to one-third ($\frac{1}{3}$) of the amount of the re-scheduling loss incurred by the Padres pursuant to the provisions of said Section 4.

(vi) Exchanged Information - Confidential. To the extent allowed by law, advice and information exchanged pursuant to this Section 5(c) shall be kept strictly confidential. No announcement or relay of information about scheduled football games shall be released by the City, the Padres or any of their affiliates, agents or employees without the prior consent of the Chargers. No announcement or relay of information about scheduled baseball games shall be released by the Chargers or any of their affiliates, agents or employees without the prior consent of the City.

(vii) Future Cooperation. It is recognized that changes have occurred in the past in respect to practices concerning the fixing of schedules for professional football and baseball games. The parties anticipate that changes in practices as they presently exist may occur in the future. The parties agree to cooperate in the future to make such changes in this Agreement as may be mutually deemed by them advisable in order to assure the reasonable use of the Stadium and Stadium Premises for both professional football and professional baseball. Subject to the Chargers' rights under Section 5(b) hereof, after March 31, 2000, the Chargers agree to participate in good faith discussions with the

Padres regarding the avoidance of conflicts between the Chargers and the Padres in their use of the Stadium Premises.

(d) Sale of NFL Products. Except with respect to the rights of existing concessionaires under agreements in effect as of the date hereof, the Chargers shall have the exclusive right, during the term of this Agreement, to sell, either directly or through others, NFL Products. The City agrees to make available to the Chargers or its licensee (i) reasonable space at the concession facilities to be located in the Stadium Premises for the sale of NFL Products and (ii) unimproved space within the Stadium Premises to locate a specialty store for the sale of NFL Products. The parties shall agree upon locations for said concession facilities and specialty store, which locations can reasonably be expected to promote the sale by the Chargers of NFL Products.

6. Media.

(a) Broadcasts and Exhibitions. The Chargers shall have the right to receive all revenue derived from any broadcast, dissemination or exhibition described in this Section 6(a). Nothing herein is intended to limit the right of the Chargers to authorize broadcasts or dissemination by radio or television or otherwise of professional football games played away from the Stadium by the Chargers. The Chargers shall have the exclusive right, with respect to radio and television, as follows:

(i) to broadcast and disseminate, by radio or telephone, or other method of transmission or communication, audio reports of any part of any professional football games played

by the Chargers at any location during the term of this Agreement;

(ii) to broadcast and disseminate by means of VHF or UHF or any other method of free television, any part of any Home Game; and

(iii) to authorize the exhibition of Home Games by means of cable or Pay Television.

(b) Commercial Sponsors. The Chargers shall have the exclusive right to authorize and receive all revenues derived from the sale of commercial sponsorships of (i) any radio, free television or Pay Television broadcasts of any of the professional football games played by the Chargers during the Pre-Season or Regular Football Season and (ii) any special radio or television programs originating from the Stadium prior to any of such games.

(c) Press Facilities. On each day that the Chargers' have the right to use and occupy the Stadium Premises in accordance with Section 5(a) hereof, the City shall make available to the Chargers (and journalists and media representatives covering Home Games) without additional cost to the Chargers facilities for print journalism, radio and television purposes (including, without limitation, interviews of athletes, officials and others), which facilities shall be located (i) in the press box, (ii) adjacent to television outlets, and (iii) adjacent to the Stadium locker rooms. The City shall at all times during the term of this Agreement equip such press facilities with such wiring, cables, hook-ups and other similar facilities needed to accommodate state of the art media technology as it may develop from time to time.

7. Chargers' Covenants.

(a) Home Games. Except as otherwise provided in this Agreement, during the term of this Agreement, the Chargers shall play all of its Home Games (other than Pre-Season Games and other games agreed to by the parties hereto) at the Stadium Premises in accordance with NFL rules, and shall use its best efforts to play a minimum of ten (10) Home Games at the Stadium Premises during each year of the term hereof. All games shall be played by the Chargers under the name "San Diego Chargers" (which name it is agreed possesses commercial value as good will and has a particular value to the City) or under any other name as may be approved by the City in advance in writing. The Chargers shall use its best efforts to ensure the maximum occupancy of the Stadium Premises by the public.

(b) Franchise. At all times during the term of this Agreement, the Chargers shall maintain (i) its Franchise and membership in the NFL in good standing, (ii) any and all rights and Franchises to play football in the City of San Diego in accordance with the NFL rules, and will not do or suffer anything to be done which will cause such right and Franchise to be lost or impaired or diminished in any respect or (except as otherwise expressly provided herein) transferred to any other city or location and (iii) an NFL football team of the character and standing required by the NFL rules for the conduct of professional football.

(c) No Transfer. The Chargers shall not assign or otherwise transfer its rights or any portion thereof under this Agreement unless (i) the assignee or transferee shall assume the obligations of the Chargers under this

Agreement, (ii) the assignee or transferee shall agree in writing to be bound by all of the terms, covenants and conditions herein contained on the part of the Chargers with like force and effect as though such assignee or transferee had been originally named hereunder, and (iii) the NFL shall have agreed to such assignment or transfer. For purposes of this Section 7(c), the Chargers shall be deemed to include any of the individuals comprising said entity.

8. Consideration.

(a) Gross Income. Commencing with the 1997 Pre-Season and thereafter throughout the term of this Agreement, the Chargers shall receive all Gross Income for each Home Game played by the Chargers at the Stadium Premises.

(b) Payments to the City. For each Home Game played during the term of this Agreement, the Chargers shall pay the following, as consideration to the City for and on account of the Chargers' use and occupancy of the Stadium Premises hereunder:

(i) during the 1995 and 1996 Pre-Seasons and Regular Football Seasons, an amount equal to the consideration due under Section 6 of the Prior Occupancy Agreement (provided, however, that any Gross Income received by or on behalf of the Chargers prior to the 1997 Pre-Season but which is attributable to the 1997 Pre-Season or any period thereafter, subparagraph (ii) below shall apply with respect to such Gross Income); and

(ii) commencing with the 1997 Pre-Season and thereafter throughout the term of this Agreement, a dollar amount equal to ten percent (10%) of the Gross Income for each Home Game.

Notwithstanding anything to the contrary herein, with respect to each Post-Season Game played commencing with the 1997 Regular Football Season, the Chargers shall pay, as consideration to the City for and on account of the Chargers' use and occupancy of the Stadium Premises hereunder, a dollar amount equal to ten percent (10%) of the total of (1) all dollar amounts paid to the Chargers or to any person or entity authorized to receive the same on behalf of the Chargers from any source for admission to Post-Season Games less amounts actually refunded to ticket purchasers and federal, state or municipal taxes collected from such ticket purchaser and paid as taxes and less User Fees charged pursuant to Section 11(d) hereof and (2) the imputed dollar value of all Trade-Outs.

(c) Payment of Consideration. The Chargers shall remit the consideration described above, with respect to each Home Game and PostSeason Game, to the City on or before the thirtieth (30th) Business Day following such Home Game or Post-Season Game. All amounts received by the City as consideration hereunder (including, without limitation, all User Fees and increases in the percentage share of Concession revenue paid by Service America, Inc. or any successor concessionaire to be deposited into the Stadium Improvement Fund in accordance with Sections 11(d) and (e) hereof) shall be used by the City in the manner prescribed by NFL rules to the extent necessary to qualify for and preserve the waiver of premium payments to visiting teams under NFL rules, as the same may be modified from time to time.

(d) Existing Facilities Agreements and Chargers' Facilities.

Prior to the date on which the Chargers take possession of the Chargers' Facilities, all of the Chargers' rights and obligations under the Existing Facilities Agreements shall remain in full force and effect. On the date on which the Chargers take possession of the Chargers' Facilities, the Existing Facilities Agreements shall terminate and be of no further force or effect, the Chargers shall have no obligations thereunder after such termination and the Chargers shall occupy the Chargers' Facilities rent free in accordance with the Facilities Occupancy Agreement.

(e) Old Skybox Agreement and 1995 Skybox Agreement. Prior to the commencement of the 1997 Pre-Season, all of Associates' rights and obligations under the Old Skybox Agreement shall remain in full force and effect. Commencing on the date on which the 1997 Pre-Season commences and thereafter throughout the term of this Agreement, the Old Skybox Agreement shall be of no further force or effect and Associates shall have the right to use and occupy the Skyboxes rent free in accordance with the 1995 Skybox Agreement.

9. City Guaranty.

(a) Guaranteed Attendance. If, with respect to any of the first ten (10) full Pre-Seasons and Regular Football Seasons during the term of this Agreement commencing with the first full Pre-Season following the Construction Completion Date (which period is hereinafter referred to as the "Guaranty Period"), the paid attendance for full price general admission seats to any such Home Games (excluding all Skybox seats, club seats and one thousand (1,000) promotional seats, but including any other general admission seats sold at a

discount by the Chargers) (the "Qualified Paid Attendance") does not exceed sixty thousand (60,000) per Home Game (any such shortfall being hereinafter referred to as an "Attendance Shortfall"). then on or before the thirtieth (30th) Business Day following any Home Game in which an Attendance Shortfall occurs the City shall either (i) pay to the Chargers an amount equal to the full face-ticket price of each general admission seat multiplied by such Attendance Shortfall (the "Attendance Shortfall Amount"), or (ii) grant the Chargers a credit in an amount equal to the Attendance Shortfall Amount against the consideration to be paid by the Chargers to the City for such Home Game under Section 8(b) hereof.

(b) End of Season Reconciliation. Within thirty (30) calendar days following the end of each Regular Football Season during the Guaranty Period, the parties hereto shall make an adjustment in the total payments or credits made by the City to the Chargers pursuant to Section 9(a) hereof to reflect the actual average Qualified Paid Attendance for such season. The amount of such adjustment shall be calculated as follows (and as shown in the example attached hereto as Exhibit F):

(i) multiply sixty thousand (60,000) by the number of guaranteed Home Games during such season to obtain the "Total Guaranteed Attendance" for such season;

(ii) subtract the total Qualified Paid Attendance for all guaranteed Home Games during such season from the Total Guaranteed Attendance to obtain the "Actual Attendance Shortfall" for such season;

(iii) subtract the Actual Attendance Shortfall for such season from the Attendance Shortfall for each guaranteed Home Game during such season to obtain the "Attendance Shortfall Differential" for such season; and

(iv) multiply the Attendance Shortfall Differential for such season by the full face-ticket price of each general admission seat for such season to obtain the amount, if any, to be paid by the Chargers to the City in accordance with this Section 9(b).

(c) Excluded Games. In the event that any Home Game occurring during the Guaranty Period cannot be played as a result of (i) a matter affecting the Chargers or the NFL and not caused by the City, (ii) any damage or destruction to the Stadium or (iii) an act of God, war, insurrection or riot, then any such Home Games (referred to herein as "Excluded Games") shall not be subject to the City's guaranty in Section 9(a) hereof; provided, however, the Guaranty Period shall be extended by the number of Home Games equal to the number of Excluded Games.

(d) San Diego International Sports Council. The Chargers acknowledge that the City shall seek the assistance of the San Diego International Sports Council in fulfilling its obligations under Section 9(a) hereof; however, the obligations under this Section 9(a) shall ultimately be the City's.

10. Use and Occupancy by the City.

The City reserves, and shall have the exclusive right to, the use and occupancy of the Stadium (other than the Exclusive Premises and the Skyboxes), and to the possession thereof, at all times during the term of this Agreement, except during the dates that such use and occupancy is granted to the Chargers, as provided in the preceding sections hereof. The City shall have the right to permit the use and occupancy of the Stadium during any period that the City is entitled to such exclusive use and occupancy for any purpose or purposes, including, without limitation, the playing of school, college or other amateur football games, professional and other baseball and basketball games and, also, for such other use or purpose as the City may determine. The City shall not permit professional or semi-professional football (other than games played by the Chargers) to be played at the Stadium Premises, without the advance written approval of the Chargers, unless the City has terminated this Agreement in accordance with the terms hereof.

11. City Covenants.

(a) Maintenance of Stadium Premises. Except as otherwise provided herein, the City shall maintain the Stadium and Stadium Premises (including, without limitation, the playing field, all Concession facilities, scoreboards, signage, sound system, Parking Facilities, club seating areas, permanent and temporary seats and seating arrangements, locker rooms and press and media facilities, the stadium club and all equipment, pipes, plumbing, wiring, gas and electric fittings used in connection therewith) in good order, condition and repair

as a state of the art facility in accordance with the highest industry standards and all applicable federal, state and local legal requirements, including, without limitation, the Americans with Disabilities Act.

(b) Upkeep of Stadium and Playing Field. The City shall, at its expense, maintain the playing field at the Stadium Premises during the term of this Agreement and, at its cost, furnish all labor, material, supplies and equipment necessary to maintain and clean the Stadium and keep it in an orderly condition, including the prompt removal and disposal of all rubbish, trash and garbage in the Stadium prior to the time scheduled by the Chargers for its next use of the Stadium Premises. Prior to each Home Game and Post-Season Game, the City shall cause the public areas of the Stadium and Stadium Premises to be thoroughly washed. The playing field shall be maintained, marked and equipped to the satisfaction of the Chargers in accordance with the terms and conditions of Sections 11(c) and 11(f) hereof. In addition, the City shall provide at no cost to the Chargers a tarpaulin sufficient in size to cover the playing field for protection against the elements and cause the same to be used in accordance with generally accepted standards for the protection of the playing field. The City shall not make (or permit any other party to make) any changes to the grass on the playing field at the Stadium Premises, other than those incidental to the ordinary maintenance of the playing field, unless the City shall have received the prior written approval of the Chargers, which approval may be withheld in the Charger's sole and absolute discretion. Notwithstanding the preceding sentence, the City shall have the right to make or permit other parties to make changes to the grass on the playing field at the Stadium after the end of any Regular Football Season, provided that the grass is restored to its previous condition not less than sixty (60) calendar days prior to the beginning of the next Pre-Season; provided,

however, that the removal of any baseball field markings shall be governed by the last sentence of Section 11(c) hereof.

(c) Restoration. The City shall restore the playing field to normal condition for use by the Chargers for the exhibition of professional football following any use of the playing field by the Chargers or anyone other than the Chargers. Prior to each Home Game and Post-Season Game, the City shall level any pitcher's mound or other area which has been constructed to exceed the level of the football playing area. The City shall, promptly following the conclusion of the professional baseball season, resod any baseball infield area from which grass has been removed and which is included within the football playing field.

(d) Stadium Improvement Fund - User Fees.

(i) In order to assist in paying for the Improvements, the following amounts shall be charged and deposited by the City into the Stadium Improvement Fund:

(1) commencing with the first Home Game of the 1998 Pre-Season and for each Home Game of the 1998 and 1999 PreSeasons and Regular Football Seasons, one dollar (\$1.00) for each motor vehicle parking in the Parking Facilities; and

(2) commencing with the first Home Game of the 2000 Pre-Season and for each Home Game of each Pre-Season and Regular Football Season thereafter and throughout the term of this Agreement,

two dollars (\$2.00) for each motor vehicle parking in the Parking Facilities.

(ii) In order to assist in paying for the Improvements, the following amounts shall be charged and deposited by the Chargers into the Stadium Improvement Fund:

(1) commencing with the first Home Game of the 1996 Pre-Season and for each Home Game of the 1996 Pre-Season and Regular Football Season, seventy-five cents (\$0.75) per admission ticket to Home Games at the Stadium; and

(2) commencing with the first Home Game of the 1997 Pre-Season and for each Home Game of each Pre-Season and Regular Football Season thereafter and throughout the term of this Agreement, one dollar and fifty cents (\$1.50) per admission ticket to Home Games at the Stadium.

The amounts charged by the City and/or the Chargers pursuant to the preceding-subparagraphs (i) and (ii) shall be collectively referred to herein as the "User Fees."

(iii) Notwithstanding anything to the contrary herein, User Fees charged by the City and the Chargers pursuant to Section 11(d)(i) and (ii) hereof shall not be included in Gross Income for the purposes of this Agreement; the City shall deposit all of the User Fees into a segregated fund (the "Stadium Improvement Fund"); and the

City shall use the funds in the Stadium Improvement Fund solely to finance the first \$60,000,000 of Project Costs incurred in connection with the renovation of the Stadium and the construction of the Improvements and/or amortize -the debt incurred in connection therewith.

(e) Stadium Concessionaire. Notwithstanding anything in Section 8(b) to the contrary herein, in the event that the City shall extend its exclusive concession agreement with Service America, Inc. or enter into an exclusive concession agreement with a successor concessionaire for the operation of Concessions at the Stadium, then any increase in the percentage share of Concession revenue paid by Service America, Inc. or a successor concessionaire as consideration thereunder (or, if the consideration paid by the concessionaire is a fixed dollar amount, any increase in such dollar amount to the extent that such increase constitutes an increase in the percentage of gross Concession revenue paid as consideration by the concessionaire) shall not be included in Net Concession Revenues and shall be deposited into the Stadium Improvement Fund and used by the City solely to finance the first \$60,000,000 of Project Costs incurred in connection with the renovation of the Stadium and the construction of the Improvements and/or amortize the debt incurred in connection therewith. Commencing with the 1997 Pre-Season and thereafter throughout the term of this Agreement, the City shall require Service America, Inc. or any successor concessionaire to pay all Net Concession Revenues directly to the Chargers promptly after each Home Game.

(f) Additional Covenants. Notwithstanding anything to the contrary herein, the City covenants and agrees that:

(i) the cost of moving seats and the conversion of the Stadium Premises from a baseball to a football configuration as required to conform to the right of the Chargers to use and occupy the Stadium Premises shall be at no expense to the Chargers;

(ii) the City shall provide the necessary labor and material to accomplish decorative markings of the playing field for football games as requested by the Chargers, but the Chargers shall supply the decorative stencils;

(iii) prior to the Scoreboard Expiration Date, equal opportunity shall be given to Chargers' advertising sponsors to bid on scoreboard advertising at the Stadium;

(iv) pre-season meetings shall be held with Concession and Parking Facilities operators with the Chargers' personnel present having a voice in establishing the standards for the operation of Concessions and Parking Facilities;

(v) the City shall not permit any Concession or Parking Facilities operator to charge less than market rates for parking or Concession merchandise without the prior written consent of the Chargers;

(vi) visiting football clubs shall be permitted to "work out" on the Stadium Premises' playing field prior to scheduled football games;

(vii) all ticket offices shall be maintained in clean order and air conditioned; and

(viii) except as otherwise agreed to by the parties hereto, following the conclusion of the baseball season in each year, the City will at its cost and expense install approximately one thousand five hundred (1,500) "temporary seats" in the west end of the Stadium Premises, and at the end of the football season, remove the same.

12. Crowd Control-Security Enforcement and Traffic Control.

(a) Security. The Chargers shall be responsible for nonpolice officer crowd control and security enforcement within the Stadium Premises for each Home Game and Post-Season Game and shall provide appropriate personnel therefor. The City is responsible for crowd control and security enforcement in the Parking Facilities for each Home Game and Post-Season Game. In the event that the Chargers elect to have police officers from the San Diego Police Department assist in crowd control and security enforcement at the Stadium to augment non-police officer crowd control and security enforcement personnel, then the overtime hourly wage costs associated with providing such San Diego police officers shall be divided equally between the City and the Chargers. The Chargers shall reimburse the City for its share of police officer costs within thirty (30) calendar days after each Home Game and Post-Season Game.

(b) Traffic Mitigation. The City shall implement a traffic mitigation program (including traffic signal adjustments) to control traffic in and out of the Stadium and the Parking Facilities.

13. Treatment of Tax.

It is the contemplation of the parties to this Agreement that no possessory interest or similar tax shall be imposed upon the Chargers by any taxing agency or agencies in the County of San Diego or State of California during the term of this Agreement inasmuch as, among other things, the Chargers do not have exclusive and continuous use and control of the Stadium or Stadium Premises. However, in the event that any possessory interest or similar tax is imposed upon the Chargers in connection with this Agreement or the Facilities Occupancy Agreement or upon Associates in connection with the 1995 Skybox Agreement by any taxing agency or agencies in San Diego County during the term of this Agreement, then, upon payment of said tax by the Chargers or Associates, one hundred percent (100%) of the amount of said tax imposed upon the Chargers relating to this Agreement, fifty percent (50%) of said tax imposed upon the Chargers in connection with the Facilities Occupancy Agreement and fifty percent (50%) of said tax imposed upon Associates in connection with the 1995 Skybox Agreement, shall be a credit against any and all consideration due or to become due from the Chargers under the terms of this Agreement for the period of occupancy on which said tax is based. If said consideration has been paid prior to the time when said tax is paid, then the Chargers shall have a credit with respect to consideration to become due under the terms of this Agreement and if none, the City shall reimburse the Chargers in the amount of said tax (or fifty percent (50%) of the amount thereof with respect to the 1995 Skybox

Agreement and fifty percent (50%) of the amount thereof with respect to the Facilities Occupancy Agreement) forthwith upon written request from the Chargers. The provisions of this Section 13 shall apply throughout the term of this Agreement and any extensions thereof.

14. Operating Costs.

(a) Home Games. Except as otherwise expressly provided herein, the Chargers shall not be liable for any costs with respect to the operation and maintenance of the Stadium. In connection with each Home Game, the Chargers shall pay for all costs incurred in connection with all ushers, ticket and customer service personnel, announcers, banners and decorations and first-aid.

(b) Other Chargers' Events. With respect the Chargers' use of the Stadium Premises on non-game days, the Chargers shall pay for the direct cost of all personnel and equipment needed at the Stadium Premises for such events, but the Chargers shall not be liable for utility costs or any other costs in connection with the operation and maintenance of the Stadium in connection with such events.

(a) Existing Signage Arrangement. The City shall install, maintain and operate, or supply a scoreboard and other signage at the Stadium suitable for football, which scoreboard and signage shall show the next Home Game of the Chargers schedule and the scores of other NFL games. Subject to Section 15(b) below, prior to the Scoreboard Expiration Date, the City shall have

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62

the right to all revenues derived from signage throughout the Stadium and from the use or operation of the scoreboard, including, without limitation, advertising appearing thereon, provided that (i) the Chargers name or insignia or the name, photo or description of any and all, Charger personnel, including, without limitation, its owners, coaches, players, employees or others shall not be used in advertising appearing on said scoreboard without the prior written approval of the Chargers and (ii) the Chargers receive all amounts to be paid to the Chargers pursuant to the Scoreboard Supplement. The City hereby covenants and agrees not to extend the Padres' right to receive signage revenue in a manner inconsistent with Section 15(c) hereof to any date beyond the Scoreboard Expiration Date. Prior to the Scoreboard Expiration Date, the parties hereto shall from time to time agree upon advertising and promotional programs for the Stadium, which programs shall allow the Chargers reasonable use of the Stadium and scoreboard message matrix for promotional purposes.

(b) Interim Signage Arrangement. Upon the installation of new scoreboards at the Stadium Premises and until the earlier to occur of the Scoreboard Expiration Date or the date on which the Padres agree to amend the existing signage arrangement at the Stadium to permit the implementation of the new signage arrangement set forth in Section 15(c) hereof, the rights to control signage and advertising at the Stadium and receive revenues in connection therewith shall be governed by Section 15(a) hereof; provided, however, that the Chargers shall have the exclusive right to operate, manage and control the newly installed scoreboard located at the west side of the Stadium Premises at all times during the term of this Agreement and receive an amount equal to all Net Signage Revenues in connection therewith.

(c) New Signage Arrangement. Upon the earlier to occur of the Scoreboard Expiration Date (whereupon the Padres' right to receive scoreboard, signage and advertising revenues at the Stadium shall expire) or the date on which the Padres agree to amend the existing signage arrangement at the Stadium to permit the implementation of the new signage arrangement set forth in this Section 15(c), (i) the Chargers shall have the exclusive right to operate, manage and control (1) all scoreboards and signage at the Stadium at all times during the term of this Agreement (other than during Padres' home games, at which time the Padres shall have the right to operate the scoreboards, but shall have no right to sell advertising or sponsorships in connection therewith) and (2) all advertising and promotional programs at all times throughout each year during the term of this Agreement and (ii) the allocation of Net Signage Revenues among the City, the Chargers and the Padres (or any other Major League Baseball Team) shall be as follows:

(i) if there is no Major League Baseball Team occupying the Stadium Premises as its home stadium during any year during the term of this Agreement, then the Chargers shall receive an amount equal to seventy-five percent (75%) and the City shall receive an amount equal to twenty-five percent (25%) of the Net Signage Revenues; or

(ii) if the Padres or any other Major League Baseball Team occupies the Stadium Premises as its home stadium during any year during the term of this Agreement, then the Chargers shall receive an amount equal to the greater of (1) thirty seven and one-half percent ($37\frac{1}{2}\%$) of Net Signage Revenues or (2) the percentage of

Net Signage Revenues to be paid to the Padres or such Major League Baseball Team, and the City shall receive the balance of the Net Signage Revenues.

(d) Equal Billing for Chargers. Notwithstanding anything to the contrary herein or any other agreement between the Chargers and the City, all signage at the Stadium Premises shall give the Chargers equal billing with the Padres or any other Major League Baseball Team or other party.

16. Entry and Inspection.

The City reserves, and always shall have the right to enter the Stadium for the purpose of viewing and ascertaining the condition of the same, or to protect its interests in the Stadium or to inspect the operations conducted therein. The City shall use its best efforts to assure that any such entry or inspection shall be conducted in such a manner so as to minimize any interference with the Chargers' use of the Stadium. In the event that any such entry or inspection by the City discloses that the Stadium is not in a safe or satisfactory condition the City shall have the right to cause the Chargers to correct any unsafe or unsatisfactory condition created by the Chargers or by the Chargers' use or occupancy of the Stadium Premises, except to the extent that the correction of such condition is within the scope of the City's maintenance, operation and repair obligations hereunder.

17. Utilities and Service.

The City shall furnish, without cost to the Chargers, gas, electric power, water and sewer services, including the cost of operating the field lighting used at the Chargers request, subject to state and federal regulations regarding energy consumption.

18. Indemnification.

(a) Indemnification of the City. The Chargers shall indemnify, defend, protect and hold the City and any of its partners, directors, officers and employees, and each of them, free and harmless from and against any and all claims, demands, liens, judgments or otherwise for death of or injury to any person or damage to any property whatsoever that may happen or occur as the result of any act or omission of the Chargers, its officers or employees in the use and occupancy, or failure to use and occupy the Stadium for the purpose herein contemplated, and will pay and discharge all final judgments that may be rendered in such suit or action.

(b) Indemnification of the Chargers. The City shall indemnify, defend, protect and hold the Chargers, its partners, directors, officers, employees, and each of them, free and harmless from and against any and all claims, demands, liens, judgments or otherwise for death of or injury to any person or damage to any property whatsoever that may happen or occur as the result of any act or omission of the City, its officers or employees in the ownership or operation of the Stadium or as a result of any other party's use or

occupancy of the Stadium, and will pay and discharge all final judgments that may be rendered in such suit or action.

19. Insurance.

The Chargers shall maintain, at its sole cost and expense, commercial general liability insurance with an insurance carrier reasonably satisfactory to the City to protect against loss from liability imposed by law for damages on account of bodily injury or death suffered or alleged to be suffered by any person or persons whatsoever resulting directly or indirectly from any act or activities of the Chargers or any person acting for the Chargers or under the Chargers' control or direction; and also to protect against loss from liability imposed by law for damages to any property of any person caused directly or indirectly by or from acts or activities of the Chargers or any person acting for the Chargers or under the Chargers' control or direction. Such public liability and property damage insurance shall be maintained in full force and effect during the entire term of this Agreement in an amount not less than Two Million Dollars (\$2,000,000) combined single limit per occurrence, which amount shall be increased on a biannual basis by increases, if any, in the CPI for such period. Proof of such insurance shall be filed with the City and shall be satisfactory in form to the City. Said policies shall have a "non-cancellation-without-notice-tothe City" clause and shall provide that copies of all cancellation notices shall be sent to the City and shall also name the City and Authority as additional insureds. If the Chargers do not keep such insurance in full force and effect, the City may procure the necessary insurance and pay the premium, and the repayment thereof shall be deemed to be in addition to the consideration reserved hereunder and paid on the next day upon which any portion of said consideration becomes due.

Provisions of this Section 19 as to maintenance of insurance shall not be construed as limiting in any way the extent to which the Chargers may be held responsible for the payment of damages to persons or property resulting from its activities or the activities of any person or persons for which it is otherwise responsible.

20. Damage and Destruction.

(a) Repairs of Damage and Termination Rights. If all or a part of the Stadium is damaged by fire, earthquake or other casualty (any such fire, earthquake or other casualty is hereinafter referred to as "Damage"), the City shall promptly give the Chargers notice of the City's reasonable estimate of the time required to repair such Damage (the "Damage Estimate"). If the Damage Estimate contemplates that the Damage can be repaired on or before the second (2nd) anniversary of the date on which such Damage occurred, then (i) the City shall repair the Damage, (ii) the Chargers shall have the right to play its Home Games at another location of its choice during the construction period, and (iii) this Agreement shall remain in full force and effect. If the Damage Estimate contemplates that the Damage cannot be repaired on or before such second (2nd) anniversary date, then the Chargers may give notice to the City, within thirty (30) calendar days after the Chargers receive the Damage Estimate, terminating this Agreement as of the date of such Damage. In the event that the Chargers do not elect to terminate this Agreement pursuant to this Section 20, and the City fails to substantially complete its repair of the Damage within thirty (30) calendar days after the expiration of the time period set forth in the Damage Estimate (which period shall be extended to the extent of any actual delays caused by the Chargers or any Force Majeure Event), then the Chargers may terminate this Agreement

by delivering written notice thereof to the City. Any repair or replacement of improvements at the Stadium as a result of any Damage thereto shall be performed by the City in accordance with plans and specifications reasonably approved by the Chargers.

(b) Damage During Last Year of Term. Notwithstanding anything to contrary contained in this Section 20, if the Damage Estimate contemplates that the repair of the Damage shall take more than sixty (60) calendar days to complete, and such completion shall occur during the last twelve (12) months of the term of this Agreement, then the City and the Chargers shall each have the option to terminate this Agreement as of the date of such Damage by giving written notice to the other, in the case of the City together with the Damage Estimate, or, in the case of the Chargers, within thirty (30) calendar days after the Chargers's receipt of the Damage Estimate.

(c) Abatement. During the period the Stadium or any part thereof is rendered unusable due to such Damage and repair, the Chargers' obligations under Section 8 hereof to make payments to the City shall be proportionately reduced based upon the extent to which the Damage and repair thereof prevents the Chargers from conducting its business at the Stadium in the manner in which such business was conducted prior to such Damage.

21. Records.

(a) Chargers' Records. The Chargers shall keep, or cause to be kept, true, accurate and complete records and double-entry books in a manner and form satisfactory to the City, which records shall show all transactions out of

which Gross Income is derived and shall be supported by documents of original entry such as sales slips and purchase invoices. The Chargers shall keep such records for a period of three (3) years after the year to which they relate. The Chargers shall issue serially numbered tickets for each paid admission and shall keep adequate records of such serial numbers issued and those not used. The Chargers shall furnish the City with a printers certificate showing the number, type and serial numbers of all admission tickets printed for use in connection with each Home Game played at the Stadium Premises. Said books, accounts and records shall be kept or made available in the City of San Diego. Within thirty (30) Business Days after the playing of a Home Game or Post-Season Game, the Chargers shall deliver to the City at a location and on forms satisfactory to the City, (i) a detailed statement setting forth the type and serial number of tickets sold or disposed of for said Home Games or Post-Season Games, (ii) stubs of all tickets used and (iii) such other data as is appropriate or necessary to verify the Gross Income, including, without limitation, the turnstile count of each Home Game and Post-Season Game and ticket distribution reports. **The City shall, through its duly authorized agent or representatives, have the right at any and all reasonable times to examine and audit the Chargers' records and any statements of money accrued and due the City for the purpose of determining the accuracy thereof.**

(b) City Records. The City shall **keep or cause to be kept** true, accurate and complete records and double-entry **books in** a manner and form satisfactory to the Chargers with regard to Parking Facilities, signage and Concession operations at the Chargers' Home Games. The City shall keep such records for a period of three (3) years after the year to which they relate. The Chargers shall have, through its duly authorized agent or representative, the right

at any and all reasonable times to examine and audit the City's records and any statements of money accrued and due the Chargers for the purpose of determining the accuracy thereof.

22. More Favorable Terms.

(a) Changes in Economic Terms. In the event that, at any time and from time to time during the term of this Agreement, the City enters into any new agreement or amends any existing agreement with the Padres or any other Major League Baseball Team for the use and occupancy of the Stadium Premises or any portion thereof, and the economic terms of such new or amended agreement taken as a whole grant the Padres or other Major League Baseball Team an annual economic benefit that is ten percent (10%) or some greater percentage more favorable to the Padres than the terms of the Padres Occupancy Agreement as it exists as of the date hereof, then the Chargers shall have the right to amend this Agreement in order to increase the economic benefit to the Chargers hereunder by a percentage equal to the total percentage increase in economic benefit to the Padres or other Major League Baseball Team under the terms of such new or amended agreement.

(b) Example. If, on January 1, 1997, the Padres Occupancy Agreement is amended to give the Padres a five percent (5%) increase in economic benefit over the current terms of the Padres Occupancy Agreement, then the Chargers shall have no right to amend this Agreement. However, if, on January 1, 1998, the Padres Occupancy Agreement is amended a second time and the first and second amendments, in the aggregate, give the Padres an eleven percent (11 %) increase in economic benefit over the current terms of the Padres

Occupancy Agreement, then the Chargers shall have the right to amend this Agreement to increase the Chargers' economic benefit hereunder by eleven percent (11 %).

(c) Chargers' Option to Amend. The City agrees that within ten (10) Business Days following the execution of any amendment to the Padres Occupancy Agreement or any new occupancy agreement with any Major League Baseball Team, the City shall deliver a true and complete copy thereof to the Chargers. Should the Chargers exercise the option provided in this Section 22, it shall do so by written notice to the City and said option shall be effective and the terms of this Agreement modified in accordance with such option immediately upon receipt by the City of said written exercise of option or upon its deposit in the United States mail, whichever occurs earlier. The Chargers shall exercise said option, if at all, within sixty (60) calendar days of its receipt of any amendment or agreement between the City and the Padres or another Major League Baseball Team.

23. Alterations and Improvements.

Neither the Chargers nor the City shall make any alterations or improvements to the Stadium except in accordance with plans previously approved in writing by the other party. The Chargers shall reimburse the City for all damage to the Stadium caused by the Chargers use of the Stadium Premises, ordinary wear and tear excepted.

24. Waiver.

The waiver by the City of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of consideration hereunder by the City shall not be deemed to be a waiver of any preceding breach by the Chargers of any term, covenant or condition of this Agreement other than the failure of the Chargers to make the particular payment so accepted, regardless of the City's knowledge of such preceding breach at the time of acceptance thereof. Except as otherwise provided herein, any failure on the part of the City to require or exact full and complete compliance with any of the covenants or conditions of this Agreement shall not be construed as in any manner changing the terms hereof or to stop the City from enforcing the full provisions hereof, nor shall the terms of this Agreement be changed or altered in any manner whatsoever other than by written agreement of the City and the Chargers.

25. Remedies of the City.

(a) Charger Defaults. Except as otherwise provided herein, in the event that the Chargers shall (i) default in the performance or fulfillment of any covenant or condition herein contained on its part to be performed or fulfilled and shall fail to cure or to commence and diligently pursue the curing of such default within thirty (30) calendar days following its receipt of a written notice from the City specifying the default complained of and the date on which its rights hereunder will be terminated as hereinafter provided if such default is not

cured, or (ii) file a voluntary petition in bankruptcy, or (iii) be adjudicated a bankrupt, or (iv) make a general assignment for the benefit of creditors *then* and in either or any of said events, the City may, at its option, without further notice or demand upon the Chargers or upon any person or persons claiming by, through or under the Chargers, immediately cancel and terminate this Agreement and terminate each, every and all of the rights of the Chargers and of any and all persons claiming by, through or under the Chargers in or to the Stadium Premises in or to the further possession thereof. The rights and remedies of the *City* as hereinabove set forth, are cumulative only and shall in no way be deemed to limit any of the other provisions of this Agreement or otherwise to deny to the *City* any right or remedy at law or in equity which the City may have or assert against the Chargers under any law in effect at the date hereof or which may hereafter be enacted or become effective, it being the intent hereof that the rights and remedies of the *City*, as hereinabove set forth, shall be supplemental to or in addition to or in aid of the other provisions of this Agreement and of any right or remedy at law or in equity which the City may have against the Chargers.

(b) Termination. Any election on the part of the City to terminate this Agreement must be in writing, properly executed by the *City* and served upon the Chargers. No termination of this Agreement on account of a default by the Chargers shall be or become effective by operation of law or otherwise, unless and until the City shall have given such written notice to the Chargers. Neither any notice to pay any consideration or portion thereof due and payable or notice to deliver up possession of the Stadium Premises given pursuant to any law of the State of California, nor any proceeding in the nature of an unlawful detainer taken by the City shall, of itself, and in the absence of such written notice as above provided, operate to terminate this Agreement.

(c) City Defaults. At no time shall the City be deemed to be in default under this Agreement, the Facilities Occupancy Agreement or the 1995 Skybox Agreement unless and until the Chargers (or, with respect to the 1995 Skybox Agreement, the Associates) shall have given to the City notice in writing, specifying such default and the City shall have failed to cure or to commence and diligently pursue the curing of such default within a period of thirty (30) calendar days after receipt of such written notice. In the event that the City fails to cure any default under this Agreement, the Facilities Occupancy Agreement or the 1995 Skybox Agreement within such thirty (30) calendar day period, then the Chargers (and Associates, with respect to the 1995 Skybox Agreement) may, at its option, without further notice or demand upon the City or upon any person or persons claiming by, through or under the City, immediately cancel and terminate this Agreement, the Facilities Occupancy Agreement and the **1995 Skybox** Agreement and terminate each, every and all of the rights of the City and of any and all persons claiming by, through or under the City.

26. Eminent Domain.

(a) Substantial Taking. **In** the event that the Stadium Premises, or any part thereof, is taken in condemnation proceedings **or** by any right of eminent domain and such taking involves the Stadium Premises or the On-Site Parking Facilities or reasonable access thereto, to the extent that the Chargers are unable, in the Chargers' reasonable opinion, to make use of the Stadium Premises for professional football games, as herein contemplated, then this Agreement and any and all liability of the Chargers hereunder shall at the Chargers option cease and terminate upon the entry of a decree of final condemnation or the issuance of a notice of taking or other proceedings now or hereafter

authorized pursuant to which any public authority is authorized to enter upon and take possession of the Stadium Premises or On-Site Parking Facilities under eminent domain proceedings now or hereafter authorized by law.

(b) Condemnation Awards for Substantial Takings. In the event of any taking described in Section 26(a) hereof and the early termination of this Agreement, the proceeds of such taking shall be distributed in the following manner:

(i) the Chargers shall be entitled to receive and retain (1) such portion of the proceeds of the taking as shall represent compensation for the value of the Chargers' interest hereunder (including, without limitation, the value of the City's guaranty hereunder), determined as if such taking had not occurred and this Agreement had not been terminated, and (2) all other amounts, if any, to which the Chargers may be entitled under law, except any amount to be distributed to the City pursuant to subparagraph (ii) below; and

(ii) the City shall be entitled to receive and retain (1) such portion of the proceeds of the taking as shall represent compensation for the value of the City's fee interest in the Stadium and interest under this Agreement, and (2) all other amounts, if any, to which the City may be entitled under law, except any amount to be distributed to the Chargers pursuant to subparagraph (i) above.

In the event that the amount of such proceeds shall be insufficient to pay the amounts described in subparagraphs (i) and (ii) above, such proceeds shall be

apportioned and paid to the City and the Chargers pro rata in accordance with the amount each would have received had such proceeds been sufficient to pay such amounts.

(c) Partial Taking. If such taking involves only a portion of the Stadium Premises and/or ten percent (10%) or more of the On-Site Parking Facilities in such manner and to such extent as not to unreasonably interfere with the use and occupancy herein granted to the Chargers, and for the purpose herein specified, then the Chargers shall not have a right to terminate this Agreement; however, the consideration to be paid to the City under Section 8 hereof shall be reduced so that the consideration payable immediately after such partial taking shall be in the same proportion to the consideration payable immediately prior to such partial taking as the fair market value of the Stadium remaining after such partial taking (as determined by an independent appraiser selected by the parties) bears to the fair market value of the Stadium immediately before such partial taking (as determined by said appraiser). Until the new consideration shall be determined as provided herein, the Chargers shall continue to pay consideration in the same amounts as would be due if there had not been any partial taking. When such determination shall be made, the City shall pay to the Chargers any excess of the amount of consideration which is paid after the partial taking, over the amount which shall have been so determined, plus interest on such excess (at Bank of America's then current prime rate) from the date received by the City until repaid to the Chargers. The Chargers and the City shall divide the proceeds of any partial taking in accordance with their respective interests in the right to use the Stadium, Stadium Premises and On-Site Parking Facilities.

27. Force Majeure.

Except as otherwise provided herein, should either party hereto be delayed in or prevented, in whole or in part, from performing any obligation or conditions hereunder or from exercising its rights hereunder by reason of or as a result of any Force Majeure Event, such party shall be excused from performing such obligations or conditions and the term of this Agreement shall be extended and continued while such party is so delayed or prevented and for twenty-eight (28) calendar days thereafter.

28. Successors.

This Agreement shall be binding on and inure to the benefit of the heirs, legal representatives, and assigns of the parties.

29. Quiet Enjoyment.

The City covenants that the Chargers (upon the payment by the Chargers of the consideration reserved in Section 8 hereof and the performance by the Chargers of the terms, covenants and conditions contained in this Agreement) shall peacefully and quietly have, hold and enjoy (i) the Stadium Premises on the dates and during the periods herein provided in which the Chargers are given the right to the use and occupancy of the Stadium Premises and (ii) the Exclusive Premises at all time during the term of this Agreement.

30. Notices.

Any notice, demand, request, consent, approval and any other communications (any of the foregoing, a "Notice") required, permitted, or desired, to be given hereunder shall be in writing sent by registered or certified mail, postage prepaid, return receipt requested or delivered by hand or reputable overnight courier addressed to the party to be so notified at its address hereinafter set forth, or to such other address as such party may hereafter specify in a Notice delivered in accordance with the provisions of this Section 30. Any such Notice shall be deemed to have been received three (3) Business Days after the date such Notice is mailed or on the date of delivery by hand or courier addressed to the parties as follows (provided that neither the City nor the Chargers shall be deemed to have received any Notice not actually received):

If to the City: City Manager
 City of San Diego
 City Administration Building
 202 "C" Street

 San Diego, California, 92101
and
 City Attorney
 City of San Diego
 City Administration Building
 202 "C" Street

 San Diego, California, 92101

If to the Chargers: Mr. Dean A. Spanos
 President San Diego
 Chargers **P.O. Box**
 609609
 San Diego, California 92160

With a copy to: Skadden, Arps, Slate, Meagher & Flom 300
South Grand Avenue, 34th Floor Los
Angeles, California 90071 Attention:
Richard S. Volpert, Esq.

31. Renegotiation Rights.

(a) Definitions. For the purposes of this Section 31, the following terms shall have the following meanings:

"Defined Gross Revenues" shall mean the aggregate revenues received or to be received on an accrual basis, for or with respect to any "League Year" (as such term is defined in Article I, Section 1 of the 1993 CBA), during the term of this Agreement by the NFL and all NFL Teams (and their designees), from the following sources only: (i) regular season, pre-season, and post-season gate receipts (net of admission taxes, and surcharges paid to a stadium or municipal authorities which are deducted for purposes of calculating gate receipts subject to revenue sharing), including ticket revenue from "luxury boxes," suites and premium seating subject to gate receipt sharing among NFL Teams; and (ii) proceeds from the sale, license, or other conveyance of the right to broadcast or exhibit NFL pre-season, regular season, and play-off games on network and national cable television (which by way of example only, would currently include all revenues generated from NFL television contracts with FOX, NBC, ABC, TNT and ESPN). For the purposes of this Agreement only, Defined Gross Revenues does not include any proceeds from the sale, license, or conveyance of the right to broadcast or exhibit NFL pre-season, regular season, and play-off games to and on any other source, including, without limitation, local television, pay

television, satellite encryption, international broadcasts, radio, or any other means of distribution.

"Team Salary Cap" shall mean for any year, on a cash basis, seventy-five percent (75%) of Defined Gross Revenues for such year, divided by the number of teams playing in the NFL during such year.

"Triggering Event" shall occur, if on December 1 of any Triggering Year, the sum of the following items exceeds the Team Salary Cap (as defined herein) for the year in question: (i) the actual "Team Salary" (as such term is defined in Article XXIV, Section 6 of the 1993 CBA, except as calculated on a cash basis) of the Chargers for such year, plus (ii) the total actual benefit payments provided by the Chargers to its players for such year, plus (iii) the total actual benefit payments provided by the NFL to the Chargers' players for such year.

"Triggering Year" shall mean any one year between January 1, 2000 and December 31, 2002, any one year between January 1, 2003 and December 31, 2006, any one year between January 1, 2007 and December 31, 2010, any one year between January 1, 2011 and December 31, 2014 and any one year between January 1, 2015 and December 31, 2018.

(b) Triggering Events. If a Triggering Event occurs in any Triggering Year, then the Chargers shall have the right to renegotiate the terms of this Agreement as follows:

(i) Renegotiation Notice. On or before the sixtieth (60th) calendar day following the occurrence of any Triggering Event or, in the event that such Triggering Event occurs in any year prior to 2001, on or before the sixtieth (60th) calendar day following December 1, 2001, the Chargers shall deliver written notice thereof (the "Renegotiation Notice") to the City. If the Chargers fail to deliver a Renegotiation Notice to the City within such sixty (60) calendar day period, the Chargers shall be deemed to have waived its right to renegotiate the terms of this Agreement for that Triggering Year only and such failure shall not be deemed to waive the Chargers' right to renegotiate the terms of this Agreement should a Triggering Event occur in any subsequent Triggering Year.

(ii) Negotiations. Upon the delivery of a Renegotiation Notice, the parties hereto shall negotiate in good faith for ninety (90) calendar days to agree upon mutually acceptable terms for an amendment to this Agreement to offset the impact on the Chargers of the Triggering Event; provided, however, that neither party shall be precluded from conducting negotiations with third parties' during such ninety (90) day period. If the parties hereto reach an agreement within such ninety (90) day period, they shall execute and deliver an amendment hereto immediately after reaching such agreement and in any event not later than ten (10) Business Days after the end of such ninety (90) day period. If the parties do not reach an agreement within such ninety (90) day period, then subparagraph (iii) below shall apply.

(iii) City's Right of First Refusal. If, within the eighteen (18) month period following the end of the ninety (90) calendar day negotiation period provided for in subparagraph (ii) above, the Chargers execute a letter of intent providing for the Chargers' use of another stadium with any third party, the Chargers shall offer the City a ninety (90) calendar day period after the execution of such letter of intent within which to execute an amendment hereto which matches the financial and overall economic terms of the proposed third party transaction as set forth in such letter of intent. If the City does not execute such an amendment within such ninety (90) calendar day period, the Chargers may terminate this Agreement at any time within sixty (60) calendar days thereafter (the "Termination Date") by giving to the City written notice of such termination at least ten (10) calendar days prior to the Termination Date and making, as of the Termination Date, the payment or the delivery of Federal Securities described below in this subparagraph (iii). In the event such notice is not given or such payment or delivery is not made, this Agreement shall continue in full force and effect. In the event the Chargers terminate this Agreement in accordance with this subparagraph (iii), it shall pay to the City, on the Termination Date, an amount equal to sixty percent (60%) of the amount in dollars necessary to pay or redeem all of then outstanding debt incurred to finance construction of the Improvements (including any debt incurred to refund any such debt, but excluding any transaction costs relating to such refunding debt) on the earliest date or dates after the Termination Date that at least sixty percent (60%) of such debt may be paid or redeemed. In lieu of such payment, the Chargers may deliver Federal Securities to the City, which

are not subject to redemption prior to their maturity, the interest on and principal of which when paid will provide money which, as verified by an independent consultant reasonably acceptable to the City, shall be sufficient to pay when due the interest to become due on such sixty percent (60%) of such debt from and including the Termination Date to and including the earliest date or dates on which such sixty percent (60%) of such debt may be paid or redeemed as well as sixty percent (60%) of the principal thereof and any redemption premium thereon, less, in either case, the sum of (1) sixty percent (60%) of the amount in any debt reserve fund on the Termination Date which may be used for the payment or redemption of such debt, (2) sixty percent (60%) of any amounts on deposit on the Termination Date in the Stadium Improvement Fund and (3) sixty percent (60%) of the unamortized (on a straight line basis over the term of the Improvement debt) reasonable actual costs incurred by the City in connection with the issuance of such debt which were not reimbursed out of the proceeds of such debt.

Notwithstanding the exercise of the Chargers' rights under this Section 31 prior to 2003, the effective date of any termination of this Agreement as a result of a Triggering Event shall not occur prior to February 1, 2004.

32. Construction of this Agreement.

(a) California Law. This Agreement shall be deemed to be made and shall be construed in accordance with the laws of the State of California. The City and the Chargers covenant and agree to submit to the personal

jurisdiction of any state or federal court in the State of California for any dispute, claim, or matter arising out of or related to this Agreement.

(b) Section Headings. The section headings are inserted herein only as a matter of convenience and for reference and in no way are intended to be a part of this Agreement or to define, limit or describe the scope or intent of this Agreement or the particular sections hereof to which they refer.

(c) Sole Instrument. This Agreement (together with the exhibits attached hereto), the Facilities Occupancy Agreement, the Existing Facilities Agreements (subject to Section 8(d) hereof), the 1995 Skybox Agreement and the Old Skybox Agreement (subject to Section 8(e) hereof) embody and constitute the sole and entire agreement between the parties hereto with respect to the subject matter hereof. There are no terms, obligations, covenants or conditions between the parties hereto, other than as contained herein, in the Old Skybox Agreement (subject to Section 8(e) hereof), the 1995 Skybox Agreement, the Scoreboard Supplement, the Existing Facilities Agreements (subject to Section 8(d) hereof) and in the Facilities Occupancy Agreement. No alteration, amendment or modification hereof shall be valid unless executed by an instrument in writing by the parties with the same formality as this Agreement. Neither this Agreement, nor any term hereof, can be changed, modified or abandoned, in whole or in part, except by such instrument in writing and no subsequent oral agreement shall have any validity whatsoever.

(d) Time. Time is of the essence hereof, and every term, covenant and condition shall be deemed to be of the essence hereof, and any

breach by the City or the Chargers shall be deemed to be of the very substance of this Agreement.

(e) Successors. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the City, and to such successors and assigns of the Chargers as are permitted to succeed to the Chargers right upon and subject to the terms hereof.

(f) No Partnership. Nothing herein contained shall make, or be construed to make, the City or the Chargers a partner of one another nor shall this Agreement be construed to create a partnership or joint venture between any of the parties hereto or referred to herein.

(g) Singular and Plural. Whenever the context shall so require, the singular shall include the plural and the plural shall include the singular.

33. Supersedure.

Except as otherwise provided in Sections 3(c) and 8(b)(i) hereof, this Agreement supersedes and replaces in its entirety the Prior Occupancy Agreement, with the exception of the Scoreboard Supplement.

34. Nondiscrimination.

The Chargers agree not to discriminate in any manner against any person or persons on account of race, marital status, sex, religious creed, color,

ancestry, national origin, age or physical handicap in the Chargers' use or occupancy of the Stadium Premises, including, without limitation, the provision of goods, services, facilities, privileges, advantages and accommodations, and the obtaining and holding of employment. The Chargers agree to comply with all applicable City, state, and federal laws and regulations regarding equal opportunity.

35. Payments.

All payments to the City under the terms of this Agreement shall be made payable to the City Treasurer, and submitted to the City Manager. Each payment shall be accompanied by a report detailing the revenue and sources thereof, including such information as reasonably may be required by the City Manager.

36. Drug-Free Work Place.

By signing this Agreement, the Chargers hereby acknowledge and agree- it is aware of and will comply with Council Policy 100-17, adopted by Resolution No. R-277952, a copy of which is on file in the office of the San Diego City Clerk, to provide a drug-free work place.

37. Charters' Employees.

The Chargers agree that its employees, associates, agents, players, or contractors shall not be deemed to be employees of the City for any purpose. The City shall have no obligation or responsibility for resolving any labor disputes or grievances which may arise between the Chargers and its employees,

associates, agents, players, or contractors employed to perform any services relating to this Agreement. The Chargers agree to provide sufficient personnel to perform all services required by this Agreement. The Chargers shall be responsible for all required federal, state, and local reports, records and payments in connection with social security, unemployment insurance, and other charges and taxes. The City shall have no responsibility for providing any of the above reports, records and payments. The Chargers shall withhold from its payroll any amounts for insurance and taxes as may be required by federal, state or local governments with respect to all persons employed by the Chargers.

38. Workers' Compensation.

By signing this Agreement, the Chargers hereby certify that it is aware of the provisions of California Labor Code sections 3700 et seq., which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code and shall comply with such provisions prior to the commencement of this Agreement. Prior to the commencement of this Agreement, the Chargers shall provide the City with evidence of compliance with the workers' compensation laws of the State of California. The Chargers shall provide the City with a waiver of subrogation from its insurance carrier when proof of insurance is due.

39. Agreement Subject to NFL Premium Waiver.

Notwithstanding anything to the contrary in this Agreement, the 1995 Skybox Agreement or the Facilities Occupancy Agreement, this Agreement and the obligations of the Chargers hereunder are expressly subject to and

IN WITNESS WHEREOF, this 1995 Agreement for Partial Use and Occupancy of San Diego Jack Murphy Stadium is executed by (i) the City of San Diego, acting by and through the City Manger, under and pursuant to 0. 0 .- / 1 ≤ authorizing such execution; and (ii) the Chargers, as of the date first above written.

THE CITY OF SAN DIEGO

By: _____
Jack McGrory
City Manager

CHARGERS FOOTBALL COMPANY a
California limited partnership

By: _____
Alex G. Spans
General Partner

I HEREBY APPROVE the form and legality of the foregoing 1995 Agreement for Partial Use and Occupancy of San Diego Jack Murphy Stadium this _____ day of _____, 1995.

JOHN W. WITT, City Attorney

By: _____
Curtis M. Fitzpatrick
Assistant City Attorney

EXHIBIT A

DESCRIPTION OF IMPROVEMENTS

EXPANDED SEATING CAPACITIES IN FOOTBALL CONFIGURATION

- Purpose: To increase the seating capacity of the field, plaza, loge, press/suite and upper levels of the Stadium Premises.
- Description:
- Construct new seating to increase seating capacity to approximately 71,400 seats.

EAST END ZONE IMPROVEMENTS

- Purpose: to increase the seating capacity of the Stadium.
- Description:
- Demolition of extended plaza seating and existing loge level seating and suites.
 - Reconstruction of loge level seating and concourse and press level and upper level seating and concourse.
 - New ramps.
 - New escalators and elevators.

CLUB SEATING Purpose: To establish a new type of upscale seating that is in between a general admission seat and a luxury box seat in price and the service provided. The 7,800 club seats will be state of the art and modeled after Joe Robbie Stadium in Miami and Oriole Park in Baltimore.

- Description:
- North and South sidelines.
 - Clearing level of existing offices.
 - Construction of club lounge with upscale amenities.

- Introducing vomitories.
- Escalators to club lounge.

LOGE AND PRESS LEVEL SUITES

- Purpose: Increase the number and improve the quality of Skybox suites on the loge and press levels.
- Description:
- Demolish, renovate and construct suites on the loge and press levels, resulting in a minimum of 100 Skybox suites and 4 large party suites, which in the aggregate include approximately 2,000 seats.
 - Relocate owners box from the north sideline to the south sideline.

FIELD & PLAZA LEVELS

- Purpose: Increase the seating capacity of the Stadium Premises.
- Description:
- Demolish existing cross aisle at front of Plaza seating.
 - Renovation of systems for irrigation and drainage of playing field.
 - New permanent and retractable seating at west end zone.
 - New retractable seating at north sideline.
 - New amenities on plaza level concourse.

- COLOR BOARDS** Description: Replace the screen at the east end with a Jumbotron or comparable colorboard screen and install a new Jumbotron or comparable colorboard screen at the west end of the Stadium Premises.

STADIUM CLUB

Description: Renovate existing Stadium Club

EXHIBIT B

DESCRIPTION OF CHARGERS' FACILITIES

Purpose: To provide the Charger's with a "state of the art" practice field, training facility and offices.

Description:

- Two (2) full natural grass fields and one (1) artificial turf field.

- The building shall include the following elements: weight room, sports medicine facility, locker rooms, showers, other amenities, team meeting rooms, video suites, offices and storage and shall be of size and quality comparable to such facilities at Joe Robbie Stadium.

Cost: \$10 million, excluding land costs.

EXHIBIT C

DESCRIPTION OF EXCLUSIVE PREMISES

EXHIBIT C

EXCLUSIVE PREMISES

- Locker Room - Locker Room occupied by the San Diego. Chargers under the "Prior Occupancy Agreement", which is located on the B-2 Level of the "Stadium Premises" across from Elevator 3 and indicated on Exhibit E.
- Training* Room - That area located inside the locker room.
- Ticket Office - Those offices located on the perimeter building of the Stadium Premises located between Gates D&E and indicated on Exhibit E as Charger Ticket Office.
- Storage Area - An area of approximately 750 sq. ft. for the storage of game day equipment and merchandise which is accessible by a forklift. The location of the storage area to be mutually agreed upon between both parties.
- Operations Office An area of approximately 200 sq. ft. to be used by the Chargers for game day operations. The location of the operations office to be mutually agreed upon by both parties.
- Club and Skybox - An office located on the perimeter building
Seating Office of approximately 750 sq. ft. to be used by the Chargers to conduct sales of Club and Skybox seating. The location of the office shall be as close as possible to the Charger Ticket Office, with the location to be mutually agreed upon by both parties.
-

EXHIBIT D

PADRES OCCUPANCY AGREEMENTS

EXHIBIT D

PADRES OCCUPANCY AGREEMENTS

1. Agreement for Partial Use and Occupancy of San Diego Jack Murphy stadium, dated December 1, 1987, filed in the Office of the San Diego City Clerk on November 30, 1987 as Document No. RR-269870, by an between the City of San Diego, a California municipal corporation (the "City"), and the San Diego National League Baseball Club, Inc., a Delaware corporation (the "Club").

2. First Amendment to Agreement for Partial Use ~~an~~ Occupancy of San Diego Jack Murphy Stadium, dated December 11, 1989, filed in the Office of the San Diego City Clerk on December 11, 1989 as Document No. RR-274850, by and between the City of San Diego, a municipal corporation (the "City"), and the San Diego National **League** Baseball Club, Inc., a Delaware corporation (the "Club").

3. Supplement Number One to Agreement between the *City* of San Diego and San Diego National League Baseball Club, Inc. for Partial Use **and Occupancy of San Diego Jack Murphy Stadium**, dated September 10, 1984, filed in the Office of the San Diego City Clerk as Document No. RR-261527, by and between the City and the Club.

4. Joint Agreement Between the *City* of San Diego, the San Diego National League . Baseball Club, Inc. and The Chargers Football Company to be known as **Supplement** Number Two to Agreement between the City of San Diego and San **Diego National League Baseball Club, Inc.** for Partial Use and Occupancy of (San Diego Jack Murphy **Stadium and Supplement Number One** to First Amended Agreement For Partial Use and **Occupancy of San Diego Jack** Murphy Stadium between Chargers Football Company and the City of San **Diego, dated** September 10, 1994, filed in the Office of the City Clerk as Document No. R-261527, by and among the City, the Club, and Chargers Football Company, a California limited partnership ("Chargers").

5. Joint Agreement and Understanding between the *City* of San Diego, the San Diego National League Baseball Club, Inc., the Chargers Football Company, San Diego State University, and Holiday Bowl, Inc., dated May 4, 1990, by and between the City, the Club, Chargers, San Diego State University, and Holiday Bowl, Inc.

6. Scoreboard Operating Memorandum Number One Executed pursuant to Supplement Number One to Agreement between the City of San Diego and San Diego National League Baseball Club, Inc. for Partial Use and Occupancy of San **Diego Jack Murphy** Stadium, dated June 10, 1985, by and between the City and the Club.

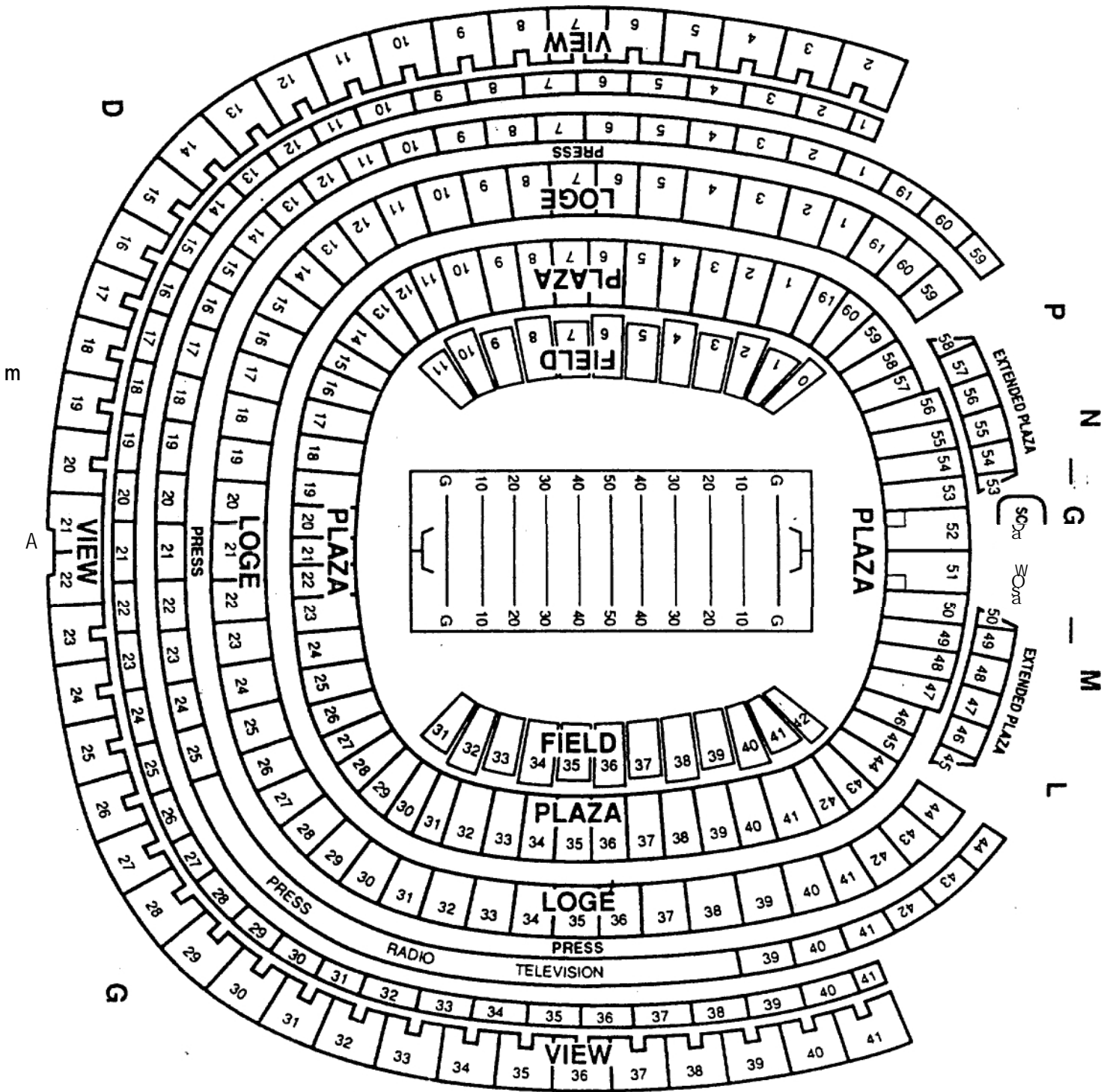
7. Scoreboard Operating Memorandum Number Two Executed pursuant to *Supplement* Number One to Agreement between the City of San Diego and San Diego National League Baseball Club, Inc. for Partial Use and Occupancy of San Diego Jack Murphy Stadium, dated June 10, 1985, by and between the City and the Club.

8. Scoreboard Operating Memorandum Number Three Executed pursuant to Supplement Number On; to Agreement between the *City* of San Diego and San Diego National League Baseball Club, Inc. for Partial Use and Occupancy of San Diego Jack Murphy Stadium, dated June 10, 1985, by and between the City and the Club.

EXHIBIT E

DESCRIPTION OF STADIUM PREMISES

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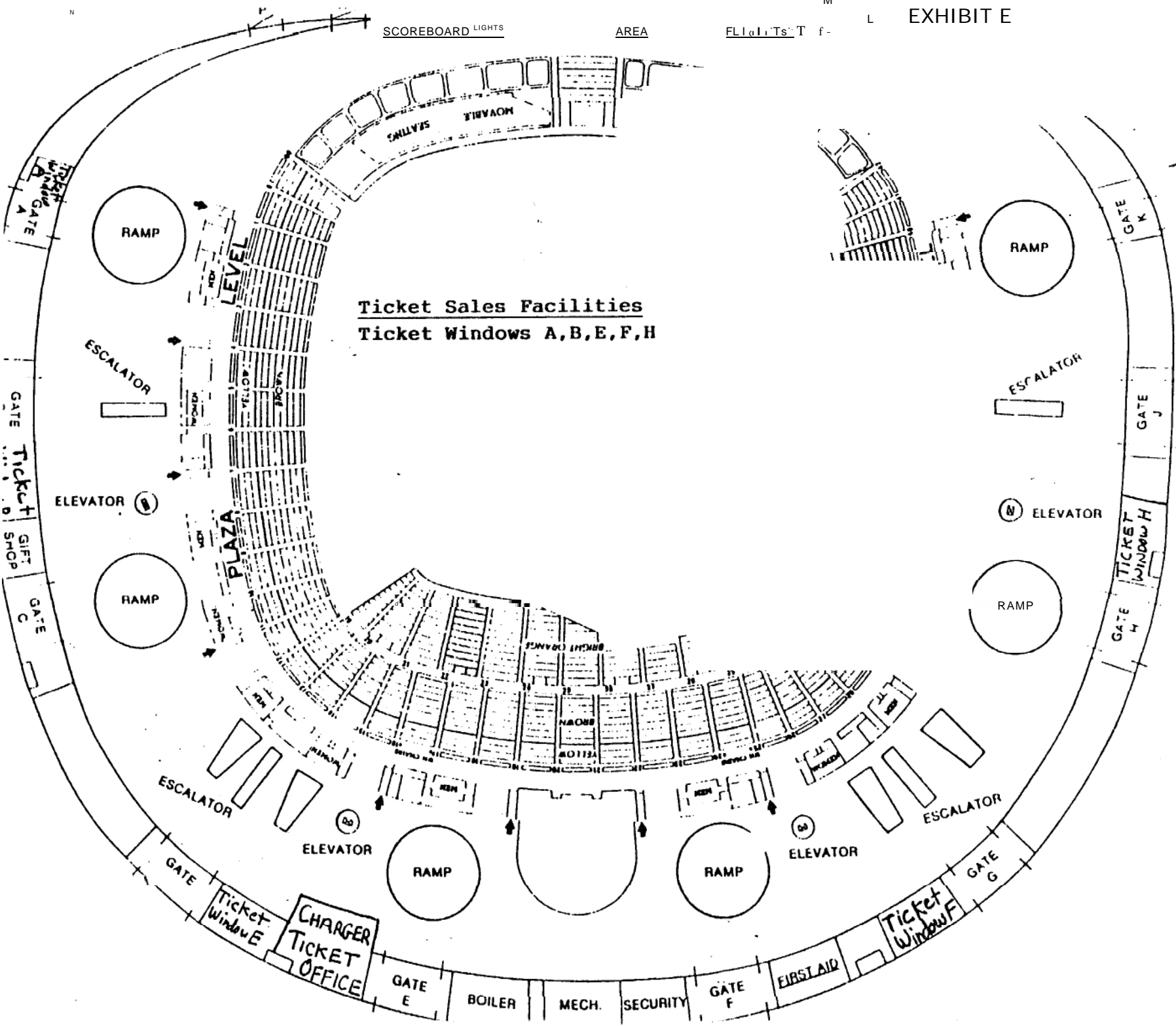
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SOUTH

SCOREBOARD LIGHTS

AREA

FLIGHTS



Ticket Sales Facilities
Ticket Windows A, B, E, F, H

Ticket Window A
GATE A

GATE Ticket Window B
GIFT SHOP
GATE C

GATE C

GATE Ticket Window E

GATE E

CHARGER
TICKET
OFFICE

GATE E

BOILER

MECH.

SECURITY

GATE F

FIRST AID

Ticket Window F

GATE G

GATE H

Ticket Window H

GATE H

GATE I

GATE J

GATE K

GATE L

GATE M

GATE N

GATE O

GATE P

GATE Q

GATE R

GATE S

GATE T

GATE U

GATE V

GATE W

GATE X

GATE Y

GATE Z

GATE AA

GATE AB

GATE AC

GATE AD

GATE AE

GATE AF

GATE AG

GATE AH

GATE AI

GATE AJ

GATE AK

GATE AL

GATE AM

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GATE AO

GATE AP

GATE AQ

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GATE BA

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GATE IX

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GATE IZ

GATE JA

GATE JB

GATE JC

GATE JD

GATE JE

GATE JF

GATE JG

GATE JH

GATE JI

GATE JJ

GATE JK

GATE JL

GATE JM

GATE JN

GATE JO

GATE JP

GATE JQ

GATE JR

GATE JS

GATE JT

GATE JU

GATE JV

GATE JW

GATE JX

GATE JY

GATE JZ

GATE KA

GATE KB

GATE KC

GATE KD

GATE KE

GATE KF

GATE KG

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GATE KK

GATE KL

GATE KM

GATE KN

GATE KO

GATE KP

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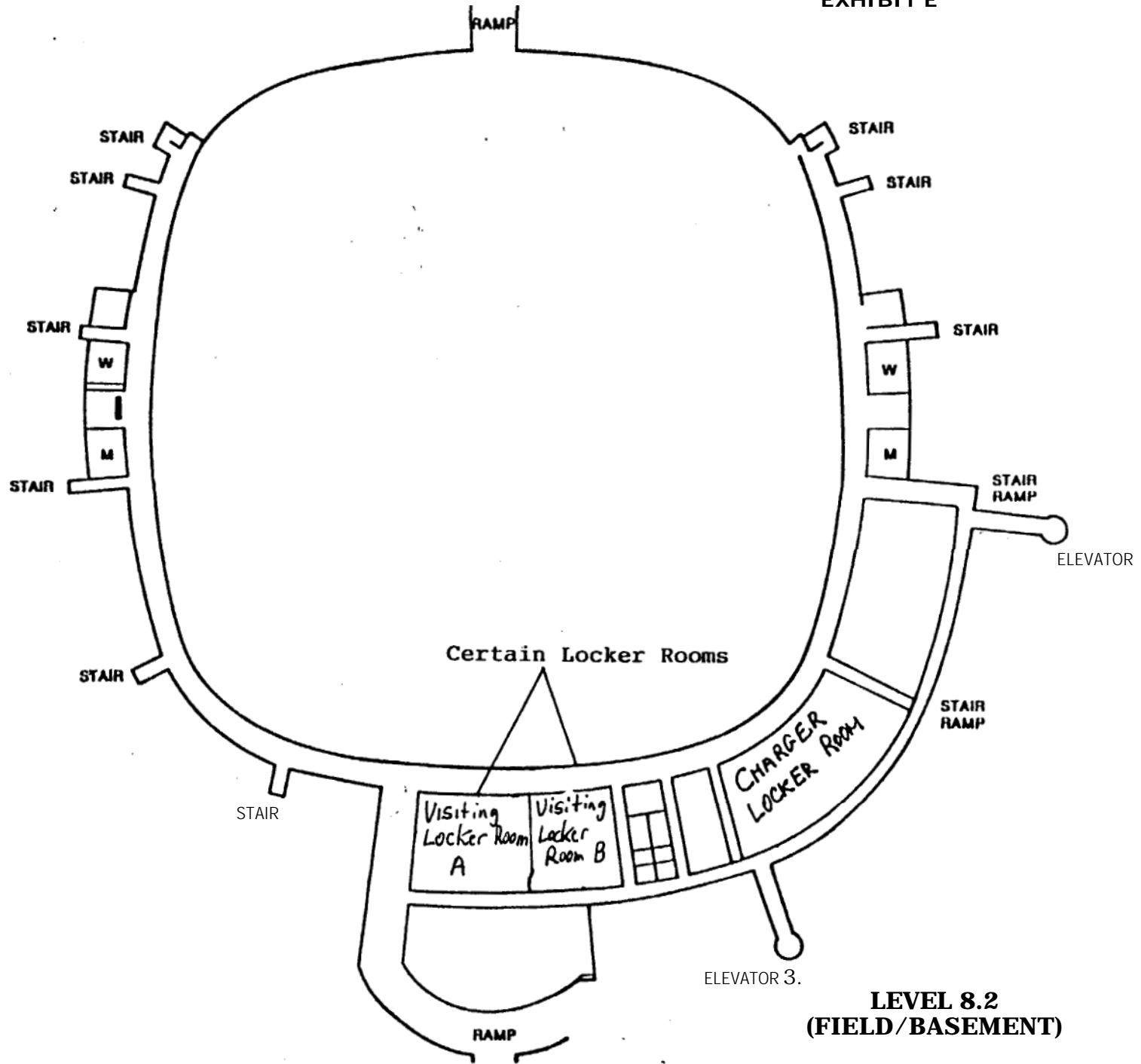
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ARROWS INDICATE
STAIRS DOWN 10
FIELD LEVEL SWING

LEVEL 1-PLAZA



**LEVEL 8.2
(FIELD/BASEMENT)**

EXHIBIT F

END OF SEASON GUARANTY RECONCILIATION

EXHIBIT F
San Diego Jack Murphy Stadium
City Guaranty

Pro forma Attendance Shortfall Amount

<i>Game No.</i>	<i>Guaranteed Attendance</i>	<i>Qualified Paid Attendance</i>	<i>Attendance Shortfall</i>	<i>Attendance Shortfall Amount</i>
1	60,000	52,000	8,000	\$264,000 (A)
2	60,000	52,000	8,000	264,000 (A)
3	60,000	55,000	5,000	165,000 (A)
4	60,000	55,000	5,000	165,000 (A)
5	60,000	58,000	2,000	66,000 (A)
6	60,000	58,000	2,000	66,000 (A)
7	60,000	61,000	0	
8	60,000	61,000	0	
9	60,000	61,000	0	
10	60,000	61,000	0	

(A) Attendance Shortfall Amount is due to the Chargers Football Company on or before the 30th business day following the Home Game.

End of Season Reconciliation

Total Guaranteed Attendance (60,000 x "0 Games)	600,000
Qualified Paid Attendance	574,000
Actual Attendance Shortfall	26,000
Attendance Shortfall	30,000
Attendance Shortfall Differential	4,000
Full Face Ticket Price	\$33
Amount to Be Paid by the Chargers Football Company to the City	\$132,000

EXHIBIT G

EXCLUSIONS FROM STADIUM PREMISES

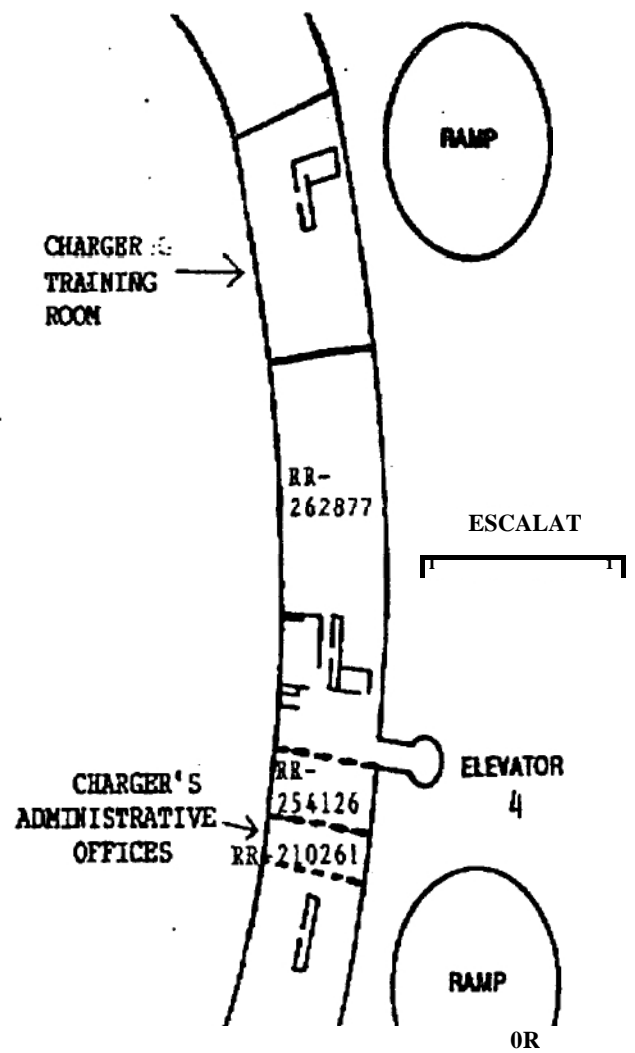
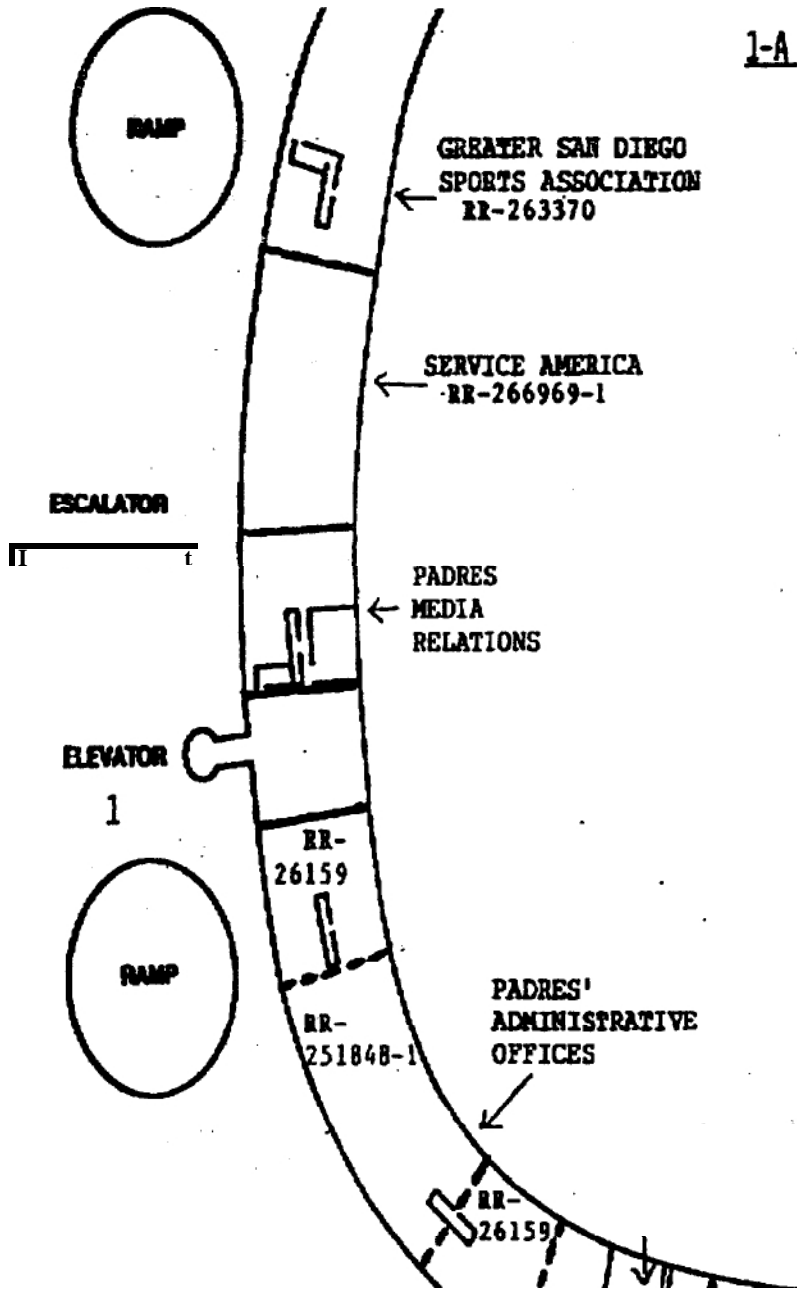
EXHIBIT G

EXCLUSIONS FROM STADIUM PREMISES

The following are exclusions to the Stadium Premises:

1. Padres Owners'/Press Box 25A.
2. Press Box 25B for baseball and events other than Chargers football games, including, but not limited to, San Diego State University football games and Holiday Bowl games. Box 25B shall remain under the control of the City.
3. Press Box 6B shall remain under the control of the City for all events.
4. Press Boxes 3A, 3B, 39A and 39B for, among others, the Padres, San Diego State University and Holiday Bowl events.
5. Press Box 26 for Padres events.
6. Offices reserved for, among others, the City, the Padres, and the Holiday Bowl as indicated on the map attached also as Exhibit G.

1-A LEVEL OFFICES



Charger's

**Public Relations SUITES R-259037
Padres'**

RENTAL

**Broadcasting STADIUM OFFICE R-255927
ADMINISTRATIVE IR-257794 OFFICE**