

RESOLUTION NUMBER R- 288374

ADOPTED ON FEB 25 1997

WHEREAS, on May 30, 1995, the City of San Diego ("City") and the Chargers Football Company and the Chargers Associates (collectively the "Chargers") entered into the Facilities Use and Occupancy Agreement, 1995 Agreement for the Partial Use and Occupancy of San Diego Jack Murphy Stadium, and the 1995 Agreement for Use and Occupancy of the Skybox Areas of San Diego Jack Murphy Stadium (collectively the "1995 Agreement"), which called, in part, for the Chargers to pay additional rent to the City and for the City to construct certain improvements to San Diego Jack Murphy Stadium ("Stadium") and a practice facility, in an amount not exceeding \$60 million. Copies of those documents are on file in the Office of the City Clerk as Document Nos. OO-18182-1, 2 and 3, respectively, and

WHEREAS, to accomplish the construction at the Stadium the City entered into certain agreements with the Public Facilities Financing Authority of the City of San Diego ("Financing Authority") whereby the City would lease the Stadium property to the Financing Authority, the Financing Authority would issue lease revenue bonds to finance the construction and would award a construction contract, and the Financing Authority would then lease the improved Stadium back to the City for a consideration sufficient to pay the debt financing on the lease revenue bonds, and

WHEREAS, the Financing Authority, after delay due to meritless legal challenges, issued lease revenue bonds in an amount sufficient to make available \$60 million for the construction of the improvements to the Stadium and the practice facility, and

WHEREAS on December 10, 1996, pursuant to Resolution No. R-288213, the City authorized and empowered the Financing Authority to award a construction contract in the amount of \$55 million for the construction of improvements to the Stadium, contingent upon available financing, and

WHEREAS, on December 10, 1996, pursuant to Resolution No. FA-97-3, the Financing Authority awarded a construction contract to Nielsen-Dillingham Builders Joint Venture for the construction of improvements at the Stadium (the "Construction Contract"), contingent upon available financing, and

WHEREAS, on December 10, 1996, the City adopted Ordinance No. O-18365 which authorized certain amendments to the 1995 Agreement (the "Amendments") whereby, in part, the Chargers would pay additional rent to the City, and the City committed to construction of additional improvements to the Stadium, for which the Financing Authority would issue additional lease revenue bonds.

WHEREAS, these amendments were necessitated in part by the delay resulting from litigation filed by various persons concerning the financing of improvements at the Stadium, and

WHEREAS, Ordinance No. O-18365 was successfully referred by a group of citizens and was therefore repealed by the City Council by the adoption of Ordinance No. O-18380 on February 3, 1997, and

WHEREAS, the repeal of Ordinance No. O-18365 effected only the repeal of the Amendments, which means that the City is no longer obligated to the Chargers to build the additional improvements with lease revenue bond financing and the Chargers are no longer obligated to pay additional rent sufficient to finance the construction of those additional improvements, and

WHEREAS, the City still desires that the additional improvements to the Stadium authorized by the Financing Authority in the Construction Contract be constructed, even though the City is under no obligation to the Chargers to do so, and

WHEREAS, there are insufficient monies in the initial issuance of lease revenue bonds for the Financing Authority to construct all the improvements at the Stadium contemplated in the 1995 Agreement and the additional improvements that the City and the Financing Authority desire to make at the Stadium pursuant to the Construction Contract, and

WHEREAS, a prominent local company, QUALCOMM Incorporated ("QUALCOMM"), has offered to purchase the naming rights to the Stadium from the City for a period of twenty (20) years, the purchase of which will provide sufficient funds for the City to undertake all the improvements to the Stadium contemplated in the current Construction Contract between Nielsen-Dillingham Builders Joint Venture and the Financing Authority, but without the need for additional lease revenue bonds, and

WHEREAS, the City Manager has negotiated a term sheet with QUALCOMM which sets forth the basic terms and conditions for the purchase by QUALCOMM of the naming rights to the Stadium, NOW THEREFORE,

BE IT RESOLVED by the Council of the City of San Diego that the City Manager be and he is hereby authorized to sign a term sheet with QUALCOMM for the purchase of naming rights to the Stadium by QUALCOMM, the form of which is enclosed as Exhibit A to this Resolution, together with such non-material, non-substantive changes as the City Manager shall approve as being necessary or in the best interests of the City and which, in the opinion of the City Attorney, do not: 1) increase the financial commitments or the scope of the obligations of the City, or 2)

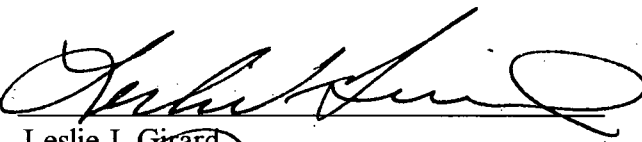
decrease revenue to the City. The executed term sheet shall be on file in the Office of the City Clerk as Document No. RR - 288374

BE IT FURTHER RESOLVED that the City Manager be and he is hereby directed to negotiate an agreement with QUALCOMM that implements the terms and conditions of the term sheet.

BE IT FURTHER RESOLVED that any final agreement negotiated pursuant to this resolution is subject to final approval by the City Council before it becomes effective and binding.

BE IT FURTHER RESOLVED that the City Attorney be and he is hereby directed to prepare the necessary documents to: 1) effectuate the name change of the Stadium from "San Diego Jack Murphy Stadium" to "QUALCOMM Stadium;" and 2) to name the surrounding Stadium area "Jack Murphy Field," and bring such action as may be necessary back to the City Council for consideration and adoption at the earliest possible time.

APPROVED: CASEY GWINN, City Attorney

By   
Leslie J. Girard  
Assistant City Attorney

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Form=r-t.frm

2/26/97

## TERM SHEET

QUALCOMM offers to pay to the City \$18 Million on or before May 1, 1997, to be used to complete the second phase of the current stadium renovation. This donation is made in order to ensure that San Diego remains a Major League City, that the renovation proceed uninterrupted and that Super Bowl XXXII remains in San Diego.

This donation is contingent on the first phase of the stadium expansion continuing on an uninterrupted basis and on the approval by QUALCOMM's Board of Directors.

Payment will not be made until court action is completed and the NFL confirms commitment to have the 1998 Super Bowl played at QUALCOMM STADIUM.

In return for this donation, QUALCOMM expects to be treated as a major stakeholder (not unlike the Chargers and Padres) in the stadium and therefore the following obligations will be met by the other stakeholders.

### City Obligations:

1. The current stadium including all internal and external signage as well as the scoreboard, will be renamed "QUALCOMM STADIUM" in order to ensure maximum TV and spectator exposure.

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2. The term of the QUALCOMM name on the stadium will run through the year 2017 and will be exclusive for that time.

3. The name "Jack Murphy" shall be removed from the stadium signage and any reference to the stadium and informational literature provided by or supported by the City concerning the stadium.

The City will designate the surrounding area as "Jack Murphy Field." However, the signage and information from all public ways will direct people to "QUALCOMM STADIUM."

QUALCOMM, in the spirit of civic regard for Jack Murphy, is willing to contribute up to \$50,000 (on a matching basis) towards an appropriate statue or other memorial to Jack Murphy on the site.

4. The City shall provide QUALCOMM, without charge to QUALCOMM (other than food and beverage) with a suite with 18 seats and the City will provide by an additional 18 general admission seats adjacent to the suite on or before December 31, 1997.

The suite shall be between the 30 yard lines and QUALCOMM shall receive ten Press

Level passes for executives, consistent with arrangements made with the Padres and Chargers. QUALCOMM shall also receive five field passes to the Charger games.

The suite shall be available to QUALCOMM for all events, including the Holiday Bowl, Super Bowl, Aztecs and other NCAA events, held at the stadium.

QUALCOMM shall be released from its existing box suite commitment.

5. The City shall rename street "Stadium Way" to "QUALCOMM Stadium Way."

QUALCOMM shall pay for reasonable costs related to the name change.

6. QUALCOMM shall pay for all suite tickets to events at QUALCOMM STADIUM.

7. QUALCOMM shall pay for 250 general admission preferred seating season tickets for Charger home games for five years plus the season tickets for the 18 seats adjacent to the suite.

Chargers' and Padres' Obligations:

1. The Chargers and Padres agree to refer to the stadium as "QUALCOMM STADIUM" in all of their publicity, advertising and presentations - TV, radio, press, etc.

2. The Chargers and Padres shall cooperate with QUALCOMM to use best faith efforts to promote all NFL and MLB events, including exhibition and regular season, play-off, and special games such as the Super Bowl, Pro Bowl, World Series, All Star Game, etc., played at the stadium.

3. The Chargers and Padres shall arrange with the NFL and MLB to ensure QUALCOMM has a suite and seats for all such NFL and MLB events played at the stadium.

4. The Chargers and Padres agree, in addition to the City, that QUALCOMM is the exclusive telecommunications sponsor and provider of wireless telecommunications systems to the Chargers and Padres, at the expiration of their telecommunications contracts.

#### Chargers and Padres Rights

1. The Padres and Chargers, during the terms of the respective advertising and signage agreements, shall have the right to sell advertising and signage to the other telecommunications companies.



Other Obligations:

1. Assistance from the City and the Chargers to meet with the NFL to discuss other possible promotional consideration available to QUALCOMM in cooperation with the NFL or major league baseball.
2. Assistance from the City to see that QUALCOMM is treated in the same manner as the above obligations by the Chargers and Padres as to publicity, exclusive official wireless telecommunications supplier, etc., by the Holiday Bowl or any similar NCAA Bowl held in QUALCOMM STADIUM.
3. QUALCOMM, with City approval not to be unreasonably withheld, shall have the right to change the name "QUALCOMM STADIUM;" during the term of this Agreement.

Definitive Agreement

1. A definitive agreement shall be negotiated and entered into immediately, which agreement will include, without additional cost to QUALCOMM,
  - (a) the NFL agreeing that QUALCOMM will have a full one page advertisement in the 1998 Super Bowl magazine.

(b) the NFL will provide through NBC sports, designated spots during the Super Bowl for QUALCOMM to tell their Stadium story.

(c) QUALCOMM will have a skybox and field passes for the 1998 Super Bowl.

(d) QUALCOMM will have ten tickets to the Commissioner's Party and the NFL Properties Party of the 1998 Super Bowl.

CITY OF SAN DIEGO

QUALCOMM

JACK McGRORY  
CITY MANAGER

HARVEY WHITE  
PRESIDENT