

RESOLUTION NUMBER R- 294639

ADOPTED ON MAR 6 2001

WHEREAS, on November 3, 1998, the electorate of the City of San Diego [City] approved Ordinance No. O-18613 [Ordinance] which authorized the City to enter into a Memorandum of Understanding [MOU] with the San Diego Padres [Padres], the Redevelopment Agency of the City of San Diego [Agency], and the Centre City Development Corporation [CCDC] Concerning a Ballpark District, Construction of a Baseball Park, and a Redevelopment Project within the Centre City East (East Village) Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project; and

WHEREAS, the Ordinance provided that it was the intent of the electorate that the Ordinance and the MOU constitute the legislative acts establishing policy for the City on those matters, and provided for the ways and means for the implementation of that policy by such administrative and non-legislative acts as may be necessary and appropriate to carry out the purpose and intent of the Ordinance; and

WHEREAS, the MOU has been executed by all parties thereto; and

WHEREAS, the MOU was set to expire on March 31, 2000, unless extended in writing by the parties; and

WHEREAS, in accordance with the implementation provisions of the MOU, the parties previously agreed that the MOU should be extended to and including September 30, 2000, without prejudice to any parties' position with regard to the effect or impact of force majeure events; and

WHEREAS, in further accordance with the implementation provisions of the MOU, the parties previously agreed that the MOU should be extended to and including March 31, 2001, without prejudice to any parties' position with regard to the effect or impact of force majeure events; and

WHEREAS, the City has been unable to issue the permanent financing contemplated by the MOU to fund its investment in the Project, and a third extension of the MOU is necessary and appropriate to allow sufficient time for the City to issue its permanent financing; and

WHEREAS, nothing herein modifies the \$225 million cap on the City's investment in the Project specified in Section XV of the MOU, or causes or obligates the City to spend any funds in excess of that cap; and

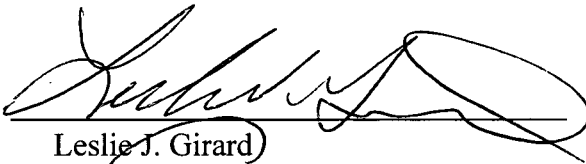
WHEREAS, the action authorized by this resolution is fully consistent with the MOU, and does not materially: 1) decrease the rights or increase the obligations of the City; 2) increase the financial commitments of the City; or 3) decrease revenue to the City; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the City Manager be and he is hereby authorized and directed to execute for and on behalf of the City the Second Supplement to the Ballpark and Redevelopment Project Implementation Agreement, attached hereto as Exhibit 1. When that Supplement is fully executed, it shall be kept on file in the Office of the City Clerk as Document No. RR- 294639.

BE IT FURTHER RESOLVED, that the City Manager be and he is hereby authorized and directed to take such other and further actions as may be necessary or appropriate to

implement the intent and purposes of this resolution, consistent with the rights and obligations of the City pursuant to the Ordinance and MOU.

APPROVED: CASEY GWINN, City Attorney

By 
Leslie J. Girard
Assistant City Attorney

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Or.Dept:Atty
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**SECOND SUPPLEMENT TO
BALLPARK AND REDEVELOPMENT PROJECT
IMPLEMENTATION AGREEMENT**

Dated _____, 2001

WHEREAS, on November 3, 1998, the electorate of the City of San Diego [City] approved Ordinance No. O-18613 [Ordinance] which authorized the City to enter into a Memorandum of Understanding [MOU] with Padres L.P. [Padres], the Redevelopment Agency of the City of San Diego [Agency], and the Centre City Development Corporation [CCDC] [collectively, the "Parties"] Concerning a Ballpark District, Construction of a Baseball Park, and a Redevelopment Project within the Centre City East (East Village) Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project [Project]; and

WHEREAS, the Ordinance provided that it was the intent of the electorate that the Ordinance and the MOU constitute the legislative acts establishing policy for the City on those matters, and provided for the ways and means for the implementation of that policy by such administrative and non-legislative acts as may be necessary and appropriate to carry out the purpose and intent of the Ordinance; and

WHEREAS, the MOU has been executed by all parties thereto; and

WHEREAS, the MOU was set to expire on March 31, 2000, unless extended in writing by the Parties; and

WHEREAS, in accordance with the implementation provisions of the MOU, the Parties previously agreed that the MOU should be extended to and including September 30, 2000, without prejudice to any Parties' position with regard to the effect or impact of force majeure events; and

WHEREAS, in further accordance with the implementation provisions of the MOU, the Parties previously agreed that the MOU should be extended to and including March 31, 2001, without prejudice to any Parties' position with regard to the effect or impact of force majeure events; and

WHEREAS, the City has been unable to issue the permanent financing contemplated by the MOU to fund its investment in the Project, and a second extension of the MOU is necessary and appropriate to allow sufficient time for the City to issue its permanent financing; and

WHEREAS, nothing herein modifies the \$225 million cap on the City's investment in the Project specified in Section XV of the MOU, or causes or obligates the City to spend any funds in excess of that cap; and

WHEREAS, this Agreement is fully consistent with the MOU, and, as provided in Section XXXVIII of the MOU does not materially: 1) decrease the rights or increase the obligations of the City; 2) increase the financial commitments of the City; or 3) decrease revenue to the City; NOW, THEREFORE,

The Parties agree as follows:

I. Definitions.

Unless specifically set forth herein, all capitalized terms herein are defined in the MOU.

II. Extension of MOU Term and Termination.

Section III of the MOU provides that the MOU shall be effective until March 31, 2000, unless all the conditions subsequent set forth in Section XXXIII of the MOU have been satisfied, in which case the MOU shall continue in force and effect for the same term as any lease or other agreement between the City and the Padres for the use and occupancy of the Ballpark. By the Ballpark and Redevelopment Project Implementation Agreement, dated February 25, 2000, the Parties agreed to extend the MOU to and including September 30, 2000, without prejudice to any Parties' position with regard to the effect or impact of Force Majeure Events, and the parties further agreed to extend the MOU to and including March 31, 2001, in the First Supplement to Ballpark and Redevelopment Project Implementation Agreement.

The City continues to maintain that the ability of the conditions subsequent set forth in Section XXXIII of the MOU to be satisfied has been delayed due to the effect of one or more Force Majeure Events, as set forth in the MOU, including without limitation pending litigation. The Parties further recognize that despite delays, or other circumstances, the Parties have continued to move forward in good faith in efforts to implement the MOU as authorized and directed by the electorate, but that all conditions subsequent may not be satisfied by March 31, 2001. In order to recognize the effect of the delays mentioned above, the Parties agree that the termination date of the MOU shall be extended to September 30, 2001. This extension is made without waiving the position of any Party with regard to the existence or effect of any Force Majeure Event, and without waiving any right or obligation of any Party pursuant to the MOU.

PADRES L.P.

CITY OF SAN DIEGO

By: _____

By: _____

Lawrence Lucchino
President & Chief Executive Officer

Michael T. Uberuaga
City Manager

REDEVELOPMENT AGENCY OF THE
CITY OF SAN DIEGO

CENTRE CITY DEVELOPMENT
CORPORATION

By: _____

By: _____

Michael T. Uberuaga
Executive Director

Peter Hall
President

I HEREBY APPROVE the form and legality of the foregoing Agreement this ____ day
of _____, 2001.

CASEY GWINN, City Attorney

By: _____

Leslie J. Girard
Assistant City Attorney