RESOLUTION NUMBER R- 297960 ADOPTED ON MAY 1 9 2003

WHEREAS, on May 30, 1995, the San Diego City Council [City Council] adopted Ordinance No. O-18182 authorizing the City Manager to execute on behalf of the City of San Diego [City] the 1995 Agreement for the Partial Use and Occupancy of [then] San Diego Jack Murphy Stadium [Original Agreement] between the City and the Chargers Football Company [Chargers]; and

WHEREAS, on April 7, 1997, the City Council adopted Ordinance No. O-18398 which authorized the City Manager to execute on behalf of the City the Supplement Number One to the 1995 Agreement [Supplement Number One]; and

WHEREAS, the Original Agreement and Supplement Number One [collectively "the Agreement"] provided in part for the expansion of (now) Qualcomm Stadium [Stadium], and the use and occupancy of the Stadium by the Chargers under certain terms and conditions; and

WHEREAS, the Agreement also provided for certain renegotiation rights on the part of the Chargers, to be exercised under defined circumstances and at defined times, initiated by the sending of a Renegotiation Notice (as defined in the Agreement); and

WHEREAS, pursuant to the terms of the Agreement, and subject to the satisfaction of the conditions in them, the Chargers had the right to send a Renegotiation Notice at any time between December 1, 2002, and January 29, 2003; and

WHEREAS, on January 29, 2003, the City and Chargers entered into the Supplement Number Two to the 1995 Agreement pursuant to which the parties agreed to postpone the period during which the Chargers could send a Renegotiation Notice to the period March 1 through April 30, 2003, and

WHEREAS, on June 18, 2002, by Resolution No. R-296701, the City Council established the Citizens Task Force on Chargers Issues [Task Force] to examine and report back to the City Council by February 15, 2003, on a number of issues related to the Chargers and the National Football League; and

WHEREAS, on February 27, 2003, the Task Force, by a 14-1 vote, approved its final report to the City Council [Task Force Report]; and

WHEREAS, on March 4, 2003, the Chargers delivered to the City a Renegotiation Notice which commenced a 90-day period during which the City and the Chargers are to negotiate in good faith regarding certain terms of the Agreement; and

WHEREAS, on March 18, 2003, the City Council adopted Resolution No. R-297734, which established a City negotiating team and directed that team to meet with the Chargers pursuant to the recommendations set forth in the Task Force Report, and pursuant to the delivery of the Renegotiation Notice; and

WHEREAS, the City's negotiating team has been meeting with the Chargers as directed; and

WHEREAS, the City and the Chargers now desire to extend the 90-day "good faith" negotiating period by an additional 90 days, for a total of 180 days; and

PAGE 2 OF 3

- 297960

WHEREAS, the City has reserved its rights pursuant to the Agreement to contest the validity of the Renegotiation Notice, and the proposed extension does not adversely affect the rights of the City under the Agreement; NOW THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the City Manager is hereby authorized and directed to execute for and on behalf of the City the Supplement Number Three to the Agreement, a copy of which is attached hereto as Exhibit 1.

APPROVED: CASEY GWINN, City Attorney

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Leslie J. Girard

Assistant City Attorney

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5/14/03

Or.Dept:Atty.

R-2003-1372

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PAGE 3 OF 3

297960