

RESOLUTION NUMBER R- 298312

ADOPTED ON AUG 05 2003

WHEREAS, on November 3, 1998, the electorate of the City of San Diego [City] approved Ordinance No. O-18613 [Ordinance] which authorized and directed 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 the City, the Agency, CCDC and Padres [collectively "Parties"]; and

WHEREAS, on March 31, 1999, the Parties entered into an Interim Financing Agreement by which, in part, the Padres agreed to advance to the Agency the sum of \$8.7 million towards the eventual purchase by Padres of those properties then commonly known as the "outfield park retail parcels" for the purpose of redevelopment, and an additional \$3.5 million advance in consideration of the conveyance of additional acreage as part of the "outfield park retail parcels."

The "outfield park retail parcels" are now commonly known as East Village Square [EVS]; and

WHEREAS, on August 7, 2001, the City adopted Resolution No. R-295395 which approved Parcel Map 18855, which defined the boundaries of the Ballpark, including the "outfield park" (Parcel 1) and EVS (Parcels 2, 3, and 4); and

WHEREAS, Parcel Map 18855 has been recorded in the office of the San Diego County Recorder; and

WHEREAS, on January 31, 2000, in accordance with the implementation provisions of the MOU, the City Council authorized and directed the City Manager to execute the Ballpark and Redevelopment Project Implementation Agreement [Implementation Agreement] which modified certain rights and responsibilities of the Parties as set forth in the MOU; and

WHEREAS, the Implementation Agreement was executed by all the Parties; and

WHEREAS, on November 30, 2001, in further accordance with the implementation provisions of the MOU, the City Council authorized and directed the City Manager to execute the Second Ballpark and Redevelopment Project Implementation Agreement [Second Implementation Agreement] which further modified certain rights and responsibilities of the Parties as set forth in the MOU; and

WHEREAS, the Second Implementation Agreement was executed by all the Parties; and

WHEREAS, on July 18, 2002, in further accordance with the implementation provisions of the MOU, the City Council authorized and directed the City Manager to execute the Third Ballpark and Redevelopment Project Implementation Agreement [Third Implementation Agreement] which further modified certain rights and responsibilities of the Parties as set forth in the MOU; and

WHEREAS, the Third Implementation Agreement was executed by all the Parties; and

WHEREAS, the Implementation Agreement, Second Implementation Agreement and Third Implementation Agreement were each supplemented from time to time by mutual agreement of the Parties; and

WHEREAS, the Parties have been negotiating for the program of redevelopment for EVS, as contemplated by Section XXXI of the MOU; and

WHEREAS, the Parties desire to reconfigure and increase the size of the outfield park from the footprint approved by Parcel Map 18855; eliminate proposed encroachments into the former public rights of way within EVS and the outfield park; limit the height of any building proposed to be developed in the "center field" parcel of EVS (Parcel 3 of Parcel Map 18855) and address the total square footage to be redeveloped as part of EVS and other issues related to the redevelopment of EVS; and

WHEREAS, the Parties desire to address certain other matters necessary and appropriate for the implementation of the MOU and the redevelopment of EVS; and

WHEREAS, it is now timely and appropriate to consider such further actions as may be necessary and appropriate to implement the purpose and intent of the Ordinance, MOU, Implementation Agreement, Second Implementation Agreement and Third Implementation Agreement, consistent with the City's and Agency's obligations under California law, and the discretion lawfully vested in the City Council acting on behalf of the City; and

WHEREAS, nothing heretofore has occurred, nor is there any action herein, that modifies the \$225 million cap on the City's investment in the Ballpark Project specified in Section XV of the MOU, or causes or obligates the City to spend any funds in excess of that amount; and

WHEREAS, modifications to the rights and obligations of the Parties as set forth in the MOU may be authorized without a vote of the City's electorate if such modifications do 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; and

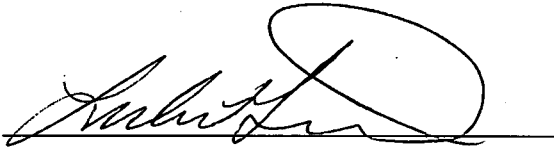
WHEREAS, to the extent that the rights and obligations of the Parties as set forth set forth herein, or as previously set forth in the Implementation Agreement, Second Implementation Agreement, or any of their supplements, are deemed to modify the rights and obligations of the Parties as set forth in the MOU, the same were intended as such, and the Parties agree that such actions did not, and do not, individually or in the aggregate, 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 foregoing recitals are true and correct, and the City Council so finds and determines as being in the best interests of the City.

BE IT FURTHER RESOLVED, that the City Manager be and he is hereby authorized and directed to execute for and on behalf of the City the Fourth Ballpark and Redevelopment Project Implementation Agreement [Fourth Implementation Agreement], attached hereto as Exhibit 1. When that agreement is fully executed, it shall be kept on file in the Office of the City Clerk as Document No. RR- 298312.

BE IT FURTHER RESOLVED, that the City Manager be and he is hereby authorized and directed to take such other and further actions, and negotiate, prepare and execute such documents, as may be necessary or appropriate to implement the intent and purposes of this resolution, the Ordinance, the MOU, the First Implementation Agreement, the Second Implementation Agreement, the Third Implementation Agreement or this Fourth Implementation Agreement, consistent with the rights and obligations of the City pursuant to the Ordinance, MOU, Implementation Agreement, Second Implementation Agreement, Third Implementation Agreement, and Fourth Implementation Agreement, and their authorizing ordinances and resolutions.

APPROVED: CASEY GWINN, City Attorney

By 
Leslie J. Girard
Assistant City Attorney

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07/29/03
Or.Dept:Atty
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FOURTH BALLPARK AND REDEVELOPMENT PROJECT
IMPLEMENTATION AGREEMENT

between

THE CITY OF SAN DIEGO,
THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO,
THE CENTRE CITY DEVELOPMENT CORPORATION,

and

PADRES L.P.

EXHIBIT 1

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**FOURTH BALLPARK AND REDEVELOPMENT
PROJECT IMPLEMENTATION AGREEMENT**

WHEREAS, on November 3, 1998, the electorate of the City of San Diego [City] approved Ordinance No. O-18613 [Ordinance] which authorized and directed 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 the City, the Agency, CCDC and Padres [collectively "Parties"]; and

WHEREAS, on March 31, 1999, the Parties entered into an Interim Financing Agreement by which, in part, the Padres agreed to advance to the Agency the sum of \$8.7 million towards the eventual purchase by Padres of those properties then commonly known as the "outfield park retail parcels" for the purpose of redevelopment, and an additional \$3.5 million advance in consideration of the conveyance of additional acreage as part of the "Outfield Park Retail Parcels." The "Outfield Park Retail Parcels" are now commonly known as East Village Square [EVS]; and

WHEREAS, on August 7, 2001, the City adopted Resolution No. R-295395 which approved Parcel Map 18855 [Parcel Map], which defined the boundaries of the Ballpark, including the park [Outfield Park] and EVS; and

WHEREAS, Parcel Map 18855 has been recorded in the office of the San Diego County Recorder; and

WHEREAS, on January 31, 2000, in accordance with the implementation provisions of the MOU, the City Council authorized and directed the City Manager to execute the Ballpark and Redevelopment Project Implementation Agreement [Implementation Agreement] which modified certain rights and responsibilities of the Parties as set forth in the MOU; and

WHEREAS, the Implementation Agreement was executed by all the Parties; and

WHEREAS, on November 30, 2001, in further accordance with the implementation provisions of the MOU, the City Council authorized and directed the City Manager to execute the Second Ballpark and Redevelopment Project Implementation Agreement [Second

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Implementation Agreement] which further modified certain rights and responsibilities of the Parties as set forth in the MOU; and

WHEREAS, the Second Implementation Agreement was executed by all the Parties; and

WHEREAS, on July 18, 2002, in further accordance with the implementation provisions of the MOU, the City Council authorized and directed the City Manager to execute the Third Ballpark and Redevelopment Project Implementation Agreement [Third Implementation Agreement] which further modified certain rights and responsibilities of the Parties as set forth in the MOU; and

WHEREAS, the Third Implementation Agreement was executed by all the Parties; and

WHEREAS, the Implementation Agreement, Second Implementation Agreement and Third Implementation Agreement were each supplemented from time to time by mutual agreement of the Parties; and

WHEREAS, the Parties have been negotiating for the program of redevelopment for EVS, as contemplated by Section XXXI of the MOU; and

WHEREAS, the Parties desire to reconfigure the size of the Outfield Park from the footprint described in the Parcel Map; limit proposed encroachments into the former public rights-of-way within EVS and the Outfield Park; and address the total square footage to be redeveloped as part of EVS and other issues related to the redevelopment of EVS; and

WHEREAS, the Parties desire to address certain other matters necessary and appropriate for the implementation of the MOU and the redevelopment of EVS; and

WHEREAS, it is now timely and appropriate to consider such further actions as may be necessary and appropriate to implement the purpose and intent of the Ordinance, MOU, Implementation Agreement, Second Implementation Agreement and Third Implementation Agreement, consistent with the City's and Agency's obligations under California law, and the discretion lawfully vested in the City Council acting on behalf of the City; and

WHEREAS, nothing heretofore has occurred, nor is there any action herein, that modifies the \$225,000,000 cap on the City's investment in the Ballpark Project specified in Section XV of the MOU, or causes or obligates the City to spend any funds in excess of that amount; and

WHEREAS, modifications to the rights and obligations of the Parties as set forth in the MOU may be authorized without a vote of the City's electorate if such modifications do 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; and

WHEREAS, to the extent that the rights and obligations of the Parties as set forth herein, or as previously set forth in the Implementation Agreement, Second Implementation Agreement, Third Implementation Agreement, or any of their supplements, are deemed to modify the rights

and obligations of the Parties as set forth in the MOU, the same were intended as such, and the Parties agree that such actions did not, and do not, individually or in the aggregate, 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.

In addition to any definitions set forth herein, capitalized terms have the same meaning as given to them in the MOU.

II. Effective Date And Term.

This Fourth Implementation Agreement will be effective upon execution by all the Parties, which date is _____, 2003, and will be in effect for as long as the MOU is effective.

III. General Context of the Fourth Implementation Agreement.

The development of EVS will be subject to the consideration of a master plan [Master Plan], one or more Disposition and Development Agreements [DDAs] (or similar development agreements), and other discretionary actions [collectively "Discretionary Actions"] on the part of the CCDC Board of Directors and the City Council acting on behalf of the City and Agency, in accordance with the MOU and subject to all laws including the California Environmental Quality Act [CEQA] and the California Redevelopment Law.

Nothing in this Fourth Implementation Agreement will be deemed to be or require a prospective waiver of the discretionary authority of the City, Agency or CCDC. Wherever this Fourth Implementation Agreement assigns or infers an obligation to the City, Agency or CCDC which, pursuant to applicable law, requires a discretionary approval of the City, Agency or CCDC, such provisions will be interpreted as requiring a City, Agency or CCDC (if applicable) staff recommendation consistent with such obligation, requiring City, Agency or CCDC (if applicable) staff member to exercise diligent and good faith efforts to obtain the necessary discretionary approval and requiring the City, Agency or CCDC (if applicable) staff member to request good faith consideration of the discretionary approval required to implement such obligation.

IV. Modification of Parcel Map 18855.

a. The Parties will cooperate with respect to, and CCDC will promptly cause the preparation of, an amended parcel map [Amended Parcel Map] in accordance with the plat attached hereto as Exhibit 1, which exhibit reflects the proposed reconfiguration of the Outfield Park and of the proposed Outfield Park Retail Parcels. The Parties will use all reasonable efforts to cause the Amended Parcel Map to be recorded not later than November 1, 2003. For the

purposes of this Fourth Implementation Agreement, the proposed EVS parcels are denominated as parcels 2, 3, 4 and 5 and are identified by reference to Exhibit 1.

b. The Amended Parcel Map will provide for easements [Subterranean Parking Easements] for the purpose of constructing and maintaining subterranean parking beneath a portion of the vacated 8th Avenue and 9th Avenue [Vacated Rights-of-Way] appurtenant to parcels 2 and 4, respectively. The location of the Subterranean Parking Easements will be as shown on Exhibit 1 and will be granted to the Padres or its assignees concurrent with the conveyance of parcels 2 and 4 to the Padres or its assignees. Subterranean parking improvements within the Subterranean Parking Easements will be designed and constructed to accommodate the planting and maintenance of trees in accordance with the Master Plan.

c. Parcel 1 of the Amended Parcel Map will be subject to lateral access easement and building restrictions only as necessary to accommodate building openings on property lines appurtenant to parcels 2, 3, 4 and 5, in form and content as set forth in Exhibit 2, attached hereto. Such easements and restrictions will be created on the Amended Parcel Map.

V. Development of the Outfield Park.

a. The Padres will construct the Outfield Park substantially in accordance with Exhibits 3A, 3B and 3C, attached hereto. The Parties understand and acknowledge that the referenced exhibits are conceptual plans only and that the design of the Outfield Park reflected therein (i.e., grades, placement of hardscape, landscape components and placement of fencing and gating) may be modified in the engineering, design and permitting process. Outfield Park completion will be broken down into 2 phases as follows:

1. The first phase will include completion of all landscape and hardscape as generally shown in Exhibits 3A and 3B, attached hereto, but will exclude permanent landscape/hardscape within the Vacated Rights-of-Way. The Padres will exercise commercially reasonable efforts to cause substantial completion of the first phase of the Outfield Park to occur not later than the date of the first scheduled home game of the 2004 National League Championship Season [Opening Date]. For the purposes of this Fourth Implementation Agreement, the exercise of "commercially reasonable efforts" will not require the Padres or its contractors, subcontractors or materiel vendors to incur any additional costs for overtime or accelerated delivery schedules and the Padres will not be liable to the City, the Agency or CCDC for its failure to complete the first phase of the Outfield Park by Opening Date. The first phase will also include interim improvement of the Vacated Rights-of-Way in accordance with Exhibit 3C, attached hereto. The Outfield Park will function in accordance with the Outfield Park Overview, attached hereto as Exhibit 3D.

2. The second phase will include the installation of permanent landscape/hardscape on vacated 8th and 9th Avenues and any additional permanent landscape/hardscape around the Schieffer Building (parcel 3) shown on Exhibit 3A and as may be required in any DDA or similar agreement for the Schieffer Building. The second phase will be completed concurrently with the respective development of the left field parcel, the right field parcel and the Schieffer Building. In all events, the Outfield Park will be fully completed by December 31, 2006. If the Padres fail for any reason to fully complete the Outfield Park by such

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EXHIBIT 1

date, the City and Agency shall have the right to complete or cause completion of the Outfield Park in accordance with the final design program (as referenced in paragraph d, below) at the sole cost and expense of the Padres.

b. Neither the City, the Agency nor CCDC will be liable for any costs arising from the design, construction and installation of improvements to the Outfield Park as reconfigured and reflected in the Amended Parcel Map. The Padres will have the right, but not the obligation, to use funds remaining in the Ballpark Design-Build Construction Contract contractor's contingency and Ballpark budget owner's contingency for such purposes, to the extent such sources are available.

c. The Padres will pay all additional operations and maintenance costs incurred as a result of the Outfield Park as reconfigured and reflected in the Amended Parcel Map. Such costs will be included in the Joint Ballpark Ownership Expenses in accordance with Article 8 of the JUMA.

d. The Padres will retain design discretion for the reconfigured Outfield Park in accordance with Section VII of the MOU, but will work cooperatively with the City, Agency and CCDC in its design. Any material changes to the final design program will be subject to the reasonable approval of the City and the Agency.

e. The Padres will install on or before June 30, 2004, maintain, program, control and operate a video board in the approximate dimension of 14.5' x 26' on the back of the batter's eye facing the Outfield Park.

f. As part of the Master Plan, the Padres will develop a plan to provide adequate access to restroom facilities for patrons of all events in the Outfield Park.

VI. Redevelopment Agency Commitment for Certain Costs.

a. The Agency will repay to the Padres the sum of \$3,500,000 in reimbursement for the amount paid for the incremental increase in the size of the Outfield Park Retail Parcels to be conveyed to the Padres, as set forth in Issue #11 in that certain letter agreement among the City, the Agency, CCDC and the Padres dated March 30, 1999; and

b. The Agency will pay to the Padres the sum of \$500,000 as an interest component on the \$3,500,000 referenced in Section VI.a from March 30, 1999 to the present.

c. The amounts described in Sections VI.a and VI.b will be paid as follows: (i) \$1,000,000 not later than November 1, 2003; and (ii) \$3,000,000 (together with interest at the rate of six percent (6%) per annum commencing on November 1, 2003) not later than December 31, 2004.

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EXHIBIT 1

VII. Development Program for EVS Legal and Financial Issues Affecting the DDAs.

a. The City, the Agency and CCDC acknowledge that, consistent with Section XXXI.A of the MOU, the Padres may transfer its development rights with respect to one or more of parcels 2, 3, 4 or 5 to third parties reasonably acceptable to the City/Agency [Parcel Transfers]. The City, Agency and CCDC will cooperate with the Padres in completing such Parcel Transfers. The City, Agency and CCDC acknowledge that the Padres have paid (or will pay) no less than \$22,750,000 for Land Acquisition Costs pursuant to the MOU and its Implementation Agreements. The Parties agree that the Padres or its permitted assignees will be entitled to a credit of up to \$22,750,000 for the transfer of parcels 2, 3, 4 and 5 from the Agency to the Padres or its permitted assignees. Accordingly, the Padres will have the right to retain all consideration arising from the Parcel Transfers up to the amount of the credit received by the Padres from the Agency. The Padres will determine how the \$22,750,000 credit will be allocated among the parcels. Any amounts required to be paid to the Agency by the Padres in excess of \$22,750,000 will be retained by the Agency for use as it shall, in its sole discretion, determine. The Agency acknowledges that the Agency will have no right to receive any proceeds from the sale or transfer of parcel 2, 3, 4 or 5 following completion of improvement of such parcel in accordance with its respective DDA.

b. The Padres hereby waive on behalf of itself and its Master Developer, JMI Realty, Inc. its right to receive, or benefit from, Excess Land Costs in accordance with Section XXXI.C of the MOU. The Padres will be bound to such waiver only to the extent of the effectiveness of the Padres right to receive credit for \$22,750,000 in accordance with Section VII.a, above; if such right is determined by a court of law to be invalid or ineffective for any reason, the Padres' waiver of its right to receive Excess Land Costs will be null and void and all rights granted to the Padres and its Master Developer under Section XXXI.C. of the MOU will be restored.

c. The Agency will enter into DDAs with the Padres or its Master Developer for the development of parcels 2, 3, 4 and 5. Upon the request of the Padres or its Master Developer, the Agency will in good faith consider making parcels 3 and 5 subject to a single DDA. The DDAs will be subject to the following:

1. Consistent with Section XXXI.A of the MOU, and subject to the credit and transfer limitations set forth in Section VII.a above, the Padres or its Master Developer may assign all or any portion of any Ancillary Development project which is part of Phase 1 with the prior approval of the Agency which will not be unreasonably withheld or delayed. The Agency shall approve of the proposed assignee's creditworthiness and development expertise provided such assignee provides evidence to the reasonable satisfaction of the Agency that it has sufficient net worth to obtain financing for development of such parcel and that either such assignee or a third party or parties under contract to such assignee has development or construction experience sufficient to complete such development. The Agency shall have the right to consider factors other than net worth and development experience in exercising its discretionary right to approve any such assignment and the Agency may require the assignee to assume certain of the obligations of Padres or the Master Developer that relate to the project assigned. Assignment of any Ancillary Development project that is subject to a DDA or similar agreements will be governed by the respective provisions of the DDA or similar agreement.

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Upon the Padres' request, the Agency will process DDAs for parcels 2 and 4 with the Padres and its assignee as co-applicants provided the proposed assignee meets the standard set forth in the preceding paragraph. Following approval of DDAs for parcels 2 and 4, but subject to the California Redevelopment Law, the Padres will have the right, without further consent or approval of the Agency, and subject to the credit and transfer limitations set forth in Section VII.a above, to assign all of its rights and provide for the assumption of its obligations under each DDA.

2. The scope of development and design of development of DDAs shall be subject to the approved Master Plan. The proposed Master Plan shall be prepared in accordance with the CEQA and considered by the City Council and Redevelopment Agency together with the appropriate environmental document. The massing, height, building envelopes and scale of development shall be as set forth in Exhibits 4A, 4B, and 4C, attached hereto.

3. Consistent with Section XXXI.A of the MOU, the Padres will develop, or cause the development of, at least 150,000 square feet of retail throughout the Sports and Entertainment District (as defined in Chapter 10, Article 3, Division 19 of the San Diego Municipal Code [PDO]) in Phase 1 of which 65,000 square feet shall be in EVS. The DDAs will not require the development of more than 65,000 square feet of retail in the aggregate on parcels 2, 3, 4 and 5. The distribution of such retail development among such parcels will be subject to the requirements of the Master Plan. For the purposes of this Agreement, retail use will include any use permitted in the "Commercial Retail" and "Commercial Services" use categories of the PDO. Transfers to and development of land by unaffiliated third parties reasonably acceptable to the Agency will be credited against the Padres' respective obligations under this paragraph and the MOU. The Padres will be entitled to credit for Substitute Ancillary Development as set forth in the MOU, except that for the purpose of retail development within the Sports and Entertainment District, the right of Substitute Ancillary Development will apply only to retail development in excess of 100,000 square feet.

d. The DDA for the Schieffer Building (parcel 3) will be subject to the following:

1. If the analysis performed in accordance with California Health & Safety Code §33433 [Fair Reuse Analysis] concludes that the value [Fair Reuse Value] exceeds \$1 after the application by the Padres of any credit available pursuant to Section VII.a hereof, the Padres will not be obligated to acquire and develop the Schieffer Building.

2. The DDA will require commencement of renovation/rehabilitation not earlier than two years following approval of the Master Plan. If the Padres fail to timely commence such renovation/rehabilitation, the Padres shall be deemed to have waived its right to acquire the Schieffer Building.

3. Subject to agreement between the Parties, such agreement not to be unreasonably withheld, parcel 3 may be nominally larger than the footprint of the Schieffer Building to allow for flexibility in renovation/rehabilitation of the building. The Agency will consider in good faith the need for encroachment agreements beyond the footprint based upon the use of the Schieffer Building, with the understanding that there will be no significant infringement upon the Outfield Park.

4. Subject to applicable law (including design approval), the DDA will permit the construction and maintenance of a rooftop sign on the Schieffer building facing the Park.

e. The DDA for the Candy Factory (parcel 5) will be subject to the following:

1. The Fair Reuse Analysis will take into account all costs actually incurred or to be incurred by the Padres (and not otherwise reimbursed by the City or Agency pursuant to Section VII.e.2 below) in connection with the relocation, renovation, seismic upgrade, development and use of the Candy Factory including, without limitation, all Padres' costs associated with the suspension of work and tenant improvement costs.

2. Upon completion of the relocation of the Candy Factory to its relocation site, the City will pay the Padres \$210,000 and CCDC will pay the Padres \$200,000, each in accordance with Section 2f of the Settlement Agreement dated as of September 9, 1999, by and among the City, the Agency, CCDC, the Padres, the Save Our Heritage Organization and various other parties.

f. Unless otherwise required by applicable law, compliance of the Master Plan approval process with CEQA will be accomplished through the use of an addendum to the Final Subsequent Environmental Impact Report [FSEIR].

g. The following is the target schedule for the approval of all Discretionary Actions required for the construction and development of the Outfield Park and EVS; however, the Agency will act on DDAs within 120 days after receipt by the Agency of a completed and acceptable development proposal submitted in accordance with the approved Master Plan:

Item No.	Discretionary Action	Approval Date
1	Master Plan Approval	November 30, 2003
2	DDA for Parcel 2	June 30, 2004
3	DDA for Parcel 3	June 30, 2004
4	DDA for Parcel 4	June 30, 2004
5	DDA for Parcel 5	June 30, 2004

The "Approval Date" for each Discretionary Action will be extended by each day of delay caused by the Padres' failure, or the failure of an approved assignee, to timely deliver submittals required by the City, Agency or CCDC.

h. The City, Agency, and CCDC ("City Entities") and the Padres mutually covenant and agree to take all actions reasonable and necessary to process each Discretionary Action by its respective Approval Date. In this regard, the Padres agree to: (i) timely submit applications for each Discretionary Action and all other materials reasonably required by the City Entities for the processing thereof; (ii) timely respond to appropriate informational and other reasonable requests from the City Entities regarding each application; and (iii) perform such other and further actions reasonably requested by the City Entities including, without limitation, participation in public forums, workshops and hearings regarding each application. In connection with the processing

of each application, the City Entities agree to: (i) timely review applications and other materials submitted by the Padres; (ii) promptly notify the Padres in writing regarding the sufficiency of each application and all materials submitted therewith including, without limitation, a detailed itemization of each deficiency and recommended corrective action to eliminate such deficiency; and (iii) timely publish public notices and take all other actions required by applicable law to consider each Discretionary Action on or before its respective Approval Date. The Parties understand and acknowledge that time is of the essence with respect to the approval of each Discretionary Action. Consistent with the requirements of the MOU, the City Entities will: (i) expedite and give first-priority status to processing of all applications, construction drawings, plans and specifications and other submissions relating to the Discretionary Action and the development of EVS, to the fullest extent permitted by law; and (ii) treat the Padres as their primary and best development partner with which the City Entities work. Accordingly, in their respective consideration of the Discretionary Actions, the City Entities will give the Padres and its approved assignees the benefit of interpretations of law and policy at least as favorable as those currently given to developers of projects with similar product types in the City and will not impose requirements or restrictions that are not generally applicable to projects with similar product types in the City. Provided the Padres' and its permitted assignees' DDA applications are consistent with the MOU, its subordinate agreements (including this Fourth Implementation Agreement), the approved Master Plan and applicable law, the requirements of inverse condemnation law for the submission and resubmission of permit applications will not apply. Neither the City Entities nor the Padres will be in breach of the requirements of this subsection unless such party ("Breaching Party") (i) receives written notice from the other party ("Non-Breaching Party") stating, with specificity, the nature of the breach and (ii) fails to cure the breach within 60 days following the receipt of such notice.

VIII. Tax Increment Financing of Padres' Property Tax Obligations.

Pursuant to the provisions of and standards established in Section XVIII of the MOU, the Agency will capitalize net property and/or net possessory interest taxes paid or to be paid as set forth in the second paragraph of this section. The Agency will issue bonds at market rates, including only usual and customary financing charges and reserves, and on mutually agreed-upon terms. The Agency will use reasonable and good faith efforts to market and cause the sale of such bonds as soon as reasonably practicable after (i) the Padres have provided appropriate assurances (including County Assessor confirmation of anticipated property and possessory interest taxes) reasonably acceptable to the Agency, its bond underwriters, rating agencies and bond insurers regarding the payment of taxes; (ii) the Padres have agreed to pay the Agency for the reasonable and necessary financing costs; (iii) the Padres have agreed not to contest the imposition or amount of any property or possessory interest taxes used to determine the amount of such financing; and (iv) the Agency has determined in its reasonable discretion that the sale of such bonds in advance of the actual payment of such taxes has no material adverse impact to the Redevelopment Agency's underlying credit rating and does not negatively impact the Agency's ability to maintain its future commitments for bond issues. The bond issue shall be consistent with other bond issues of the Agency, be self contained as to any coverage requirements and be consistent with the provisions of the MOU and applicable law. The Parties agree that the target sale date of such bonds shall be January, 2004.

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Such financing will be qualified based on the anticipated incremental taxes to be paid and confirmed by the County Assessor in a manner satisfactory to the Agency on assessments against the property described in the MOU as being available for such purpose, including without limitation, the following property:

- A. The use and occupancy of the Ballpark;
- B. Padres' Property;
- C. Any possessory interest in Tailgate Park; and
- D. Padres' ownership interest in the land and improvements of the P-1 Parking Garage.

In consideration of the sale of bonds pursuant to this Section VIII, the Padres hereby waive any right it may have under Section XVIII of the MOU to any subsequent bond financing or refinancing.

IX. Parcels B and C.

Subject to timely performance and cooperation by the Padres and its Master Developer, the City, Agency and CCDC shall use best efforts to complete the assembly of land, approve and record a parcel map creating parcels B and C no later than November 1, 2003. The Padres agree to cooperate, and shall cause its Master Developer to cooperate, with the Agency and promptly address all issues that have delayed the complete assembly of Parcels B and C.

X. Tailgate Park.

If the City does not transfer Tailgate Park to the S.D. Unified Port District by March 31, 2004 the City will enter into a lease with Padres on the same terms as those contained in the Port/Padres lease and consent to the collateral assignment of such lease to the lenders of San Diego Ballpark Funding LLC.

XI. Delays in MOU Compliance.

The City and the Agency hereby agree that the Force Majeure provision contained in Section XLI of the MOU applies to the Phase 1 Ancillary Development obligations of the Padres and its Master Developer for EVS assessed valuation only. The Padres and its Master Developer will have an additional 24-month period of time after Opening Date to have on the tax rolls projects with an assessed valuation of at least \$311,000,000. Except as specifically set forth herein, the obligations of the Padres and its Master Developer with regard to Phase 1 Ancillary Development remain unchanged and not subject to Force Majeure, including the timely construction of hotel rooms and certain guarantees concerning the generation of Transient Occupancy Tax. In addition, the right of the City to offset its share of Joint Ballpark Ownership Expenses pursuant to the JUMA remains unaffected.

XII. Continuation of Rights And Obligations.

Nothing in this Fourth Implementation Agreement modifies the rights or obligations of the Parties as set forth in the MOU, First Implementation Agreement, Second Implementation Agreement, Third Implementation Agreement, or any other Ballpark Project related agreements, except as specifically set forth herein.

The terms of this Fourth Implementation Agreement may modify certain of the rights and obligations of the Parties as set forth in the MOU, the Implementation Agreement, Second Implementation Agreement, Third Implementation Agreement, and their supplements, but the Parties agree that none of the modifications individually or in the aggregate, 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. Except as specifically set forth therein and herein, the rights and obligations of the Parties pursuant to the MOU, and all related agreements between the Parties, or any of them, remain unchanged.

PADRES L.P.

CITY OF SAN DIEGO

By: _____
Charles E. Black
Vice President - Special Projects

By: _____
Michael T. Uberuaga
City Manager

REDEVELOPMENT AGENCY OF
THE CITY OF SAN DIEGO

CENTRE CITY DEVELOPMENT
CORPORATION

By: _____
Michael T. Uberuaga
Executive Director

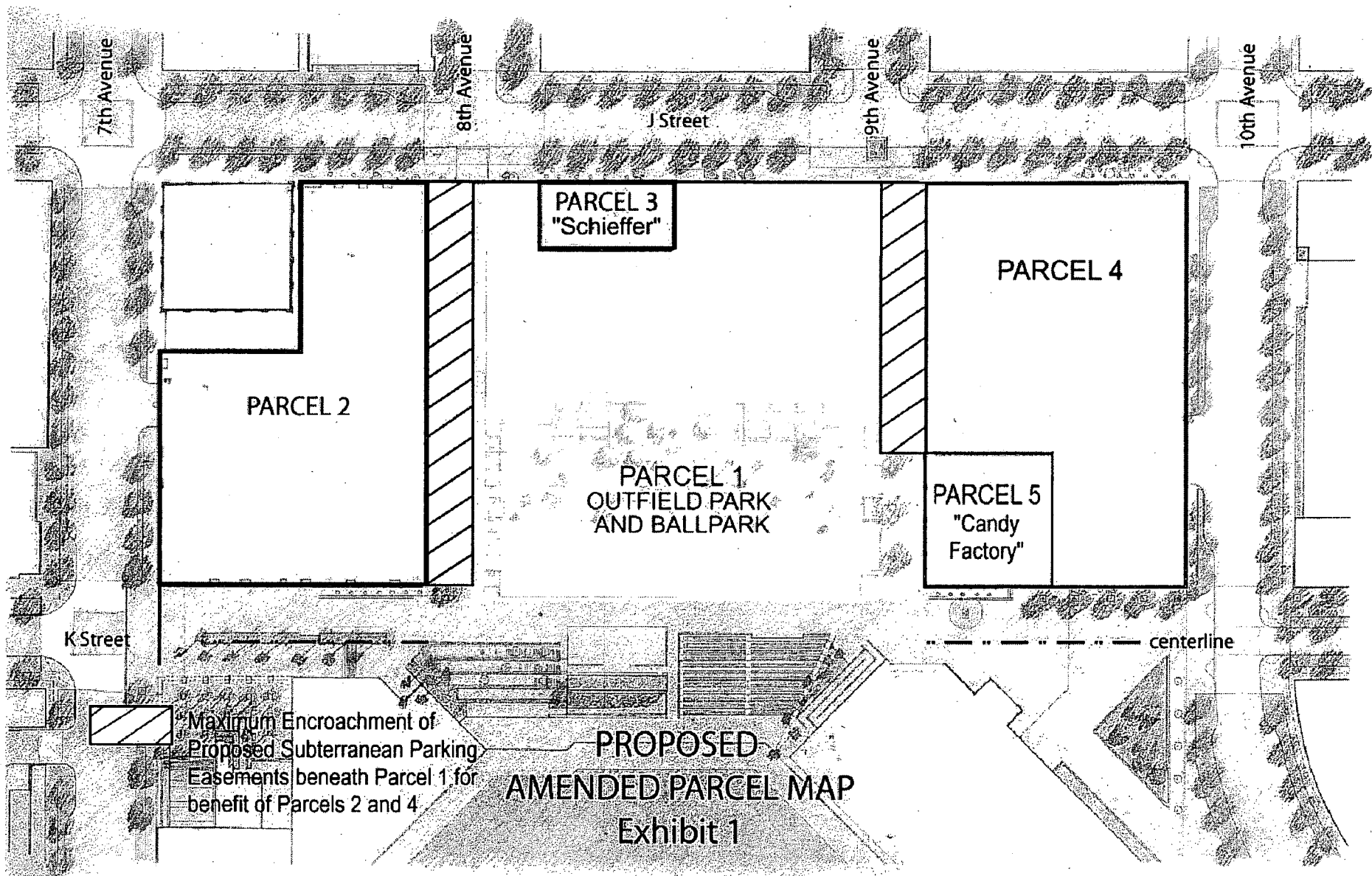
By: _____
Peter Hall
President

I HEREBY APPROVE the form and legality of the foregoing Agreement this _____ day
of _____, 2003.

CASEY GWINN, City Attorney

By _____
Leslie J. Girard
Assistant City Attorney

R-298312



7th Avenue

8th Avenue

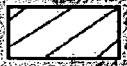
J Street

9th Avenue

10th Avenue

K Street

centerline



Maximum Encroachment of Proposed Subterranean Parking Easements beneath Parcel 1 for benefit of Parcels 2 and 4

PARCEL 3 "Schieffer"

PARCEL 4

PARCEL 2

PARCEL 1
OUTFIELD PARK
AND BALLPARK

PARCEL 5
"Candy
Factory"

PROPOSED
AMENDED PARCEL MAP
Exhibit 1

R - 298312

Exhibit 2

PROPOSED TEXT OF PROPOSED LATERAL ACCESS EASEMENTS
AND BUILDING RESTRICTIONS FOR AMENDED PARCEL MAP

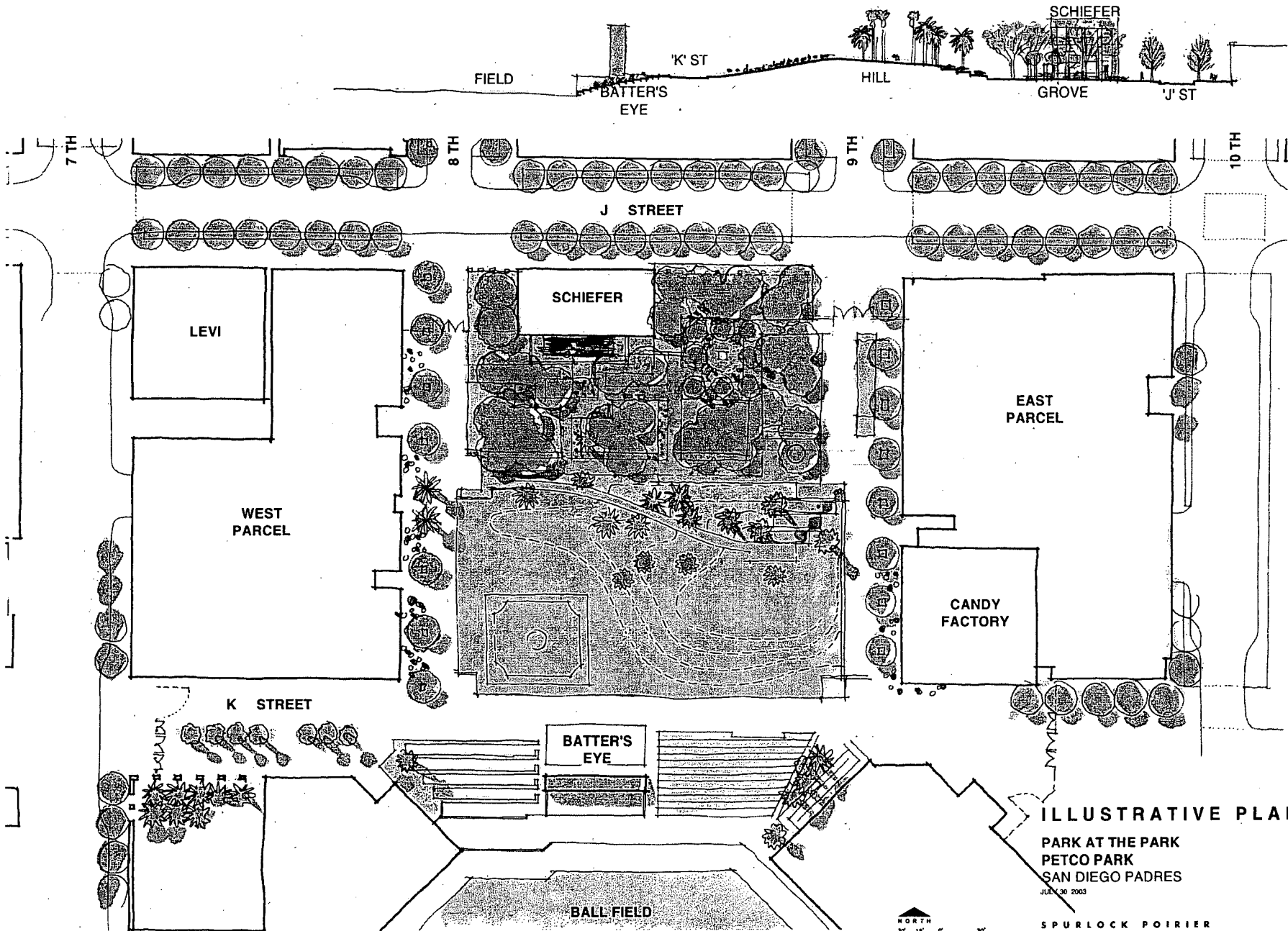
Note: Parcel references used in this proposed text are those parcels illustrated on Exhibit 1.

THE CITY OF SAN DIEGO, A MUNICIPAL CORPORATION (THE "CITY"), AS THE OWNER OF PARCEL 1, HEREBY GRANTS, ASSIGNS AND CONVEYS TO THE CURRENT AND FUTURE OWNER AND OWNERS OF PARCELS 2, 3, 4, AND 5, A PERPETUAL AND APPURTENANT EASEMENT TO BE USED FOR NONVEHICULAR INGRESS AND EGRESS OVER AND ACROSS THAT PORTION OF PARCEL 1 ALONG THE COMMON BOUNDARY BETWEEN PARCEL 1 AND PARCELS 2, 3, 4, AND 5, AS SHOWN ON THIS MAP AND DESIGNATED "EASEMENT GRANTED HEREIN." THE EASEMENT SHALL BE ESSENTIALLY UNOBSTRUCTED FROM THE GROUND TO THE SKY AND SHALL HAVE A CLEAR WIDTH OF NOT LESS THAN 20 FEET.

THE CITY, AS OWNER OF PARCEL 1 FURTHER AGREES NOT TO CONSTRUCT, ERECT OR MAINTAIN ANY ABOVEGROUND ROOFED BUILDING OR COVERED STRUCTURE OVER, UPON OR ACROSS THAT PORTION OF PARCEL 1 HAVING A DEPTH OF 40 FEET FROM THE PROPERTY LINE OF PARCEL 1 ALONG THE COMMON BOUNDARY OF PARCEL 1 AND PARCELS 2, 3, 4, AND 5, AS SHOWN ON THIS MAP AND DESIGNATED "BUILDING RESTRICTION GRANTED HEREON," AS SHOWN ON THIS MAP AND DESIGNATED "BUILDING RESTRICTION GRANTED HEREIN." IN THE EVENT THE CITY, AS THE OWNER OF PARCEL 1, VIOLATES THE TERMS OF THIS RESTRICTION, THE OWNER OR OWNERS OF PARCELS 2, 3, 4, AND 5 MAY COMPEL THE CITY, AS THE OWNER OF PARCEL 1 TO DEMOLISH AND REMOVE ANY STRUCTURES IN VIOLATION OF THIS RESTRICTION.

THE EASEMENT AND BUILDING RESTRICTIONS GRANTED HEREON SHALL BE BINDING UPON THE CITY, AS THE OWNER OF PARCEL 1 AND THE CITY'S SUCCESSORS AND ASSIGNS, AND SHALL INURE TO THE BENEFIT OF THE OWNER OR OWNERS OF PARCELS 2, 3, 4, AND 5 AND THEIR SUCCESSORS AND ASSIGNS. THE EASEMENT AND BUILDING RESTRICTION SHALL RUN WITH THE LAND PURSUANT TO SECTION 1468 OF THE CIVIL CODE OF THE STATE OF CALIFORNIA. NOTHING CONTAINED HEREIN SHALL BE CONSTRUED TO GRANT ANY RIGHTS OR BENEFITS TO THE GENERAL PUBLIC.

EXHIBIT 3A



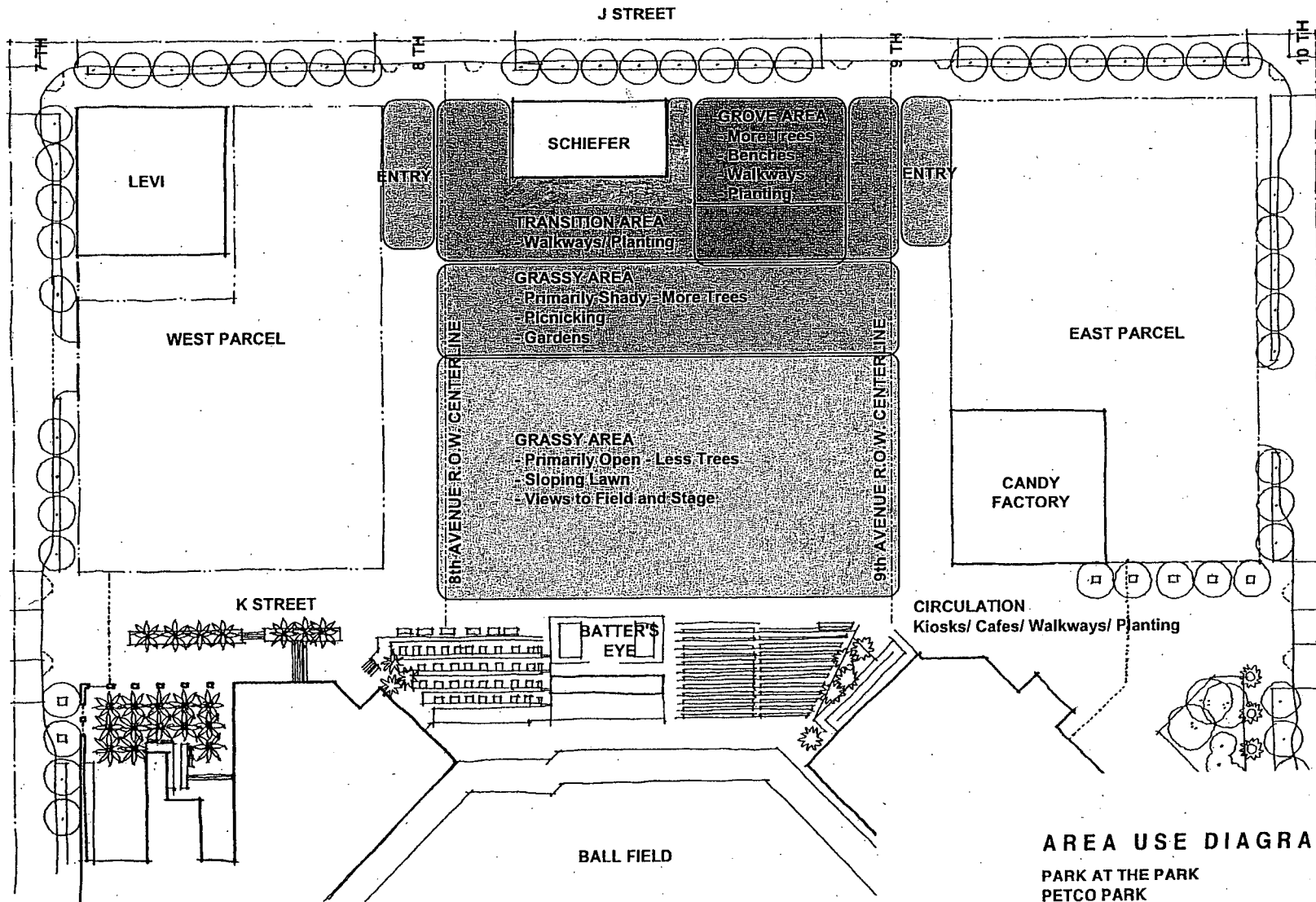
ILLUSTRATIVE PLAN/ELEV.

PARK AT THE PARK
PETCO PARK
SAN DIEGO PADRES
JULY 30 2003

SPURLOCK POIRIER
LANDSCAPE ARCHITECTS

R-298312

EXHIBIT 3B



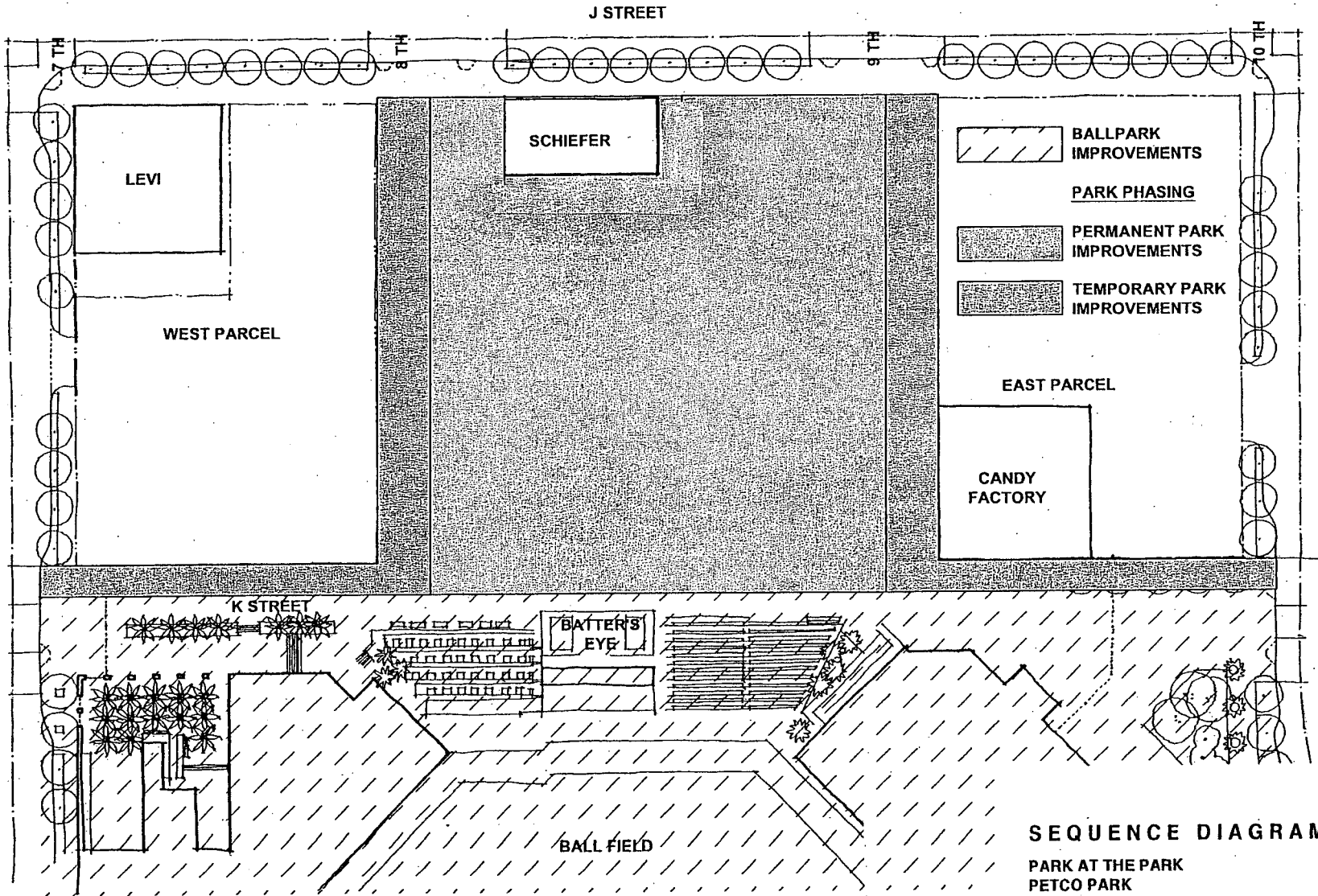
AREA USE DIAGRAM
 PARK AT THE PARK
 PETCO PARK
 SAN DIEGO PADRES
 JULY 30 2003

SPURLOCK POIRIER
 LANDSCAPE ARCHITECTS

P-298312

EXHIBIT 3C

P-298312



SEQUENCE DIAGRAM

PARK AT THE PARK
PETCO PARK
SAN DIEGO PADRES
JULY 30 2003



SPURLOCK POIRIER
LEAD ARCHITECTS

Exhibit 3D

OUTFIELD PARK OVERVIEW

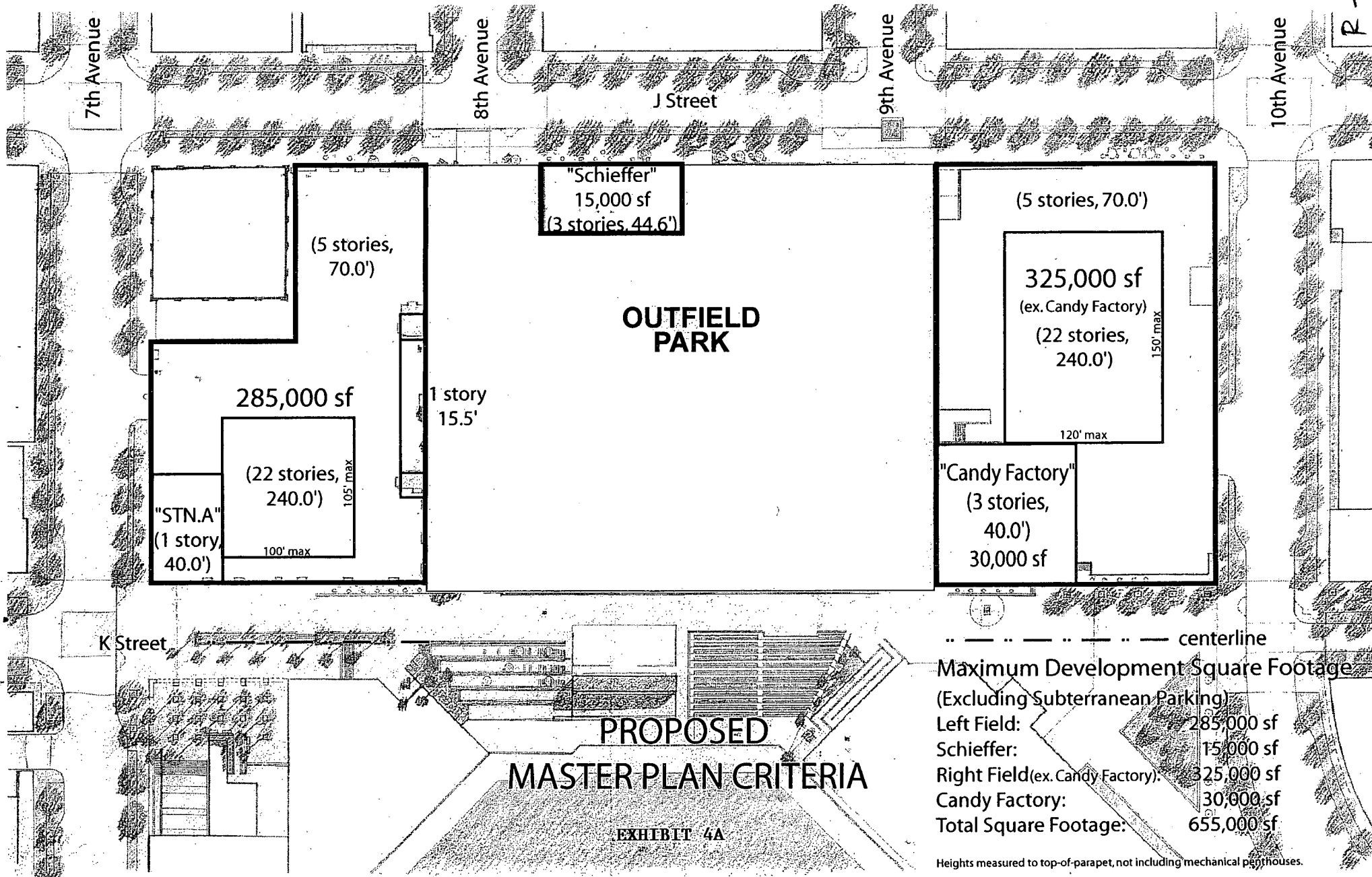
The Outfield Park will be a signature element of PETCO Park, the 26-block Ballpark District, and the revitalized East Village neighborhood, with at least three major functions: (i) an integral part of the event-day experience for fans attending baseball games and other events at PETCO Park; (ii) a flexible special-events venue on non-game days for clients of the Convention Center, concerts, community events, and other outdoor uses; and (iii) a year-round neighborhood park for the East Village Community. The Outfield Park will extend the garden ambiance of the Ballpark, whose architecture and landscaping was designed to celebrate the sun, sea, sky, and spirit of San Diego.

The Outfield Park will encompass approximately 2.7 acres of public open space, including nearly two acres of landscaped lawn with varying contours to accommodate spectator and participatory uses. It will be located between the outfield fence of PETCO Park, 8th Avenue on the west, 9th Avenue on the east and J Street to the north. The East Village Square mixed-use development will surround the park.

In an urban planning context, the Outfield Park will enhance the visual, physical and aesthetic connection between the Ballpark and the cityscape beyond; improve ingress, egress, and pedestrian and transit-friendly circulation patterns in the vicinity of the Ballpark and activate daytime and year-round retail and restaurant activity along a redeveloped J Street and throughout the Ballpark District. Because the 100-block East Village is projected to become the densest and most populous of downtown San Diego's eight neighborhoods within 10 years, the Outfield Park also must serve effectively as its primary neighborhood park, suitable for year-round leisure and recreational activities.

The Outfield Park will include all the core elements anticipated by baseball fans, including a grass amphitheatre and terraced picnic areas with partial views into PETCO Park playing field and a direct view of the large video board on the back of the "Batter's Eye." Park passes will be sold on game days, consistent with the Padres' SAFE (Saving Affordable Family Entertainment) program and additional options will enable fans to enter the seating bowl and utilize standing room sections and other amenities.

From a programming standpoint, use of the Outfield Park for game and non-game events remains a work in progress, but many suggestions from fans and public forums, including the disabled community, have been incorporated. These include the Padres' bullpen and an adjacent "Autograph Alley" along with a Little League infield and other interactive areas, a variety of concessions available on both game and non-game days and innovative ways of celebrating Padres' history and San Diego baseball traditions. To enhance functionality as a neighborhood park, and to accomplish other important urban planning goals, a portion of the Outfield Park will have flatter topography.



OUTFIELD PARK

PROPOSED MASTER PLAN CRITERIA

EXHIBIT 4A

.. .. centerline

Maximum Development Square Footage
(Excluding Subterranean Parking)

Left Field:	285,000 sf
Schieffer:	15,000 sf
Right Field(ex. Candy Factory):	325,000 sf
Candy Factory:	30,000 sf
Total Square Footage:	655,000 sf

Heights measured to top-of-parapet, not including mechanical penthouses.
East Village Square Base mapversion 2gwithdetail.eps

Exhibit 4B

Parcel	Parcel Area	Maximum Development Square Footage (excluding subterranean parking)
Parcel 2 (Left Field)	47,500 sq. feet	285,000 sq. feet
Parcel 4 (Right Field)	50,000 sq. feet	325,000 sq. feet
Parcel 5 (Candy Factory)	10,000 sq. feet	30,000 sq. feet
		640,000 sq. feet

R-298312

EXHIBIT 4C

	Left-Field Block	Right-Field Block
<u>Maximum</u> height of tower element (measured from grade to top-of-parapet)	240'	240'
<u>Maximum</u> height of building base or podium	70' (except as required for fire access off K Street)	70' (except as required for fire access off 10 th Avenue)
<u>Minimum</u> tower stepback from ROW	50' on 7 th , 8 th Avenues 15' on K Street 180' on J Street	50' on 9 th Avenue, J Street 100' on K Street (no encroachment over Candy Factory) 30' on 10 th Avenue
<u>Maximum</u> tower dimension (exclusive of balconies or bay windows)	East-west: 100' North-south: 105'	East-west: 120' North-south: 150'
<u>Maximum</u> encroachment into street ROW	No encroachments permitted	No encroachments permitted

R-298312