
**SUPPLEMENT NUMBER TWO TO THE
1995 AGREEMENT FOR PARTIAL USE AND OCCUPANCY
OF SAN DIEGO JACK MURPHY STADIUM**

between

**CHARGERS FOOTBALL COMPANY, LLC
a California limited liability company**

and

**THE CITY OF SAN DIEGO,
a municipal corporation**

DATED: as of January __, 2003

**SUPPLEMENT NUMBER TWO TO THE
1995 AGREEMENT FOR PARTIAL USE AND OCCUPANCY OF
SAN DIEGO JACK MURPHY STADIUM**

THIS SUPPLEMENT NUMBER TWO TO THE 1995 AGREEMENT FOR PARTIAL USE AND OCCUPANCY OF SAN DIEGO JACK MURPHY STADIUM ("**Supplement Number Two**") is made and entered into as of January __, 2003, at San Diego California, by and between the CITY OF SAN DIEGO, a municipal corporation (the "**City**"), and the CHARGERS FOOTBALL COMPANY, LLC, a California limited liability company (the "**Chargers**").

RECITALS

A. On May 30, 1995 the City and Chargers Football Company, a California limited partnership (as predecessor-in-interest to the Chargers) (the "**Partnership**") entered into the 1995 Agreement for Partial Use and Occupancy of the San Diego Jack Murphy Stadium, a copy of which is on file in the Office of the City Clerk as Document Number OO-18182-1 (the "**Original Agreement**"). Pursuant to the Original Agreement, the City agreed to make certain improvements (the "**Improvements**") to the San Diego Jack Murphy Stadium now known as Qualcomm Stadium (the "**Stadium**").

B. In order to facilitate the completion of the Improvements, the City and the Partnership entered into that certain Supplement Number One To The 1995 Agreement For Partial Use And Occupancy Of San Diego Jack Murphy Stadium, dated as of April 7, 1997 ("**Supplement Number One**"). The Original Agreement, as supplemented by Supplement Number One, is hereinafter referred to as the "**Agreement.**" All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

C. The City appointed a Citizens' Task Force on Chargers Issues (the "**Task Force**") to, among other things, determine what can be done "to keep the Chargers in San Diego in a fiscally responsible way that the public will support." In order to give the Task Force ample time to complete its work prior to the commencement of the renegotiation process under the Agreement, the parties hereto now desire to further supplement the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Chargers and the City hereby agree as follows:

1. **Modifications to Agreement.**

Notwithstanding anything to the contrary in Section 31 of the Agreement, with respect to a Triggering Event occurring as of December 1, 2002; (A) a Renegotiation Notice may be delivered at any time between March 1, 2003 and

April 30, 2003; (B) in the definition of "Triggering Event," the measuring period to be applied in calculating whether the sum of items (i), (ii) and (iii) exceeds the Team Salary Cap shall remain the then current League Year; and (C) the delivery of a Renegotiation Notice in accordance with the preceding clause (A) shall be deemed to relate to a one year period between January 1, 2000 and December 31, 2002 as set forth in the definition of "Triggering Year".

2. General Provisions.

2.1 **Effect of Supplement.** In the event of any inconsistency between the Agreement and this Supplement Number Two, the terms of this Supplement Number Two shall prevail. Except as expressly set forth herein, the terms and conditions of the Agreement and the rights and obligations of the parties shall remain unmodified and in full force and effect, and the terms, provisions and conditions thereof are hereby ratified and reaffirmed. The Agreement, as supplemented and modified by this Supplement Number Two, represents the entire agreement between the parties hereto with respect to the subject matter thereof and supersedes all other written and oral agreements with respect to such subject matter.

2.2 **Governing Law.** This Supplement Number Two shall be construed in accordance with, and this Supplement Number Two and the transactions described herein shall be governed by, the laws of the State of California as to all issues, including, without limitation, issues of validity, interpretation, effect, performance and remedies.

2.3 **Amendments.** This Supplement Number Two may not be amended or modified, except in writing signed by both of the parties hereto.

2.4 **Headings.** Section headings used herein are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Supplement Number Two.

2.5 **Counterparts.** This Supplement Number Two may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, and all of which shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, this Supplement Number Two is executed as of the date first written above by The City of San Diego, acting by and through its City Manager, pursuant to Resolution No. _____, authorizing such execution, and by the Chargers.

THE CITY OF SAN DIEGO

By: _____
Name:
Title:

CHARGERS FOOTBALL COMPANY, LLC,
a California limited liability company

By: _____
Dean A. Spanos
President - CEO

I HEREBY APPROVE the form and legality of the foregoing Supplement Number Two this __ day of January, 2003.

CASEY GWINN, City Attorney

By: _____
Leslie J. Girard
Assistant City Attorney

ATTACHMENT 3