

AGREEMENT

The purpose of this agreement ("**Agreement**"), dated November 30, 2004, is to set forth the agreement of the City and the Chargers with respect to the City's obligation to indemnify the Chargers for certain matters described below. All capitalized terms used and not otherwise defined herein shall have the meaning ascribed thereto in the 1995 Agreement for Partial Use and Occupancy of San Diego Jack Murphy Stadium, dated May 30, 1995 (as amended, the "**Use Agreement**"), between the City of San Diego (the "**City**") and the Chargers Football Company (the "**Chargers**").

The City and the Chargers are parties to that certain letter agreement, dated March 24, 2000 (the "**ADA Agreement**"), in anticipation of a possible settlement of that certain action in the United States District Court for the Southern District of California styled Walker, et al. v. City of San Diego, et al., USDC No. 97 CV 1547 (the "**Walker Action**"), wherein the plaintiffs alleged that the Improvements were not constructed in compliance with the ADA. Thereafter, the parties to the Walker Action entered that certain Settlement Agreement, dated February 12, 2001 (the "**Walker Settlement**"), requiring the City to make physical and operational modifications to the Stadium (the "**Walker Modifications**") causing, among other things, (i) the loss of general admission and club seats to allow for the installation of additional accessible seats, (ii) the view obstruction of other seats as a result of said installation and (iii) the imposition of various restrictions on the sale of tickets to accessible seats.

Pursuant to the ADA Agreement, the City agreed to indemnify the Chargers against any loss the Chargers incurred as a result of:

the ADA Actions [as defined in the ADA Agreement], the City's failure to comply with the provisions of Sections 3(d) and 11(a) of the [Use] Agreement or the City's effort to cure any alleged or proven failure by the City to comply with the ADA or other applicable legal requirements, including, without limitation, (i) all costs associated with any modification to the Stadium to bring it into compliance with the ADA and other applicable legal requirements or resulting from any settlement agreement or consent decree in connection with either of the ADA Actions, (ii) all costs and losses incurred by the Chargers as a result of any such modifications to the Stadium, including, without limitation, the loss of revenue resulting from the displacement of seats in connection with the installation of wheelchair, aisle transfer and semi-ambulatory seats as well as companion seats adjacent thereto (but only to the extent that such loss could be recovered under applicable laws) and (iii) all costs incurred by the Chargers in connection with or as a result of the ADA Actions or any settlement agreement or consent decree entered into in connection therewith (including, without limitation, attorneys' fees, charges and disbursements), unless such costs are incurred solely as a result of the Chargers' gross negligence or willful misconduct.

The ADA Agreement further required that "the City and the Chargers . . . negotiate in good faith to determine the method for calculating the loss of revenue described in the clause (ii) [referenced in the preceding paragraph] . . ." Also, the City and the Chargers previously negotiated for a Supplement Number 8 to the 1995 Agreement for Partial Use and Occupancy of San Diego Jack Murphy Stadium (the "**Supplement Number Eight**"), dated July 26, 2004, which addressed a number of issues between the parties including the elimination of the Attendance Guarantee provisions of the Use Agreement. The City and the Chargers have had the good faith negotiations required by the ADA Agreement, and pursuant to the City's obligations under the

ADA Agreement, and the provisions of the Supplement Number Eight, the parties agree as follows:

1. The parties hereto acknowledge that any Attendance Shortfall through and including the 2003 Regular Football Season, that is equal to or less than 1,462 is a result of the Walker Modifications. Therefore, for any Attendance Shortfall that is equal to or less than 1,462 for any Home Game¹ during the Guaranty Period, the City shall pay to the Chargers the Attendance Shortfall Amount with respect thereto as an ADA Agreement indemnity reimbursement on or before the thirtieth (30th) day following such Home Game. If the Attendance Shortfall for any Home Game during the Guaranty Period exceeds 1,462, then the amount of the Attendance Shortfall up to 1,462 shall be addressed in accordance with the preceding sentence and the Attendance Shortfall in excess of 1,462 shall be addressed in accordance with the terms of Section 9 of the Use Agreement as it existed prior to the execution of the Supplement Number Eight.

2. The parties agree that the City's guaranty obligation pursuant to Section 9(a) of the Use Agreement (as it existed prior to the execution of the Supplement Number Eight) shall be calculated in accordance with the methodology previously used by the parties hereto, except as otherwise expressly provided herein. The Chargers and the City agree that the Chargers shall have the right to distribute any number of promotional and participant tickets to any Home Game; provided, however, that during the Guaranty Period (as it existed prior to the execution of the Supplement Number Eight) (i) any promotional and participant general admission tickets distributed for any Home Game in excess of 1,000 tickets shall be added to Qualified Paid Attendance and (ii) any promotional and participant tickets distributed for any Home Game in excess of the number of promotional and participant tickets the Chargers were permitted to distribute pursuant to then applicable NFL League policies shall be treated as a sold admission ticket for the purposes of calculating amounts payable to the City pursuant to Sections 8(b)(ii) and 8(b)(iii) of the Use Agreement (as they existed prior to the execution of the Supplement Number Eight).

3. With respect to the Home Game played against the New England Patriots on September 29, 2002 (the "2002 Patriots Game") prior to which certain traffic signs incorrectly indicated that the game was a sellout, the Chargers agree to refund to the City an amount equal to \$11,042 for tickets purchased by the City for the 2002 Patriots Game in connection with the City's obligations under Section 9 of the Use Agreement, which refund amount equals (i) the highest Home Game day walk-up sales for the 2002 Season less (ii) the actual walk-up sales for the 2002 Patriots Game.

4. The City agrees that it shall grant a rent credit to the Chargers as an ADA Agreement indemnity reimbursement for all losses to the Chargers resulting from the City's agreement to provide free parking and discounted tickets to disabled persons pursuant to the Walker Settlement. In addition, the City acknowledges that the credit granted for such discounted tickets shall include amounts that the Chargers are obligated to share with visiting teams under applicable NFL policies. The Chargers may apply this credit when making payments to the City. The City shall be entitled to audit the Chargers' records as may be necessary to verify the accuracy of the amount of any credit claimed by the Chargers pursuant to

¹ Home Game in this Agreement means any League Game, Pre-Season Game or Post-Season Game to be played by the Chargers in Qualcomm Stadium.

this provision. Proof of payment for ADA discounted tickets must be provided to the City for any credit claimed by the Chargers.

5. The parties hereto agree that the provisions of this Agreement shall apply retroactively to the Home Games for the 2002 season. Therefore, (i) within thirty (30) days after the date hereof, the City shall pay to the Chargers \$156,585 as an ADA Agreement indemnity reimbursement with respect to the last three Home Games of the 2002 season and (ii) within ten (10) days following its receipt of such payment, the Chargers shall pay to the City \$21,144.90 in satisfaction of its obligations under Sections 8(b)(ii) and 8(b)(iii) of the Use Agreement vis a vis the City's payment.

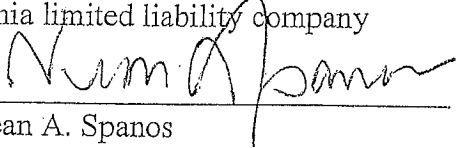
6. With respect to the method for measuring the chargers' losses resulting from the Walker Modifications as they relate to (i) general admission seats following the Guaranty Period (whether the Guaranty Period expires by its terms or is terminated by agreement of the parties) and (ii) club seats commencing with the 2002 season, the parties agree to work together in good faith to enter into a further letter agreement within ninety (90) days following the date thereof. In the event that such an agreement is not reached within such ninety (90) day period (or any extension thereof) the arbitration provisions of the ADA Agreement shall apply.

7. In the event of any inconsistency between the terms of (i) this Agreement and (ii) the Use Agreement or the ADA Agreement, the terms of this Agreement shall control. Except as expressly provided herein, all of the terms and conditions of the Use Agreement and ADA Agreement are hereby ratified and confirmed and shall continue in full force and effect.

8. This Agreement may be executed by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same instrument.

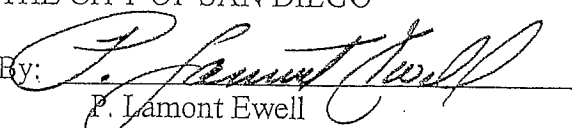
CHARGERS FOOTBALL COMPANY LLC,
A California limited liability company

By: _____


Dean A. Spanos
President/CEO

THE CITY OF SAN DIEGO

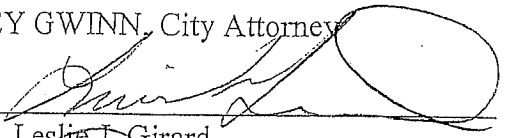
By: _____


P. Lamont Ewell
City Manager

I hereby approve the form and legality of the foregoing Agreement as of 11/29, 2004.

CASEY GWINN, City Attorney

By: _____


Leslie J. Girard
Assistant City Attorney