



September 23, 2005

Leslie J. Girard  
Assistant City Attorney Office of the City Attorney  
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1200 Third Avenue, Suite 1620  
San Diego, CA 92101-4178

Dennis Gibson  
City Ballpark Administrator  
City of San Diego  
Executive Complex  
1010 Second Avenue, Suite 500  
San Diego, CA 92101

Re: Application of Section 7.8.2 of the Joint Use and Management Agreement ("JUMA")  
regarding Date for Submission of Proposed Capital Expenditure Budget

Dear Messrs. Girard and Gibson:

This letter is to memorialize the agreement between the City of San Diego and the Padres to clarify the timing of submitting the Padres' Capital Expenditure Budget ("CE Budget") for the City's review and approval pursuant to Section 7.8.2 of the Joint Use and Management Agreement ("JUMA").

Currently, the JUMA provides at Section 7.8.2 that the Padres are to present a proposed CE Budget to the City on or before March 1 of each year, to allow the City to include it in the City's annual budget approval process for the City's next fiscal year. Because the Padres are providing all of the funding for the capital expenditures, the Padres need to be able to budget and complete the items before the beginning of each season and in accordance with the Padres' fiscal year (Nov-Oct), as opposed to providing the information in connection with the City's budgeting process.

In order to accommodate the Padres' Fiscal Year budgeting process, the City and the Padres agree that Section 7.8.2 shall be applied as follows: 1) no later than October 31 of each year, the Padres shall submit to the City a proposed CE Budget; 2) the City, pursuant to Section 7.8.4 of the JUMA will have thirty (30) days after the receipt of the proposed CE Budget from the Padres to respond; 3) if no valid objections to the proposed CE Budget are raised by the City, the City shall use that CE Budget in the City's budget process for the City's succeeding fiscal year; 4) the

SAN DIEGO PADRES

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Leslie Girard and Dennis Gibson  
September 23, 2005  
Page 2 of 2

Padres shall provide the City any updated information on the approved CE Budget no later than March 31 of each year; and 4) following the close of the Padres' fiscal year, the Padres shall provide the City with a final reconciliation of the CE Budget for that fiscal year.

No other provisions of the JUMA are affected or modified by this letter agreement.

If you agree with the above, please execute where indicated and return. If you have any questions, please call.

Sincerely,




KATHERINE K. POTHIER  
Vice President, General Counsel

cc: Accounting  
Ballpark Management

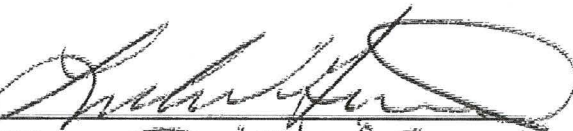
ACCEPTED AND AGREED TO AS OF THE  
DATE FIRST WRITTEN ABOVE.

THE CITY OF SAN DIEGO

By:   
Name: Dennis Gibson  
Title: City Ballpark Administrator

I hereby approve the form and legality of the foregoing  
Letter this 23 day of September, 2005

MICHAEL AGUIRRE, City Attorney

By:   
Name: Leslie S. Girard  
Title: Asst. City Atty