

**Excerpt from Approved First Amendment to
the Operating Agreement Between
The City of San Diego and the San Diego Tourism Marketing District Corp.
Approved by the City Council on March 26, 2013**

8. BALBOA PARK CENTENNIAL CELEBRATION. TMD Corporation will encourage and expect an appropriate application from Balboa Park Centennial, Inc. (BPCI), **for five percent (5%) of the total TMD disbursed funds in the first year (January 1, 2013 to June 30, 2013)** not to exceed \$750,000; and **for ten percent (10%) of total TMD disbursed funds per year for years two and three.** BPCI's applications shall not exceed \$6 million cumulatively in the three years following the Amendment Effective Date. In accordance with the 2012 Management Plan and Grant Application Guidelines, any funds allocated to BPCI shall be used for sales, marketing, special events and advertising efforts consistent with the 2012 Management Plan and approved by TMD Corporation to support the 2015 Centennial Celebration, which approval shall not be unreasonably denied. BPCI's efforts must deliver the specific benefit to the Hotels of incremental new room nights. Nothing in this Amendment shall obligate TMD Corporation to make a grant which is not permitted by applicable law, including Article XIII C, section 1, subd. (e) of the California Constitution (Proposition 26).