

PRICE LEGACY CORP
Form 10-K/A
April 30, 2003

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-K/A
AMENDMENT NO. 1**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the year ended December 31, 2002

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Commission file number 0-20449

PRICE LEGACY CORPORATION

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction
of incorporation or organization)

33-0628740

(I.R.S. Employer Identification No.)

**17140 Bernardo Center Drive, Suite 300,
San Diego, California**

(Address of principal executive offices)

92128

(zip code)

Registrant's telephone number, including area code: **858-675-9400**

Securities registered pursuant to Section 12(b) of the Act:

Common Stock \$.0001 Par Value

Securities registered pursuant to Section 12(g) of the Act:

**8³/₄% Series A Cumulative Redeemable
Preferred Stock \$.0001 Par Value**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes No

The aggregate market value of the voting and non-voting common equity held by nonaffiliates of the registrant as of June 28, 2002 was \$84,431,744 based on the last reported sale price of \$3.85 per share on June 28, 2002.

The number of outstanding shares of the registrant's common stock as of March 14, 2003 was 36,982,415.

The following items of Price Legacy Corporation's (Price Legacy) Annual Report on Form 10-K for the fiscal year ended December 31, 2002 are hereby amended. Each such item is set forth in its entirety, as amended.

PART III

Item 10. Directors and Executive Officers of the Registrant

Directors

The following table sets forth certain information regarding our existing directors, including the name, position with Price Legacy (if any) and age of each director:

| Name | Age | Title |
|---------------------|-----|--|
| Jack McGrory | 53 | Chairman of the Board |
| Gary B. Sabin | 49 | Co-Chairman and Chief Executive Officer |
| Richard B. Muir | 47 | Vice Chairman and Assistant Secretary, President, Excel Legacy and Excel Legacy Holdings |
| James F. Cahill | 48 | Director |
| Murray Galinson | 65 | Director |
| Keene Wolcott | 72 | Director |
| Reuben S. Leibowitz | 55 | Director |
| Melvin L. Keating | 56 | Director |

Jack McGrory has served as Chairman of the Board of Price Legacy since September 2001. Mr. McGrory served as Chairman of the Board of Price Legacy's predecessor, Price Enterprises, and as a director of Excel Legacy from November 1999 to September 2001. Mr. McGrory is Executive Vice President of San Diego Revitalization, a non-profit organization focused on real estate development in City Heights. Mr. McGrory is also Managing Director of The Price Group LLC, which is engaged in securities and real estate investments, since August 2000. Mr. McGrory served as Chief Operating Officer of the San Diego Padres from October 1999 to August 2000 and is a member of its Board of Directors. Mr. McGrory served as President and Chief Executive Officer of Price Enterprises from September 1997 to November 1999 and as City Manager of the City of San Diego from March 1991 to August 1997. Mr. McGrory is also a director of PriceSmart, Inc., a publicly traded operator of international membership shopping stores.

Gary B. Sabin has served as Co-Chairman of the Board and Chief Executive Officer of Price Legacy since September 2001. Mr. Sabin served as President, Chief Executive Officer and a director of Price Enterprises from November 1999 to September 2001 and as Chairman of the Board, President and Chief Executive Officer of Excel Legacy from November 1997 to September 2001. Mr. Sabin served as President and a director of New Plan Excel Realty Trust, Inc. (New Plan Excel) from September 1998 to April 1999 and as Chairman of the Board, President and Chief Executive Officer of Excel Realty Trust from January 1989 to September 1998. In addition, Mr. Sabin has served as Chief Executive Officer of various companies since his founding of Excel Realty Trust's predecessor company and its affiliates beginning in 1977. He has been active for over 25 years in diverse aspects of the real estate industry, including the evaluation and negotiation of real estate acquisitions, management, financing and dispositions.

Richard B. Muir has served as Vice Chairman of the Board since September 2001 and as Assistant Secretary of Price Legacy since April 2003. Mr. Muir has also served as President of Excel Legacy and Excel Legacy Holdings since September 2001. Mr. Muir served as Executive Vice President, Chief Operating Officer and a director of Price Enterprises from November 1999 to September 2001 and as Executive Vice President, Secretary and a director of Excel Legacy from November 1997 to

September 2001 and as its Chief Operating Officer from November 1999 to September 2001. Mr. Muir served as Executive Vice President, Co-Chief Operating Officer and a director of New Plan Excel from September 1998 to April 1999 and as Executive Vice President, Secretary and a director of Excel Realty Trust from January 1989 to September 1998. In addition, Mr. Muir served as an officer and director of various affiliates of Excel Realty Trust since 1978, primarily in administrative and executive capacities, including direct involvement in and supervision of asset acquisitions, management, financing and dispositions. Mr. Muir is also a director of Mace Security International, Inc.

James F. Cahill has served as a director of Price Legacy since September 2001. Mr. Cahill served as a director of Price Enterprises from August 1997 to September 2001. Mr. Cahill has also served as Executive Vice President of Price Entities since January 1987. In this position with Price Entities, he is responsible for the oversight and investment activities of the financial portfolio of Sol Price, founder of The Price Company, and related entities. Mr. Cahill has been a director of PriceSmart, Inc., an international retailing company publicly traded on the NASDAQ exchange, since November 1999. He is currently Vice-Chairman. He is also currently Executive Vice President of San Diego Revitalization Corp., a public non-profit organization focused on the redevelopment of an inner city community of San Diego. Prior to 1987, Mr. Cahill was employed at The Price Company for ten years with his last position being Vice President of Operations. Mr. Cahill was a director of Neighborhood National Bank, located in San Diego, from 1992 through January 1998. Mr. Cahill is also a director of PriceSmart, Inc., a publicly traded operator of international membership shopping stores.

Murray Galinson has served as a director of Price Legacy since September 2001. Mr. Galinson served as a director of Price Enterprises from August 1994 to November 1999 and from January 2001 to September 2001. Mr. Galinson has also served as Chairman of the Board of San Diego National Bank and SDNB Financial Corp. since May 1996 and as a director of both entities since their inception in 1981. Mr. Galinson served as President of both entities from September 1984 until May 1996 and as Chief Executive Officer of both entities from September 1984 to September 1997. Mr. Galinson is also a director of PriceSmart, Inc., a publicly traded operator of international membership shopping stores.

Keene Wolcott has served as a director of Price Legacy since September 2001. Mr. Wolcott has also served as President of Wolcott Investments, Inc., a private investment company, since 1975 and is currently a director of Prusser's of the West Indies Ltd., a company which owns and operates restaurants. Mr. Wolcott served as a director of The Price REIT, Inc. from January 1995 until 1998. From 1969 to 1973, Mr. Wolcott served as Chief Executive Officer of the Colorado Corporation, which managed investor funds in oil and gas exploration. Prior to 1969 he served as Senior Vice President of Hayden, Stone and Company, a securities brokerage firm.

Reuben S. Leibowitz has served as a director of Price Legacy since September 2001. Mr. Leibowitz is a Managing Director and member of Warburg Pincus LLC, a private equity investment firm, which manages affiliated entities that hold shares of Price Legacy Series B preferred and common stock. Mr. Leibowitz is also a general partner of Warburg, Pincus & Co. He has been associated with Warburg Pincus since 1984. Mr. Leibowitz is also a director of Chelsea Property Group, Inc. and a number of private companies. Mr. Leibowitz is a member of the New York State Bar and a Certified Public Accountant.

Melvin L. Keating has served as a director of Price Legacy since September 2001. Mr. Keating has served as President of Picasso Properties Corporation, a real estate consulting firm, since 1997. From 1995 to 1997, Mr. Keating served as President of Sunbelt Management Company, an owner and operator of commercial and retail real estate in North America. From 1986 to 1995, Mr. Keating served as Senior Vice President of various entities controlled by the Reichmann family, including Reichmann International Companies and Olympia & York Companies, U.S.A., which were engaged in the real estate development business, including the development and construction of major urban office buildings and other commercial property. Mr. Keating is a director of Plymouth Rubber Company, Inc.

Section 16(a) Beneficial Ownership Reporting Compliance

Under Section 16(a) of the Securities Exchange Act of 1934, as amended, directors, executive officers and beneficial owners of ten percent or more of Price Legacy's common stock and/or Series A preferred stock are required to report to the Securities and Exchange Commission (SEC) on a timely basis the initiation of their status as a reporting person and any changes with respect to their beneficial ownership of Price Legacy's common stock and/or Series A preferred stock. Based solely on its review of the forms received by it, Price Legacy believes that all filing requirements applicable to its executive officers, directors and beneficial owners of more than ten percent of its common stock and/or Series A preferred stock were complied with during 2002.

Executive Officers

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Set forth below are the names, positions and ages of the executive officers and other key employees of Price Legacy:

| Name | Age | Position |
|--------------------------|-----|--|
| Gary B. Sabin | 49 | Co-Chairman and Chief Executive Officer |
| Richard B. Muir | 47 | Vice Chairman and Assistant Secretary, President, Excel Legacy and Excel Legacy Holdings |
| Graham R. Bullick, Ph.D. | 52 | President and Chief Operating Officer |
| Mark T. Burton | 42 | Senior Vice President Acquisitions/Dispositions |
| S. Eric Ottesen. | 47 | Senior Vice President, General Counsel and Secretary |
| James Y. Nakagawa | 37 | Chief Financial Officer |
| William J. Stone | 59 | Senior Vice President Development |
| John A. Visconsi | 59 | Senior Vice President Asset Management |
| Susan M. Wilson | 45 | Senior Vice President Office/Industrial/Hospitality |

Gary B. Sabin has served as Co-Chairman of the Board and Chief Executive Officer of Price Legacy since September 2001. Mr. Sabin served as President, Chief Executive Officer and a director of Price Enterprises from November 1999 to September 2001 and as Chairman of the Board, President and Chief Executive Officer of Excel Legacy from November 1997 to September 2001. For a more detailed discussion of Mr. Sabin's business experience, see "Directors."

Richard B. Muir has served as Vice Chairman of the Board since September 2001 and as Assistant Secretary of Price Legacy since April 2003. Mr. Muir has also served as President of Excel Legacy and Excel Legacy Holdings since September 2001. Mr. Muir served as Executive Vice President, Chief Operating Officer and a director of Price Enterprises from November 1999 to September 2001 and as Executive Vice President, Secretary and a director of Excel Legacy from November 1997 to September 2001 and as its Chief Operating Officer from November 1999 to September 2001. For a more detailed discussion of Mr. Muir's business experience, see "Directors."

Graham R. Bullick, Ph.D., has served as President and Chief Operating Officer of Price Legacy since September 2001. Mr. Bullick served as Senior Vice President Capital Markets of Price Enterprises from November 1999 to September 2001 and in the same position with Excel Legacy from November 1997 to September 2001. Mr. Bullick served as Senior Vice President Capital Markets of Excel Realty Trust and then New Plan Excel from January 1991 to April 1999. Previously, Mr. Bullick was associated with Excel Realty Trust as a director from 1991 to 1992.

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Mark T. Burton has served as Senior Vice President Acquisitions/Dispositions of Price Legacy since September 2001. Mr. Burton served as Senior Vice President Acquisitions of Price Enterprises from November 1999 to September 2001 and in the same position with Excel Legacy from November 1997 to September 2001. Mr. Burton served as Senior Vice President Acquisitions with Excel Realty Trust and then New Plan Excel from October 1995 to April 1999. He also served as a Vice President of Excel Realty Trust from January 1989 to October 1995. Mr. Burton was associated with Excel Realty Trust and its affiliates beginning in 1983, primarily in the evaluation and selection of property acquisitions.

S. Eric Ottesen has served as Senior Vice President, General Counsel and Secretary of Price Legacy since September 2001. Mr. Ottesen served as Senior Vice President, General Counsel and Secretary of Price Enterprises from November 1999 to September 2001 and as Senior Vice President, General Counsel and Assistant Secretary of Excel Legacy from November 1997 to September 2001. Mr. Ottesen served as Senior Vice President Legal Affairs and Secretary of New Plan Excel from September 1998 to April 1999 and as Senior Vice President, General Counsel and Assistant Secretary of Excel Realty Trust from September 1996 to September 1998. From 1987 to 1995, Mr. Ottesen was a senior partner in a San Diego law firm.

James Y. Nakagawa has served as Chief Financial Officer of Price Legacy since September 2001. Mr. Nakagawa served as Chief Financial Officer of Price Enterprises from November 1999 to September 2001 and in the same position with Excel Legacy from October 1998 to September 2001. From March 1998 to October 1998, Mr. Nakagawa served as Controller of Excel Legacy. Mr. Nakagawa served as Controller of Excel Realty Trust and then New Plan Excel from September 1994 to April 1999. Prior to joining New Plan Excel, Mr. Nakagawa was a manager at Coopers & Lybrand LLP. Mr. Nakagawa is a certified public accountant.

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William J. Stone has served as Senior Vice President Development of Price Legacy since September 2001. Mr. Stone served as Senior Vice President Development of Price Enterprises from December 1999 to September 2001 and in the same position with Excel Legacy from December 1999 to September 2001. From November 1994 to December 1999, Mr. Stone served as Executive Vice President of DDR/OliverMcMillan, where he oversaw the development of urban retail/entertainment redevelopment projects. Prior to joining DDR/OliverMcMillan, Mr. Stone served as an executive with several nationally recognized firms in the regional shopping center industry beginning in 1975, most recently with Hahn Trizec, Inc.

John A. Visconsi has served as Senior Vice President Asset Management of Price Legacy since September 2001. Mr. Visconsi served as Senior Vice President Asset Management of Price Enterprises from November 1999 to September 2001 and in the same position with Excel Legacy from May 1999 to September 2001. Mr. Visconsi served as Vice President Leasing with Excel Realty Trust and then New Plan Excel from January 1995 to April 1999. He also served as Senior Vice President of Price Enterprises from January 1994 to March 1995. From 1981 to 1994, Mr. Visconsi was Director of Leasing and Land Development of Hahn Trizec, Inc.

Susan M. Wilson has served as Senior Vice President Office/Industrial/Hospitality of Price Legacy since September 2001. Ms. Wilson served as Senior Vice President Mixed Use/Development of Price Enterprises and as Senior Vice President Office/Industrial/Hospitality of Excel Legacy from December 1999 to September 2001. From May 1992 to May 1998, Ms. Wilson owned and operated her own real estate development and property management firm specializing in office, industrial and multi-family projects.

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Item 11. Executive Compensation

The following Summary Compensation Table sets forth summary information concerning compensation paid by Price Legacy to or on behalf of Price Legacy's Chief Executive Officer and each of Price Legacy's other four most highly compensated executive officers (collectively, the Named Executive Officers) for the years ended December 31, 2002, 2001 and 2000.

Summary Compensation Table

| Name and Principal Position(s) | Year | Annual Compensation(1) | | Long-term Compensation | All Other Compensation(3) |
|---|------|------------------------|------------|-------------------------------------|------------------------------|
| | | Salary | Bonus(2) | Securities Underlying Options | |
| Gary B. Sabin Co-Chairman and Chief Executive Officer | 2002 | \$ 321,875 | | | \$ 29,452 |
| | 2001 | 75,000 | \$ 150,000 | 762,333 | 6,239 |
| | 2000 | | | | |
| Richard B. Muir Vice Chairman | 2002 | 221,875 | | | 24,770 |
| | 2001 | 50,000 | 100,000 | 697,000 | 4,896 |
| | 2000 | | | | |
| Graham R. Bullick, Ph.D. President and Chief Operating Officer | 2002 | 193,750 | | | 25,092 |
| | 2001 | 37,500 | 75,000 | 314,500 | 5,114 |
| | 2000 | | | | |
| James Y. Nakagawa Chief Financial Officer | 2002 | 170,625 | 35,000 | | 24,205 |
| | 2001 | 30,000 | 70,000 | 307,500 | 4,338 |
| | 2000 | | | | |
| Mark T. Burton Senior Vice President Acquisitions | 2002 | 171,875 | | | 21,915 |
| | 2001 | 37,500 | 75,000 | 307,500 | 4,852 |
| | 2000 | | | | |

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(1)

The Named Executive Officers received no compensation directly from Price Legacy prior to the Merger of Excel Legacy and Price Enterprises that resulted in the formation of Price Legacy. Prior to the Merger, Excel Legacy paid the compensation of the Named Executive Officers, and Price Enterprises reimbursed Excel Legacy for the operational expenses of Price Enterprises under an administrative services agreement between the companies, pursuant to which Price Enterprises paid Excel Legacy \$2,366,300 and \$3,026,200 in 2001 and 2000, respectively. The following table provides information regarding the amounts paid to the Named Executive Officers by Excel Legacy during 2001 and 2000:

| Name | Year | Salary | Bonus | Securities Underlying Options | All Other Compensation |
|--------------------------|------|------------|-----------|-------------------------------|------------------------|
| Gary B. Sabin | 2001 | \$ 225,000 | | | \$ 18,717 |
| | 2000 | 300,000 | \$ 60,000 | 40,000 | 9,138 |
| Richard B. Muir | 2001 | 150,000 | | | 14,688 |
| | 2000 | 200,000 | 40,000 | 37,000 | 12,183 |
| Graham R. Bullick, Ph.D. | 2001 | 112,500 | | | 13,563 |
| | 2000 | 150,000 | 40,000 | 30,000 | 12,183 |
| James Y. Nakagawa | 2001 | 105,000 | | | 12,883 |
| | 2000 | 140,000 | 28,000 | 30,000 | 16,148 |
| Mark T. Burton | 2001 | 112,500 | | | 14,566 |
| | 2000 | 150,000 | 80,000 | 30,000 | 12,222 |

(2)

The bonuses represent amounts awarded by the compensation committee related to 2002 and 2001 paid by Price Legacy in March 2003 and February 2002, respectively.

(3)

All other compensation consists of medical and dental benefits, life insurance, long-term disability insurance, car allowances and contributions to Price Legacy's 401(k) plan on behalf of each Named Executive Officer.

Aggregated Option Exercises in 2002 and Fiscal Year-End Option Values

The following table provides information concerning exercises of stock options by each of the Named Executive Officers during 2002, and the number of options and value of unexercised options held by each person on December 31, 2002.

| Name | Number of Shares Acquired on Exercise | Value Realized | Number of Securities Underlying Unexercised Options At Fiscal Year-End | | Value of Unexercised In-The-Money Options At Fiscal Year-End (1) | |
|--------------------------|---------------------------------------|----------------|--|---------------|--|---------------|
| | | | Exercisable | Unexercisable | Exercisable | Unexercisable |
| Gary B. Sabin | | | 565,916 | 225,084 | | |
| Richard B. Muir | | | 523,417 | 200,250 | | |
| Graham R. Bullick, Ph.D. | | | 238,625 | 95,875 | | |
| James Y. Nakagawa | | | 87,874 | 44,959 | | |
| Mark T. Burton | | | 236,875 | 90,625 | | |

- (1) The dollar values have been calculated by determining the difference between the fair market value of the securities underlying the options and the closing price of Price Legacy's common stock on December 31, 2002.

Employment Agreements

In April 2003, Price Legacy entered into amended and restated employment agreements with the officers listed below, which replace the employment agreements entered into with such officers in 1999. Each of the amended and restated agreements has a term expiring December 31, 2004 and provides the current annual base salary as set forth in the table below. Two of the officers also received bonuses in the amounts of \$66,103.16 and \$56,598.60 upon signing. In addition, each agreement grants to the officer the right to participate in a Performance Based Incentive Plan that was established to provide the officer cash bonus awards if Price Legacy achieves strategic objectives established by the Compensation Committee. Under each agreement, the officer is also eligible to participate in Price Legacy's stock option plan. Each agreement provides that in the event the officer's employment is terminated by Price Legacy without "Cause" or by the officer for "Good Reason," including, without limitation, in the event of a "Change of Control" (as these terms are defined in each agreement), the officer is entitled to a severance payment equal to the officer's annual base salary for the remainder of the term of the agreement. If, however, the agreements expire by their terms, the officers will receive no severance payments. The agreements provide additional benefits, such as acceleration of option vesting, extension of the expiration date of vested options and extension of health benefits, upon termination of the officers' employment with Price Legacy under certain circumstances. The agreement with Gary Sabin also provides that upon termination of Mr. Sabin's employment, other than by Price Legacy for Cause prior to April 1, 2004 or by Mr. Sabin without Good Reason prior to April 1, 2004, Mr. Sabin will have the option exercisable within 60 days after his termination to purchase from Price Legacy the Excel Centre office building in which Price Legacy is headquartered at a purchase price of \$15 million. If Mr. Sabin elects to purchase the Excel Centre office building, each of the other officers has agreed to forfeit his right to receive any severance otherwise payable under his agreement. Each of the agreements also provides to the officer the right to require Price Legacy to purchase the officer's shares of Price Legacy common stock at a price equal to the fair market value determined in accordance with the agreement if the proceeds of the sale are used to purchase or repay amounts due to Price Legacy in connection with the purchase of the Excel Centre office building.

The following table provides the name, position and current annual base salary of each of the Named Executive Officers who is party to an employment agreement with Price Legacy:

| Name | Position | Annual Base Salary |
|--------------------------|---|--------------------|
| Gary B. Sabin | Co-Chairman of the Board, Chief Executive Officer | \$ 325,000 |
| Richard. B. Muir | President of Excel Legacy and Excel Legacy Holdings | 225,000 |
| Graham R. Bullick, Ph.D. | President and Chief Operating Officer | 200,000 |
| Mark T. Burton | Senior Vice President Acquisitions/Dispositions | 175,000 |
| James Y. Nakagawa | Chief Financial Officer | 175,000 |

Compensation Plans

Price Legacy Stock Option Plans. The Amended and Restated Price Legacy Corporation 2001 Stock Option and Incentive Plan (Price Legacy Option Plan) provides for the grant to executive officers, other key employees, consultants and directors of Price Legacy of a broad variety of stock-based compensation alternatives such as nonqualified stock options, incentive stock options, restricted stock, dividend equivalent awards, deferred stock awards, stock payment awards, stock appreciation rights and performance awards. The Price Legacy Option Plan currently provides for aggregate award grants of up to 3,630,000 shares of common stock. This aggregate limit automatically increases on January 1 of each calendar year by 10% of the aggregate limit in effect for the immediately preceding calendar year, up to a maximum of 5,000,000 shares of common stock. In connection with the Merger in September 2001, Price Legacy assumed Excel Legacy's stock option plan, which provided for the grant of a broad variety of stock-based compensation alternatives. The number of shares of common stock and the exercise price underlying each option granted under this plan prior to the Merger were adjusted to reflect the exchange ratio in the Merger. No future grants will be made under this plan. As of April 21, 2003, options to purchase an aggregate of 3,139,838 shares of Price Legacy common stock at prices ranging from \$3.10 to \$6.94 were outstanding under the Price Legacy Option Plan and the Excel Legacy stock option plan assumed by Price Legacy in the Merger.

401(k) Retirement Plan and Trust. Price Legacy has established a tax-qualified employee savings and retirement plan (401(k) Plan) covering all employees who have been employed by Price Legacy for at least six months and who are at least 21 years of age. Pursuant to the

401(k) Plan, eligible employees may elect to reduce their current compensation by up to the maximum amount determined by the federal government each year and have the amount of such reduction contributed to the 401(k) Plan. Price Legacy contributes three percent of each eligible employee's base salary to the 401(k) Plan. The 401(k) Plan permits, but does not require, additional cash contributions to the 401(k) Plan by Price Legacy. The 401(k) Plan is intended to qualify under the Internal Revenue Code so that contributions to the 401(k) Plan, and income earned on plan contributions, are not taxable to employees until withdrawn, and so that contributions by Price Legacy are deductible by Price Legacy when made for income tax purposes.

Compensation of Directors

During 2002, each non-employee director of Price Legacy received cash compensation of \$6,000 for serving on Price Legacy's Board of Directors. In addition, each non-employee director received \$500 for each Board of Directors meeting attended in person. Each director who sits on a committee of the Board of Directors also received \$500 for each committee meeting attended in person. The Chairman of the Board received an additional \$4,000 in cash compensation for serving as Chairman. In April 2003, the Board increased the annual director fees paid to non-employee directors to \$15,000 and increased the compensation non-employee directors receive for in-person attendance at meetings of the Board to \$1,000. The Board also increased the additional annual compensation paid to the Chairman of the Board by \$5,000 and determined to pay the Chairman of the Audit Committee additional annual

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compensation in the amount of \$15,000 for service as Chairman of that committee. Directors will continue to receive \$500 for each committee meeting they attend in person. In addition to director fees, each non-employee director of Price Legacy is granted an option to purchase 10,000 shares of Price Legacy common stock on the date the director is first elected to the Board of Directors. At each subsequent annual meeting of stockholders at which the non-employee director is re-elected, the director will receive an option to purchase 5,000 shares of Price Legacy common stock.

Committees of the Board of Directors

Audit Committee. The Audit Committee consists of Messrs. Keating (Chairman), McGrory and Wolcott. During 2002, the Audit Committee held six meetings. Pursuant to the terms of a charter adopted by the Board of Directors, the Audit Committee reviews the annual audits of Price Legacy's independent public accountants, reviews and evaluates internal accounting controls, recommends the selection of Price Legacy's independent public accountants, reviews and passes upon (or ratifies) related party transactions and conducts the reviews and examinations as it deems necessary with respect to the practices and policies of, and the relationship between, Price Legacy and its independent public accountants.

Compensation Committee. The Compensation Committee consists of Messrs. Leibowitz (Chairman), Cahill and Galinson. During 2002, the Compensation Committee held one meeting. The Compensation Committee reviews compensation of senior officers of Price Legacy and administers its executive compensation policies and stock based compensation plans.

Executive Committee. The Executive Committee consists of Messrs. McGrory (Chairman), Sabin (Co-Chairman), Leibowitz, Cahill and Galinson. During 2002, the Executive Committee held three meetings. The Executive Committee has all powers and rights necessary to exercise the full authority of the Board in the management of the business and affairs of Price Legacy, except as provided in the Maryland General Corporation Law or Price Legacy's Bylaws.

The Board of Directors has not designated a nominating committee. The Board of Directors functions as a nominating committee.

Compensation Committee Interlocks and Insider Participation

No interlocking relationship existed during 2002 or currently exists between any member of the Compensation Committee and any member of any other company's Board of Directors or compensation committee.

COMPENSATION COMMITTEE REPORT

Set forth below in full is the Report of Price Legacy's Compensation Committee regarding the compensation paid by Price Legacy to its executive officers during 2002:

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The philosophy of Price Legacy's compensation program is to employ, retain and reward executives capable of leading Price Legacy in achieving its business objectives. These objectives include:

enhancing stockholder value;

maximizing financial performance;

preserving a strong financial posture;

increasing Price Legacy's assets;

attracting and retaining highly qualified executive management; and

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positioning its assets and business in geographic markets offering long-term growth opportunities.

The accomplishment of these objectives is measured against the conditions characterizing the industry within which Price Legacy operates. Price Legacy and the Compensation Committee believe this philosophy will properly motivate the executives, and thereby promote achievement of Price Legacy's business objectives.

Components of Executive Compensation

Base Salary. Base salary is established by Price Legacy's Compensation Committee based on each executive's job responsibilities, level of experience, individual performance and contribution to the business, with reference to the competitive marketplace for executive officers at other similar companies. The Compensation Committee believes that the base salaries paid to executive officers of Price Legacy are at competitive levels relative to the various markets from which Price Legacy attracts its executive talent. The base salary and other employment benefits for Price Legacy's executive officers are provided pursuant to employment agreements with the executive officers.

Annual Cash Incentive Bonus. Annual cash incentive bonuses are established by the Compensation Committee at the end of the fiscal year and are based on Price Legacy's performance, individual performance and compensation surveys. Bonuses awarded in prior years are also taken into consideration. While executive officers of Price Legacy with employment agreements historically were able to receive up to 100% of their base salary in the form of a bonus, in connection with the execution of amended and restated employment agreements with these executive officers, the Compensation Committee established a Performance Based Incentive Plan intended to provide cash bonus awards to these executive officers if Price Legacy achieves strategic objectives established by the Compensation Committee.

Long-Term Incentives. Long-term incentives generally include awards of stock options, though under Price Legacy's stock option and incentive plan they may also include a variety of stock-based compensation alternatives such as restricted stock, dividend equivalent awards, deferred stock awards, stock payment awards, stock appreciation rights and performance awards. The objective for the awards is to closely align executive interests with the longer term interests of stockholders. These awards, which are at risk and dependent on the creation of incremental stockholder value or the attainment of cumulative financial targets over several years, represent a portion of the total compensation opportunity provided for the executive officers. Award sizes are based on individual performance, level of responsibility, the individual's potential to make significant contributions to Price Legacy and award levels at other similar companies.

Compensation of Chief Executive Officer

Price Legacy's Chief Executive Officer, Gary B. Sabin, is compensated pursuant to the terms of an employment agreement with Price Legacy. During 2002, Mr. Sabin received a base salary of \$325,000, which represents an 8.3% increase over the base salary Mr. Sabin received during 2001. Mr. Sabin received no bonus for 2002. Mr. Sabin's base salary has not been increased for 2003. Mr. Sabin is eligible to participate in Price Legacy's stock option plan. The Compensation Committee believes that Mr. Sabin's annual compensation has been set at a level competitive with other companies in the industry.

Tax Considerations

Section 162(m) of the Internal Revenue Code generally limits the tax deductions a public corporation may take for compensation paid to its Chief Executive Officer and its other four most highly compensated executive officers to \$1 million per executive per year. Price Legacy does not

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presently anticipate that any of its executive officers will exceed the non-performance based compensation threshold of Section 162(m). The Compensation Committee intends to evaluate Price Legacy's executive compensation policies and benefit plans during the coming year to determine whether any actions to maintain the tax deductibility of executive compensation are in the best interest of Price Legacy's stockholders.

The foregoing report has been furnished by the Compensation Committee.

Reuben S. Leibowitz
James F. Cahill
Murray Galinson
March 20, 2003

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PERFORMANCE GRAPH

The following performance graph compares the performance of Price Legacy's common stock to the Nasdaq Combined Composite Index and to the published National Association of Real Estate Investment Trust's All Equity Total Return Index, or the NAREIT Equity Index, in each case for the period commencing December 31, 1997 through December 31, 2002. The NAREIT Equity Index includes all tax qualified REITs listed on the New York Stock Exchange, the American Stock Exchange and the Nasdaq National Market. The graph assumes that the value of the investment in Price Legacy's common stock and each index was \$100 at December 31, 1997 and that all dividends were reinvested. The stock price performance shown on the graph is not necessarily indicative of future price performance.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth information regarding the beneficial ownership of shares of Price Legacy's common stock, Series A preferred stock and Series B preferred stock as of April 23, 2003, by: (1) each director and nominee for director; (2) each of the Named Executive Officers; (3) all executive officers and directors of Price Legacy as a group; and (4) all other stockholders known by Price Legacy to be beneficial owners of more than five percent of its common stock, Series A preferred stock or Series B preferred stock. Except as otherwise indicated, each individual named has a business address of 17140 Bernardo Center Drive, Suite 300, San Diego, California 92128, and has sole investment and voting power with respect to the securities shown.

| Name | Number of Shares Beneficially Owned | | | Percent Beneficially Owned (%) (2) | | |
|--------------------------|-------------------------------------|--------------------------|--------------------------|------------------------------------|--------------------|--------------------|
| | Common Stock (1) | Series A Preferred Stock | Series B Preferred Stock | Common | Series A Preferred | Series B Preferred |
| Gary B. Sabin(3) | 2,840,263 | 1,466 | | 7.6 | * | * |
| Richard B. Muir | 645,420 | | | 1.7 | * | * |
| Graham R. Bullick, Ph.D. | 243,382 | | | * | * | * |
| James Y. Nakagawa | 109,887 | 400 | | * | * | * |
| Mark T. Burton | 269,715 | | | * | * | * |
| Jack McGrory(4) (5) | 6,713,555 | 4,170,556 | 1,681,142 | 18.0 | 15.2 | 8.5 |
| James F. Cahill(4) (6) | 6,699,554 | 4,359,610 | 1,681,142 | 18.0 | 15.9 | 8.5 |
| Murray Galinson(4) (7) | 6,699,554 | 4,297,988 | 1,681,142 | 18.0 | 15.7 | 8.5 |
| Keene Wolcott(8) | 65,000 | | | * | * | * |
| Reuben S. Leibowitz(9) | 7,515,000 | | 17,985,612 | 19.0 | * | 91.5 |
| Melvin L. Keating(10) | 15,000 | | | * | * | * |

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| | Number of Shares Beneficially Owned | | | Percent Beneficially Owned (%) (2) | | |
|---|-------------------------------------|-----------|------------|------------------------------------|------|-------|
| | | | | | | |
| The Price Group(11) | 5,683,854 | 992,800 | 1,681,142 | 15.3 | 3.6 | 8.5 |
| The Price Family Charitable Fund | 1,000,700 | 1,709,502 | | 2.7 | 6.2 | * |
| San Diego Revitalization Corp. | | 1,450,000 | | * | 5.3 | * |
| Sol Price(4) (12) | 6,684,554 | 8,450,929 | 1,681,142 | 18.0 | 30.8 | 8.5 |
| Robert E. Price(4) (13) | 6,695,220 | 7,540,461 | 1,681,142 | 18.0 | 27.5 | 8.5 |
| Warburg Pincus LLC(9) | 7,500,000 | | 17,985,612 | 19.0 | * | 91.5 |
| Reed Conner & Birdwell, LLC(14) | 3,556,130 | | | 9.6 | * | * |
| Charles T. Munger(15) | | 2,000,000 | | * | 7.3 | * |
| All executive officers and directors as a group (12 persons) | 18,687,046 | 7,425,016 | 19,666,754 | 44.8 | 27.1 | 100.0 |

*

Less than 1%.

(1) Includes the following shares issuable upon the exercise of outstanding stock options that are exercisable within 60 days of April 21, 2003: Mr. Sabin 565,916; Mr. Muir 523,417; Dr. Bullick 238,625; Mr. Nakagawa 87,874; Mr. Burton 236,875; Mr. McGrory 29,001; Mr. Cahill 15,000; Mr. Galinson 15,000; Mr. Wolcott 15,000; Mr. Leibowitz 15,000 and Mr. Keating 15,000.

(2) Percentages are based on 36,999,082 shares of common stock, 27,413,467 shares of Series A preferred stock and 19,666,754 shares of Series B preferred stock outstanding as of April 21, 2003, plus, for each person, the shares that would be issued assuming that person exercises all options he holds that are exercisable within 60 days of April 21, 2003.

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(3) Includes 2,005,223 shares of common stock over which Mr. Sabin and his wife share voting and dispositive power, a portion of which are held in a family trust and a portion of which are held by Mr. Sabin and/or Mrs. Sabin as custodian for their minor children. Also includes the following shares over which Mr. Sabin has sole voting and dispositive power: 78,329 shares of common stock held by Mr. Sabin directly, 174,128 shares of common stock held by Sabin Industries, Inc., of which Mr. Sabin is the controlling shareholder, and 16,667 shares of common stock held by ECEG Partnership, of which Mr. Sabin is the principal partner.

(4) Jack McGrory, James F. Cahill, Murray Galinson, Sol Price and Robert E. Price are directors of The Price Family Charitable Fund and San Diego Revitalization Corp. and co-managers of The Price Group LLC. As such, for purposes of this table, they are each deemed to beneficially own 1,000,700 shares of common stock and 1,709,502 shares of Series A preferred stock held by the Charitable Fund, 1,450,000 shares of Series A preferred stock held by San Diego Revitalization and 5,683,854 shares of common stock, including 233,679 shares of common stock issuable upon the exercise of a currently exercisable warrant, 992,800 shares of Series A preferred stock and 1,681,142 shares of Series B preferred stock held by The Price Group. Each of Sol Price, Robert E. Price, James F. Cahill, Murray Galinson and Jack McGrory has shared voting and dispositive power with respect to, and disclaims beneficial ownership of, the shares held by the Charitable Fund, San Diego Revitalization and The Price Group. The business address for Jack McGrory, James F. Cahill, Murray Galinson, Sol Price and Robert E. Price is ? The Price Entities, 7979 Ivanhoe Avenue, Suite 520, La Jolla, California 92037.

(5) Includes 2,264 shares of Series A preferred stock held by Mr. McGrory as custodian for his minor children. Mr. McGrory disclaims beneficial ownership of such shares.

(6) Includes 4,400 shares of Series A preferred stock held by Mr. Cahill as custodian for his minor children and 96,992 shares of Series A preferred stock held by trusts in which Mr. Cahill is a trustee. Mr. Cahill has shared voting and dispositive power with respect to, and disclaims beneficial ownership of, the shares held by the trusts.

(7)

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Includes 64,199 shares of Series A preferred stock held by the Galinson Foundation, 45,000 shares of Series A preferred stock held by the Galinson Charitable Remainder Trust 2, 21,047 shares of Series A preferred stock held by the Murray and Elaine Galinson Family Trust, 10,000 shares of Series A preferred stock held by the Galinson Family Partnership, 3,565 shares of Series A preferred stock held by Kindervest and 1,875 shares Series A preferred stock held by Mr. Galinson's spouse. Mr. Galinson disclaims beneficial ownership of such shares.

- (8) Mr. Wolcott's business address is 4545 North Lane, Del Mar, California 92014.
- (9) E.M. Warburg Pincus, LLC, a New York limited liability company (Warburg Pincus), manages Warburg, Pincus Equity Partners, L.P., Warburg, Pincus Netherlands Equity Partners I, C.V., Warburg, Pincus Netherlands Equity Partners II, C.V. and Warburg, Pincus Netherlands Equity Partners III, C.V., which beneficially own an aggregate of 7,500,000 shares of common stock, including 2,500,000 shares of common stock issuable upon the exercise of a currently exercisable warrant, and 17,985,612 shares of Series B preferred stock. Mr. Leibowitz is a Managing Director and member of Warburg Pincus. As such, Mr. Leibowitz may be deemed to have an indirect pecuniary interest (within the meaning of Rule 16a-1 under the Exchange Act) in an indeterminate portion of the shares of Price Legacy stock beneficially owned by Warburg Pincus. Mr. Leibowitz disclaims beneficial ownership of these shares. The business address for Mr. Leibowitz and Warburg Pincus is 466 Lexington Avenue, New York, New York 10017.
- (10) Mr. Keating's business address is 18 Driftwood Drive, Livingston, New Jersey 07039.

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- (11) Includes 233,679 shares of common stock issuable upon the exercise of a currently exercisable warrant and 24,000 shares of Series A preferred stock held by an entity controlled by the Price Group.
- (12) Includes 4,298,627 shares of Series A preferred stock held by trusts of which Sol Price is a trustee, and as to which Sol Price has sole voting and dispositive power.
- (13) Includes 3,387,635 shares of Series A preferred stock held by trusts of which Robert E. Price is a trustee. Robert E. Price has shared voting and dispositive power with respect to such shares. Also includes 524 shares of Series A preferred stock held by Robert E. Price through Price Legacy's 401(k) plan and 10,666 shares of common stock held by Robert E. Price as custodian for his minor children.
- (14) Includes 3,556,130 shares of common stock beneficially owned by Reed Conner & Birdwell, LLC (RCB) and Messrs. Donn B. Conner and Jeff Bronchick, officers of RCB. This information is based solely upon information contained in a Schedule 13G filed with the SEC on February 14, 2003. The business address for RCB and Messrs. Conner and Bronchick is 11111 Santa Monica Boulevard, Suite 1700, Los Angeles, California 90025.
- (15) Includes 15,000 shares of Series A preferred stock owned by Charles T. Munger, 92,115 shares of Series A preferred stock owned by Philip B. Munger, 1,275,000 shares of Series A preferred stock held by NRACTMC Partnership, 287,040 shares of Series A preferred stock held by Alfred C. Munger Trusts and 330,845 shares of Series A preferred stock held by Charles T. and Nancy B. Munger Trusts. This information is based solely upon information contained in a Schedule 13G filed with the SEC on behalf of the foregoing individuals and entities on February 5, 1999. Charles T. Munger's business address is 355 South Grand Avenue, 34th Floor, Los Angeles, California 90071.

Equity Compensation Plan Information

The following table sets forth information regarding all of Price Legacy's equity compensation plans as of December 31, 2002.

| Plan Category | Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (1) | Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (1) | Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in |
|---------------|---|---|---|
|---------------|---|---|---|

| | | | | the first column) (1)(2) |
|--|------------------|-----------|-------------|--------------------------|
| Equity compensation plans approved by security holders | 3,139,838 | \$ | 3.29 | 160,162 |
| Equity compensation plans not approved by security holders (3) | | | | |
| Total | 3,139,838 | \$ | 3.29 | 160,162 |

- (1) Includes information related to the Price Legacy Option Plan and the Excel Legacy stock option plan that was assumed by Price Legacy in the Merger.
- (2) The number of securities remaining available for future issuance under the Price Legacy Option Plan automatically increases on January 1 of each calendar year by 10% of the aggregate limit in effect for the immediately preceding calendar year, up to a maximum of 5,000,000 shares of Price Legacy common stock.
- (3) Price Legacy maintains no equity compensation plans not approved by security holders.

Item 13. Certain Relationships and Related Transactions

Indebtedness of Management

In 1998, Excel Legacy loaned to some of its officers, including each of the Named Executive Officers, an aggregate amount of approximately \$10.9 million representing approximately 50% of the purchase price of shares of Excel Legacy common stock purchased by the officers at that time. Price Legacy assumed the loans receivable from these officers in the Merger. Following the Merger, shares of Price Legacy's common stock secured the loans. Loans to some of the officers were recourse against the officers in the amount of any deficiency between the value of the pledged shares of Price Legacy common stock and the outstanding balance of the loan. The remaining loans were non-recourse, but were secured by the pledged shares of Price Legacy common stock. One of the officers used personal funds to repay his loan in its entirety prior to maturity. The remaining loans matured on March 31, 2003. On that date, Price Legacy acquired from the officers with non-recourse loans the common stock pledged as collateral and cancelled the officers' remaining obligations under the loans. In the case of the recourse loans, Price Legacy acquired from the officers the common stock pledged as collateral, and the officers repaid the remaining balance of their loans.

The following table provides, with respect to each executive officer who had a loan from Price Legacy described above, the outstanding balance of the loan, with accrued interest, at maturity, the number of pledged shares surrendered to Price Legacy, and the recourse payment from the officer to Price Legacy (if any).

| Name | Outstanding Loan Balance at Maturity | Pledged Shares Surrendered at Maturity | Recourse Payment (if any) |
|--------------------------|---|---|------------------------------|
| Gary B. Sabin | \$ 4,586,188 | 1,016,899 | |
| Richard. B. Muir | 1,472,394 | 305,666 | |
| Graham R. Bullick, Ph.D. | 1,542,394 | 306,027 | \$ 62,782 |
| Mark T. Burton | 1,542,394 | 322,754 | |
| James Y. Nakagawa (1) | | | |
| S. Eric Ottesen | 1,542,394 | 308,619 | 53,062 |
| Ronald H. Sabin (2) | 1,612,394 | 341,413 | |
| David A. Lund (3) | 1,441,767 | 333,900 | |

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- (1) Mr. Nakagawa repaid his loan with personal funds prior to maturity. Mr. Nakagawa's outstanding loan balance was \$40,331 at the time of repayment.
- (2) Ronald H. Sabin is a former officer of Excel Legacy who resigned prior to the Merger, and the brother of Gary B. Sabin, Co-Chairman and Chief Executive Officer of Price Legacy. Ronald H. Sabin's loan was secured by 341,413 shares of Price Legacy common stock and recourse against Mr. Ronald Sabin in the amount of \$122,281. Upon maturity, Price Legacy acquired the 341,413 pledged shares and cancelled the remaining obligations under Mr. Ronald Sabin's loan, including the recourse amount.
- (3) David A. Lund is a former officer of Excel Legacy who resigned prior to the Merger. Mr. Lund's loan was unsecured and recourse against Mr. Lund in the full amount of the loan. Price Legacy anticipates acquiring 333,900 shares of Price Legacy common stock owned by Mr. Lund and canceling the remaining obligations under his loan, or pursuing full collection of the note.

Item 15. Exhibits, Financial Statement Schedules and Reports on Form 8-K

- (c) Exhibits: For a list of exhibits filed with this annual report, refer to the exhibit index beginning on page 19.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PRICE LEGACY CORPORATION

DATED: APRIL 29, 2003

By: /s/ GARY B. SABIN

Name: Gary B. Sabin
Title: Chief Executive Officer
(Principal Executive Officer)

DATED: April 29, 2003

By: /s/ JAMES Y. NAKAGAWA

Name: James Y. Nakagawa
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

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CERTIFICATIONS

I, Gary B. Sabin, certify that:

1. I have reviewed this annual report on Form 10-K/A of Price Legacy Corporation;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with

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respect to the period covered by this annual report;

3.

Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4.

The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a)

designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b)

evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c)

presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5.

The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a)

all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b)

any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6.

The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: April 29, 2003

/s/ GARY B. SABIN

Gary B. Sabin
Chief Executive Officer

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I, James Y. Nakagawa, certify that:

1.

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I have reviewed this annual report on Form 10-K/A of Price Legacy Corporation;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
 - c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: April 29, 2003

/s/ JAMES Y. NAKAGAWA

James Y. Nakagawa
Chief Financial Officer

EXHIBIT INDEX

Description

| | |
|-----------|---|
| 2.1 (1) | Agreement and Plan of Merger, dated as of March 21, 2001, by and among Price Enterprises, Inc., PEI Merger Sub, Inc. and Excel Legacy Corporation |
| 2.2(2) | Distribution Agreement dated as of August 26, 1997 between Price Enterprises, Inc. and PriceSmart, Inc. |
| 2.3(3) | Distribution Agreement, dated as of March 31, 1998, by and among Excel Realty Trust, Inc., Excel Legacy Corporation and ERT Development Corporation |
| 3.1(4) | Articles of Amendment and Restatement of Price Legacy Corporation |
| 3.2(5) | Bylaws of Price Legacy Corporation |
| 4.1(4) | Form of Common Stock Certificate |
| 4.2(6) | Form of Series A Preferred Stock Certificate |
| 4.3(7) | Form of Series B Preferred Stock Certificate |
| 4.4(8) | Indenture, dated as of November 5, 1999, between Excel Legacy Corporation and Norwest Bank Minnesota, National Association, for 9.0% Convertible Redeemable Subordinated Secured Debentures due 2004, including form of Debenture and form of Pledge Agreement |
| 4.5(9) | First Supplemental Indenture, dated as of September 18, 2001, by and among Excel Legacy Corporation, Price Legacy Corporation and Wells Fargo Bank Minnesota, N.A. with respect to the 9% Convertible Redeemable Subordinated Secured Debentures due 2004 of Excel Legacy Corporation |
| 4.6(8) | Indenture, dated as of November 5, 1999, between Excel Legacy Corporation and Norwest Bank Minnesota, National Association, for 10.0% Senior Redeemable Secured Notes due 2004, including form of Note and form of Pledge Agreement |
| 4.7(9) | First Supplemental Indenture, dated as of September 18, 2001, by and between Excel Legacy Corporation and Wells Fargo Bank Minnesota, N.A. with respect to the 10% Senior Redeemable Secured Notes due 2004 of Excel Legacy Corporation |
| 10.1 (18) | Amended and Restated Price Legacy Corporation 2001 Stock Option and Incentive Plan (the 2001 Plan) |
| 10.2 (18) | Form of Incentive Stock Option Agreement under the 2001 Plan |
| 10.3 (10) | The Price Enterprises 1995 Combined Stock Grant and Stock Option Plan (the 1995 Plan) |
| 10.4 (11) | First Amendment to The Price Enterprises 1995 Combined Stock Grant and Stock Option Plan |
| 10.5 (11) | Form of Amended and Restated Non-Qualified Stock Option Agreement under the 1995 Plan, as amended |
| 10.6 (13) | Second Amendment to The Price Enterprises 1995 Combined Stock Grant and Stock Option Plan |
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| 10.7 (14) | Loan Agreement dated June 28, 2000 between Price Owner LLC and GMAC Commercial Mortgage Corporation, including form of Promissory Note, Mortgage and Security Agreement, Assignment of Leases and Rents, Guaranty of Recourse Obligations and Environmental Indemnity Agreement |
| 10.8(1) | Securities Purchase Agreement, dated as of March 21, 2001, by and among Price Enterprises, Inc., and Warburg, Pincus Equity Partners, L.P., Warburg, Pincus Netherlands Equity Partners I, C.V., Warburg, Pincus Netherlands Equity Partners II, C.V. and Warburg, Pincus Netherlands Equity Partners III, C.V. |

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| | |
|------------|--|
| 10.9 (15) | Conversion Agreement, dated as of April 12, 2001, by and among Price Enterprises, Inc., The Sol and Helen Price Trust, Warburg, Pincus Equity Partners, L.P. and Excel Legacy Corporation |
| 10.10(4) | Registration Rights Agreement, dated as of September 18, 2001, by and among Price Enterprises, Inc., Warburg, Pincus Equity Partners, L.P., Warburg, Pincus Netherlands Equity Partners I, C.V., Warburg, Pincus Netherlands Equity Partners II, C.V. and Warburg, Pincus Netherlands Equity Partners III, C.V. |
| 10.11(1) | Form of Common Stock Purchase Warrant |
| 10.12 (12) | Revolving Credit Agreement dated as of September 19, 2001 among Price Legacy Corporation and Fleet National Bank and the other banks which are party thereto |
| 10.13 (15) | Purchase and Sale Agreement, dated as of May 7, 2001, among SREG Operating Limited Partnership, SREG Oakwood Plaza, Inc., SREG OBC, Inc., SREG Hollywood Hills, Inc., SREG Cypress Creek, Inc., SREG Kendale, Inc., SREG Cross County, Inc., and SREG (Millenia), Inc., and Swerdlow Real Estate Group, Inc. and Price Enterprises, Inc. |
| 10.14 (16) | First Amended and Restated Operating Agreement dated as of July 29, 1998 of Newport on the Levee, LLC |
| 10.15 * | Employment Contract, dated as of April 7, 2003, by and between Price Legacy Corporation and Gary B. Sabin |
| 10.16 * | Employment Contract, dated as of April 7, 2003, by and between Price Legacy Corporation and Richard B. Muir |
| 10.17 * | Employment Contract, dated as of April 7, 2003, by and between Price Legacy Corporation and Graham R. Bullick |
| 10.18 * | Employment Contract, dated as of April 7, 2003, by and between Price Legacy Corporation and S. Eric Ottesen |
| 10.19 * | Employment Contract, dated as of April 7, 2003, by and between Price Legacy Corporation and Mark T. Burton |
| 10.20 * | Employment Contract, dated as of April 7, 2003, by and between Price Legacy Corporation and James Y. Nakagawa |
| 10.21 (17) | Employment Contract, dated as of July 1, 1999, by and between Excel Legacy Corporation and John Visconsi |
| 10.22 (19) | International Swap Dealers Association, Inc. Master Agreement dated as of April 12, 2002 between Fleet National Bank and Price Legacy Corporation |
| 12.1 | Computation of ratio of earnings to fixed charges |

| | |
|------|--|
| 21.1 | Subsidiaries of Price Legacy Corporation |
| 23.1 | Consent of PricewaterhouseCoopers LLP |
| 23.2 | Consent of Ernst & Young LLP |

*

Filed herewith.

Filed previously

(1) Incorporated by reference to Current Report on Form 8-K filed with the SEC on March 23, 2001 (File No. 0-20449)

(2) Incorporated by reference to Current Report on Form 8-K filed with the SEC on September 12, 1997 (File No. 0-20449)

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- (3) Incorporated by reference to Excel Legacy Corporation's Current Report on Form 8-K (File No. 0-23503) filed with the SEC on April 2, 1998
- (4) Incorporated by reference to Current Report on Form 8-K filed with the SEC on September 19, 2001 (File No. 0-20449)
- (5) Incorporated by reference to Transition Report on Form 10-K of Price Enterprises, Inc. filed with the SEC on March 27, 1998 (File No. 0-20449)
- (6) Incorporated by reference to Current Report on Form 8-A filed with the SEC on August 7, 1998 (File No. 0-20449)
- (7) Incorporated by reference to Registration Statement on Form S-3 of Price Legacy Corporation filed with the SEC on March 1, 2002 (File No. 333-83606)
- (8) Incorporated by reference to Excel Legacy Corporation's Current Report on Form 8-K (File No. 0-23503) filed with the SEC on November 12, 1999
- (9) Incorporated by reference to Excel Legacy Corporation's Current Report on Form 8-K filed with the SEC on September 19, 2001 (File No. 0-23503)
- (10) Incorporated by reference to Registration Statement on Form 10 of Price Enterprises, Inc. filed with the SEC on December 13, 1994 (File No. 0-20449)
- (11) Incorporated by reference to Registration Statement on Form S-8 of Price Enterprises, Inc. filed with the SEC on September 2, 1998 (File No. 333-62723)
- (12) Incorporated by reference to Quarterly Report on Form 10-Q for the quarter ended September 30, 2001 filed with the SEC on November 14, 2001 (File No. 0-20449)
- (13) Incorporated by reference to Quarterly Report on Form 10-Q for the quarter ended June 30, 1999 filed with the SEC on August 4, 1999 (File No. 0-20449)
- (14) Incorporated by reference to Current Report on Form 8-K filed with the SEC on July 26, 2000 (File No. 0-20449)
- (15) Incorporated by reference to Quarterly Report on Form 10-Q/A for the quarter ended March 31, 2001 filed with the SEC on May 25, 2001 (File No. 0-20449)
- (16) Incorporated by reference to Excel Legacy Corporation's Annual Report on Form 10-K filed with the SEC on October 28, 1998 (File No. 0-23503)
- (17) Incorporated by reference to Excel Legacy Corporation's Annual Report on Form 10-K filed with the SEC on March 30, 2000 (File No. 0-23503)
- (18) Incorporated by reference to the Annual Report on Form 10-K for the year ended December 31, 2001 filed with the SEC on March 20, 2002 (File No. 0-20449)
- (19)

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Incorporated by reference to Quarterly Report on Form 10-Q for the quarter ended March 31, 2002 filed with the SEC on May 13, 2002 (File No. 0-20449)

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QuickLinks

PART III

Summary Compensation Table

Aggregated Option Exercises in 2002 and Fiscal Year-End Option Values

COMPENSATION COMMITTEE REPORT

PERFORMANCE GRAPH

BENEFICIAL OWNERS AND MANAGEMENT

Equity Compensation Plan Information

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