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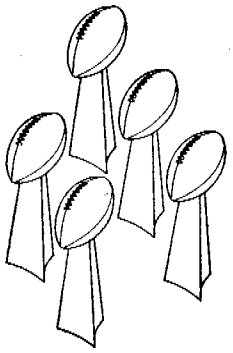

January 4, 2007

Honorable Patricia Mahan
Mayor
City of Santa Clara
1500 Warburton Ave
Santa Clara, CA 95050

Re: New Stadium for San Francisco 49ers in the City of Santa Clara

Mayor Mahan and Members of the City Council:

As you know, several weeks ago we announced that the San Francisco 49ers intended to explore opportunities for development of a new stadium in the City of Santa Clara. Although much work remains to be done to determine if such a new stadium is feasible for both Santa Clara and for the 49ers, we believe the concept has great potential. We are eager to begin working with you and your staff to explore the feasibility of this opportunity.

The San Francisco 49ers have had a successful and longstanding partnership with the City of Santa Clara (the "City") that has spanned several decades. As the location of the 49ers practice facility for nearly 20 years, many players, coaches, front office staff and their families call Santa Clara home. Likewise, 49ers' players and staff are actively engaged in community outreach and with the 49ers Foundation programs that benefit local schools and non-profit organizations. Santa Clara has been a popular destination for 49ers fans during training camp, first at Santa Clara University in the late 1970s, and most recently at the Marie P. DeBartolo Sports Centre for the past three seasons. More than 30,000 visitors from throughout the Bay Area and beyond visited training camp last year and many dined at area restaurants, stayed in local hotels and enjoyed all that Santa Clara has to offer.

We propose that the City and our affiliate, Forty Niner Stadium LLC ("Stadium LLC") begin a cooperative, good faith effort to develop a conceptual development plan and a preliminary financing plan for the Stadium project, including conducting various economic feasibility analyses, so that we can each determine whether the Stadium can be developed, operated and maintained with mutually acceptable economic results. We suggest a goal of completing the initial feasibility analysis

within six months, which may be adjusted by the parties (the "Feasibility Period").

Specifically, the project would include an approximately 68,000 seat state-of-the-art stadium and attendant accessory uses (the "Stadium"), which would be constructed in what is now the parking lot for Great America Amusement Park. The Stadium would be suitable for other events, such as international soccer matches, major concerts, college football games, and other entertainment uses. In addition, the Stadium would be designed to meet all NFL requirements to host the Super Bowl.

The following is a broad outline of 1) the guiding principles that would be important to this project from the 49ers' perspective and 2) our suggested approach to the discussions during the Feasibility Period. Obviously, all of these ideas are subject to change and refinement as we work together to test the feasibility of this concept:

Guiding Principles:

- The Stadium project must be feasible economically for City and Stadium LLC. The financing plan would be designed so that the Stadium has no negative net impact on City's general fund and no increase in taxes.

- The Stadium would be financed through a public/private partnership in a transaction structure that will be developed and evaluated during the Feasibility Period.

- City, or an affiliated governmental entity, would develop and own the Stadium and lease it to Stadium LLC for the exhibition of San Francisco 49ers home games and to other tenants and users.

- As the Stadium site is on land currently used to provide parking for Great America Amusement Park, any plans for development of the Stadium must address the parking needs of Great America Amusement Park and City's obligations to Great America under their existing lease.

- The Stadium would require access to at least 19,500 parking spaces on game days and during other major events, including use of existing parking resources in the area.

- The San Francisco 49ers would agree to play their home games in the Stadium, subject to NFL scheduling requirements, for a term

to be determined as necessary to ensure the economic feasibility of the Stadium.

- The team would continue to be called the San Francisco 49ers.

- City and the San Francisco 49ers would cooperate and use their best efforts to bring the Super Bowl to Santa Clara as soon as possible after completion of the Stadium.

Feasibility Study Process:

- City will establish a working group, including senior City staff and representatives of the City Council, to work directly with Stadium LLC during the Feasibility Period.

- City and Stadium LLC will work with other stakeholders, such as the Convention Center, Great America Amusement Park, neighboring hotels, other local businesses, and members of the community to help achieve the goals of this proposal, including financing opportunities, maximizing use of existing resources, such as parking structures and lots, and working to address any issues that may arise from construction and operation of the Stadium.

- During the Feasibility Period, revenue streams will be identified that can be generated by the Stadium owner and used to help finance development of the Stadium, such as the sale of naming rights, founding corporate sponsorships, concession rights, user fees and other similar revenues associated with the Stadium that are paid in advance of Stadium development or can be readily capitalized.

- During the Feasibility Period, revenue streams will be identified that can be used for the operation and maintenance of the Stadium, such as rent from Stadium LLC and from other tenants and users of the Stadium, and portions of concession, parking and signage revenues.

- City and Stadium LLC will cooperate during the Feasibility Period to assure the adequacy of parking, public transit and public services for events at the Stadium.

- City and Stadium LLC will examine modification of the existing ground lease for the 49ers training camp and headquarters site (recognizing potential rezoning to capture development value).

- City and Stadium LLC will cooperate in maximizing appropriate signage, including freeway signage on Highway 101, where appropriate.

If the Stadium project is initially determined to be feasible, it will be subject to in-depth environmental review and community planning processes. These processes will evaluate and address the impacts of the project on Santa Clara's residents and businesses, including effects on traffic, noise, and City services.

The San Francisco 49ers are committed to the development of a new state of the art stadium in the Bay Area that will provide our fans with a great experience. As you know, the San Francisco 49ers are the tenant under an existing lease at Monster Park in San Francisco and the team and its affiliates will continue discussions with the City and County of San Francisco regarding San Francisco's efforts to develop a suitable plan for a new stadium. That said, we believe that the site under discussion in the City of Santa Clara has tremendous potential to provide the fan experience that our fans deserve, and also to provide a facility that will be an asset to the City of Santa Clara and to the entire Bay Area.

We look forward to working with you and your staff to explore this exciting opportunity.

Very truly yours,

John C. York

cc: Dominic J. Caserta, Councilmember
Will Kennedy, Councilmember
Kevin Moore, Vice Mayor
Joe Kornder, Councilmember
Pat Kolstad, Councilmember
Jamie McLeod, Councilmember
Jennifer Sparacino, City Manager
Ronald E. Garrett, Assistant City Manager
Larry MacNeil