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Office of the City Manager
City of Santa Clara

December 7, 2011

Jennifer Sparacino
Executive Director
Santa Clara Stadium Authority
1500 Warburton Avenue
Santa Clara, CA 95051

Re: Summary of Stadco Obligations

Dear Jennifer:

As you know, Forty Niners Stadium, LLC ("Stadco") has executed that certain Commitment Letter, dated November 4, 2011, among Stadco, the Stadium Funding Trust, Goldman Sachs Bank USA, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bank of America, N.A. and U.S. Bank National Association (the "Commitment Letter"). On December 13, 2011, the Board of the Santa Clara Stadium Authority ("SCSA") is scheduled to consider approval of the SCSA's joinder to the Commitment Letter. In connection with its consideration of the joinder, the SCSA has asked that Stadco submit a summary description of the obligations to the SCSA that Stadco would undertake with respect to the financing described in the Commitment Letter. In response to that request, Stadco hereby submits for your consideration the attached "Summary of the Stadco Subordinated Loan, Stadco Obligations and SBL Disbursement Conditions" (the "Summary of Stadco Obligations").

The Summary of Stadco Obligations is intended as a companion to the Summary of the Senior Secured Facility attached as Annex B to the Commitment Letter, and is also intended to be attached, along with the Summary of the Senior Secured Facility, to the Disposition and Development Agreement ("DDA") as a part of the Preliminary Financing Plan. As described in the DDA and the Commitment Letter, the Senior Secured Facility and the Subordinated Loan and other obligations described in the Summary of Stadco Obligations are subject to a variety of conditions precedent and to the final negotiation, approval and execution of binding legal agreements.

Although much work remains to be done, the approval of the DDA and the SCSA's joinder to the Commitment Letter are exciting milestones for the project. As always, we appreciate the dedication of the SCSA staff and its consultants, and we look forward to continuing to work with you in the coming months.

Very truly yours,

Forty Niners Stadium, LLC

By: 
Lawrence MacNeil

cc: Ronald E. Garrett

Summary of the StadCo Subordinated Loan, StadCo Obligations and SBL Disbursement Conditions

This Summary outlines certain terms (i) of the StadCo Subordinated Loan, (ii) of the StadCo Term Loan Commitment, (iii) of the StadCo Purchase Commitment and (iv) under which SBL Proceeds are to be disbursed for the payment or reimbursement of Stadium Project construction costs. Capitalized terms used but not defined herein are defined in the Commitment Letter, dated November 4, 2011 (inclusive of Annexes A, B and C attached thereto, the "Commitment Letter"), among Forty Niners Stadium, LLC, a Delaware limited liability company, Stadium Funding Trust, a Delaware statutory trust ("FinanceCo"), Goldman Sachs Bank USA, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bank of America, N.A. and U.S. Bank National Association.

Parties; StadCo Obligations Agreement	
Authority:	Santa Clara Stadium Authority, a joint powers agency created pursuant to Section 6532 of the California Government Code (the " <i>Authority</i> "), formed exclusively for the purpose of financing, constructing, owning and operating the Stadium Project.
StadCo:	Forty Niners Stadium, LLC (" <i>StadCo</i> "), a special purpose entity whose activities will be limited exclusively to (i) participating in the development and financing of the Stadium Project, (ii) leasing the Stadium from the Authority and (iii) subleasing the Stadium to San Francisco Forty Niners, Limited (the " <i>Team</i> "; and together with StadCo, the " <i>Team Parties</i> "). As of the Closing Date, StadCo will be a wholly-owned, direct subsidiary of the Team.
StadCo Obligations Agreement:	On or prior to the Closing Date, StadCo and the Authority will enter into an agreement (the " <i>StadCo Obligations Agreement</i> ") pursuant to which, among other things, (i) StadCo will make the StadCo Subordinated Loan (as defined and further described below), (ii) StadCo will obligate itself under certain circumstances to purchase from FinanceCo all or a portion of the Authority Loan on the Maturity Date (defined below), and (iii) StadCo will be required on the Maturity Date to loan to the Authority funds in an amount further described below if the StadCo Subordinated Loan has then matured.
StadCo Subordinated Loan	
StadCo Subordinated Loan:	Beginning on or around the Closing Date, and until the GMP for the construction of the Stadium has been established (exclusive of StadCo-controlled tenant improvements), StadCo will apply, in accordance with the Funding Agreement (as defined in the Disposition and Development Agreement), the proceeds of the StadCo Loan (proceeds drawn during such period, the " <i>Initial Proceeds</i> ") to the payment of certain financing and other costs payable or reimbursable during such period (including, without limitation, fees owed by FinanceCo to the Lenders with respect to the Senior Secured Facility). Thereafter, StadCo will loan to the Authority all or substantially all of the remaining proceeds of the

	<p>StadCo Loan, which loan (such loan, together with other amounts loaned by StadCo to the Authority to pay or reimburse financing costs (including interest and fees) and Authority Project Costs (defined below), collectively, the "<i>StadCo Subordinated Loan</i>") is to be used by the Authority to pay or reimburse Authority Project Costs and to fund interest and fees that become due with respect to the StadCo Subordinated Loan during the construction of the Improvements. The StadCo Subordinated Loan will constitute a loan subordinate to the Authority Loan and will be evidenced by a note of the Authority (the "<i>Authority Note</i>") issued to StadCo on or before the Closing Date.</p>
Amount:	Up to a maximum amount to be agreed and presently anticipated to be US\$400 million.
Purpose/Use of Proceeds:	The Authority will use the proceeds of the StadCo Subordinated Loan to pay (i) costs and expenses of the design, development, construction and completion of the Stadium Project (" <i>Authority Project Costs</i> "), and (ii) interest and fees that become due with respect to the StadCo Subordinated Loan during the construction of the Improvements.
Maturity Date:	The StadCo Subordinated Loan is expected to mature either (i) on the maturity date of the Senior Secured Facility, the Authority Loan and the StadCo Loan (the " <i>Maturity Date</i> "), or (ii) at the end of an approximately 25-year term (the " <i>Long Term Maturity Date</i> "). If the StadCo Subordinated Loan is structured such that it matures on the Maturity Date, StadCo will make the StadCo Term Loan Commitment as described below. If the StadCo Subordinated Loan is structured such that its maturity date is the Long Term Maturity Date, no StadCo Term Loan Commitment will be made.
Availability:	Multiple drawings may be made under the Authority Note.
Amortization:	No scheduled amortization will be required with respect to the StadCo Subordinated Loan during the construction of the Improvements. If the StadCo Subordinated Loan is structured such that its maturity date is the Long Term Maturity Date, amortization will begin following the Maturity Date and will proceed on a schedule to be agreed upon which will fully amortize the StadCo Subordinated Loan over its term.
Interest Rate:	While the Authority Loan is outstanding, the StadCo Subordinated Loan will bear interest at the rate and on the terms applicable to the Authority Loan and the StadCo Loan. If the StadCo Subordinated Loan is structured such that its maturity date is the Long Term Maturity Date, it is anticipated that, following the refinancing of the Authority Loan, the StadCo Subordinated Loan will automatically adjust to bear interest at the rate and on the terms applicable to the permanent financing incurred by the Authority to refund the

	Authority Loan.
Interest Payments:	After the Closing Date, while the Authority Loan is outstanding, interest on the StadCo Subordinated Loan will be payable on the schedule on which interest is payable on the Authority Loan. If the StadCo Subordinated Loan is structured such that its maturity date is the Long Term Maturity Date, it is anticipated that, following the refinancing of the Authority Loan, interest on the StadCo Subordinated Loan will be payable on the schedule on which interest is payable on the permanent financing incurred by the Authority to refund the Authority Loan.
Voluntary Prepayments:	The StadCo Subordinated Loan may be prepaid in whole or in part without premium or penalty; <i>provided</i> that, while the Authority Loan is outstanding, if the StadCo Subordinated Loan then bears interest with reference to the reserve adjusted Eurodollar Rate, it will be prepayable only on the last day of the related interest period unless the Authority pays any related breakage costs; and <i>provided, further,</i> that if the StadCo Subordinated Loan is structured such that its maturity date is the Long Term Maturity Date, the Authority shall be required to pay any breakage costs, premium or penalty, if any, payable by StadCo as a result of any such prepayment made after the refinancing of the Authority Loan.
Mandatory Prepayments:	<p>The Authority will be required to make mandatory prepayments on the StadCo Subordinated Loan from designated revenues received by the Authority (i) subject to (A) any obligation to make payments to the City under the Ground Lease, (B) while the Authority Loan is outstanding, any obligation otherwise to use or hold revenues pursuant to the definitive Authority Loan documents, (C) any obligation otherwise to use or hold revenues pursuant to the definitive StadCo Obligations Agreement (including, without limitation, the obligation to apply such revenues to the payment of the Authority's operating and maintenance expenses and to the funding of reserves), and (D) if the StadCo Subordinated Loan is structured such that its maturity date is the Long Term Maturity Date, any obligation otherwise to use or hold revenues pursuant to the definitive documents governing the permanent financing incurred by the Authority to refund the Authority Loan; and (ii) prior to any other distribution of such revenues to the City or to the Redevelopment Agency of the City of Santa Clara (the "<i>Agency</i>"), except for payments to the City and Agency required to be made as a condition to a sublease to a second NFL franchise.</p> <p>The Authority will be deemed to have made a mandatory prepayment of the StadCo Subordinated Loan upon the application by FinanceCo of Authority Pledged Revenues to the payment of the Senior Secured Facility under certain circumstances and to the extent described in the definitive Loan Documents.</p>

Security:	Subject to any limitations described in the definitive documents, as security for the StadCo Subordinated Loan, StadCo will have a subordinate security interest in any and all property of the Authority that is pledged or purported to be pledged to FinanceCo as collateral for the Authority Loan, including, without limitation, (a) the Authority Pledged Revenues, and (b) the Authority's interests in the Ground Lease and the Stadium Lease, the Naming Rights Agreement and other contracts related to the Stadium Project.
StadCo Obligations	
StadCo Obligations:	Under the StadCo Obligations Agreement, StadCo will, for the benefit of the Authority and FinanceCo, make (a) the StadCo Term Loan Commitment ¹ and (b) the StadCo Purchase Commitment (the StadCo Term Loan Commitment and the StadCo Purchase Commitment, collectively, the " <i>StadCo Obligations</i> ").
Amount:	The amount of the StadCo Obligations will, in the aggregate, equal the amount of the Authority Loan outstanding from time to time. If the StadCo Term Loan Commitment is not required to be made because of the tenor of the StadCo Subordinated Loan, the amount of the StadCo Purchase Commitment will equal the amount of the Authority Loan outstanding from time to time. If the StadCo Term Loan Commitment is required to be made, the initial respective amounts of the StadCo Term Loan Commitment and the StadCo Purchase Commitment will be agreed upon among the Authority, StadCo, FinanceCo and the Initial Lenders prior to the Closing.
StadCo Term Loan Commitment:	If the StadCo Subordinated Loan is structured such that its maturity date is the Maturity Date, and consequently the StadCo Term Loan Commitment is made, StadCo will be required to loan to the Authority funds in an amount equal to the StadCo Term Loan Commitment by not later than the Maturity Date.
Purpose/Use of Proceeds of StadCo Term Loan Commitment:	To finance or refinance certain costs and expenses of the Stadium Project paid or payable by the Authority, including, without limitation, to refinance all or a portion of the Authority Loan.
Amortization:	If StadCo makes a term loan to the Authority pursuant to the StadCo Term Loan Commitment, amortization of that loan will begin following the Maturity Date and will proceed on a schedule to be agreed upon which will fully amortize the loan over its term.
StadCo Purchase Commitment:	StadCo will be required to purchase from FinanceCo on the Maturity Date all or a portion of the Authority Loan then outstanding on terms and under conditions to be agreed among StadCo, the Authority, FinanceCo and the Initial Lenders. The StadCo Purchase Commitment will be an obligation of StadCo subordinate to the

¹ If the Stadco Subordinated Loan is structured such that its maturity date is the Long Term Maturity Date, the Stadco Term Loan Commitment will not be made.

	<p>StadCo Loan.</p> <p>The Authority's obligation to repay the principal of the Authority Loan purchased by StadCo pursuant to the StadCo Purchase Commitment will be forborne by StadCo until (i) the third anniversary of the Maturity Date, or (ii) if earlier, the date on which the Authority Loan has been fully refinanced (either such date, as applicable, the "<i>Deferred Maturity Date</i>"). During the period that begins on the Maturity Date and ends on the Deferred Maturity Date, interest on the Authority Loan will remain payable at the rate and on the terms applicable prior to the Maturity Date.</p>
Mandatory Reduction of StadCo Obligations:	The aggregate amount of the StadCo Obligations will be reduced automatically to the extent that the amount of the Authority Loan outstanding from time to time is reduced.
Support for StadCo Obligations:	To support StadCo's obligation to fulfill the StadCo Purchase Commitment, and the StadCo Term Loan Commitment, if any, (i) pursuant to StadCo's operating agreement, in the event StadCo does not then have available funds or access to financing sufficient to meet its obligation under the StadCo Purchase Commitment or the StadCo Term Loan Commitment, StadCo shall have the right to, and shall, make a capital call on the Team in the amount of any deficiency, and the Team shall be obligated to promptly fund such capital call, subject to any restrictions on the Team under the NFL Constitution or the NFL League-wide Credit Facility, and provided that the NFL sufficiently waives the debt limit to which the Team is subject under the terms of the NFL Constitution; or (ii) the NFL shall agree under the NFL Consent Letter to seek a purchaser for (a) all assets of the Team and StadCo or (b) the Team and StadCo as a whole.
Security:	Subject to any limitations described in the definitive documents, as security for the StadCo Obligations, the Authority will have a subordinate security interest in any and all property of StadCo that is pledged or purported to be pledged to FinanceCo as collateral for the StadCo Loan, including, without limitation, (a) the StadCo Pledged Revenues, and (b) the Stadium Lease, the Team Sublease and other contracts related to the Stadium Project to which StadCo is a party.
SBL Proceeds	
Application of SBL Proceeds:	Proceeds received by the Authority from the sale or license of any stadium builder licenses (" <i>SBL Proceeds</i> ") will be applied by the Authority to (1) the payment of Authority Project Costs, (2) the prepayment of the Authority Loan, or (3) the prepayment of the StadCo Subordinated Loan, in each case subject to the terms of the definitive Authority Loan documents and the definitive StadCo Obligations Agreement, and <i>provided</i> the Construction Loan Threshold (defined below) has been met or exceeded.

<p>Construction Loan Threshold:</p>	<p>The Construction Loan Threshold will have been met only when (1) the Initial Proceeds shall have been applied by StadCo as described above under the heading "StadCo Subordinated Loan," (2) the proceeds of the NFL Financing shall have been applied by StadCo as contemplated in the Commitment Letter, and (3) at least US\$200 million of proceeds of the Senior Secured Facility shall have been disbursed at the direction of FinanceCo to pay Authority Project Costs or StadCo Project Costs, not including any proceeds of the Senior Secured Facility loaned by FinanceCo to StadCo as part of the Initial Proceeds (the circumstances described in the foregoing clauses (1), (2) and (3), collectively, the "<i>Construction Loan Threshold</i>").</p> <p>Until the Construction Loan Threshold has been met, all SBL Proceeds shall remain fully available to reimburse each purchaser of a stadium builder license as and to the extent required under the terms and conditions of such license.</p>
<p>NFL Rights:</p>	<p>The StadCo Obligations will be subject in all respects to the NFL Constitution, rules and regulations. The Collateral Agent, the Administrative Agent, the Co-Lead Arrangers, FinanceCo, the Authority and the Team Parties will enter into a letter agreement with the NFL on the Closing Date (the "<i>NFL Consent Letter</i>") with respect to the StadCo Obligations. The NFL Consent Letter will (i) impose certain restrictions on the ability of the Collateral Agent and the Lenders to exercise remedies under the Loan Documents, and (ii) permit the NFL under certain circumstances further described therein to seek a purchaser for (a) all assets of the Team and StadCo or (b) the Team and StadCo as a whole.</p>

The foregoing is intended to summarize certain basic terms of the StadCo Subordinated Loan, the StadCo Term Loan Commitment and the StadCo Purchase Commitment and the terms and conditions under which SBL Proceeds are to be disbursed for the payment or reimbursement of Stadium Project construction costs. The foregoing is not intended to be a definitive, comprehensive or binding description of such terms.