

SCSA

Santa Clara Stadium Authority

October 1, 2018

Mr. Jim Mercurio, Stadium Manager
San Francisco Forty Niners Management Company
4900 Marie P. De Bartolo Way
Santa Clara, California 95054

SUBJECT: Management Agreement 3.3

Dear Mr. Mercurio:

Over our past monthly meetings, I have advised of the need for your compliance with Stadium Management Agreement Section 3.3.¹ In addition to the other compliance matters that we have discussed, I am reminding you that per the terms of the Stadium Management Agreement.

Stadium Manager shall furnish the Executive Director, within 45 days of each Non-NFL Event with attendance projected to exceed 25,000 and on a quarterly basis for all other events, such written revenue or other reports relating to Non-NFL Events as the Parties may agree from time to time.

To date, I have not received any written reports as required by the foregoing provision. Our records show that the Stadium Authority Executive Director has never received such reports since Stadium Management Company (ManCo) began operations at the Stadium. ManCo will remain out of compliance with the Stadium Management Agreement, **unless it provides within 30 calendar days all of the past due required quarterly written reports** in accordance with the Stadium Management Agreement that contain the following information for all Non-NFL Events:

- Brief Event Narrative (overview report on event highlights)
- Event Contract
- Event Pro-Forma
- Profit & Loss Statement detailing all revenue and expense items, including all Non-NFL Event Revenue as defined in the Amended and Restated Stadium Lease²
- Statistical Event Data such as number of tickets sold, number of tickets scanned, total number of cars parked (main lot and offsite lots), etc.

For the Non-NFL Events with attendance not projected to exceed 25,000, **please provide quarterly reports as outlined above in accordance with the Stadium Authority fiscal year calendar: by March 31, June 30, August 31 and December 31.** Additionally, according to the Levi's Stadium events calendar, the last Non-NFL Event was the 2018 International Champions Cup on August 4, an event with attendance projected to exceed 25,000. I expect to receive the written report, as detailed

¹ Section 3.3 (Quarterly Status Meeting) of First Amendment to Stadium Management Agreement made and entered into as of November 13, 2012 by and between the Santa Clara Stadium Authority, Forty Niners Stadium Management Company LLC, and Forty Niners SC Stadium Company

² Section 12.8 Non-NFL Event Revenue

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above, for this event within a week of this letter and for the upcoming concert within the time frame established by the Management Agreement.

These written reports do not replace the existing staff-level administrative processes of ManCo providing data for each Non-NFL Event to Santa Clara Stadium Authority (SCSA) as it becomes available. ManCo should continue providing ticket and parking data by email to SCSA Treasurer or her delegate and load data on the shared laptop in the SCSA Stadium office.

Thank you in advance for your compliance with the Stadium Management Agreement. If you have records indicating that Stadium Authority Executive Director received the required information according to the Stadium Management Agreement terms, please provide me with those records.

Sincerely,



Deanna J. Santana
Executive Director

cc: Stadium Authority Board
Walter C. Rossmann, Chief Operating Officer
Brian Doyle, Stadium Authority Counsel