

LEASE AGREEMENT

THIS LEASE AGREEMENT, made and entered into on this 12<sup>th</sup> day of February, 1987, by and between the CITY OF SANTA CLARA, lessor, a California municipal corporation, hereinafter referred to as "CITY," and the SAN FRANCISCO FORTY-NINERS, LTD., lessee, a California limited partnership, hereinafter referred to as "LESSEE."

NOW, THEREFORE, it is mutually agreed as follows:

1. Description of Land.

CITY hereby Leases to LESSEE, and LESSEE hires from CITY, on the terms and conditions hereinafter set forth, that certain unimproved land (the "Land") situated in the CITY of Santa Clara, State of California, consisting of a ten (10) net acre site as described in the legal description attached as Exhibit A hereto and as shown on the site map attached as Exhibit B hereto.

2. Use of Property.

2.1 Use. LESSEE shall construct on the Land an office building of between forty thousand (40,000) and seventy-five thousand (75,000) square feet to be used as its administrative and training facility, together with football fields, related athletic training facilities (including without limitation swimming pools, tennis courts, a running track and food service), a six-foot fence (with barbed wire on top) along the south property line, landscaping and a

B. The CITY has provided resolutions of the Santa Clara City Council, or other evidence reasonably satisfactory to LESSEE, that public funds have been budgeted for and allocated to the construction of Centennial Boulevard as a two (2) lane (one (1) lane in each direction) half-street (the "Off-Site Road"), that such construction has been scheduled, and that such schedule provides for construction of the Off-Site Road to be substantially completed and available for LESSEE's use on or before the date of occupancy by LESSEE of the administrative and training facilities portion of the Improvements (as reasonably anticipated by LESSEE); and

C. All connections for utilities, including without limitation storm sewers, sanitary sewers, water, electric, telephone and gas (the "Utilities"), have been made available to the Property boundary at no cost to LESSEE other than the Development Fees (as defined in the Lease Agreement), and such Utilities are of normal size and capacity to meet LESSEE's requirements or, if they are not, (i) as to all Utilities other than telephone and gas, CITY has provided resolutions of the Santa Clara City Council, or other evidence reasonably satisfactory to LESSEE, that public funds have been budgeted for and allocated to making such Utilities available to the Property boundary, that the work for making such Utilities so available has been scheduled, and that such schedule provides for said work to be substantially completed and available for LESSEE's use on or before the date of occupancy by LESSEE of ~~any~~ portion of the Improvements (as

/the administrative and training

of the United States to the CITY, 1500 Warburton Avenue, Santa Clara, California 95050, for said premises for the Term hereof as follows:

4.1 Minimum Annual Rent.

LESSEE shall pay minimum annual net rent in the amount of One Thousand Dollars (\$1,000) per acre per annum, plus an annual increase of four percent (4%) per annum (the "Rent"), payable annually in advance commencing on the Commencement Date and thereafter on each anniversary of the Commencement Date; i.e.: 1st year [\$10,000], 2nd year [\$10,000 x .04 = \$400 (\$10,400)], 3rd year [\$10,400 x .04 = \$416 (\$10,816)], etc.

4.2 Rent Following a Change in Use.

(a) Provided, however, that if any portion of the Property is used for other than Football Uses ( as defined below), then the annual Rent during the period that any portion is so used for other than Football Uses shall be increased, commencing upon the date of such Change in Use (defined below) (with a prorata adjustment if such Change in Use occurs during a Lease year), to (i) a minimum annual net rent of One Hundred Thousand Dollars (\$100,000), plus (ii) Two Dollars (\$2.00) per each square foot of Excess Building Space (as defined below) that (A) has been constructed on the Land within the area outlined for "Future Bldg. Expansion" on the site plan dated January 12, 1987 relating to the Property and prepared by HOK Sports Facilities Group, and (B) does not constitute After-Change Improvements (as defined

tion with the development and use of the Property and the construction and use of the Improvements (the "Development Fees") shall be based on (i) initial Football Uses Improvements actually constructed on the Land, and (ii) the portion of the Land on which such Improvements are actually located, and that, for the purpose of determining Development Fees football fields shall not be considered to be Improvements or Land. The CITY further represents, warrants and covenants that Development Fees are currently in the amount of approximately (i) Twenty-Three Thousand Dollars (\$23,000) per acre of land, plus (ii) Twenty Cents (20¢) per square foot of building floor area (based on standard construction), and estimates that the Development Fees for the Initial Improvements (based on the office building containing 50,000 square feet) will be in the amount of approximately Fifty-Six Thousand Dollars (\$56,000).

36. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this contract.