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[Settlement of Government Claim]

Ordinance authorizing settlement of the government claim filed by the San Francisco Forty Niners, Ltd., against the City and County of San Francisco, on January 29, 2007, including the execution and delivery of a related rent credit agreement.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Findings:

(1) On January 29, 2007, the San Francisco Forty Niners, Ltd. ("the 49ers") filed a government claim against the City and County of San Francisco, alleging that the City is in breach of the Candlestick Park Stadium Lease dated as of December 3, 1969 between the City and the 49ers, as amended (the "Lease"), based upon the City's alleged failure to maintain and repair the stadium known as Monster Park ("the Stadium") as required under the Lease, and further claiming entitlement to a partial refund of rent paid by the 49ers under the Lease based upon the amount of the City's stadium admissions tax ("the 49ers' Claim");

(2) In settlement of the 49ers' Claim, the parties have negotiated a settlement agreement, and related rent credit agreement, pursuant to which the 49ers are authorized to perform specified repairs at the Stadium at a cost not to exceed Ten Million Three Hundred Ten Thousand Dollars (\$10,310,000) and receive a credit against rent payable under the Lease in the amount of the 49ers' actual expenditures together with interest. The 49ers' expenditures will be credited against rent through rent credits on a specified schedule through the 2010-2011 football season. In the event that the Lease expires or terminates early for any reason other than a default by the 49ers and the 49ers have not yet received the full benefit of the rent credits, then the City agrees to pay to the 49ers the remaining balance of the earned rent credits, as more particularly described in the rent credit agreement.

1 (3) As part of the settlement, and as more particularly described in the rent credit
2 agreement, the 49ers agree that the 49ers are not currently entitled to any rent rebate under
3 the Lease based upon the amount of the City's stadium admissions tax and shall not in the
4 future be entitled to any rent reduction under the Lease so long as (i) the City's stadium
5 admissions tax does not exceed \$2.25 per ticket, and (ii) the City continues annually to give to
6 the San Francisco Unified School District for its after-school sports program any stadium
7 admission tax amount above \$1.50 per ticket. A copy of the parties' settlement agreement,
8 together with the rent credit agreement, is contained in Board File No. 070509.

9 Section 2. The Board of Supervisors authorizes the San Francisco City Attorney's
10 Office to settle the 49ers' Claim according to the terms set forth herein, and the Board of
11 Supervisors further approves and authorizes the City's execution, delivery and performance of
12 the settlement agreement and rent credit agreement. Any and all actions taken by City
13 officials consistent with this Ordinance are hereby ratified and approved.

14 APPROVED AS TO FORM AND
15 RECOMMENDED:

16 DENNIS J. HERRERA
17 City Attorney

18 
19 JAMES M. EMERY
20 Deputy City Attorney

RECOMMENDED BY RECREATION AND
PARK COMMISSION
RESOLUTION NO.: 0704-020
DATE: April 19, 2007

21 
22 MARGARET MCARTHUR
23 Government Liaison
24
25



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails Ordinance

File Number: 070509

Date Passed:

Ordinance authorizing settlement of the government claim filed by the San Francisco Forty Niners, Ltd., against the City and County of San Francisco, on January 29, 2007, including the execution and delivery of a related rent credit agreement.

May 15, 2007 Board of Supervisors — PASSED, ON FIRST READING

Ayes: 11 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Jew, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval

May 22, 2007 Board of Supervisors — FINALLY PASSED

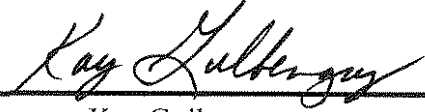
Ayes: 11 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Jew, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval

File No. 070509

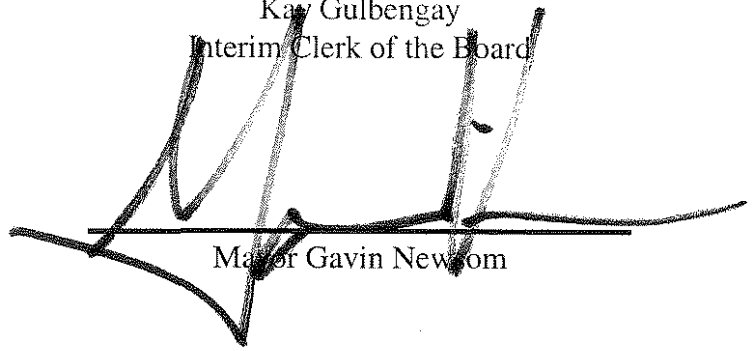
I hereby certify that the foregoing Ordinance
was FINALLY PASSED on May 22, 2007 by
the Board of Supervisors of the City and
County of San Francisco.

MAY 31 2007

Date Approved



Kay Gulbengay
Interim Clerk of the Board



Mayor Gavin Newsom