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OAKLAND

2016 DEC -9 AM 9:41

# AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Claudia Cappio  
Asst. City Administrator

**SUBJECT:** Coliseum Term Sheet and ENA with  
The Lott Group/Fortress

**DATE:** December 7, 2016

City Administrator Approval

Date:

12/9/16

## RECOMMENDATION

**Staff Recommends That City Council Adopt A Resolution Authorizing a Term Sheet and an Exclusive Negotiating Agreement with Oakland City Pro Football Group, LLC, and Fortress Investment Group, LLC, or Affiliated Entities, For Development of a Stadium and Mixed-Use Project at the Oakland-Alameda County Coliseum Complex and Adjacent City Properties**

## EXECUTIVE SUMMARY

Staff recommends that Council adopt a resolution authorizing the City Administrator to negotiate and execute a project Term Sheet ("Term Sheet") and a twelve-month Exclusive Negotiating Agreement ("ENA"), with two six-month administrative options to extend, with Oakland City Pro Football Group, LLC, and Fortress Investment Group, LLC, or affiliated entities (together, the "Lott Group/Fortress") for a stadium and mixed-use development project at the Oakland-Alameda County Coliseum Complex ("Coliseum") site and surrounding City-owned parcels. The Term Sheet, which will be incorporated into the ENA, establishes a framework for a deal structure which will become the basis for negotiations with the Lott Group/Fortress over the future stadium and mixed-use project. (*See Term Sheet, Attachment A*)

## REASON FOR URGENCY

Passage of the resolution will allow the City Administrator to immediately enter into a Term Sheet with the Lott Group/Fortress. The Lott Group/Fortress is interested in submitting their current proposal to the National Football League ("NFL"), which will be holding owners meetings in December and January concerning the Raiders' proposed relocation to Las Vegas. An executed Term Sheet between the City, the County, and the Lott Group/Fortress would be a strong signal to the NFL and team owners that the Lott Group/Fortress has a viable financial plan to build a new Raiders stadium in Oakland. The Raiders became interested in moving to Las Vegas after the Sands Casino owner, Sheldon Adelson, announced he would contribute \$650 million towards a Raiders stadium in Las Vegas. Since then, the Nevada legislature and Governor of Nevada have also approved \$750 million in hotel tax revenue towards development of a new Raiders stadium in Las Vegas.

Item: \_\_\_\_\_

City Council  
December 13, 2016

## **BACKGROUND/LEGISLATIVE HISTORY**

In 2012 and 2015, the City entered into ENAs with developer teams in an attempt to facilitate development of new sports venues and other uses at the Coliseum. The purpose of those ENAs was to create a new vision and master plan effort to support the corresponding Coliseum Area Specific Plan ("Specific Plan"). In 2015, the Specific Plan and its Environmental Impact Report ("EIR") were completed and formally adopted pursuant to Council Resolution No. 85491 C.M.S. and Ordinance No. 13302 C.M.S.

On August 26, 2016, representatives of the City and the County of Alameda signed a non-binding letter of intent with the Lott Group regarding the current proposed project. The letter of intent contemplated that the parties would negotiate and enter into a term sheet and ENA to further advance the project.

The properties comprising the project site as set forth in the Term Sheet include 105 acres owned by the City and the County of Alameda at the Coliseum Complex. (The City owns approximately 20 of these acres, with the remainder owned jointly by the City and the County.) Under the Term Sheet and ENA, another 15 acres would be reserved for a new ballpark site for the Oakland Athletics, which would be added to the Lott Group/Fortress project site if the A's choose to relocate to a non-Coliseum location; and another 10 acres occupied by the Oracle Arena would be added to the project site if the Golden State Warriors relocate and the City and County elect not to continue the use of the Arena. Moreover, parties acknowledge the existence of the current A's Coliseum License Agreement at the site, which shall be addressed by the parties in the upcoming negotiations. In addition, approximately 4.5 acres owned by the City within the area located between the Coliseum BART Station and the Coliseum, also referred to as the Transit Hub, would be part of the project site.

Under the Term Sheet and ENA, the proposed project will consist of the Lott Group/Fortress developing (1) a new open air multi-purpose or football stadium containing approximately 55,000 seats to be used by the Raiders and other events, and (2) mixed-use development, including possible office space, retail space, one or more hotels, and potential residential uses, along with parking.

The parties have currently identified a total of approximately \$1.25 billion in potential stadium financing sources. However, the parties estimate that the stadium may cost upwards of approximately \$1.3 billion. Regardless, the Term Sheet and ENA will allow for the parties to resolve or identifying potential sources to close the remaining funding gap. Currently, the Term Sheet provides that the stadium and other project components will likely be financed as follows:

- **INFRASTRUCTURE**: The City will invest up to \$200 million to construct infrastructure, site preparation and other related expenses that are part of the scope of the project but are not hard construction costs for the stadium. This investment would include the following:
  - An approximately \$100 million privately-placed bond secured by new, direct City "but for" taxes generated by the stadium. The Lott Group/Fortress would lead private placement of the bond.

- An approximately \$100 million Enhanced Infrastructure Financing District (“EIFD”) bond or other financing secured by City “but for” taxes, i.e., City tax revenues generated as a result of the ancillary mixed-use development. The Term Sheet provides that the City will not bond in any manner that puts the City’s General Purpose Fund at risk. The Lott Group/Fortress or other private party could provide bridge financing, on terms to be negotiated, for all or a portion of this amount until an EIFD bond is able to be issued. Current projections indicate that the combined anticipated new stadium and ancillary “but for” taxes will more than support the \$200 million infrastructure investment.
- **LAND:** The City and the County will convey approximately 105 net acres of real property at the Coliseum site to the Lott Group/Fortress for development of the stadium, parking, and mixed-use development pursuant to the terms of the DDA. Another possible 25 acres (the 10 acre Arena site and the 15 acres reserved for a possible A’s ballpark) would also be conveyed if no longer needed for the reserved uses. The land transaction described above has an estimated value of approximately \$150 million. In consideration for the conveyance of the land, the Term Sheet provides for participation rights in project revenues by the City and County on terms to be negotiated during the ENA period that ensure the City and County receive the land value over time. The terms under which the Transit Hub properties will be conveyed for the project also will be negotiated by the City and the Lott Group during the ENA period.
- **STADIUM COSTS:** The balance of any construction cost for the stadium will be borne 100 percent by parties including the NFL, the Raiders, and the Lott Group/Fortress, with the Lott Group/Fortress willing to bridge any financing gaps in accordance with agreed upon terms. The Lott Group/Fortress or the Raiders will be responsible for managing the sales of seat options at the stadium, with anticipated sales revenue from such options estimated at \$200 million. To the extent option sales generate less revenue than anticipated, the Lott Group/Fortress and the Raiders will provide funds to the stadium development to make up a minimum of \$200 million.

The Term Sheet acknowledges that neither the Lott Group/Fortress, the Raiders, nor the project, will be responsible for the current Coliseum bond debt but that the existing Coliseum bond debt must be addressed prior to the conveyance of the Coliseum site.

The Term Sheet will provide for exclusive negotiations among the City, the County, and the Lott Group/Fortress for up to 60 days until an ENA is signed. Please note that the terms and conditions set forth in the Term Sheet are not legally binding on the parties, other than the provisions related to exclusivity and confidentiality. The City Administrator will have the authority to make changes to the Term Sheet as needed in the best interests of the City as long as the changes do not bind the City to any additional development terms and conditions. Practically, the Term Sheet will be incorporated into the ENA, which will provide for further negotiations on project terms and conditions during a one-year ENA period (subject to two administrative extensions). In turn and if successfully negotiated, the goal of the ENA will be to negotiate a Disposition and Development Agreement or Lease Disposition and Development Agreement (“DDA”) governing the ultimate conveyance of the properties (by long term lease and/or sale) and development of the project.

The County Board of Supervisors is considering approval of the proposed Term Sheet concurrently with City Council consideration.

## **ANALYSIS**

### **Lott Group / Fortress**

The Lott Group/Fortress consists of two entities, the Oakland City Pro Football Group, LLC, and Fortress Investment Group LLC. Oakland City Pro Football Group has assembled a team of nationally recognized sports industry professionals and consultants, and is currently managed by the legendary Pro Football Hall of Famer, Ronnie Lott, as well as NFL star and quarterback, Rodney Peete, who played in the NFL for 16 consecutive seasons. Oakland City Pro Football Group is partnering with Fortress Investment Group, a leading global investment firm with over \$70 billion of assets under management. Publically traded on the New York Stock Exchange (NYSE: FIG), Fortress manages assets on behalf of over 1,750 institutional clients and private investors worldwide across a range of private equity, credit, real estate and traditional asset management strategies. The City and County have been conducting a series of meetings with the Lott Group/Fortress regarding the proposed project since executing the letter of intent.

### **Coliseum Development Potential**

Since adopting the Coliseum Specific Plan, the City and County have entertained a variety of different proposals seeking the development of the Coliseum. The property is strategically located in the center of the East Bay, and has many highly-sought after transportation amenities including direct freeway access, immediate Coliseum BART and Amtrak and AC Transit access, as well as direct connections to the Oakland International Airport via the new 3.2 mile automated guide way known as the Oakland Airport Connector.

Beyond the new football stadium, the City desires to pursue compatible ancillary development uses, such as science and technology office, which create large employment opportunities and do not directly conflict with weekend and evening sports parking demands. Ultimately, realization of the project is dependent upon the feasibility of both public and private financing options for various components. As such, the Term Sheet and ENA will advance the project and will allow the Lott Group/Fortress to conduct their own due diligence and negotiate with the Raiders and NFL, as well as develop and finalize a viable public/private financing deal structure. In addition, the ENA will provide for the parties to negotiate community benefits during the ENA period in a number of areas and the outcome of those negotiations over community benefits will be reflected in the DDA or a separate Community Benefits Agreement.

### **Key Issue During the Term Sheet Period**

The only binding provisions of the Term Sheet are the Lott Group/Fortress' exclusive right to negotiate prior to the ENA, and the confidentiality provisions.

### **Key Issues to be Negotiated During the ENA Period**

The ENA negotiating period, which will be one year with two optional six-month extensions, will build on the Term Sheet with more specific developer obligations, a schedule of performance

and other milestones, and more analysis of financial terms and structure of the deal. Most importantly, the exclusive ability of the parties to negotiate a transaction will be crucial to productive discussions and negotiation with the Raiders. Both the City and County have been clear that in exchange for Coliseum lands conveyance, there must be future financial participation in the expected revenues from the project. This issue will be addressed during the ENA period.

Key Issues to be Negotiated For the DDA

The DDA and its attendant agreements will set forth the binding and enforceable contractual agreements of the parties, including development commitments on the part of the Lott Group/Fortress and long term financial and real estate commitments on the part of the City and the County.

**FISCAL IMPACT**

To date, the City has expended approximately \$3.5 to 4 million in Coliseum former redevelopment 2006 Series Taxable Bond funds towards producing the original Coliseum City master plan, Specific Plan, and EIR, as well as towards covering various consultant costs on the project. The City and the County will enter into an agreement on the process for using these funds. No general purpose fund impacts are expected as a result of signing the Term Sheet or ENA.

The term sheet provides for an initial deposit of \$2 million to the City upon signing the Exclusive Negotiating Agreement to cover City and County third party planning, entitlement, development and legal costs during the negotiating period, with a memorandum of agreement or other agreement between the City and the County regarding a process for disbursements to cover County costs. The \$2 million initial deposit, shall be deposited into a fund to be determined, and the City Administrator shall negotiate and enter into a memorandum of understanding or other agreement with the County addressing the disbursement of such funds to cover County costs, and disburse said funds to the County consistent with the agreement.

In addition, as a condition of ordering a recent joint appraisal of the Oakland-Alameda County Coliseum Complex and adjacent City-County owned parcel, the County agreed to reimburse the City for half of the appraisal costs or approximately \$75,000, but those funds were never appropriated. Therefore, funds from the County in the amount of \$75,000 shall also be appropriated in a new project account to be determined to pay for a joint appraisal of the Oakland-Alameda County Coliseum Complex and adjacent City-County owned property.

**PUBLIC OUTREACH/INTEREST**

During the Specific Plan and EIR process, the City conducted numerous outreach meetings with a variety of community organizations, neighborhood groups, and business groups as well as outside agencies including but not limited to the County of Alameda, BART, Port of Oakland, and the Coliseum Joint Powers Authority.

## COORDINATION

The City has coordinated this effort with its partner, the County of Alameda, as well as a number of other public agencies including BART, AC Transit, Port of Oakland, etc. In addition the City Administrator's office has coordinated with a number of internal departments including the Office of Economic and Workforce Development, the Bureau of Planning on the Specific Plan and CEQA/EIR process as well as the Office of Public Works, the City Attorney's Office, as well as business, non-profit organizations and community stakeholders.

## SUSTAINABLE OPPORTUNITIES

**Economic:** The Coliseum project could have substantial economic regional impacts which can be characterized in terms of net direct spending, total output, income and jobs. In addition, the project could have tremendous positive fiscal impacts which can be measured in both city and county tax revenue increases including property taxes, sales taxes, business taxes, etc.

**Environmental:** The Coliseum project is envisioned to contribute and enhance smart growth principles to leverage the Coliseum's existing multi-modal transportation amenities and shall be consistent with regional growth policies and state growth mandates SB 375 and AB 32. The project also envisions a regional scale transit oriented development creating a mix of sports-entertainment, office, and retail utilizing the Coliseum's extensive mass transit network and thereby reducing the need for automobile reliance.

**Social Equity:** The East Oakland neighborhood surrounding the Coliseum has long been attributed with social and economic equity issues and has been historically underserved. The project would ultimately provide positive economic stimulus to the neighborhood by the creation of local job opportunities and would contribute to continued neighborhood job growth and economic stability. A package of community benefits will be negotiated during the ENA period.

## CEQA

The Oakland City Planning Commission recommended and the Oakland City Council approved the certification of the Environmental Impact Report and made related CEQA finding as well as adopted the Coliseum Area Specific Plan and related general plan amendments on March 31, 2015.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends that Council adopt the resolution authorizing the term sheet and an exclusive negotiating agreement with Oakland City Pro Football Group, LLC, and Fortress Investment Group, LLC, or affiliated entities, for development of a stadium and mixed-use project at the Oakland-Alameda County Coliseum Complex and adjacent City properties.

For questions regarding this report, please contact Larry Gallegos with the Project Implementation Division at (510) 238-6174.

Respectfully submitted,



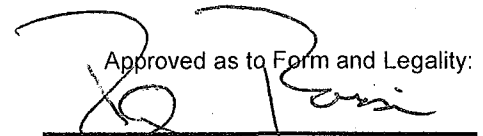
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Claudia Cappio  
Assistant City Administrator

Attachment:

Attachment A: Term Sheet

2010 DEC -9 AM 9:42

Approved as to Form and Legality:  
  
Deputy City Attorney

# OAKLAND CITY COUNCIL

RESOLUTION No. \_\_\_\_\_ C.M.S.

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**RESOLUTION AUTHORIZING A TERM SHEET AND EXCLUSIVE NEGOTIATING AGREEMENT WITH OAKLAND CITY PRO FOOTBALL GROUP, LLC, AND FORTRESS INVESTMENT GROUP, LLC, OR AFFILIATED ENTITIES, FOR DEVELOPMENT OF A STADIUM AND MIXED-USE PROJECT AT THE OAKLAND-ALAMEDA COUNTY COLISEUM COMPLEX AND ADJACENT CITY PROPERTIES**

**WHEREAS**, the County of Alameda (the "County") and the City jointly own the property commonly known as the Oakland-Alameda County Coliseum as well as other property in the vicinity (the "Coliseum Complex") and the City owns additional properties near the Coliseum Complex; and

**WHEREAS**, the City and a development group consisting of Oakland City Pro Football Group, LLC, and Fortress Investment Group, LLC (together, the "Lott Group"), have negotiated a term sheet outlining a framework for possible development of the Coliseum Complex property and the additional City properties with a new multi-purpose stadium, along with related parking facilities, as well as other commercial and residential development, understanding that this does not constitute a binding commitment on the part of the City to any developer or to participate in any project; and

**WHEREAS**, the term sheet would give the Lott Group certain exclusive negotiating rights; and

**WHEREAS**, the term sheet further calls for an Exclusive Negotiating Agreement between the parties, with an exclusive negotiating period of one year, with two six-month extensions at the discretion of the City Administrator and the County Administrator; and

**WHEREAS**, an Exclusive Negotiating Agreement will allow the parties to enter into a period of preliminary study and negotiations over possible development of the project contemplated by the term sheet, understanding that this does not constitute a binding commitment on the part of the City to any developer or to participate in any project; and

**WHEREAS**, the term sheet provides for an initial deposit of \$2 million to the City



upon signing the Exclusive Negotiating Agreement to cover City and County third party planning, entitlement, development and legal costs during the negotiating period, with a memorandum of agreement or other agreement between the City and the County regarding a process for disbursements to cover County costs; and

**WHEREAS**, as a condition of ordering a recent joint appraisal of the Oakland-Alameda County Coliseum Complex and adjacent City-County owned parcel, the County agreed to reimburse the City for half of appraisal costs or approximately \$75,000, but those funds were never appropriated; now, therefore, be it

**RESOLVED:** That the City Administrator, or his or her designee, is hereby authorized to negotiate and sign a term sheet with Oakland City Pro Football Group, LLC, and Fortress Investment Group, LLC, or an affiliated entity or entities approved by the City Administrator, outlining a framework for possible development of the Coliseum Complex property and the additional City properties; and be it

**FURTHER RESOLVED:** That the term sheet shall be in substantially the form as that draft term sheet attached to the staff report accompanying this Resolution, with the City Administrator authorized to make changes to the draft term sheet that she determines would be in the best interests of the City as long as such changes do not bind the City to any additional development terms and conditions; and be it

**FURTHER RESOLVED:** That the term sheet may give the Lott Group certain exclusive negotiating rights over the transaction and the project prior to execution of an Exclusive Negotiating Agreement; and be it

**FURTHER RESOLVED:** That the City Administrator, or his or her designee, is hereby further authorized to negotiate and sign an Exclusive Negotiating Agreement with Oakland City Pro Football Group, LLC, and Fortress Investment Group, LLC, or an affiliated entity or entities approved by the City Administrator, along with the County, for purposes of studying and evaluating the feasibility of, and negotiating terms and conditions for, the potential development of the project contemplated by the term sheet; and be it

**FURTHER RESOLVED:** That the exclusive negotiating period will be for one year from the date the Exclusive Negotiating Agreement is authorized by the City Council and the County, with an option to extend said period for two additional six-month periods at the discretion of the City Administrator or his or her designee, along with the County; and be it

**FURTHER RESOLVED:** That the City Administrator, or his or her designee, is hereby authorized to accept and appropriate the \$2 million initial deposit, to be deposited into a fund to be determined, negotiate and enter into a memorandum of agreement or other agreement with the County addressing the disbursement of such funds to cover County costs, and disburse said funds to the County consistent with the agreement; and be it

**FURTHER RESOLVED:** That funds from the County in the amount of \$75,000 shall

be appropriated in a new project account to be determined to pay for a joint appraisal of the Oakland-Alameda County Coliseum Complex and adjacent City-County owned property; and be it

**FURTHER RESOLVED:** That the City Council has independently reviewed and considered the environmental determination, and the Council finds and determines that this action complies with the California Environmental Quality Act ("CEQA") because this action on the part of the City is exempt from CEQA pursuant to Section 15262 (feasibility and planning studies), Section 15306 (information collection) and Section 15061(b)(3) (general rule) of the CEQA Guidelines; and be it

**FURTHER RESOLVED:** That the City Administrator or her designee shall cause to be filed with the County of Alameda a Notice of Exemption for this action; and be it

**FURTHER RESOLVED:** That all binding documents shall be reviewed and approved as to form and legality by the City Attorney's Office prior to execution; and be it

**FURTHER RESOLVED:** That the City Council hereby authorizes the City Administrator or his or her designee to negotiate and execute documents and take all other actions necessary with respect to the term sheet, the Exclusive Negotiating Agreement, and the project consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and PRESIDENT GIBSON MCELHANEY

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_  
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California

**TERM SHEET**

**Coliseum Project - Oakland, California**

This Term Sheet, dated as of December 14, 2016 (the “**Effective Date**”) is intended to express some of the proposed terms of a transaction by and among (i) the County of Alameda, a political subdivision of the State of California (the “**County**”), (ii) the City of Oakland, a municipal corporation (the “**City**”), and (iii) Oakland City Pro Football Group, LLC, a California limited liability company, and Fortress Investment Group, LLC, a Delaware limited liability company (together, the “**Lott Group**”) with respect to a proposed transaction (the “**Transaction**”) and development project involving certain property described below. This Term Sheet was authorized by Oakland City Council Resolution No. \_\_\_\_\_ C.M.S. adopted on December 13, 2016, and Alameda County Board of Supervisors action taken on December 13, 2016. The parties to this Term Sheet previously entered into a Non-Binding Letter of Intent dated August 26, 2016, which provided in part that the parties would negotiate and prepare a term sheet as the basis for further negotiations over the proposed Transaction.

**I. PROJECT OVERVIEW**

<b>Concept</b>	<b>Description</b>
Project Context	<p>The Oakland Raiders professional football franchise (the “<b>Raiders</b>”) are in the process of potentially relocating from Oakland. In an effort to keep the Raiders in Oakland, the City and County wish to enter into a strategic cooperative relationship with a group that has substantial experience in (i) stadium and mixed use development; (ii) financing large scale construction projects; and (iii) collaborating with the National Football League (the “<b>NFL</b>”).</p> <p>The principals of three companies have partnered to form the Lott Group. The project team is comprised of (i) former NFL players from the Raiders, (ii) experienced NFL front office executives, and (iii) finance professionals with (a) access to the capital markets, (b) the financial capacity to invest in and support the Project (as defined below) jointly with the City, the County, the Raiders, and the NFL, and (c) substantial experience in developing complex public-private projects with government agencies. The Lott Group is uniquely positioned to bridge the gap between the City/County, the Raiders and the NFL.</p> <p>The proposed Project Site (as defined below) is located within the Coliseum Specific Plan Area. The City has caused the preparation and adoption of the Coliseum Area Specific Plan, which will govern uses in the Plan Area, and an Environmental Impact Report (EIR) that analyzes the environmental impact of possible development in the Plan Area. The Specific Plan and Environmental Impact Report shall provide a framework for efficiently gaining governmental entitlements for the Project.</p>
Project Site Description	<p>The site for the proposed Project (the “<b>Project Site</b>”) is comprised of the following two areas: (1) all or portions of approximately 130 net acres encompassing the existing Oakland-Alameda County Coliseum, the Oracle Arena, associated parking, and other uses (together, the “<b>Coliseum Site</b>”) (provided however, the 15 acres at the north side of the Coliseum Site reserved for an A's ballpark shall not be part of the Project Site unless and until the A's relocate as set forth below, and the 10 acres occupied by Oracle Arena shall not be part of the Project Site unless and until the Golden State Warriors relocate and the City and County elect to not continue use of the Arena as set forth below), and (2) approximately 4.5 acres owned by the City and located between the Coliseum Site and the existing Coliseum BART transit station (the “<b>Transit Hub Site</b>”). As to the Coliseum Site, approximately 110 net acres encompassing the Oakland-Alameda County Coliseum, the Oracle Arena, and associated parking are jointly owned by the City and County, and another 20 net acres are owned by the City alone. The Project Site for purposes of this Term Sheet shall only include property currently owned by the City or</p>

Concept	Description
	<p>jointly owned by the City and County, and property later acquired by the City for the Project, but with no commitment by the City or County to acquire any additional property for the Project.</p>
Project Description	<p>The Transaction, if consummated, will consist of the Lott Group developing at the Project Site: (i) an open air multi-purpose or football stadium containing approximately 55,000 seats and amenities to be used by the Raiders and other users (the “<b>New Stadium</b>”), which will be developed in accordance with plans and specifications approved by the team, the NFL, and the governmental or regulatory agencies or entities with jurisdiction over the proposed project, and which will replace the existing Oakland-Alameda County Coliseum; (ii) commercial uses and related improvements and amenities which will be anchored by one or several large tenants and may include office space, retail space, and one or more hotels, and possible residential uses, along with and related improvements and amenities (together, the “<b>Mixed-Use Components</b>”); (iii) parking (both dedicated and reciprocal use) to serve the New Stadium and the Mixed-Use Components, as well as the A’s ballpark should the ballpark be developed (the “<b>Parking</b>”); and (iv) mixed-use transit -oriented development at the Transit Hub Site (the “<b>Transit Hub Development</b>”). The New Stadium, Mixed-Use Components, Parking and Transit Hub Development, along with related amenities and infrastructure, are referred to collectively as the “<b>Project</b>”.</p> <p>For a more comprehensive description of the Project, please see <u>Exhibit A</u>.</p>
Project Components	<ul style="list-style-type: none"> <li>• The Transit Hub Site will be used for the first phase of development of the Project for the Transit Hub Development, to be developed by the Lott Group in accordance with the DDA. If any additional property is added to the Transit Hub Site, then such property will also be developed by the Lott Group. This phase will also include public improvements at or near the Transit Hub Site to improve transit connections between Project components and the Coliseum BART Station, as well as other public improvements. The County shall have no responsibility for the Transit Hub or any public improvements associated with the Transit Hub.</li> <li>• Approximately 25 net acres of the Project Site is currently occupied by the Oakland-Alameda County Coliseum, which is being currently used as the stadium for the Raiders and the Oakland A’s, along with associated parking, and, upon demolition of the Coliseum, will be developed by the Lott Group with Mixed-Use Components in accordance with the DDA.</li> <li>• Approximately 55 net acres at the south side of the Coliseum Site will be developed by the Lott Group with the New Stadium including dedicated and reciprocal parking (approximately 35 net acres) in accordance with the DDA, with the reciprocal parking to be used to serve (1) the parking needs of the Oracle Arena and the new A’s ballpark, if developed, at terms to be negotiated, and (2) Project uses.</li> <li>• Approximately 20 net acres at the north side of the Coliseum Site will be developed</li> </ul>

Concept	Description
	<p>by the Lott Group as reciprocal parking to be used to serve (1) the parking needs of the new A's ballpark, if developed, at terms to be negotiated, and (2) Project uses. An additional approximately 5 net acres at the north side of the Coliseum Site will be used by the Lott Group as CEQA-required wetlands and storm water mitigation.</p> <ul style="list-style-type: none"> <li>• Approximately 10 net acres of the Coliseum Site is currently occupied by the Oracle Arena (the "Arena"), which is currently being used by the Golden State Warriors and various entertainment uses, and will not be developed by the Lott Group unless and until the Warriors relocate to another non-Coliseum location and the City and County elect not to continue the use of the Arena. Should the Warriors relocate and the City and County elect not to continue the use of the Arena, this property shall then become part of the Project Site.</li> <li>• Approximately 15 net acres at the north side of the Coliseum Site will be reserved for a new ballpark site for the Oakland Athletics (the "A's"), and will not be developed by the Lott Group unless and until the A's relocate to another non-Coliseum location. Should the A's relocate, this property shall then become part of the Project Site. If the A's do not relocate and pursue development of a ballpark at the Coliseum location, then the DDA will include a process for coordinating Project development with ballpark development.</li> <li>• On NFL game days, the New Stadium will have priority use of the reciprocal parking on terms to be negotiated, and in coordination with ballpark parking needs on days when NFL game days coincide with baseball game days.</li> </ul> <p>The Project Site is further described in attached <u>Exhibit C</u>.</p>
<p>Financial Responsibility for Construction of Improvements</p>	<p>The New Stadium will cost approximately \$1.3 billion (including site improvements/infrastructure). The parties anticipate that the New Stadium and other Project components will likely be financed as follows:</p> <ul style="list-style-type: none"> <li>• The City will invest \$200 million to construct infrastructure, site preparation and other related expenses that are part of the scope of the Project but are not hard construction costs for the New Stadium (the "City Investment"), as follows: <ul style="list-style-type: none"> <li>• A \$100 million privately-placed bond secured by the direct City taxes generated by the New Stadium. The Lott Group will lead a private placement of the bond.</li> <li>• A \$100 million EIFD bond or other financing secured by City "but for" taxes, i.e., City tax revenue generated as a result of development of the Project. The City will endeavor to bond against this tax revenue as early as possible, but the City will not bond in any manner that puts the City's General Purpose Fund at risk. Therefore, the parties anticipate the probable need for the Lott Group or other private party to provide or secure bridge financing, on terms to be negotiated, for all or a portion of this amount until an EIFD bond is able to be issued.</li> <li>• Neither the Lott Group, the Raiders, nor the Project will be responsible for the current Coliseum bond debt, but the parties acknowledge that the existing Coliseum bond debt must be addressed prior to conveyance of the Coliseum Site.</li> </ul> </li> <li>• The City and the County will also convey approximately 105 net acres of real</li> </ul>

Concept	Description
	<p>property at the Coliseum Site, with conveyance of another possible 25 net acres at the Coliseum Site (i.e., the 10 acre Arena site and the 15 acres reserved for a possible A's ballpark) contingent on that property being added to the Project Site under the conditions set forth in the Project Components discussion above, to the Lott Group pursuant to the terms of the DDA (together, the "<b>Land Conveyance</b>"). (The terms under which the Transit Hub Site will be conveyed for the Project will be negotiated by the City and the Lott Group during the Exclusive Negotiation Period.) The land transaction described above has an estimated value of approximately \$150 million. The consideration for the Land Conveyance will be the grant of participation rights in Project revenues by the Lott Group to the City and County as further described below.</p> <ul style="list-style-type: none"> <li>• The Lott Group or the Raiders, as the case may be, will manage the sales of seat options (or other equivalent rights) at the New Stadium. As of the Effective Date, the Lott Group is anticipating sales revenue from such options or other rights from the New Stadium in the approximate gross amount of \$200 million (the "<b>Option Floor</b>"). To the extent option sales generate less revenue than the Option Floor (the "<b>Option Deficiency</b>"), the Lott Group and the Raiders shall provide funds to the New Stadium development in an amount necessary to satisfy such Option Deficiency.</li> <li>• The balance of any construction cost for the New Stadium will be borne 100% by a consortium consisting of the NFL, the Raiders, and the Lott Group, with the Lott Group willing to bridge any financing gaps in accordance with agreed upon terms among the Lott Group, the NFL and the Raiders. For the avoidance of doubt, the Lott Group will raise and/or contribute up to \$400 million in funds to construct the New Stadium.</li> <li>• In consideration for the City Investment and Land Conveyance, the DDA will include financial participation by the City and the County in Project revenues. Without stating any commitment to any particular approach, options for City/County financial participation could include any of the following common approaches to structuring participation by public agencies in development projects:             <ul style="list-style-type: none"> <li>• The Lott Group could receive net cash flow from the Project until the Lott Group's cumulative internal rate of return reaches an agreed-upon percentage, whereupon there is a split of net cash flow between the Lott Group, the City, and the County until the City and the County receive a negotiated dollar amount. Any participation formula shall take into account all Project costs, including, without limitation, the Project Related Requirements as set forth in this Term Sheet, and all Project revenues.</li> <li>• The City and the County could receive a negotiated share of net proceeds generated from a future capital event such as a sale or transfer of the Project.</li> </ul> <p>The structure, formula and mechanics for such participation will be negotiated during the Exclusive Negotiation Period, and will be set forth in the DDA.</p> </li> <li>• The County shall not have responsibility for contributing any funding or financing any improvements for the Project.</li> </ul>
Capital Structure	Without limiting the generality of the foregoing, <u>Exhibit B</u> attached hereto contains a

Concept	Description
	summary of the proposed framework plan for financing the New Stadium.
Project Outcomes	<p>If the Lott Group successfully enters into an agreement with the Raiders regarding the New Stadium at the Coliseum Site prior to the expiration of the Exclusive Negotiation Period (as defined in II below), then the Lott Group will develop the New Stadium subject to the terms of the DDA including the City Investment. Subject to the terms of the DDA (as more particularly described in III below), and upon receipt of all entitlements necessary to construct the Project or particular Project phases or components, the City and County shall convey the Project Site (in its entirety or by phases) by long-term lease or fee title (except for the 10 acre Arena site and the 15 acres reserved for a possible A’s ballpark, unless the conditions for adding these properties to the Project Site as set forth above have occurred), together with any buildings and improvements thereon, to the Lott Group.</p> <p>If the funding for public improvements at or near the Transit Hub Site is not in place by a date which will be agreed upon in the DDA, the Lott Group, the County and the City will agree to negotiate in good faith an alternative to the agreed-upon Project plan for a reasonable amount of time; provided however, nothing herein shall require the City or the County to provide any funding for the public improvements. If after a reasonable amount of time, the County, the City and the Lott Group are unable to agree upon an alternative Project plan, then the Lott Group may, in its sole discretion, terminate the DDA.</p> <p>Upon the occurrence of the earlier of (1) the Lott Group’s inability to secure a commitment from the Raiders, or (2) the expiration of the term of this Term Sheet and/or an ENA, this Term Sheet and/or ENA shall terminate and the parties will have no further obligations with respect to one another.</p>
Transaction Documents	<p>The parties anticipate that the primary Transaction Documents will consist of:</p> <ul style="list-style-type: none"> <li>• an Exclusive Negotiating Agreement among the City, County, and the Lott Group (described in II below);</li> <li>• a Disposition and Development Agreement or Lease Disposition and Development Agreement among the City, County, and the Lott Group (described in III below);</li> <li>• a Community Benefits Agreement (which may be part of the DDA); and</li> <li>• various financing agreements.</li> </ul> <p>In addition to the foregoing items, the parties acknowledge that the Lott Group intends to apply for and pursue a statutory development agreement under Cal. Gov’t. Code Section 65864, et seq. in connection with the Project.</p>
Project Related Requirements	<p>The Lott Group, the City, and the County shall agree upon allocations of responsibility for applicable obligations, including, but not limited to mitigation measures, improvements, infrastructure or other obligations or requirements arising under or associated with the Specific Plan and the EIR (collectively, “<b>Project-Related Requirements</b>”) and shall take into account the cost and value of any such Project-Related Requirements in the DDA and related Transaction Documents and approvals with the intent to avoid any double-charging of the Lott Group. In no event will the County be financially responsible for the cost of any mitigation measures, improvements, infrastructures or other obligations or requirements.</p>

Concept	Description
Community Facilities District/Tax Increment Financing	The Project may include establishment of a Community Facilities District (“CFD”), Enhanced Infrastructure Financing District (“EIFD”), or other another form of Tax Increment Financing (“TIF”) to fund infrastructure related costs. The mechanics of any CFDs, EIFDs, or TIF, if used, will be finalized upon the completion of the DDA.

**II. EXCLUSIVE NEGOTIATING AGREEMENT SUMMARY**

Concept	Description
ENA Summary	<p>If an Exclusive Negotiating Agreement (the “ENA”) is approved by the Oakland City Council and the Alameda County Board of Supervisors, the City, County, and the Lott Group will negotiate and enter into the ENA on mutually-agreeable terms within 60 days following the execution of this Term Sheet (the “ENA Negotiating Term”). The ENA Negotiating Term will be automatically extended if the Oakland City Council continues its meeting considering the ENA or otherwise delays taking action on the ENA or any other procedural requirement associated with the City’s approval of the ENA. The parties may also extend the ENA Negotiating Term by mutual agreement among the parties. The City and County will endeavor to calendar Oakland City Council and Board of Supervisors consideration of the ENA no later than February 15, 2017, but with a target for the end of January, 2017.</p> <p>The parties agree that during the Exclusive Negotiation Period established by the ENA (as defined below), the parties intend to use their respective good faith efforts to negotiate and finalize on commercially reasonable terms, a DDA and other transactional documents.</p> <p>Among other provisions, the ENA will provide that:</p> <ul style="list-style-type: none"> <li>• The Lott Group shall deposit with the City an amount equal to \$2 million (the “Initial Deposit”) upon signing the ENA. The City and County may withdraw funds from the Initial Deposit in accordance with an agreed upon budget and schedule solely to pay third party planning, entitlement, development, and legal costs directly incurred by the City or County from and after the effective date of the ENA, as and when the same are incurred. The City and County will enter into a memorandum of agreement or other agreement regarding a process for disbursements from the Initial Deposit to cover County costs. Upon termination or expiration of the ENA, any unused funds from the Initial Deposit will be refunded to the Lott Group.</li> <li>• The Lott Group shall be responsible for paying for all predevelopment costs incurred by the Lott Group in connection with the Project during the ENA term.</li> <li>• The City shall diligently proceed with receiving the required approvals necessary to obtain bond and bridge financing necessary to fund the City Contribution.</li> </ul>
ENA Term	The ENA will provide for a period of exclusive negotiations between the parties on the terms of the Transaction (the “Exclusive Negotiation Period”), which Exclusive Negotiation Period will commence when the ENA is approved by the Oakland City Council and the Alameda County Board of Supervisors, and will continue until the



Concept	Description
	<p>earlier to occur of (i) one year from the commencement of the Exclusive Negotiation Period, which may be administratively extended for two additional six-month terms by the City Administrator and the County Administrator in their sole discretion, or (ii) the execution of a DDA; provided, however that if a DDA is executed, the term of the ENA shall continue until such time as the DDA is effective, final, binding and non-appealable or is no longer subject to legal challenge.</p> <p>If, during the Exclusive Negotiation Period, the Raiders get NFL approval to move to another location and the City and County decide not to pursue another NFL team, then the parties will agree to negotiate in good faith to prepare an alternative plan for the Project for 30 days following the date that the NFL approves the relocation of the Raiders. If after the expiration of the 30-day period, the parties are unable to come to an agreement on an alternative Project plan, then any of the parties may, in that party's sole discretion, elect to terminate the ENA.</p> <p>The ENA shall not preclude the Lott Group from negotiating with and bringing on the NFL or other developers or other financing parties in partnership with the Lott Group to pursue the Project, subject to reasonable approval rights of the City and the County.</p>
<p>Tasks to be Completed by the Lott Group During the ENA Term</p>	<p>Prior to the expiration of the Exclusive Negotiation Period, and pursuant to negotiated milestone dates established in the ENA, the Lott Group shall be responsible for completing or diligently continuing to perform, at a minimum, the following tasks:</p> <ul style="list-style-type: none"> <li>• Submit information to the City and County as to the structure and composition of the Lott Group;</li> <li>• Continued negotiations with representatives of the NFL and the Raiders regarding the feasibility of the New Stadium;</li> <li>• Prepare a design and a financial plan for development of the New Stadium that is acceptable to the City and County, the Raiders and the NFL;</li> <li>• Use commercially reasonable efforts to obtain the Raiders' input on the design, development, and construction of the New Stadium and their final commitment to being occupants at the New Stadium;</li> <li>• Prepare a financial model and design plan for development of the Mixed-Use Components, with input from interested developers, that is acceptable to the City and County; and</li> <li>• Negotiate with the City and the County in connection with the proposed DDA and other Transaction Documents.</li> </ul>
<p>Tasks to be Completed by the City/County During the ENA Term</p>	<p>Prior to the expiration of the Exclusive Negotiation Period, the City and County shall be responsible for completing or diligently continue to perform the following tasks:</p> <ul style="list-style-type: none"> <li>• Negotiate with the Lott Group in connection with the proposed DDA and other Transaction Documents;</li> <li>• Review the proposed preliminary development plans in a timely manner;</li> <li>• Provide the Lott Group with documents in the City and County's possession that would assist the Lott Group in conducting due diligence activities, and otherwise</li> </ul>

Concept	Description
	<p>assist in the Lott Group's development efforts;</p> <ul style="list-style-type: none"> <li>• Respond on a timely basis to all complete submittals by the Lott Group made in accordance with the ENA;</li> <li>• Work with the Lott Group to during the Exclusive Negotiation Period pursuant to the time schedule established within the ENA for the negotiation of principal terms of the Transaction documents and the completion of all necessary approvals and permits to develop the Project; and</li> <li>• Provide reasonable cooperative assistance to the Lott Group in preparation for and during any presentation before regulatory or advisory panels in connection with any applications for land use approvals, entitlements or permits and design review that may be required.</li> </ul>
Development Partners	The ENA will include an agreed-upon process and set of qualifications (such as developer capacity, experience, etc.) for selecting future Project development partners.

**III. DISPOSITION AND DEVELOPMENT AGREEMENT SUMMARY**

<b>Concept</b>	<b>Description</b>
DDA Summary	<p>The parties will negotiate and enter into a Lease Disposition and Development Agreement or a Disposition and Development Agreement (either, the “DDA”) which shall govern the conveyance of the Project site (in its entirety or in phases) and construction, development, and operations of the Project according to negotiated terms and conditions. The DDA shall include among other things negotiated pre-conveyance conditions, Project development covenants and schedules, ongoing use restrictions, and customary force majeure, default and remedy provisions.</p> <p>The DDA shall provide for conveyance (either by lease or in fee, to be determined as part of the negotiations) of those portions of the Project Site designated for the New Stadium and designated for dedicated or reciprocal parking serving the New Stadium upon the receipt of necessary approvals for the New Stadium. For the avoidance of doubt, the parties agree that the necessary approvals shall include, without limitation, the following items:</p> <ul style="list-style-type: none"> <li>• Approval by governmental agencies of all entitlements, permits, or approvals required for the construction of the New Stadium.</li> <li>• Approval by the NFL of the financing plan for the New Stadium, including approval of the NFL contribution to the financing of the New Stadium.</li> <li>• Financial agreement with the Raiders for the construction and operation of the New Stadium and a nonrelocation agreement with the Raiders regarding occupancy of the New Stadium.</li> <li>• Land-use plan and development schedule for the New Stadium and the balance of the Project Site showing the integration of the New Stadium and any other uses on the Project Site.</li> <li>• Approval by the City of a public financing plan for site improvements (including infrastructure) of the New Stadium and any other elements of the larger Project.</li> <li>• Identification of development partners for the Mixed Use Components or establishment of a developer selection process that includes the City and County in the process.</li> </ul> <p>The parties acknowledge that the Lott Group intends to apply for and pursue a statutory development agreement under Cal. Gov’t. Code Section 65864, et seq. in connection with the Project.</p>
DDA Execution Timeframe	The parties agree to work towards negotiations and execution of a DDA, within the time frames set forth in the ENA.
DDA Term	The DDA will commence upon the approval of the DDA by the City and County and full execution thereof. Commencement of construction shall commence after all of the entitlements for the particular Project component are approved and are final, binding and non-appealable and building permits are issued that allow for commencement of construction and shall continue until all parcels within the Project Site are conveyed and improvements are complete.

**IV. MISCELLANEOUS TERMS AND PROVISIONS**

<b>Concept</b>	<b>Description</b>
Confidentiality	<p>The Lott Group acknowledges and agrees that the City and County are public entities with responsibility and, in many cases, legal obligation to conduct their business in a manner open and available to the public. Accordingly, any information provided by the Lott Group to the City and County with respect to the Project may be disclosed to the public either purposely, inadvertently, or as a result of a public demand or order. However, in order to successfully negotiate the complex transaction that this Term Sheet contemplates, the parties believe that there will be specific documents that they will want to exchange in order to review and understand the potential transaction. The Lott Group shall identify with specificity any submitted documents which the Lott Group wants the City and County to maintain as confidential documents and a statement as to why the request is consistent and complies with the provisions of the California Public Records Act and the Oakland Sunshine Ordinance. The City and County shall not disseminate such information and shall take all reasonable steps to maintain such confidentiality unless otherwise required by law. The City and County acknowledge that some of the documents provided by the Lott Group related to the transaction may be exempt from disclosure under the California Public Records Act and the cases interpreting the Public Records Act. In the event that the City and County obtain a request pursuant to the provisions of the California Public Records Act and/or the Oakland Sunshine Ordinance to disclose any of the Lott Group's information which the Lott Group has requested remain confidential, the City and County shall provide the Lott Group with prompt written notice thereof and, subject to the time periods imposed by the California Public Records Act and the Oakland Sunshine Ordinance for responses to public record requests, and shall give the Lott Group a reasonable opportunity to interpose an objection or to seek a protective order, subject to the time limitations. The parties shall use reasonable efforts to promptly identify any applicable exemptions from disclosure under the California Public Records Act and the Oakland Sunshine Ordinance. If a legal action is filed against the City or County seeking to compel disclosure of any information the Lott Group has requested remain confidential, the City or County, as applicable, shall give prompt notice of the filing of such action to the Lott Group and the Lott Group shall defend and indemnify the City and the County from all costs and expenses of such defense, including reasonable attorneys' fees of the City and County or attorneys' fees awarded by a court arising out of such action unless the Lott Group waives its right to require that the information be kept confidential.</p> <p>Notwithstanding anything else in this Term Sheet to the contrary, the matters set forth in this section shall be binding and enforceable against all of the parties upon the execution of this Term Sheet.</p>
Miscellaneous	<p>The City and the County shall not be liable for any real estate commissions or brokerage fees that may arise as a consequence of any transaction involving this Term Sheet, the Project or any part thereof, except to the extent the same resulted from an agreement (written or otherwise) between the City and/or County and any party so entitled to such fees.</p> <p>Notwithstanding any language in this Term Sheet or any other representation or warranty to the contrary, neither the City nor the County shall be deemed to be a partner or joint venturer of the Lott Group, and neither the City nor the County shall be responsible for any debt of the Lott Group or of any operator or manager of the Lott Group.</p> <p>The Lott Group acknowledges that the City and the County are engaged in ongoing negotiations regarding the transfer of the County's interest in the Project Site to the City</p>

Concept	Description
	<p>and that if such a transfer occurs during the term of this Term Sheet, the City will succeed to all of the County's rights and obligations under this Term Sheet.</p> <p>The Lott Group and its component members are aware of and shall abide by the prohibition on campaign contributions from contractors doing business with the City between commencement of contract negotiations and either (a) one-hundred eighty (180) days from completion of contract negotiations, or (b) termination of contract negotiations, as set forth in the Oakland Campaign Reform Act. The Lott Group acknowledges that it has executed and submitted to the City a Contractor Acknowledgement of City of Oakland Campaign Contribution Limits.</p> <p>All waivers of the provisions of this Term Sheet must be in writing and signed by the appropriate authorities of the party to be charged, and all amendments and modifications hereto must be in writing and signed by the appropriate representatives of the City, the County and the Lott Group.</p>
Counterparts	This Term Sheet may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Term Sheet. This Term Sheet may be executed by facsimile and/or .pdf signatures which shall be binding as originals on the Parties.
Expenses	<p>Each party shall be responsible for any costs incurred by such party in connection with work undertaken pursuant to this Term Sheet from and after the Effective Date until the execution of the ENA.</p> <p>Notwithstanding anything else in this Term Sheet to the contrary, the matters set forth in this section shall be binding and enforceable against all of the parties upon the execution of this Term Sheet.</p>
Assignment	The Lott Group shall not assign this Term Sheet without the prior written approval of the City and County, which shall not be unreasonably withheld, conditioned or delayed. The City and County agree that, notwithstanding the foregoing, the Lott Group may assign without the City and County's prior written approval, but with thirty (30) days prior written notice to the City and County, its rights under this Term Sheet to a limited liability company, corporation, trust, or partnership of which the Lott Group owns the majority beneficial interest and has operational control, or to an entity under common control with the Lott Group.
Exclusivity	In consideration of the Lott Group's effort with respect to the transaction and the Project, including, without limitation, the Lott Group's expenditure of time and expense in analyzing the transaction and the Project, the City and County agree that until the earlier of (i) the expiration of the ENA Negotiating Term or (ii) the date on which the parties have executed the ENA, the City and County will not accept, negotiate or otherwise pursue any offers to consummate any transactions (which shall include, but not be limited to, any proposals which cover the same subject matter as the Transaction and/or the Project or any discussions with the Raiders for the development of new facilities to replace the existing Coliseum Complex) with respect to development of the Project. This provision shall not preclude the City and/or the County from (1) negotiating or pursuing transactions with the Oakland A's or their representatives or Major League Baseball for development of a new ballpark and reciprocal parking on the sites reserved for such uses under this Term Sheet; (2) negotiating with BART or other transit agencies over improvements to the Coliseum BART Station or development of the Transit Hub; (3) negotiating with the A's, Raiders, or Golden State Warriors regarding their respective

Concept	Description
	<p>licenses or other operational issues at the Coliseum Complex; (4) discussing Project issues with the NFL; (5) negotiating or discussing Project community benefits with community stakeholders; (6) negotiating with each other; or (7) complying with any law requiring the City or County to accept or otherwise pursue any other offers regarding the Project Site. Notwithstanding anything in this Term Sheet to the contrary, this paragraph shall be binding and enforceable upon the parties hereto.</p>
Retention of Discretion	<p>Except as set forth in the Exclusivity, Expenses, and Confidentiality sections of this Term Sheet, this Term Sheet is not intended to be contractual in nature, but is a statement of the general terms and conditions upon which representatives of the parties are prepared to consider and discuss entering into binding agreements pertaining to the Project. Approval of the transaction will be subject to the independent discretionary approvals of the Oakland City Council and the Alameda County Board of Supervisors. As to those matters, nothing herein shall obligate the City or County to exercise their discretion in any particular manner, and any exercise of discretion required by law, other than abuse of discretion, shall not be deemed to constitute a breach of City and County duties under this Term Sheet. Nothing herein commits the City or the County to convey the Project Site or any portion thereof. The parties understand and acknowledge that any Transaction Document resulting from the negotiations arising from this Term Sheet shall become effective only if and after such Transaction Document has been considered and approved by the Oakland City Council and the Alameda County Board of Supervisors in their sole and absolute discretion and has been fully executed by the authorized agents or officers for each party thereto. The parties understand that no City or County commitment to move forward with the Project can be made other than by ordinances or resolutions of the Oakland City Council and the Alameda County Board of Supervisors respectively at public hearings called for that purpose, and only after compliance with the California Environmental Quality Act and applicable state laws governing the transfer of property and other governmental actions in furtherance of the Project, and understand that adoption of any such ordinance will be at the sole and absolute discretion of the City and the County, respectively. Without limiting the foregoing, before entering into final Transaction Documents, the City and County retain the absolute discretion to (a) make modifications to the proposed Project and any proposed agreements as are deemed necessary to mitigate significant environmental impacts, (b) select other feasible alternatives to avoid such impacts, (c) balance benefits against unavoidable significant impacts before taking final action if such significant impacts cannot otherwise be avoided, or (d) determine not to proceed with the proposed Project based upon the information generated by the environmental review process. Also, before entering into final Transaction Documents, the Lott Group retains the absolute discretion to make modifications to the proposed Project and to determine not to proceed with the proposed Project, subject to the terms and conditions of the ENA.</p> <p>If the terms of a mutually satisfactory ENA or DDA are not successfully negotiated by the parties to this Term Sheet, or if the Oakland City Council and/or the Alameda County Board of Supervisors decline to authorize execution of the ENA or DDA (or similar instruments) for any reason, then, without further action, these negotiations shall automatically terminate and no party shall have further responsibilities with respect to the others. Any approvals or consents given by the City or County pursuant to this Term Sheet shall be in their proprietary capacity and shall in no way constitute regulatory approval of any development concepts presented by the Lott Group.</p>

*[Signatures on the Next Page]*

If the terms contained in this Term Sheet are acceptable, please so indicate by signing in the spaces provided below.

**“CITY”**

**CITY OF OAKLAND, a municipal corporation**

By: \_\_\_\_\_  
City Administrator

Approved as to form and legality:

By: \_\_\_\_\_  
Deputy City Attorney

**“COUNTY”**

**COUNTY OF ALAMEDA, a political subdivision of the State of California**

By: \_\_\_\_\_  
County Administrator

Approved as to form:

By: \_\_\_\_\_  
County Counsel

**“LOTT GROUP”**

**OAKLAND CITY PRO FOOTBALL GROUP, LLC, a California limited liability company**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**FORTRESS INVESTMENT GROUP, LLC, a Delaware limited liability company**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT A**

**Project Summary**

<b>Concept</b>	<b>Description</b>
Long Term Lease with New Stadium Tenant	The parties intend to enter into a long term lease with a tenant for the New Stadium on or about the date that is the last day of the first quarter 2018.
Design / Engineering / Construction	The Lott Group intends to have construction of the New Stadium commencing on or about the first quarter of 2018 for a period of approximately 36 months, subject to force majeure and other schedule considerations, including interagency cooperation.
Stadium Opening	Subject to the completion of the New Stadium in accordance with the DDA, the parties anticipate that the New Stadium will be opened prior to the commencement of the 2021-2022 NFL Season (the " <b>Target Date</b> ").
Potential New Stadium Cost Overruns	The Lott Group or the tenant, as the case may be, or a provider of capital obtained by the Lott Group, will be responsible for cost overruns beyond the New Stadium budget.
Site Improvements/ Infrastructure Description	Site and infrastructure improvements include utility replacement and relocation, creek improvements, transportation improvements and demolition; focus has been on the Coliseum site and transit hub improvements to connect BART, to be more specifically described in the DDA.
Site Improvements/ Infrastructure Design and Construction	The Lott Group will be responsible for the design and construction of the site improvements/infrastructure for the New Stadium as more particularly described in the DDA.
Estimated Site Improvements/ Infrastructure Budget	The parties anticipate that the infrastructure budget for estimated site improvements will be finalized upon the completion of the DDA.
New Stadium Completion Responsibility	The Lott Group or the tenant, as the case may be, will guarantee substantial completion of the New Stadium by the Target Date.
Parking	During the construction of the New Stadium, the Lott Group will maintain parking spaces at the Coliseum Complex necessary for construction operations. Prior to the Target Date, the Lott Group will maintain approximately 7,000 parking spaces which will be used for Raiders games.
Stadium Ownership	To be determined.
Stadium Operating Expenses	The Raiders and/or the Lott Group, at the Lott Group's discretion, will be responsible for the payment of all operating expenses for the New Stadium.
Major Conditions Precedent to Development	<ul style="list-style-type: none"><li>• County-City bond defeasance on the existing Oakland-Alameda County Coliseum.</li></ul>



	<ul style="list-style-type: none"><li>• Project entitlements completed and finally approved by the City and County.</li><li>• DDA and other Transaction Documents approved by the City and County and executed by all parties.</li><li>• Financing plan finalized and approved</li><li>• Satisfactory evidence that the funding for the Transit Hub public improvements are in place. If such funding is not in place by at date which will be agreed upon in the DDA, the Lott Group, the County and the City will agree to negotiate in good faith an alternative to the agreed upon Project plan for a reasonable amount of time. If after the expiration of a reasonable amount of time, the County, the City and the Lott Group are unable to agree upon an alternative Project plan, then the Lott Group may, in its sole discretion, terminate the DDA.</li></ul>
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**EXHIBIT B**

**Sources and Uses of New Stadium Capital**

*[attached]*

**EXHIBIT B**

**Financing Plan Framework Summary**

**Stadium / Coliseum Site**

**Assuming Stadium Cost \$1.1 B; Infrastructure Cost \$200 M; Total Cost \$1.3 B**

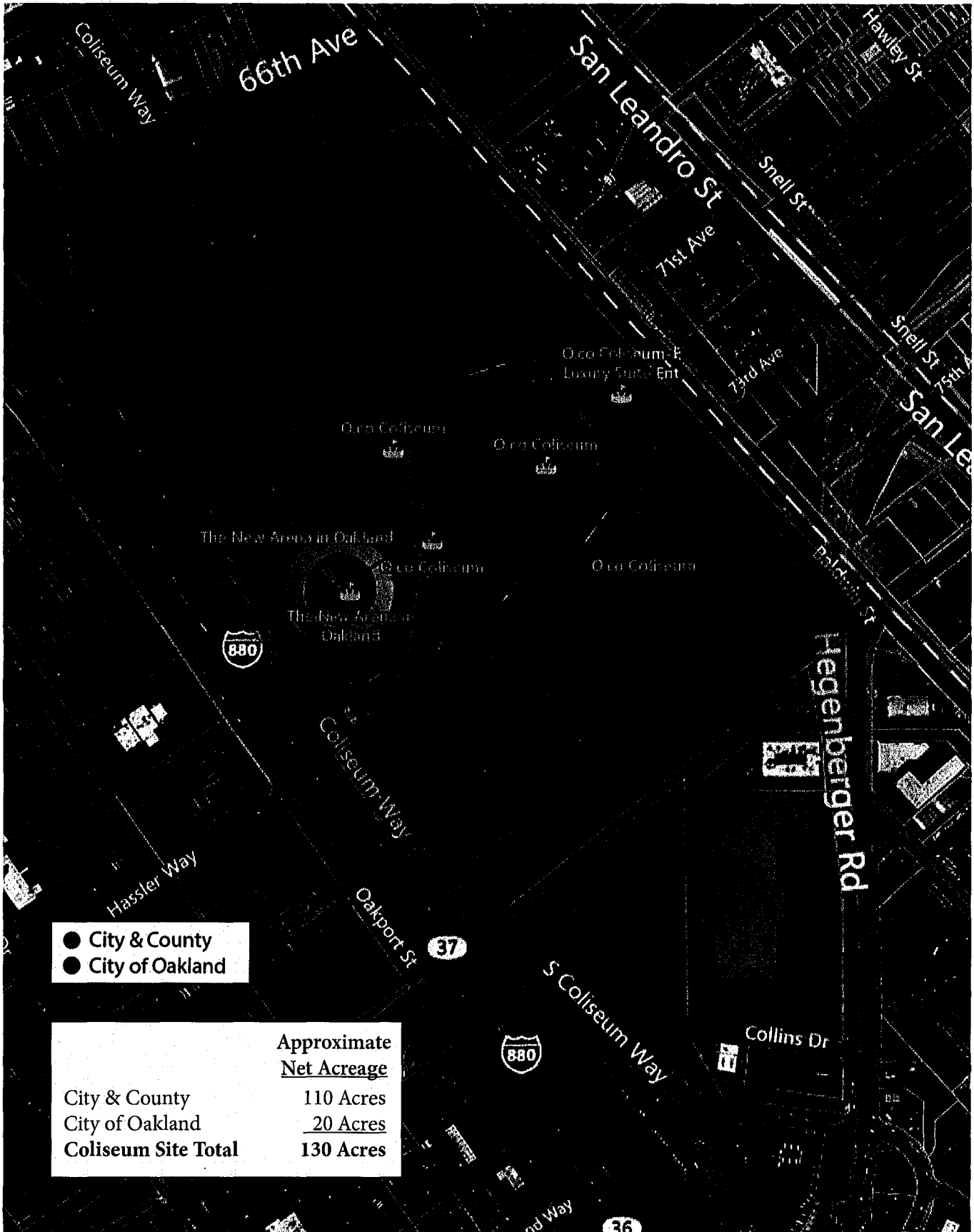
<b><u>Source of Funds to Pay the \$1.3 B Cost</u></b>	
	<b><u>Funds Generated</u></b>
<b>Public Investment</b>	
<b><u>To Pay For Public Site Improvements &amp; Infrastructure @ Coliseum Site</u></b>	
Stadium PIT/Property Tax <i>(City Share Monetized by Private Placement Bond)</i>	\$70 M
Stadium "But For" Taxes <i>(Monetized by Private Placement Bond)</i>	\$30 M
Bridge Financing by LG; Take Out by EIFD Bond <i>(No General Fund Risk)</i>	\$100 M
Subtotal	<u>\$200 M</u>
<b><u>To Generate Additional Funds</u></b>	
Coliseum Site Value In Exchange For Future Participation	\$150 M
<b>TOTAL Public Investment</b>	<u>\$350 M</u>
<b>Lott Group (LG) Investment</b>	\$400 M
<b>NFL &amp; Raiders/LG Seat License Investment</b>	\$500 M
<b>TOTAL Stadium and Coliseum Site Funds Identified</b>	<u><u>\$1.25 B</u></u>
<i>Versus Assumed \$1.3 B Cost</i>	<i>Gap: \$50 M</i>

**EXHIBIT C**

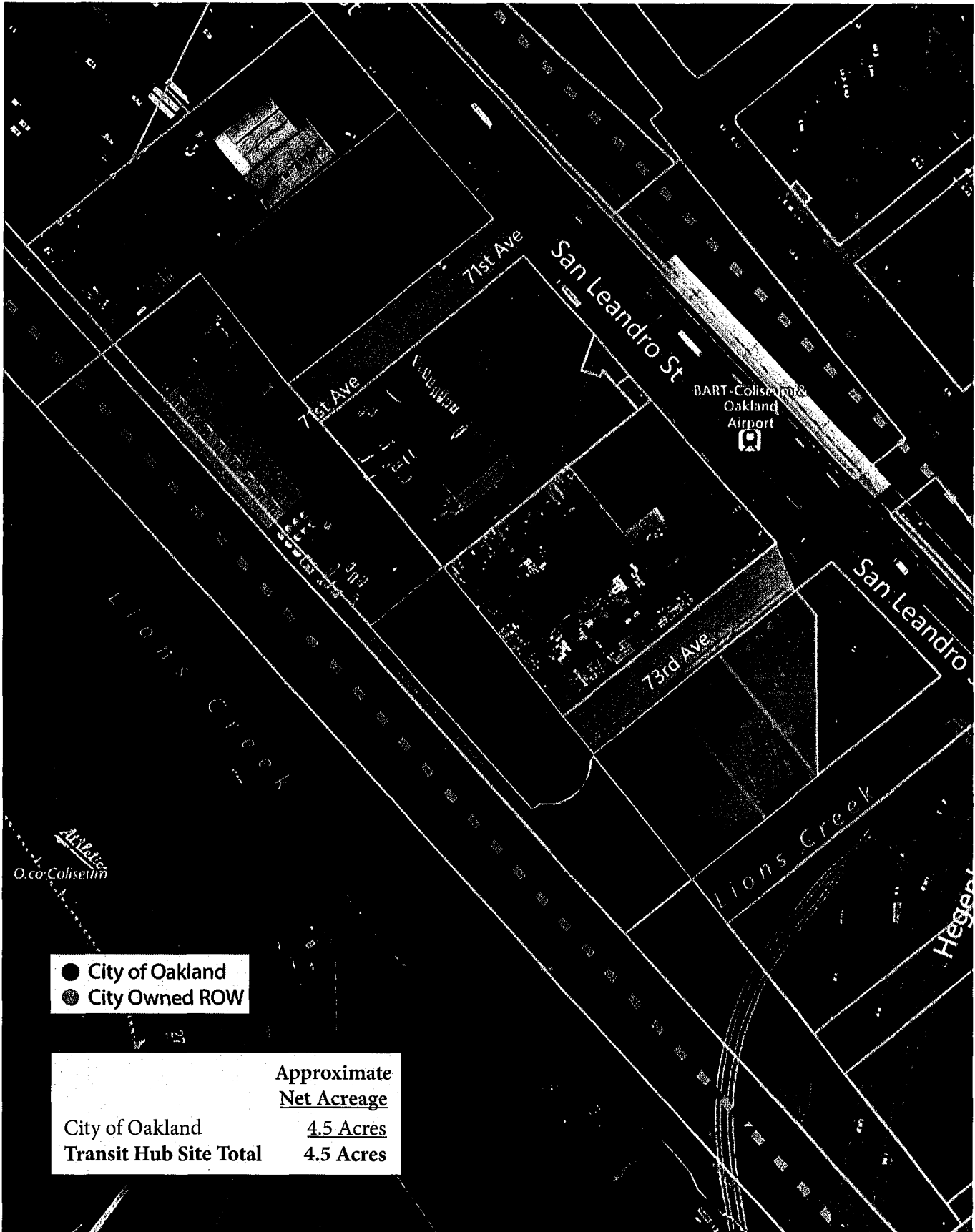
**Project Site**

*[attached]*

**Project Site Description**  
**Coliseum Site**



**Project Site Description**  
**Transit Hub Site**



- City of Oakland
- City Owned ROW

	<u>Approximate Net Acreage</u>
City of Oakland	<u>4.5 Acres</u>
<b>Transit Hub Site Total</b>	<b>4.5 Acres</b>