

CITY OF OAKLAND
OFFICE OF THE CITY CLERK
OAKLAND



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Vice Mayor Ignacio De La Fuente
City Council Member, District 5

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To: President Brunner and Members of the Oakland City Council
From: Vice President De La Fuente
Date: December 3, 2009
Re: RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION OF SUPPLEMENT NO. 3 TO THE MASTER AGREEMENT AND EXHIBITS TO THE MASTER AGREEMENT, AMONG THE OAKLAND ALAMEDA COUNTY COLISEUM AUTHORITY, THE CITY OF OAKLAND, THE COUNTY OF ALAMEDA AND THE OAKLAND RAIDERS

Background: The agreements under which the Raiders play football at the Oakland Alameda County Coliseum stadium currently expire at the end of the 2010 football season. The Raiders desire to extend these agreements at this time to allow the team to concentrate on the development of a new football-only stadium.

Proposal: Subject to approval by the Authority, the City and the County, the Raiders have agreed to a 3-year extension of the current agreements, including the Master Agreement, the License Agreement and related agreements (the "Agreements") under Supplement No. 3 to the Master Agreement and Exhibits to the Master Agreement (the "Supplement") (see attached). Under the Supplement, the Raiders would pay an additional \$5 million, \$1 million in 2011, \$1.5 million in 2012 and \$2.5 million in 2013. If the Raiders cease playing football in Alameda County prior to the final payment in 2013, the Raiders will pay the remaining balance of the \$5 million as a termination payment.

In addition, the Raiders agree to pay in full all payments due to the Authority under the Agreements, including the Supplement, if the Authority is required to pay any taxes, fees or assessments on parking revenues collected by the Authority provided that the gross amount charged to patrons at Raiders games does not exceed the cap on such parking charges outlined in the Agreements. For 2009, this cap is \$25 and beginning in 2010 this amount increases to \$30. All other terms of the Agreements are unchanged by the Supplement.

On November 17, 2009, the Oakland City Council requested that the Supplement include language to clarify that nothing in the agreement would affect the City of Oakland's rights to enforce its Parking Tax Ordinance. Unfortunately, the National Football League's Finance Committee (NFL) approved the Supplement prior to receiving the City Council's proposed language. The Raiders do not object to entering into a side letter agreement regarding parking

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taxes, but do not have the authority to modify the Supplement without returning to the NFL for approval. For this reason, we recommend the City approve the Supplement conditioned on prior execution of a side letter between the Raiders and City regarding the parking tax issue, as described in the attached Resolution.

Recommendation: The City Council shall adopt the attached resolution approving and authorizing the execution of the Supplement, conditioned on prior execution of a side letter agreement between the Raiders and the City clarifying that the Supplement does not affect the parties' rights regarding the City's parking tax or any other tax.

FILED
OFFICE OF THE CITY CLERK
OAKLAND

Approved as to Form and Legality
2009 DEC -3 PM 7:48
[Signature]
Oakland City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

Introduced by _____

**RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION OF:
(1) SUPPLEMENT NO. 3 WHICH EXTENDS THE TERM OF THE
AGREEMENTS UNDER WHICH THE RAIDERS PLAY FOOTBALL AT THE
OAKLAND ALAMEDA COUNTY COLISEUM STADIUM FOR A PERIOD OF
THREE YEARS AND (2) A LETTER CONFIRMING THAT SUPPLEMENT NO.
3 DOES NOT AFFECT THE RIGHTS OF THE CITY, THE COUNTY OF
ALAMEDA, THE OAKLAND ALAMEDA COUNTY COLISEUM AUTHORITY
OR THE OAKLAND RAIDERS REGARDING THE CITY'S PARKING TAX
ORDINANCE OR ANY OTHER TAX**

WHEREAS, in 1995 the Oakland Alameda County Coliseum Authority (the "Authority"), the City of Oakland ("City"), the County of Alameda ("County"), the Oakland Alameda County Coliseum, Inc. ("OACC") and the Oakland Alameda County Financing Corporation ("Financing Corporation") entered into a Master Agreement, including exhibits thereto (the "Master Agreement") with the Oakland Raiders, a California Limited Partnership (the "Raiders"); and

WHEREAS, the aforementioned agreements provide the terms under which the Raiders play football at the Oakland Alameda County Coliseum ("Coliseum"); and

WHEREAS, the term of the Master Agreement will expire at the end of the 2010 football season; and

WHEREAS, the parties desire to extend the term of the Master Agreement for period of three years by entering into Supplement No. 3 to the Master Agreement; and

WHEREAS, a form of the Supplement No. 3 has been provided to the City Council; and

WHEREAS, under Supplement No. 3, the Raiders, among other things, would

agree to pay an additional \$5 million in the following increments: \$1 million in 2011, \$1.5 million in 2012 and \$2.5 million in 2013; and if the Raiders cease playing football in Alameda County prior to paying the \$5 million, they will pay the remaining balance of the \$5 million as a termination payment; and

WHEREAS, to facilitate the amendment of the Master Agreement, the parties wish to clarify that the amendments thereto do not affect the City's or the Raiders' rights regarding the City's Parking Tax (Oakland Municipal Code Chapter 4.16) or any other tax; and

WHEREAS, the City and the Raiders desire to execute a side letter confirming that the Supplement No. 3 does not affect, nor is it intended to affect the rights of any of the parties with respect to the City's Parking Tax Ordinance or any other tax; now therefore be it

RESOLVED: that the City Council hereby approves and authorizes the City Administrator to execute Supplement No. 3; and be it

FURTHER RESOLVED: that the City Council hereby approves and authorizes the City Administrator to execute a letter between the City and the Raiders confirming that Supplement No. 3 does not affect the rights of the City or the Raiders, or any other party to the Master Agreement, regarding the City's Parking Tax Ordinance or any other tax.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2009

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, DE LA FUENTE,
KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER,
NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

**SUPPLEMENT NO. 3 TO MASTER AGREEMENT
AND EXHIBITS TO THE MASTER AGREEMENT**

RECITALS

1. The Oakland Alameda County Coliseum, Inc. ("OACC," "Licensor" or "Coliseum"), the Oakland Alameda County Coliseum Authority (the "Authority" or "JPA"), the City of Oakland (the "City"), the County of Alameda (the "County"), the Oakland-Alameda County Coliseum Financing Corporation ("Financing") and the Oakland Raiders, a California Limited Partnership (the "Raiders" or the "Licensee") (collectively, the "Parties") have previously entered into a Master Agreement, dated August 7, 1995. The Master Agreement contained, as exhibits, the Definitional Annex and certain additional agreements that certain of the Parties executed on August 7, 1995, including (i) the Oakland-Alameda County Coliseum Stadium Operating License, between OACC and the Raiders (the "Operating License"), (ii) the Loan Agreement, between Financing and the Raiders (the "Loan Agreement"), (iii) the Stadium Capital Improvement Design and Construction Coordination Agreement, (iv) the Marketing Agreement, between the JPA and the Raiders (the "Marketing Agreement"), and the associated Marketing Strategy, (v) the Stadium Improvement Plan, (vi) the Visiting Team Share Agreement, among the City, the County, the Authority and the Raiders, and (vii) Revenue Trust and Security Agreement, among OACC, the JPA, the Raiders and the Alameda County Treasurer, as trustee (the "Revenue Trust Agreement") (collectively, the Definitional Annex and items (i) through (vii) are collectively referred to as the "Exhibits").
2. As of June 1, 1996, the Parties entered into Supplement No. 1 to Master Agreement and Other Agreements Defined Therein ("Supplement No. 1"), amending and modifying certain provisions of the Master Agreement and the Exhibits.
3. On or about March 28, 2006, the Parties entered into Supplement No. 2 to the Master Agreement and Other Agreements Defined Therein ("Supplement No. 2"), amending and modifying certain provisions of the Master Agreement and the Exhibits.
- 4.4. The Parties have been working collaboratively to discuss and explore options for a new stadium in Alameda County for the Raiders to hold Football Events following the end of the Term of the Master Agreement and Exhibits, but recognize that such options may not be sufficiently ready to hold Football Events prior to the 2011-2012 Football Season.
- 5.5. The Parties desire to continue exploring and discussing such options for a new stadium in Alameda County for Raiders Football Events and other Bay Area events and desire to extend the term of the Master Agreement and Exhibits to allow such discussions to continue to occur.
6. On December 11, 2008, OACC dissolved. The Authority had previously assumed all the rights and responsibilities of OACC, including, but not limited to OACC's rights and responsibilities under the Master Agreement. "Parties" for purposes of this Supplement No. 3 shall not include OACC
7. The Parties desire to enter into this Supplement No. 3 to the Master Agreement and to the Exhibits ("Supplement No. 3"), dated as of November 1, 2009.

SUPPLEMENT

1. **Master Agreement.** The Master Agreement is hereby amended and supplemented as follows:

a. Section 5.2(a), as amended by Section 2.1. of Supplement No. 2, is hereby amended in its entirety to read as follows:

(a) Football Parking Net Revenue.

Subject to the foregoing, the JPA shall be authorized to collect, and shall be responsible for collecting, all Football Parking Net Revenue. The parties agree that after the conclusion of the 2005 Football Season, all Football Parking Net Revenues for subsequent seasons shall be split equally between the Raiders and the JPA, provided that the parties acknowledge and reconfirm that the Raiders' fifty percent (50%) share of such future revenues shall continue to secure the Raiders' payment obligations under the outstanding Loan Agreement and shall continue to be applied as amounts due from the Raiders under such Loan Agreement. The JPA shall be entitled to charge parking fees for Football Events of no more than \$20 for the 2006 and 2007 Football Seasons, of no more than \$25 for the 2008 and 2009 Football Seasons and of no more than \$30 for the 2010 - 2014 Football Seasons; provided, however, that the parking charges shall in no event exceed the average parking charges for similar professional football events in the San Francisco Bay Area. The Parties acknowledge and agree that the maximum amounts JPA shall be entitled to charge and/or collect for parking fees for Football Events include all taxes, user fees, assessments, or any other costs or expenses of any kind, and JPA shall not charge or collect any more than the amounts provided herein. The Raiders agree that to the extent JPA collects and pays any such taxes, fees, assessments, costs or expenses from such parking fees, Raiders shall make no claim for offset against amounts Raiders owes to JPA pursuant to Section 18 of the Operating License. The Coliseum shall provide parking services consistent with those of other premier NFL facilities. Section 8.1(e)(ix) is hereby added to the Master Agreement, as follows:

8.1(e)(ix) Raiders' Right to Terminate. Raiders shall have the unilateral right to terminate the Term of the Operating License in each of the following manners:

- (i) Raiders shall have the right to terminate the Term of the Operating License for the seventeenth (17th), eighteenth (18th) and nineteenth (19th) Football Seasons (2011-2012, 2012-2013,

and 2013-2014) by providing written notice of intent to terminate such portions of the Term on or before July 1, 2011. In the event Raiders elects to terminate the Term for the 2011-2012, 2012-2013, and 2013-2014 Football Seasons, and if and only if Raiders enters into an agreement to play all or a majority of its home football games outside of Alameda County for the 2011-2012, 2012-2013, and 2013-2014 Football Seasons, then Raiders shall pay Licensor Five Million Dollars (\$5,000,000.00) within six (6) months of providing notice of termination to Licensor. In the event of such termination, other than payment of such amount to Licensor, Raiders shall have no further obligations pursuant to the Agreements. If Raiders plays a majority of its home football games in Alameda County during such Football Seasons, then no payment shall be due to Licensor pursuant to this Section 6.3(i); and

(ii) Raiders shall have the right to terminate the Term of the Operating License for the eighteenth (18th) and nineteenth (19th) Football Seasons (2012-2013 and 2013-2014) by providing written notice of intent to terminate such portions of the Term on or before July 1, 2012. In the event Raiders elects to terminate the Term for the 2012-2013 and 2013-2014 Football Seasons, and if and only if Raiders enters into an agreement to play all or a majority of its home football games outside of Alameda County for the 2012-2013 and 2013-2014 Football Seasons, then Raiders shall pay Licensor Four Million Dollars (\$4,000,000.00) within six (6) months of providing notice of termination to Licensor. In the event of such termination, other than payment of such amount to Licensor, Raiders shall have no further obligations pursuant to the Agreements. If Raiders plays a majority of its home football games in Alameda County during such Football Seasons, then no payment shall be due to Licensor pursuant to this Section 6.3(ii); and

(iii) Raiders shall have the right to terminate the Term of the Operating License for the nineteenth (19th) Football Season (2013-2014) by providing written notice of intent to terminate such portions of the Term on or before July 1, 2013. In the event Raiders elects to terminate the Term for the 2013-2014 Football Season, and if and only if Raiders enters into an agreement to play all or a majority of its home football games outside of Alameda County for the 2013-2014 Football Season, Raiders shall pay Licensor Two Million Five Hundred Thousand Dollars (\$2,500,000.00) within six (6) months of providing notice of termination to Licensor. In the event of such termination, other than payment of such amount to Licensor, Raiders shall have no further obligations pursuant to the Agreements. If Raiders plays

a majority of its home football games in Alameda County during such Football Season, then no payment shall be due to Licensor pursuant to this Section 6.3(iii).

b. Section 8.2(c) and Section 8.2(d) to the Master Agreement are hereby deleted in their entireties.

2. **Operating License.** The Operating License is hereby amended and supplemented as follows:

a. Section 6.1 is hereby amended in its entirety to read as follows:

6.1 Term. Subject to the terms and conditions of the Agreements, the term of this License shall be for nineteen (19) Football Seasons (which shall be consecutive unless otherwise permitted by the Agreements) commencing with the First Football Event in the OACC Stadium and such term shall end forty-five (45) days after the last Football Event of Raiders' last Football Season in the OACC Stadium under this License, which shall be the 2013-2014 Football Season, unless otherwise terminated by Raiders as provided in the Agreements. Raiders shall play all Football Events at the OACC Stadium during such term except as otherwise provided in the Agreements.

b. Section 7.3 is hereby added to the Operating License as follows:

7.3 Raiders' Additional Payments for 2011-2012, 2012-2013, and 2013-2014 Football Seasons. In addition to any other payments required by the Agreements, Raiders shall pay Licensor the following additional amounts for Raiders' use of the OACC Stadium in the 2011-2012, 2012-2013, and 2013-2014 Football Seasons:

- (i) For the 2011-2012 Football Season, Raiders shall pay to Licensor an Additional Payment of One Million Dollars (\$1,000,000.00); and
- (ii) For the 2012-2013 Football Season, Raiders shall pay to Licensor an Additional Payment of One Million Five Hundred Thousand Dollars (\$1,500,000.00); and
- (iii) For the 2013-2014 Football Season, Raiders shall pay to Licensor an Additional Payment of Two Million Five Hundred Thousand Dollars (\$2,500,000.00).

In the event Raiders terminates the Term of this Operating License prior to any of the 2011-2012, 2012-2013, or 2013-2014 Football Seasons, then Raiders shall not owe any payments attributable to those Football Seasons pursuant to this Section 7.3. However, the Parties rights with respect to such termination shall be

determined pursuant to Section 8.1(e)(ix) of the Master Agreement, as amended herein and as it may be further amended from time to time.

Supplement No.2. Supplement No. 2 is hereby amended and supplemented as follows:

c. The introductory paragraph to Appendix A shall be modified as follows:

The phrase, "This Advertising Agreement will terminate at the end of the 2010 NFL football season" shall be deleted and replaced with "This Advertising Agreement will terminate simultaneously with the termination of the Operating License and Master Agreement."

3. General Provisions.

a. Except as otherwise specifically supplemented, interpreted or modified by this Supplement No. 2, all terms and provisions of the Agreements shall remain unmodified and in full force and effect. This Supplement No. 3 and the other agreements and schedules referred to herein (including the Settlement Agreement) shall constitute the entire agreement among the parties relating to the subject matter hereof and thereof, and shall supersede any negotiations, understandings, or agreements, written or oral, relating to the subject matter hereof and thereof, and shall not be changed or terminated orally. The parties further agree that the Agreements (as modified by this Supplement No. 3) shall be fairly and reasonably interpreted in the context of the time when the provision was drafted and applicable to the parties. To the extent there is any conflict between any provision in this Supplement No. 3 and any provision in the Master Agreement, any Exhibit or Supplement No. 1 or Supplement No. 2, the provision in this Supplement No. 3 shall control. In entering into this Supplement No. 3, no Party is relying on any representation, statement of fact or opinion concerning any matter, except those expressly set forth in this Supplement No. 3, of any

b. This Supplement No. 3 may be executed in any number of counterparts, each of which when executed and delivered shall be deemed an original and all of which taken together shall be deemed one and the same instrument.

OAKLAND ALAMEDA COUNTY COLISEUM
AUTHORITY

By _____
Chair

Attest: _____
Secretary

CITY OF OAKLAND

By _____
City Administrator

Approved as to form and legality:

City Attorney

COUNTY OF ALAMEDA

By _____
President, Board of Supervisors

Approved as to form and legality:

County Counsel

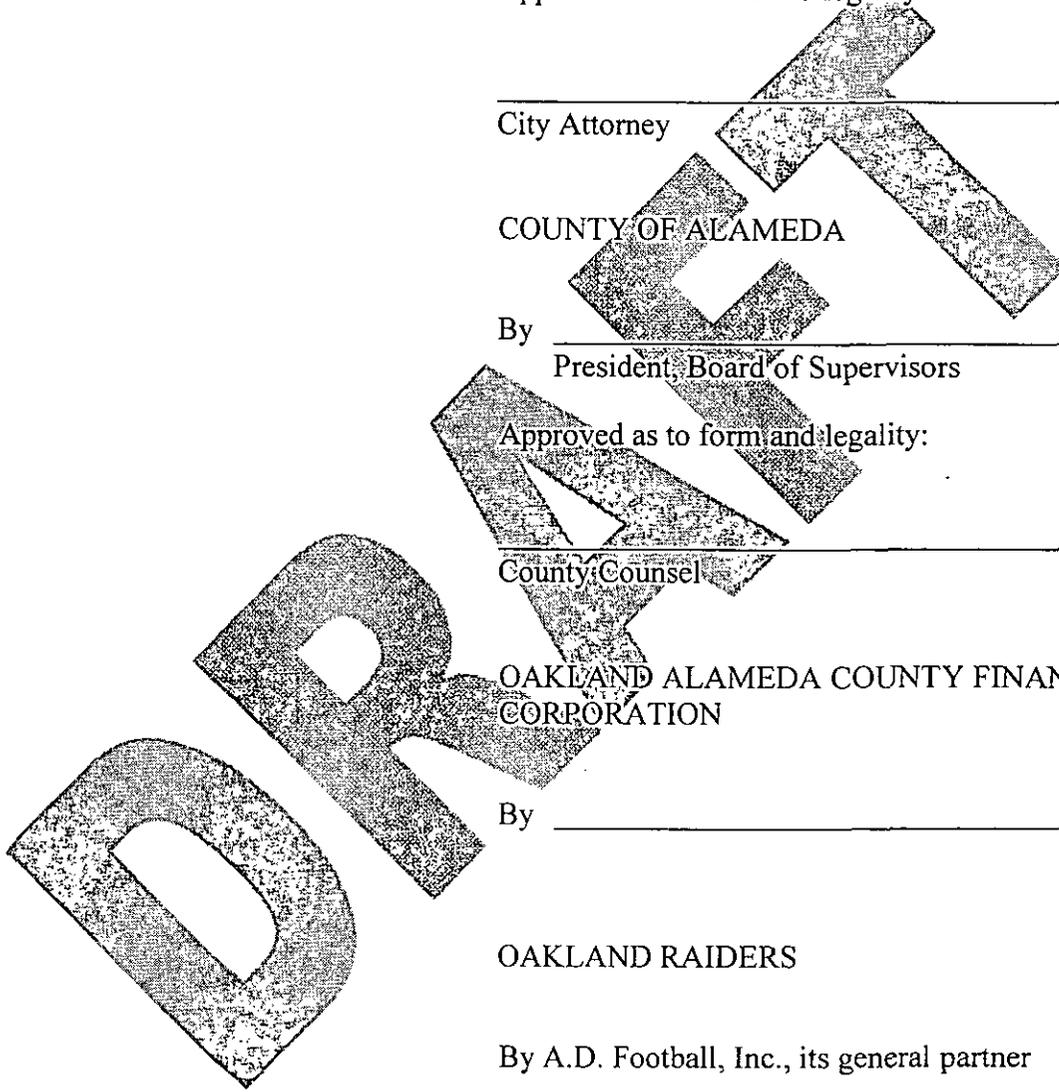
OAKLAND ALAMEDA COUNTY FINANCING CORPORATION

By _____

OAKLAND RAIDERS

By A.D. Football, Inc., its general partner

By: _____
President



A.D. FOOTBALL, INC.

By: _____
President

DRAFT

CITY OF OAKLAND



ONE FRANK H. OGAWA PLAZA 6TH FLOOR • OAKLAND, CALIFORNIA 94612

John A. Russo
City Attorney

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December 3, 2009

Dan Ventrelle, Esq.
Oakland Raiders
Oakland, California

Dear Mr. Ventrelle:

As you know, the City of Oakland (“City”), the Oakland Raiders, a California Limited Partnership, (the “Raiders”), the Oakland Alameda County Joint Powers Authority, the County of Alameda, the Oakland-Alameda County Coliseum Financing Corporation (collectively, with City and Raiders referred to herein as the “Parties”), desire to enter into Supplement No. 3 to amend the Master Agreement and Exhibits thereto (“Master Agreement”).

This confirms that the City and the Raiders agree, understand and acknowledge that no changes to the Master Agreement and Exhibits set forth in this Supplement No. 3 shall affect, or are intended to affect, the rights of any of the Parties with respect to the City’s Parking Tax Ordinance (Oakland Municipal Code Chapter 4.16) or any other tax.

Agreed:

City of Oakland

Oakland Raiders

Dan Lindheim
City Administrator

Counsel to the Oakland Raiders