

**Department of Real Estate and Airport
Management**

June 9, 2023

Mr. Brad Termini
Midway Rising, LLC
c/o Legends Venue Management, LLC
Attn: Legal Department
61 Broadway, 24th Floor
New York, NY 10006

Re: Exclusive Negotiation Agreement between the City of San Diego and Midway Rising, LLC dated December 5, 2022

Dear Brad,

In accordance with Section 13 of the subject Exclusive Negotiation Agreement (ENA), the City reserves the right to approve any 10 percent or greater change in the ownership of Midway Rising, LLC. As such, on March 15, 2023, you requested that the City review a proposal to modify the Midway Rising partnership and legal structure by adding a new majority investor and member, ESK Midway Rising Investor, LLC, a special purpose entity owned in full by E. Stanley Kroenke. On March 16, 2023, a redacted Limited Liability Agreement (Agreement) was submitted to the City for review.

Since the submittal, the City has reviewed the Agreement and conducted our due diligence on the expertise, experience and financial capability of E. Stanley Kroenke. On June 1, 2023, the City reviewed an unredacted version of the Agreement and on June 5, 2023, you confirmed that there are no actual or proposed amendments or supplements to the signed Agreement, whether by way of direct amendment or any "side letter" between the parties. Please notify us in the future if the parties propose to enter into any amendment, supplement, or side letter to the signed Agreement.

The City approves the modification of the Midway Rising partnership and legal structure as reflected in the signed Agreement, allowing E. Stanley Kroenke to become the new majority investor in the Midway redevelopment project. Based upon our due diligence and the significant investment being made in the project, we believe the addition of this new investor will enhance the already world-class team of partners, and we look forward to continuing to work with you towards redeveloping the Midway site.

If you have any questions, please let me know.

Thank you,



Penny Maus
City of San Diego
Director, Real Estate and Airport Management

Ccs via email: Shervin Mirhashemi, Legends
Shelby Jordan, Legends
Jim Andersen, Chelsea Investment Corporation
Charles Modica, Independent Budget Analyst
Jay Goldstone, Special Advisor to Mayor Todd Gloria
Jessica Lawrence, Director of Policy, Office of Mayor Todd Gloria
Eric Dargan, Chief Operating Officer
Casey Smith, Deputy Chief Operating Officer
Kevin Reisch, Chief Deputy City Attorney