

# J.P.Morgan

May 31, 2017

Christopher Hansen  
Horton Street LLC  
One Market Street, Steuart Street, Suite 2625  
San Francisco, CA 94111

## **Re: Letter of Support for Seattle Arena Project**

Dear Mr. Hansen:

J.P. Morgan Securities LLC (“J.P. Morgan” or “JPMS”) is pleased to submit this Letter of Support for Horton Street LLC (the “Sponsors”) in connection with our discussions to date related to a proposed multi-use sports and entertainment arena facility located in Seattle, Washington (the “Project”). This letter serves to demonstrate J.P. Morgan’s interest in potentially participating in a financing of the Project.

JPMorgan Chase & Co. (“JPMC”), a publicly held, global financial services company, is one of the largest financial institutions in the world, with more than \$254 billion in total capital as of December 31, 2016. J.P. Morgan, the investment banking subsidiary of JPMC, is one of the top broker-dealers in the world, serving more than 4,000 issuers globally. J.P. Morgan holds industry-leading positions in nearly every product and sector in the debt capital markets. The firm has been the #1-ranked underwriter of U.S. investment grade taxable debt for nine straight years, and it is a leader in the taxable private placement market, consistently ranking among the top two U.S. agents for more than a decade.

J.P. Morgan’s Sports Finance Group is one of the most well-rounded and comprehensive teams of any Wall Street bank, and includes professionals from throughout the firm’s commercial, investment and private bank. As a firm, we have extensive experience providing sports franchises with arena and stadium financing execution services, including in the bank and capital markets. J.P. Morgan is involved on many fronts with sports financing, and has close relationships with each of the five major US sports leagues as well as team organizations. In addition to our experience with new arena and stadium financings, our firm wide sports experience includes providing capital solutions to major league teams and their individual owners.

You have advised J.P. Morgan that you intend to finance the Project with a combination of sources including ownership equity, the sale of seat licenses and sponsorship contracts and the proceeds of debt secured by revenues of the Project (the “Debt Financing”). You have provided J.P. Morgan with a preliminary financial analysis detailing the sources and uses, revenues and expenses of the Project (the “Financial Model”). Based upon the information that you have provided to us to date, which we have relied upon without independent verification regarding the accuracy and completeness of all of the information reviewed, the current market for loans and securities generally and for loans and securities issued by entities engaged in similar industries and for transactions of this type, and while subject to further due diligence, we support the Sponsors in connection with the Project and believe they are capable of securing, managing, and bringing to financial close the financing of this Project.

For the avoidance of doubt, this letter is informational only and is not intended to be and should not be construed as an offer or commitment by J.P. Morgan or any of its affiliates with respect to any financing in connection with the Project and creates no obligations or liability on the part of J.P. Morgan or any of its affiliates. Any such commitment will only exist upon execution of a final written agreement in

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connection with the financing of the Project and then only in accordance with the terms and conditions thereof.

Should you require further information, please do not hesitate to contact the undersigned.

Sincerely,



Michael Britchkow, Executive Director  
J.P. Morgan Securities LLC

*Any portion of this letter which provides information on municipal financial products or the issuance of municipal securities is given in response to your questions or to demonstrate our experience in the municipal markets and does not constitute "advice" within the meaning of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. We encourage you to consult with your own legal and financial advisors to the extent you deem appropriate in connection with the offering of the securities. If you have any questions concerning our intended role and relationship with you, we would be happy to discuss this with you further.*