



SIDE LETTER REGARDING FUTURE DISCUSSIONS

This Side Letter Regarding Future Discussions ("**Side Letter**"), dated for reference as of August 15, 2018, is delivered by the City of San Jose ("**City**") and San Jose Arena Management, LLC ("**Manager**") as an expression of our mutual commitment to work together to help facilitate a bold new vision for the Diridon Station Area, for the good of the entire community.

BACKGROUND

On May 19, 2015, the City Council adopted Resolution number 77352 authorizing the City Manager to negotiate and execute a Second Amended and Restated Arena Management Agreement ("**AMA**") for the management of the City-owned SAP Center, extending the term of the 2000 Arena Agreement and amending other terms, consistent with the Term Sheet presented to the Council.

During the past three years of negotiations of the AMA, City and Manager have discussed future construction and development projects in the Diridon Station Area that may impact the availability and operation of parking facilities that serve the SAP Center, as well as access to and from those facilities.

The parties have now completed the drafting of the AMA consistent with the Term Sheet, including extensive provisions regarding on-site and off-site parking, transportation in and around the Diridon Station Area, and the need to anticipate and address changed conditions that result from new transit projects and/or private development projects.

THE NEED FOR CONTINUING DISCUSSIONS

Although the AMA is done and the parties are executing it concurrently with this letter, we know that our discussions are not done. We understand that the issues surrounding the development of the Diridon Station Area are complex, and the situation is constantly evolving. It will likely be many years before the parking and transportation "ecosystem" in the Diridon Station Area is stabilized.

Until such stabilization occurs, we will need to meet and confer regularly and often to discuss the ongoing public and private development projects in the Diridon Station Area, to try to find ways to facilitate the transformation of the Diridon Station Area into a master-planned transit-oriented community while meeting the access and parking needs of the SAP Center.

We believe that with proper planning, the Diridon Station Area can support robust corporate development, a multi-modal transportation system, and a successful world-class sports and entertainment arena. However, the plan must also address critical needs of the SAP Center regarding transportation and parking.

OUR MUTUAL COMMITMENT

Following the execution of the AMA, City and Manager will continue to meet in good faith to discuss long-term, integrated, and shared parking solutions for the benefit of the community and the key stakeholders in the Diridon Station Area, including transportation agencies and residential and corporate developers. These meetings will include discussions addressing (i) the City's desire to encourage construction and development projects in the Diridon Station Area; (ii) construction management plans, including mitigation of construction impacts; (iii) changes that may result from the new development; (iv) Manager's access and parking requirements in coordination with the transportation and development projects surrounding the SAP Center; and (v) alternative ways to achieve solutions for Manager's parking operations as part of the development of these projects.

Such discussions will recognize one of the primary objectives of the Diridon Station Area Plan, which is to "ensure the continued vitality of the San Jose Arena, recognizing that the Arena is a major anchor for both Downtown San Jose and the Diridon Station Area, and that sufficient parking and efficient access for Arena customers, consistent with the provisions of the Arena Management Agreement, are critical for the Arena's on-going success."

Without limiting the foregoing, Manager is open to the future possibility of relocating, reconfiguring, restructuring or otherwise reorganizing the parking facilities that serve the SAP Center, provided that any such reorganization is accomplished through a comprehensive plan that, on a holistic basis, preserves the access for SAP Center patrons and the overall quality of the parking ecosystem, including the operational and revenue-generating aspects of the parking as described in the AMA.

OUR MUTUAL INTENT

Nothing in this Side Letter modifies the AMA in any way. Further, nothing in this Side Letter obligates the parties to agree to any modifications to the AMA. This Side Letter does not constitute a binding contract, and does not create any contractual obligations or duties.

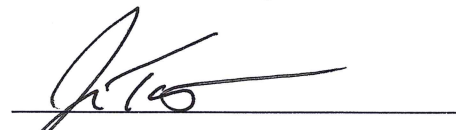
The purpose of this Side Letter is to reaffirm that the parties remain willing to meet and confer with each other as development plans for the Diridon Station Area evolve, to try to find mutually acceptable solutions for parking and transportation issues that arise over the next several years, with the express goal of helping to ensure that the SAP Center and its new neighbors will be able to co-exist successfully in a synergistic and dynamic transit-oriented community.

City of San Jose:

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David Sykes, City Manager

San Jose Arena Management, LLC:

A handwritten signature in black ink, appearing to read "John Tortora", written over a horizontal line.

John Tortora, President