

Pittsburgh Arena Real Estate Redevelopment, LP

April 29, 2016

Mary Conturo
Sports & Exhibition Authority
171 10th Street
Pittsburgh, PA 15222

Re: I-579 "Cap" Urban Connector Project

Dear Ms. Conturo,

This letter is provided by Pittsburgh Arena Real Estate Redevelopment LP ("PAR"), as Optionee pursuant to the Comprehensive Option Agreement dated September 11, 2014 ("Agreement") among PAR, the Sports & Exhibition Authority of Pittsburgh and Allegheny County (SEA) and the Urban Redevelopment Authority of Pittsburgh.

Pursuant to the Agreement PAR holds certain rights for the redevelopment of land to the east of the CAP project ("Option Land"). In connection therewith, a master planning process has been undertaken to provide for a mixed use development to occur on that land. The Cap is included in the master plan and is a key element in supporting the mixed use development.

The Cap will provide a renewed connection between a high economic generator (Downtown central business district) and the disadvantaged Hill District neighborhood. It will serve as a new urban connector with safe, accessible pedestrian and bicycle routes between the two neighborhoods, and will provide for a new public greenspace in the urban core of Pittsburgh. The Cap and the redevelopment of the land to the east will be a transformative project for the City of Pittsburgh.

The CAP project incorporates a 0.6 acre portion of the land covered by the Agreement. PAR is responsible for developing or causing to be developed the 0.6 acre parcel as urban open space as the redevelopment of the Option Land proceeds in accordance with the timeline and other requirements in the Agreement. An estimated cost of the surface improvements to the 0.6 acre site is not less than \$900,000. To the extent the 0.6 acre parcel is included in the CAP project, PAR will contribute or cause others to contribute (by working with the foundation and corporate community to set aside and allocate the funds required for the surface improvements) to the CAP budget the costs of the surface improvements to the 0.6 acres. The

amount of this estimated contribution will be adjusted when the actual costs of surface improvements is finalized.

Please also be aware that if requested by SEA, in order to comply with ownership requirements related to funding for the CAP, PAR will cause it responsibilities under the Agreement with respect to the 0.6 acre parcel to be undertaken pursuant to a ground lease rather than a deed.

Sincerely,

A handwritten signature in blue ink, appearing to read "T. Williams", with a horizontal line extending to the right.

Travis E. Williams
Chief Operating Officer
Pittsburgh Arena Real Estate Redevelopment, LP