

Mid-Atlantic Arena

VIA EMAIL

August 14, 2017

**City Manager
David L. Hansen
City of Virginia Beach
Municipal Center
Virginia Beach, VA 23456 9001**

RE: Mid-Atlantic Arena, LLC (MAA) – Virginia Beach Arena

Dear City Manager Hansen,

On behalf of Mid-Atlantic Arena, LLC, the successor in interest to United States Management, LLC, and pursuant to Section 5.4 of the executed Development Agreement dated December 11, 2015, we are requesting two thirty-day extensions of the Outside Loan Closing Date, which would result in an Outside Closing Date of November 6, 2017. These extensions will facilitate completion of additional work necessary to close the financing for the development of the Virginia Beach Arena consistent with the loan commitment accepted by the City on March 15, 2017.

We have been diligently pursuing the Construction Loan Closing and are making tangible and material progress towards achieving Construction Loan Closing prior to the extension of the Outside Loan Closing Date requested by this letter. As evidence in this regard, attached is a letter from our lead Lender, JPMorgan, concerning our substantial progress. We request that you hold portions of the attached as confidential as permitted by Va. Code Section 2.2-3705.6(3). We have shown you the original and attached is the redacted copy only which removes such proprietary information.

We have exchanged multiple drafts of various loan documents with the Lender (including a 100+ page Credit Agreement, a Deed of Trust and a Loan Cure Rights Agreement) and provided drafts to counsel for the City for review. If you would like to receive copies of these draft documents or any other documentation as confirmation, we will be happy to provide them upon request.

We look forward to your confirmation of these extensions and the new Outside Loan Closing Date as soon as possible.

Sincerely,

**Andrea Kilmer
President and CEO**

**JPMORGAN CHASE BANK,
NATIONAL ASSOCIATION**
383 Madison Avenue
New York, New York 10179




August 10, 2017

Mid-Atlantic Arena, LLC
c/o The ESG Companies
3333 Virginia Beach Blvd. Ste. 24
Virginia Beach, VA 23452
Attention: Andrea M. Kilmer

Second Amendment to Commitment Letter

Ladies and Gentlemen:

This Second Amendment to Commitment Letter (this "Second Amendment") amends that certain Commitment Letter dated March 8, 2017 (as amended by that certain Amendment to Commitment Letter dated March 30, 2017, the "Commitment Letter") from JPMorgan Chase Bank, National Association and  to Mid-Atlantic Arena, LLC, a Delaware limited liability company (the "Borrower"). All terms defined in the Commitment Letter shall have the same meaning herein, unless specifically modified in this Second Amendment.

The Commitment Letter is hereby amended as follows:

1. Clause (e) of the sixth paragraph of the Commitment Letter is amended such that the reference therein to "September 1, 2017" shall be amended to read "November 6, 2017".
2. Exhibit A of the Commitment Letter is amended such that the reference to "September 1, 2017" contained in the section entitled "Closing Date," shall be amended to read "November 6, 2017" so as to coincide with the "Outside Loan Closing Date" (including the two available thirty-day extensions) as defined in the Development Agreement between USM and the City of Virginia Beach, dated September 11, 2015.

This letter further acknowledges that tangible and material progress has been made toward closing and the extension is granted to allow sufficient time for the parties to finalize relevant agreements and documents and for the Borrower to satisfy all conditions of closing.

Except as set forth in this Second Amendment, the Commitment Letter is not amended or modified in any respect.

Very truly yours,

JPMORGAN CHASE BANK,
NATIONAL ASSOCIATION

By: _____

Name: Timothy Self
Title: Managing Director

[Redacted signature block]

By: _____
[Redacted signature block]

Accepted and agreed to as of
the date first written above by:

MID-ATLANTIC ARENA, LLC

By: _____

Name: Andrea M. Kilmer
Title: President and CEO