SEATTLE MARINERS™

March 1, 2013

Mr. Kevin Callan
Executive Director
Washington State Public Facilities District
Safeco Field
Seattle, WA 98134

Dear Kevin:

In accordance with Article 5.2 of the Ballpark Operations and Lease Agreement between the Washington State Major League Baseball Stadium Public Facilities District (PFD) and The Baseball Club of Seattle, LLLP enclosed please find the Seattle Mariners' report to the PFD for our fiscal year ended October 31, 2012, along with an update on the club's Cumulative Net Loss calculated from July 1, 1995.

Although we do not anticipate any material changes to these numbers, please consider this to be an interim report. It is based on the best numbers available to us from the last draft of our financial statements. Our independent audit for the fiscal year ended October 31, 2012 has not yet been completed, due to factors beyond the Mariners' control. Our outside auditors cannot issue a final report until they receive final reports from Major League Baseball entities, which may not be available for several weeks.

As soon as the audit is complete, we will provide a final report to the PFD. With the caveat that this is based on a draft rather than a final audit report, as the Club's Chief Financial Officer, I certify to the best of my knowledge that the attached calculations are true and correct.

Sincerely,

Kevin J. Mather
Executive Vice President
Finance and Ballpark Operations

Enclosure

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REPORT TO THE WASHINGTON STATE PUBLIC FACILITIES DISTRICT BY THE SEATTLE MARINERS FOR YEAR ENDED OCTOBER 31, 2012

Submitted March 1, 2013

In 1996, the Washington State Major League Baseball Stadium Public Facilities District (PFD) and The Baseball Club of Seattle, LLLP (Mariners or Club) entered into the Ballpark Operations and Lease Agreement (Lease). The Mariners agreed to play at yet-to-be-named Safeco Field through the 2018 season.

Section 5.2 of the Lease includes a commitment by the Mariners to share profits after the recovery of the financial losses that occurred after July 1, 1995 (defined as Cumulative Net Loss in section 5.2.4). From that date through October 31, 1999, the Mariners net operating losses totaled $200,212,000. (Note: This does not include the losses this ownership group incurred for the three years from July 1, 1992 through June 30, 1995.)

A "special calculation" was agreed upon to determine the annual amount to apply to the Cumulative Net Loss. It was created specifically to determine when the Mariners begin sharing profits with the PFD, and has no application other than this limited purpose. Each year, when the special calculation is positive, the Cumulative Net Loss is reduced. This special calculation should not be confused with the Mariners Net Income/Loss from business operations.

Although not required by the Lease, the Mariners would like to advise the PFD that the Club's Net Income from business operations (using generally accepted accounting principles, GAAP) in fiscal year 2012 was $5,863,000. Although the team showed a profit in 2012, there was no distribution to ownership. Since this ownership group bought the franchise in 1992, there has never been a distribution to ownership in any year.

The "special calculation" for profit-sharing purposes with the PFD was $7,968,000. After thirteen and one-half seasons in Safeco Field, the Mariners are pleased that the Cumulative Net Loss figure has been cut over 80%, and we continue to move closer to the time we begin sharing profits with the PFD.

Below are the figures for 2012 that the Mariners are reporting to the PFD per Article 5.2 of the Lease.

Cumulative Net Loss through October 31, 1999	($200,212,000)
Cumulative Net Loss through October 31, 2011	($45,431,000)
Special Calculation* for 2012 fiscal year	$7,968,000
Cumulative Net Loss through October 31, 2012	($37,463,000)

Therefore, for the year ended October 31, 2012, no profit sharing payment is currently due the Public Facilities District under section 5.2.2 of the Lease.

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*Per section 5.2.3 of the Lease, the special calculation was made using the following adjustments to GAAP Net Income of $5,863,000: add Depreciation/Amortization of $25,949,000; subtract Player Signing Bonuses of $18,928,000; subtract Non-ballpark Capital Expenditures of $2,102,000; subtract Ballpark Capital Expenditures of $2,814,000. This yields the special calculation of $7,968,000.

Footnote: The numbers in this report are taken from the most recent draft of our annual financial statements, covering our fiscal year ended October 31, 2012. Our financial statements have been prepared using generally accepted accounting principles (GAAP). Deloitte & Touche LLP performed the audit in accordance with generally accepted auditing standards (GAAS).