**CITY CLERK ORIGINAL**

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THE ELLMAN COMPANIES
International Real Estate and Corporate Investments
Established 1972

August 28, 2002

VIA COURIER DELIVERY

Mr. Ed Beasley
City Manager
City of Glendale Arizona
5850 W. Glendale Avenue
Glendale, AZ 85301

Re: Proposed Cardinals Stadium-Glendale, AZ

Dear Ed:

As we have discussed over the past few weeks, we believe it is important that the commitments of the Cardinals, the City and ourselves be documented in a manner that allows each of us to fully understand our obligations as we move forward. Towards that end, we submit the following issues for your approval. We certainly understand that some of the issues below may need City Council consideration before they can be agreed to. It is not our intent to circumvent the political process, but merely to be certain that each of us has reasonable and complementary expectations for how we will complete what will likely be a hugely successful endeavor for the City, ourselves, the Cardinals, the TSA and the State. We believe that the following items have been discussed and agreed to:

- City staff will diligently pursue and recommend to Council creation and funding of a Communities Facility District (the "CFD"), for the benefit of Westgate, as quickly as is practicable. Such CFD will be established to provide funding of the total Developer Deposit, as defined in our Arena Development Agreement. Alternatively, the City will consider allowing Westgate to participate in the "TSA" CFD for the same beneficial purposes discussed above.

- A reasonable and timely resolution between the City and ourselves on the letter dated August 14, 2002 from Ed Beasley to Steve Ellman regarding requirements necessary to achieve City of Glendale approval of the schematic arena designs.

- If any site plan changes to Westgate are required as a result of the TSA stadium, they will be treated as "minor" changes for planning purposes. Any costs associated with these changes will be borne by the TSA CFD.

- No event or infrastructure costs/taxes/fees/assessments will be borne by our project as a result of the TSA stadium.

- Most of the Phase II regional infrastructure costs required of our project are being constructed and financed by the TSA CFD. The scope of any additional regional improvements will be determined, and paid for, pursuant to the existing and future agreements.

- City staff will consider allowing Westgate to factor in excess parking capacity from the Cardinals/TSA site when calculating future parking requirements, as a result of additional parking being provided from the development of the Cardinals/TSA stadium. Such calculation will be supported by a formal parking study approved by the City.

- City staff will consider reducing the 5,500 City owned parking space requirement that is currently included in our Development Agreements to 4,000 spaces due to the additional parking being provided, and owned by the CFD, within close proximity to the Coyotes arena. Again, the ultimate "reduction", if any, will be supported by a parking study approved by the City.

- All net (after deducting all City expenses, revenue sharing and other costs) proceeds received by the City of Glendale/CFD from onsite collected (as opposed to ticket surcharges) event parking charges will be shared 50/50 with Westgate.

- Pursuant to a separate agreement (the "Cardinals/Ellman Agreement" to be provided to you) between the Arizona Cardinals and ourselves, the Cardinals have committed to allow a deed restriction(s) to be recorded against the entire site prohibiting: (1) the development of any private commercial uses, and (2) certain forms of signage, billboards, spectacular and media towers. Such deed restriction(s) shall be recorded against the property, in favor of the City of Glendale, immediately upon the Cardinals acquisition of the property. The City agrees that the referenced deed restriction(s) will not be released prior to its(their) expiration without our prior written approval. A formal agreement between the City and ourselves will fully memorialize this provision. Such formal agreement will be prepared and executed as quickly as is practicable, but in no event, later than September 30, 2002. The City Attorney shall immediately review this provision and provide a written opinion as to its enforceability. If it is determined by the City Attorney that this provision cannot be enforced by us,

against the City, then both parties agree that the provision contained in the separate Cardinals/Ellman Agreement regarding the deed restriction(s) will then convert in favor of the owners of the Westgate property.

Ed, we are excited about the potential enhancements that development of the TSA stadium adjacent to our project will provide to our project. We also believe the above items will not burden the City and will allow us to fully benefit from the location of the stadium. If the above discussion meets with your approval, we would ask that you acknowledge your agreement below.

Best regards,

Steven Ellman

Jerry Moyes

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Agreed to and Acknowledged by:

Ed Beasley

Ed Beasley, City Manager

Attachment