

THE CITY OF
INDIAN WELLS
CALIFORNIA

By Certified Mail

August 17, 2004

Jerson Investments, LLC
1211 South Michigan Avenue
Chicago, IL 60605
Attn: Gerald Fogelson

RE: Proposed Modification to Attachment No. 8 to that certain Disposition and Development Agreement Between Indian Wells Redevelopment Agency and Jerson Investments, LLC entered into on or about May 6, 2004 (the "Agreement")

Dear Jerry:

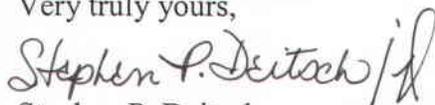
In reviewing Attachment No. 8 ("Schedule of Performance") to the above Agreement, City Staff and I note that for Phase B (within 90 days after the Date of Agreement), the City of Indian Wells is required to select the Environmental Consultant, the Traffic Consultant and the Noise and Air Quality Consultant. We propose an amendment (by means of this letter) as follows and for the following reasons.

The Agency proposes to amend Attachment No. 8 by moving the foregoing tasks to Phase C (within 150 days after the Date of Agreement). The amendment is logical because the City cannot select the appropriate consultant and obtain a proposal (including proposed costs) from the consultant without providing to the consultant the Developer's proposed Site Plan. Without the proposed Site Plan, which is to be provided by the Developer in Phase C, the consultant cannot reasonably be selected based upon experience with the proposed types of uses and the proposed project, and cannot reasonably be asked to estimate fees without such information.

We believe that the proposed Amendment is in the best interest of both parties. We would be pleased to discuss the merits of this matter further, if you desire.

If you agree with this Amendment, please indicate your acceptance by signing below, and by returning one of the originals to me.

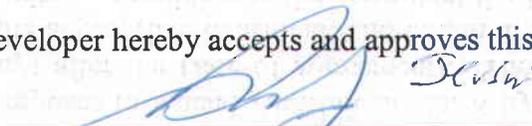
Very truly yours,



Stephen P. Deitsch
City Attorney

c: W. Curt Ealy, Attorney, Selzer, Ealy, Hemphill & Blasdel, LLP (by regular mail)

The Developer hereby accepts and approves this Amendment to the Agreement.



Gerald Fogelson

Jerson Investments LLC
MS

082304PM1012CITYOFIW