

LAW INVESTMENTS, INC.

Merchant Banking

November 25, 1998

Mr. Robert Coulter  
The Ellman Companies  
4040 E. Camelback Road  
Suite #250  
Phoenix, AZ 85018

**Re: Land Parcel south of the SEC of Miller Road and McDowell Road**

Dear Robert:

It was a pleasure speaking to you on the telephone and I look forward to our lunch engagement on December 10<sup>th</sup>. As we discussed, our company is a partner in a business, Sun Destinations Scottsdale, which manages vacation rental and hospitality accommodation properties in Scottsdale. One of the properties we manage, Scottsdale Desert Casitas is located on Miller Road just south of McDowell. The property is currently operated as a fully furnished vacation and corporate rental apartment. Over the past 18 months, the existing units have been significantly upgraded under a \$750,000 improvement plan.

Recently, we were approached by the owner of this property to assist in the expansion of this property from the its current size of 95-unit resort apartments to include an additional 22 units. The proposed expansion includes the acquisition and re-zoning of a small out-parcel which is adjacent to our property. The City of Scottsdale has advised us that this small parcel is within the Los Arcos Redevelopment area (please see attached aerial photo and City of Scottsdale plat map).

The City has further advised us that we are required to obtain your acknowledgement of the proposed expansion in that the expansion parcel is located in the Redevelopment District which subject to your development agreement with the City. I have attached a proposed site plan, which illustrates the proposed expansion.

This expansion is being managed by Tom Kuffler, the president and one of the principals of Sun Destinations Scottsdale. I greatly appreciate your kind offer to pass this along to the appropriate people in your office for their review. Subject to this review and any clarifications, we kindly request that the required acknowledgement be provided at the earliest possible date. If Mr. Kaufman or his staff have any questions or concerns about the proposed use of the this parcel, please contact Tom directly at 946-2384.

I appreciate your assistance in passing this along to your colleague and look forward to working with Mr. Kaufman to obtain the required acknowledgement.

Yours truly,



Grant Sardachuk