

## Morgan Stanley

2/14/2007

John McDonald  
Managing Partner  
Imperial Partners, LLC

Re: Strategic Alliance

John:

We are delighted to state our intent, via this letter, to pursue a strategic alliance between Imperial Partners, LLC ("Imperial Partners") and Morgan Stanley & Co. Incorporated ("Morgan Stanley"). As a global firm, Morgan Stanley is a leader in the financial services industry, with a reach in the market place and vastly diversified resources that we would like to make available to this effort. We have formed strategic alliances with various groups, including developers, semi public, as well as public institutions. Among many other things, our expertise encompasses real estate, investment banking, capital markets, corporate finance and services that allow our clients reach optimal capital structures. We would like to offer this breadth of experience and dedicate it to fuel a successful endeavor between Imperial Partners and Morgan Stanley.

As such, we would like to work with you in this strategic alliance to find optimal capital structures and financing vehicles for your Memorial Hospital, Inglewood Promenade and Lynwood Promenade/NFL Stadium projects. Morgan Stanley would like to enjoy an exclusive position to become not only a partner with you, but also the exclusive agent through which the capital needs of the projects can be achieved.

John McDonald  
Imperial Partners, LLC  
2/14/2007

## Morgan Stanley

As part of this relationship, Morgan Stanley, at our sole discretion, would also be expected to act as bond underwriter and placement agent for both tax exempt and taxable bonds, arranger of construction financing, equity partner, tax credit placement agent or investor, as well as other financing instruments as we collectively determine as necessary for the projects. We have extensive experience in dealing with local authorities and agencies, and we would like to offer this expertise to you so that we can help you shape the proposals and discussions when requesting subsidies and tax incentives for the projects.

We would like to negotiate in good faith Definitive Agreements with you as soon as practical, where we can outline more specific details of our strategic alliance. We hope that like us, you feel that this relationship will be mutually beneficial to all parties. We look forward to nurturing further this promising relationship.

Sincerely,



Aaron Labowitz  
Managing Director  
Global Capital Markets  
Morgan Stanley & Co, Incorporated

cc: Ricardo Rodriguez  
Barbara Isaacman  
Ruchi Shih  
Dick Greco