



**CITY CLERK  
ORIGINAL**

C-6706-2  
09/22/2010

Jerry Colangelo, Chairman of the Board

Jim Tooley, Executive Director



September 22, 2010

**SENT VIA FEDERAL EXPRESS**

City of Glendale  
5850 W. Glendale Ave., 4th Floor, Suite 431  
Glendale, Arizona 85301  
Attention: Ed Beasley, City Manager

Rightpath Limited Development Group, LLC  
15509 North Scottsdale Road  
Scottsdale, Arizona 85254  
Attention: Daniel Herndon, Managing Partner

Midwestern University  
19555 N. 59<sup>th</sup> Avenue  
Glendale, Arizona 85308  
Attention: Kathleen H. Goeppinger, Ph.D.

HB Equities LLC  
15509 North Scottsdale Road #4  
Scottsdale, Arizona 85254  
Attention: Robert M. Banovac

Re: Termination of Memorandum of Agreement dated December 1, 2008 among the City of Glendale, Arizona, Rightpath Limited Development Group, LLC, a Delaware limited liability company ("Rightpath"), Midwestern University, an Arizona non-profit corporation, and USA Basketball, an Illinois not-for-profit corporation (the "Agreement")

Dear Kathleen, Daniel, Ed and Robert:

As we begin to consider the upcoming professional, collegiate and amateur basketball seasons, we thought it would be an appropriate time to communicate with you regarding the project to relocate the headquarters of USA Basketball.

As you are aware, the USA Basketball relocation project has unfortunately failed to achieve project financing and none of the required permits have been issued. The project schedule has been on hold pending the necessary financing and permitting. Construction has not begun. As of this date, it does not appear that the necessary financing will come through, and the project, by all accounts, has concluded.

In recent separate conversations, we have been told by each of the City of Glendale, Rightpath Limited Development Group and HB Equities that each of you consider the Agreement to have been terminated. We confirm through this letter that USA Basketball also considers the Agreement terminated as a result of the inability to receive project financing, the

MEMBER



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lack of the necessary permits and failure to begin construction in the time required by the Memorandum of Agreement.

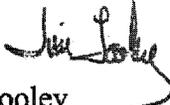
Accordingly, under Section 5.2(a), USA Basketball has the right to terminate the Agreement in the event that "Master Developer does not commence construction of the USAB Facility by July 1, 2009." Section 5.2(a) also provides that the term "commence construction" means "that the necessary permits will be issued and site preparation on the Property for the USAB Facility will have commenced." As discussed above, neither the necessary permits were issued nor was site preparation commenced prior to July 1, 2009. We also believe that USA Basketball has the right to terminate the Agreement on other grounds, including, without limitation, the fact that the Master Developer failed to adhere to the Project Schedule. The Agreement is hereby terminated effective immediately.

We appreciate the opportunity to consider this project and we hope we have the chance to develop a relationship with each of you in the future.

Sincerely,

USA BASKETBALL

By:

  
Jim Tooley  
Executive Director