

Site 21-process request- GDC – October 21, 2002

Lexington Capital has serious concerns about this process. I would like to address them today. We are taking this step because we have not been able to achieve any satisfaction at the staff level. But let me give you some background information to establish a level of credibility.

I have a Masters Degree in Economics and Finance and a General Contractor License in California. In addition to twenty-seven years in large-scale land development, land use law, construction, and finance.

Prior to coming to Phoenix I was Sr. Vice President for Hearthstone Advisors in San Francisco running the largest construction directed pension fund division in the United States. Our Company, Hearthstone, represented seventeen pension funds including CALPERS, the largest pension fund in the world, in the placement of real estate investment. Previously, I was President of two large development and construction companies in the SF Bay Area and one in Sacramento for twenty-five years each with an ownership of fifty percent or more developing or building up to 2,500 residential and commercial lots per year

Some of my repeated investment partners have been the funding group for the Oakland Raiders and DeSilva-Gates Inc. , a \$500,000,000 per year grading and paving company in the Bay Area. Other business partnerships or active business relationships include Buzz Oates Enterprises in Sacramento, Ramco Development, Teichert Construction, and KB Homes. In Phoenix I have worked with DMB Associates, Dietz Crane – DR Horton, and Communities Southwest providing trouble shooting, project development, and management skills on major projects as large as 10,000 units.

I have either owned, developed, constructed, or financed projects in the following areas: San Francisco, Silicon Valley, Oakland, Hayward, Walnut Creek, Fremont, Portland-Oregon, Seattle-Washington, Sacramento, Tracy, Phoenix, Tucson, and Mesa.

My partner, Glenn Fuller, is a Los Angeles Real Estate and Litigation Attorney with a similar level background.

We share the vision of a vibrant Mesa and want to continue to be proactive in achieving that goal. When our company expressed an interest in the Bank One building we were continually assured by Greg Marek that we would have a level playing field throughout the

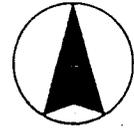
process. We felt comfortable in that assurance to the extent that we invested sixty to eighty thousand dollars in preparing a thoroughly detailed submittal based on the requirements identified in the August 10, 2002 RFP and the accompanying August 9, 2002 cover letter. I have tried to work within the Office of Redevelopment process but have been thoroughly and repeatedly frustrated. I talked to Greg Marek by telephone on October 18th after the DDC Public hearing, and expressed my concerns on the numerous flaws in the Site 21 process and asked him to introduce those concerns into the public record. That has not been done so I am forced to bring these issues into a public forum.

I would like to respectfully make the following requests to the General Development Committee.

1. That the four proposals be objectively and thoroughly evaluated according to the guidelines established in the August 10, 2002 RFP that was given to all the participants, paying particular attention to the **Proposal Requirements; items one through thirteen**, on pages four and five; and including the accompanying August 9, 2002 cover letter signed by Greg Marek.
2. That the staff and deciding bodies not consider any material submitted after 4 PM on September 24, 2002, which was the RFP submittal deadline, other than minor clarification items.
3. That the staff be specifically directed to rewrite or amend the Downtown Development Committee Report dated October 17, 2002 and the General Development Committee Report dated, October 21, 2002 adhering to the guidelines identified in the August 10, 2002 RFP and the accompanying cover letter.
4. That the staff be specifically directed to meet with the interested developer applicant groups to identify the inequities and resolve the concerns as it relates to fairness in the process.
5. That the staff be directed to complete this process within seven business days and report back to the GDC within two weeks from this date.

Thank you.

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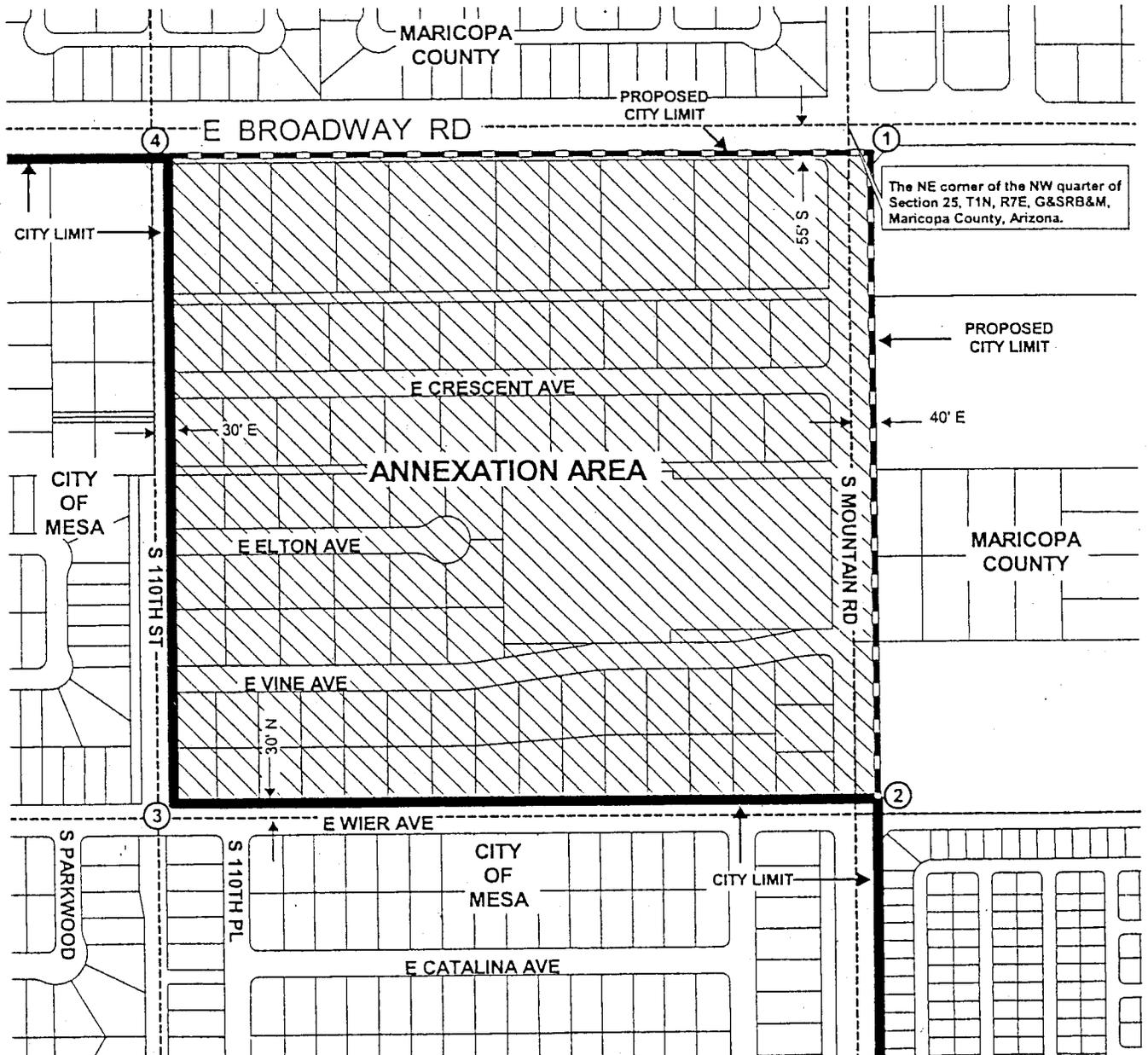


EXHIBIT "A"