

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding, dated this 9th day of April 2010 ("MOU"), regarding the AMULA referred to below, is entered into by and among Ice Edge Team, LLC, a Delaware limited liability company ("Team Buyer"), Ice Edge Arena, LLC, a Delaware limited liability company ("Arena Buyer" and collectively with Team Buyer, the "Buyer") and the City of Glendale, an Arizona municipal corporation ("Glendale").

Background

- A. In May 2009, the Coyotes Hockey, L.L.C. and its affiliated entity, Arena Management Group, L.L.C. (collectively referred to as the "Coyotes") filed for federal bankruptcy protection.
- B. During the bankruptcy proceedings, the National Hockey League ("NHL") purchased the assets of the Coyotes but did not assume the Arena Management, Use and Lease Agreement ("AMULA").
- C. The NHL's expressed intention is to sell the Coyotes' assets as soon as practicable; either to new owners who will continue to play NHL hockey in Glendale, or if such a sale cannot be arranged, to new owners who may relocate the hockey team to another market.
- D. The purpose of this MOU is to document the understandings that the parties to this MOU have developed during their recent discussions regarding the purchase of the Coyotes' assets from the NHL.
- E. Discussions have now reached a point where all parties desire to commit additional and significant resources and to take further actions to negotiate the more formal and detailed agreements that will be needed in order to undertake and complete the transactions contemplated by this MOU (collectively, the "Project Agreements"), and this MOU is intended to serve as the basis for each party to commit that additional time and those additional resources necessary for the negotiation of the detailed Project Agreements.

Understanding of the Parties

It is the understanding of the parties that:

- 1. Purchase of Coyotes' Assets. Buyer has reached an agreement with the NHL to purchase the assets of the Phoenix Coyotes.
- 2. Parking Facilities.
 - 2.1 Buyer will assign to Glendale, who will reassign to the CFD, as defined in paragraph 3, the right to manage and operate and receive revenues of the Parking Improvements and the related parking facilities for the Arena.
 - 2.2 The CFD will pay Buyers a monthly fee for granting Glendale the right to manage and operate the Parking Improvements (the "Parking Operations Fee"), which shall be payable in monthly installments equal to the amount of net parking fees collected, with any amount of the Parking Operations Fee not paid in monthly installments paid in full at each quarter end.
 - 2.3 Glendale will, in consultation with Buyer, establish the amount of parking fees to be charged to visitors of the Arena for the Events (the "Parking Fees") and Buyer will use commercially reasonable efforts to cooperate with Glendale in marketing the use of the Parking Facilities.

3. Creation of Community Facilities District. The City will create, or cause to be created, a Community Facilities District ("CFD"), or other similar and beneficial mechanism, within 90-120 days of signing the MOU as an entity to sell bonds and collect revenues.

3.1 Parking Operations.

- a. The CFD will have the right and obligation to operate the Parking Improvements.
- b. The CFD will manage these areas in a manner that benefits the operations of Arena and is consistent with and beneficial to the operations of Westgate.
- c. So long as Buyer has outstanding debt incurred with an acceptable financial institution for the purchase of the team outstanding, the CFD will pay to Buyer a Parking Operations Fee, paid monthly, equal to the lesser of one-twelfth of \$7,500,000 or the amount monthly due from Buyer on that debt.
- d. Glendale will pay to the CFD as a fee for managing the public parking area for the Arena a fee equal the amount necessary for the CFD to pay monthly the Parking Operations Fee and has sufficient reserves to fund the Operating Loss Reserve Account.
- e. Any amount of the parking revenues not paid by the CFD to Buyer each month will be paid to the City.

3.2 Operating Loss Reserve Account

- a. The CFD will establish assessments upon and collect revenues from the landowners within the district sufficient to assure that the CFD will have available by June 30th not less than \$5 million support ("Operating Loss Reserve Account").
- b. The Operating Loss Reserve Account will be available for the team to draw upon at not more than \$5 million per year during the first ten years after purchasing the team's assets from the NHL.
- c. Draws on the Operating Loss Reserve Account for cash losses incurred by team operations excluding debt payments as reflected in an annual audit financial statement prepared in accordance with GAAP.
- d. Any amount greater than the Operating Loss Reserve may be made available to the City to assist in paying any difference between the Parking Operation Fee and net parking revenue; provided the Operation Loss Reserve Account balance is available.

3.3 Ticket Surcharge

- a. Buyers will immediately implement ticket surcharges, which may vary between Hockey Events and non-Hockey Events, in an amount the parties mutually agree upon, for all Arena events in order to support operating and funding requirements ("Ticket Surcharge.")
- b. The Ticket Surcharge will be paid to the CFD.
- c. The CFD will pay to the Buyers for the period of the AMULA or any subsequent lease agreement, the proceeds of the ticket surcharge a monthly amount of one-twelfth \$2,000,000 (Surcharge Payment).
- d. Any balance of the revenues generated by the Ticket Surcharge and not allocated to the Surcharge Payment will be incorporated into the Operating Losse Reserve Account.
- e. In formulating their mutual agreement, the parties will evaluate the prices of other

similar venues and events in comparable markets and reasonably basis their decision upon that information, factoring in the funding requirements served by these revenues, but in no event will the Ticket Surcharge be insufficient to pay the Surcharge Payment and Operating Loss Reserve Account obligations.

- 3.4 The CFD will terminate on the later date of which there is no further Parking Operations Fee due or June 30th of the tenth year following the year of Buyer purchases the team from the NHL and all funds in the CFD will accrue to the City.
4. AMULA Amendment. The Parties will use commercially reasonable efforts to enter into the AMULA Amendment.
 - 4.1 No such amendment will cause Glendale to provide additional funds or to commit any existing revenue streams as a result of the AMULA Amendment, including any payments with respect to (i) Arena improvements; (ii) the funding of the Operating Account for expected maintenance and capital expenditures necessary to meet the Arena Maintenance Standard and operate the Arena as a world-class multi-purpose arena consistent with the terms of the AMULA, and the conduct of no more than five alternate site regular season home games, subject to approval of the NHL, with terms and conditions consistent with this MOU and that are reasonably satisfactory to each party.
 - 4.2 Notwithstanding the foregoing, no such AMULA Amendment will result in any increase of the amounts of rent or payment payable by Buyer, or any waiver of any distribution payable to Buyer as successors to Debtors under the AMULA, without the consent of Buyer in their sole discretion.
5. Other Agreements. The Parties will use commercially reasonable efforts to enter into, assume the following Arena-related agreements, including, but not limited to: (i) Agreement for Replacement of Temporary Parking, as amended herein; (ii) Collateral and Subordination Agreement; (iii) Construction Disbursement Escrow Agreement; (iv) Team Guaranty; (v) Safety and Security Agreement; (vi) Arena Performance Standards; and (vii) such other agreements as necessary to consummate the transactions contemplated in this MOU.
6. Arena Purchase. Buyer will have a right of first refusal to match any offer entered into by Glendale for the sale of the Arena during the first five years after the effective date of this MOU, and within five years following the execution of the AMULA Amendment, Buyer will enter into good faith negotiations with Glendale for the potential purchase of the Arena by Buyer.
7. Team Name Change. Following the purchase of the team, Buyer will use commercially reasonable efforts to apply to the NHL for such approvals necessary to cause the name of the team to be changed to the "Glendale Coyotes" or the "Arizona Coyotes" and subject to such approvals, Buyer will use their commercially reasonable efforts to effect such name change.
8. Terms. Each capitalized term not defined herein has the same meaning assigned to them in the AMULA.
9. Further Documents. The parties acknowledge and agree that this MOU contains recitals of the initial discussions and intentions of the parties with respect to certain, but not all, of the terms of the Project Agreements.
 - 9.1 The parties further acknowledge and agree that material terms and conditions remain to be negotiated and agreed upon prior to the execution of any of the Project Agreements.
 - 9.2 The parties will proceed in good faith to negotiate the complete terms and conditions of the Project Agreements.
 - 9.3 A failure by the parties or any of them to successfully negotiate and execute any of the Project Agreements will not be deemed a breach of this MOU, or any other agreement, by,

between, or among the parties and will not subject any party to any form of liability as a result.

10. Council Approval. This MOU serves merely to memorialize the parties' discussions and is not intended to be a binding commitment in form or manner; the parties fully understanding that any commitment by Glendale other than the administrative resources necessary to formulate binding Project Agreements requires formal approval of the Glendale City Council.

ICE EDGE TEAM, LLC

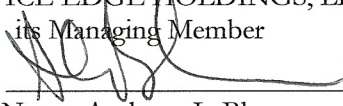
By: ICE EDGE HOLDINGS, LLC,
its Managing Member

By: 
Name: Anthony LeBlanc
Title: Chief Executive Officer

Date: April 9, 2010

ICE EDGE ARENA, LLC

By: ICE EDGE HOLDINGS, LLC,
its Managing Member

By: 
Name: Anthony LeBlanc
Title: Chief Executive Officer

Date: April 9, 2010

CITY OF GLENDALE

By: _____
Ed Beasley, City Manager

Date: