

May 31, 2005

Ian Gillis  
24571 Silver Cloud Court  
Suite 101  
Monterey, CA 93940

Dear Ian:

As per your request, we are pleased to submit the following letter of agreement between Artspace Projects Inc. and East Garrison Partners. The agreement describes Artspace's role as an arts development consultant for your project.

The agreement defines some of the range of responsibilities, lays out the terms of the agreement and a fee structure. The signature page provides for authorization from Artspace and East Garrison Partners.

We look forward to working with you.

Sincerely Yours,

Chris J. Velasco  
Vice President

# Letter of Agreement

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## East Garrison Arts District

Artspace Projects, Inc.  
And  
East Garrison Partners

At the request of East Garrison Partners ("EGP"), Artspace Projects Inc. ("Artspace") prepared this letter of agreement ("Letter") for its work on the East Garrison Arts District ("Project").

The purpose of this Letter between Artspace and East Garrison Partners is to describe the terms of a consulting agreement, and identify a fee structure.

### RANGE OF CONSULTING ACTIVITIES

Artspace shall serve as an arts development consultant for the Project. Artspace staff shall consult in the following areas:

1. Negotiate Development Agreement
  - a. Negotiate 3-party agreement between Monterey County, EGP and Artspace.
2. Market Development
  - a. Create a database to track and analyze prospective tenant information
3. Financial Modeling
  - a. Provide market, site and design input to modify operating pro forma w/ long range projections
4. Design
  - a. Suggest optimal layout for live/work, office, dance, rehearsal, gallery, classroom, admin, performance and media components
5. Arts Habitat
  - a. Create MOU with Arts Habitat
6. Other Areas as assigned

## AGREEMENT TERMS

1. **Term** — The term of this agreement shall commence on signing date and continue through the signing of a development agreement.
  - a. The term may be extended upon written notice from EGP
2. **Termination** — EGP or Artspace may terminate this agreement at any time without cause upon written notice from either party. In the event of termination, Artspace would be entitled to payment in full for its expenses and for its services on a pro rata basis. In no event shall any monies paid to Artspace for its services or in compensation for its expenses be refunded.
3. **Payment** — Artspace shall submit invoices for its work each month. EGP shall provide payment within thirty days of receipt of invoices from Artspace.

## FEE

Artspace shall be compensated for its work as development consultant for the Project on an hourly basis, plus any related expenses incurred. The hourly fee shall be \$175.00, with an anticipated total budget of \$20,000. A retainer equal to \$5,000.00 shall be due upon execution of this agreement.

Signature page follows.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date shown of the first page of this Agreement.

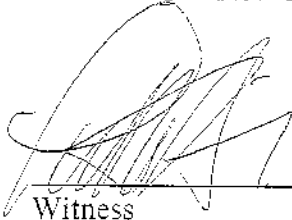
**AGREED TO:**

**Artspace Projects, Inc**



Chris Velasco  
Vice President  
Consulting & New Projects

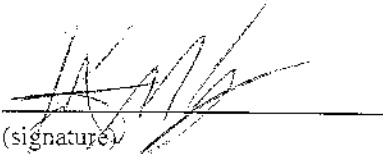
6/14/05  
Date



Witness

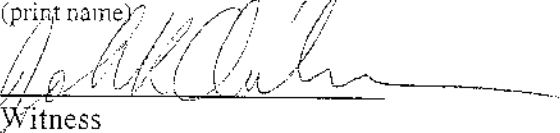
6/14/05  
Date

**East Garrison Partners**

  
(signature)

6/29/05  
Date

KEITH McLOY  
(print name)

  
Witness

**Contact Information**

Artspace Projects, Inc.  
Chris Velasco  
Teri Deaver  
250 3<sup>rd</sup> Avenue North  
Minneapolis, MN 55401  
(612) 465-0220  
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