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Prudential California Realty
9555 Grossmont Summit Drive
La Mesa, CA 91941
619 589-8600

April 14, 2010

Mr. Steve Hill
Senior Policy Advisor
Office of Todd Gloria
City of San Diego

RE: World Trade Center, San Diego

Dear Steve:

We discussed on the phone recently our buyer's interest in writing a Letter of Intent to purchase subject property. We discussed on the phone, we understand that you are preparing an agenda for discussion at the Land Use & Housing Committee meeting on April 21, 2010.

Attached is our buyer's Letter of Intent to purchase the World Trade Center located at 1250 6th Avenue. Our buyer has a very strong interest in purchasing and improving the property. The buyer wants to continue to use the property in its current zoning status. The buyer is with a group of highly-regarded real estate developers with excellent financial backing. The buyer would be prepared to provide references regarding their track record.

Our purpose is to ask you to please include this Letter of Intent in your agenda for the April 21st meeting. We welcome any questions you have and we look forward to meeting with your group.

Please give me a call at (619) 807-1320.

Sincerely,

A handwritten signature in black ink, appearing to read "George Abernathy".

George Abernathy
Broker Associate
Prudential California Realty- Commercial Division



April 12, 2010

Tim Winslow & Jason Kimmel
Grubb & Ellis
4350 La Jolla Village Drive Suite 500
San Diego CA 92122

Re: 1250 6th Avenue, San Diego, CA 92101

Dear Tim and Jason:

We are pleased to submit to you this **Letter of Intent** with regard to the proposed purchase of the property at 1250 6th Avenue in San Diego, by Mrs. Virginia Herrera Gonzalez (Buyer). This letter, of course, should not be construed to create a binding agreement but rather as an expression of Buyer's intent to purchase the above referenced property. This Letter of Intent is subject to Buyer and Seller executing a mutually acceptable Purchase and Sale Agreement and Joint Escrow Instruction ("Agreement"). The Agreement would provide, among other things, the various matters set below:

1. **Seller:** City of San Diego (correct Seller vesting to be determined in Escrow).
2. **Buyer:** Virginia Herrera Gonzalez (vesting to be determined in Escrow).
3. **Property:** The Property is located at 1250 6th Avenue, San Diego, CA 92101 consisting of an approximately 127,990 gross square foot, 12-story office building with 250 parking spaces. The property is located on the northern half of the block bounded by A and B Streets to the north and south; and Fifth and Sixth Avenues to the east and west. Listed as parcel numbers 534-055-01, 02, 04 (full legal description to be provided in Escrow)
4. **Purchase Price:** Seven Million, Eight Hundred Thousand Dollars (\$7,800,000)
5. **Opening of Escrow & Deposit:** Buyer to deposit one hundred thousand (\$100,000) with Escrow Holder within five (5) days of the effective date which is defined as the date a fully executed copy of the Agreement is deposited with Escrow Holder.
6. **Down payment and financing:** Buyer shall pay a cash down payment of five million dollars (\$5,000,000). The balance will be paid in the respective manner included herein.
 - a. **A second payment** of two million, eight hundred thousand dollars (\$2,800,000) paid 12 months post close date.
7. **Purchase and Sale Agreement and Joint Escrow Instructions:** The Agreement shall be reviewed by Buyer's counsel.
8. **Contingency Period:** Within the forty-five (45) calendar days after the Opening of Escrow, the Buyer shall conduct all necessary physical inspections, review and approve the natural hazards report, earthquake disclosure, review the preliminary title report, appraisals, and other matters prescribed by custom and law
9. **Disclosures:** Should any disclosure be delivered to buyer later than 24 days from acceptance, buyer shall have twenty-one (21) days from date of receipt to review and approve under terms of contingency period.
10. **Conveyance of Title:** Title shall be conveyed by Grant Deed.
11. **Brokers:** It is understood that Prudential California Realty represents the Buyer in this transaction and that Grubb & Ellis represents the Seller.

- 12. **Closing Costs:** Closing costs shall be paid as is customary in San Diego County.
- 13. **Broker Compensation:** Buyer shall compensate Prudential California Realty by separate Broker Agreement.
- 14. **Non-Binding:** This letter is non-binding and is intended solely as a summary of the purchase and sale terms that are currently proposed by the parties.
- 15. **Close of Escrow:** The Close of Escrow shall occur on or before Ninety (90) calendar days from the opening of escrow (the "Closing Date").

This letter is intended to be a good faith expression of the parties' intent to execute an Agreement based upon the general terms set forth in this letter. The parties acknowledge that the Agreement may contain additional significant terms not described in this letter. The Agreement shall be subject in all respects to the approval and agreement of Buyer and Seller at their respective sole discretion.

If the foregoing is acceptable, please indicate so by signing this letter in the space provided below and returning the same to the attention of Jeannine Savory or George Abernathy Prudential California Realty, Fax (877) 346-8099

Sincerely,



Jeannine Savory
Prudential California Realty
619-454-3607

Agreed and accepted by Buyer this 12th day of April, 2010.

BUYER(S):

Virginia Herrera Gonzalez

Agreed and accepted by Seller this _____ day of _____, 20____.

SELLER(S):

By: _____ Title: _____