December 11, 2015

The City of San Diego
City Administration Building
202 C Street, MS #10A
San Diego, California 92101

Attn: Councilmember David Alvarez

Re: San Diego Convention Center
San Diego, California

Subject: CONTIGUOUS CONVENTION CENTER EXPANSION
PROPERTY AVAILABILITY STATUS

Dear Councilmember Alvarez:

The purpose of this letter is to inform the Council Members of an informal agreement we have reached with the Mayor concerning the ability to develop the Fifth Avenue Landing site for a contiguous convention center expansion. As you are aware, in May 2015, the San Diego Convention Center Corporation (SDCCC) defaulted on the promissory note in purchasing our leasehold interest in the property known as Fifth Avenue Landing. Since that time the property was amicably transferred back to Fifth Avenue Landing, LLC (FAL) control. The FAL lease with the Port of San Diego requires FAL to submit a hotel development plan consisting of a 400-room or more hotel of quality comparable to other local bayside hotels. Accordingly, FAL’s contractual duty is to timely provide these submittals to the Port of San Diego.

Over a month ago, the FAL partners have had several informal discussions with the Mayor and his staff. Based on those discussions, we have agreed to allow the City until March 1, 2016 to complete the purchase of our leasehold interest under the same terms as our former agreement.

Should the March 1, 2016 date pass without the SDCCC or the City’s purchase of our leasehold interest, we will proceed in meeting the requirements of our lease. Should you have any questions, please do not hesitate to contact us.

Sincerely,

FIFTH AVENUE LANDING, LLC

R.A. Carpenter
LLC Partner

Art Engel
LLC Partner

cc: Councilmembers: Lorie Zapf, Todd Gloria, Myrtle Cole, Mark Kersey, Chris Cate, Scott Sherman, Sherri Lightner, Marti Emerald