



CITY OF SAN DIEGO

JAY GOLDSTONE
CHIEF OPERATING OFFICER

July 1, 2021

Via Electronic and Overnight Mail

CCP 1200, LLC
c/o Cisterra Development
3580 Carmel Mountain Road, Suite 460
San Diego, CA 92130
Attention: Steven L. Black

Re: City of San Diego Lease Agreement Payments for Civic Center Plaza and the King Chavez High School Property

Dear Mr. Black:

I am writing to advise that effective with the July 1, 2021, lease payment due under the Lease Agreement Between CCP 1200, LLC, and the City of San Diego (the "Lease Agreement"), the City is suspending its lease payments for the reasons explained in the lawsuit filed by the City yesterday, Case No. 37-2020-00036247-CU-CO-CT, titled "Complaint for Violation of Government Code section 1090." The City is requesting a judicial declaration that the Lease Agreement with respect to the Civic Center Plaza building located at 1200 Third Avenue and 201 A Street is void under conflicts of interest law. Accordingly, the City will not make further rental payments under the Lease Agreement unless and until ordered to do so by a court of law. The City seeks return to the public treasury of more than \$20,000,000 expended to date.

The City will, however, continue to remit the equivalent of the lease payment into a separate segregated fund held by the City until this matter is resolved by the courts.

Sincerely,

Jay M. Goldstone
Chief Operating Officer

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Steven L. Black
July 1, 2021

cc: Honorable Mayor Todd Gloria
Honorable City Attorney Mara Elliott
Honorable Council President Campbell and Members of the City Council
Andrea Tevlin, Independent Budget Analyst

Copy by Overnight Mail to:

LexTerra, PLC
3580 Carmel Mountain Road, Suite 460
San Diego, CA 92101
Attention: David L. Dick

CGA Capital, LLC
9690 Deercro Road, Suite 250
Timonium, MD 21093
Attn: Richard A. Jacobs
W. Kyle Gore

Wilmington Trust, National Association, as trustee for the registered certificate holders,
from time to time, of the CGA Capital Credit Lease-Backed Pass-Through Trust, Series 2017-
CTL-1
25 South Charles Street, 11th Floor
Baltimore, MD 21202
Attn: Corporate Trust Dept.