

HECHT
SOLBERG
ROBINSON
GOLDBERG
BAGLEY
LLP

PAUL E. ROBINSON
E-Mail: probinson@hargb.com

February 16, 2007

RECEIVED

FEB 16 2007

Via Personal Delivery

Mr. Kelly Broughton, Deputy Director
Land Development Review & Development Services
City of San Diego
1222 First Avenue, 5th Floor
San Diego, California 92101

Re: Mission Village Properties, L.P./Serra Mesa Project

Dear Kelly:

Our firm represents Mission Village Properties, L.P. ("Mission Village"), with respect to the Mission Village Project ("Project") in the City of San Diego ("City"). Thank you for meeting with us earlier this week to discuss the Project and Mission Village's utilization of its Planned Commercial Development Permit No. 57551 ("PCD").

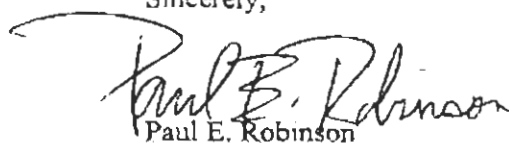
As we discussed, the San Diego Municipal Code ("Code") provides for utilization of a development permit via approval of a final map or parcel map if the map was a condition of the development permit. *SDMC* § 126.0108(b)(4). The PCD requires that the permit comply with the conditions of the Tentative Parcel Map No. 57552 ("Tentative Parcel Map") for Mission Village and that a final map be recorded after the conditions of the Tentative Parcel Map have been completed to the satisfaction of the City Engineer. As such, it is our understanding that recordation of the Parcel Map constitutes utilization of the PCD.

Stuart Engineering confirmed that Parcel Map No. 19768 recorded on June 21, 2005. Stuart Engineering also confirmed the following in regard to the Project: (1) the City Engineer approved the plans on March 21, 2005; (2) the PCD was issued on June 13, 2005; and (3) the City issued a letter authorizing bond release on October 27, 2006. These evidence the required approval and recordation for utilization of the PCD. Additionally, Condition 1 of the Standard Requirements in the PCD, requiring utilization within thirty-six months unless an extension has been granted, is satisfied by the above dates.

During our meeting, you informed me that the City will accept the foregoing PCD language and confirmation dates from Stuart Engineering as verification that the PCD has been utilized according to the Code. Please confirm this understanding and acknowledge that Condition 1 of the PCD has been satisfied without need for an extension by signing where indicated below and faxing your acknowledgment to me at (619) 232-6828.

Thank you again for your assistance in clarifying this issue.

Sincerely,

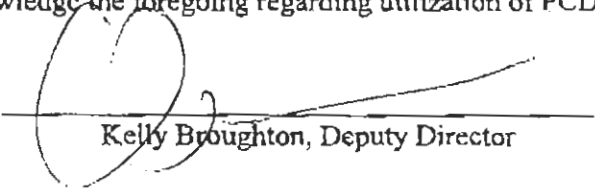


Paul E. Robinson

HECHT SOLBERG ROBINSON GOLDBERG & BAGLEY LLP

City of San Diego
February 16, 2007
Page 2

I acknowledge the foregoing regarding utilization of PCD Permit No. 57551.



Kelly Broughton, Deputy Director

PER/nsh

047660-0001 322985_11

cc: Mission Village Properties, L.P.