

VIA CERTIFIED LETTER AND EMAIL

January 9, 2008

Mr. Jerome Trammer, Project Executive  
Lane Field San Diego Developers, LLC  
655 West Broadway, Suite 1450  
San Diego, CA 92101

Re: December 26, 2007 Force Majeure Request for the Lane Field South and North  
Options due to Delays in the Issuance of a Coastal Development Permit

Dear Mr. Trammer:

Thank you for your recent letter dated December 26, 2007, in which you request that the District consider granting additional time for performance of the conditions remaining in the Lane Field South and North Option agreements, collectively "Options," on file in the Office of the District Clerk as Document Nos. 51259 and 51527, respectively. Your letter requests that the District (1) acknowledge that the delay in the issuance of a Coastal Development Permit (CDP) from the December 11, 2007 to the January 8, 2008 Board Meeting is a governmental delay contemplated by the force majeure provisions in the Options and (2) approve a further extension of the time for performance by thirty-two days.

The District concurs with your assessment that the delayed issuance of the CDP is a government delay qualifying as a non-litigation force majeure event. The delay in the issuance of the CDP directly affects your financing submittals previously extended to January 10, 2008.

The District is willing to grant an extension, but that extension will be limited to twenty-eight calendar days in addition to the extensions previously granted for the Lane Field South Option, as there is no provision to allow extensions for time lost due to the holidays.

The table below lists the remaining conditions along with their original completion dates; the first force majeure extension granted October 29, 2007 due to the wildfires; the second force majeure extension granted December 5, 2007 also due to the wildfires; and this most recent force majeure extension granted January 9, 2008 due to the CDP issuance delay.

#	Condition	Original Date	Oct. 07 Ext. (7 days)	Dec. 07 Ext. (31 days)	Jan. 08 Ext. (28 days)
5.k	60% Design Drawings	11/01/07	11/08/07	-	-
4	Option Payment	11/13/07	11/20/07	-	-
5.l	Foundation Drawings	12/03/07	12/10/07	1/10/08	2/07/08
5.m	Franchise Agreement	12/03/07	12/10/07	1/10/08	2/07/08
5.n	Management Agreement	12/03/07	12/10/07	1/10/08	2/07/08
5.o	Equity Commitment	12/03/07	12/10/07	1/10/08	2/07/08
5.p	Equal Opportunity Plan	1/11/08	-	2/11/08	3/10/08
5.q	Project Financing	1/18/08	-	2/18/08	3/17/08
5.r	Performance Bond	2/05/08	-	3/07/08	4/04/08
5.s	Construction Contract	2/05/08	-	3/07/08	4/04/08
5.t	Lease Guaranty	2/05/08	-	3/07/08	4/04/08
5.u	Completion Guaranty	2/05/08	-	3/07/08	4/04/08
4	Option Payment \$500K	2/29/08	-	3/31/08	4/28/08
5.v	Lease Security Deposit	2/29/08	-	3/31/08	4/28/08
5.w	Unpaid Consideration	2/29/08	-	3/31/08	4/28/08
2	Term Expiration	2/29/08	-	3/31/08	4/28/08

This extension is expressly conditioned on the District's right to re-assess the existence and consequences of the aforementioned force majeure events and to dispute or deny future requests for extensions. Since the Lane Field North Option deliverables have been submitted concurrent with those of Lane Field South, and the dates extend farther out than those of Lane Field South, it does not appear necessary to grant additional force majeure extensions for Lane Field North at this time.

If you have any questions, please feel free to contact me at (619) 686-6540.

Sincerely,



Karen J. Weymann  
 Acting Director  
 Real Estate Department

KJW/SDS/byd

CC: M. Christine Anderson  
 Ellen Corey Born  
 Shaun D. Sumner