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March 18, 2009

Jim Erickson
City Manager
City of Benicia
250 East L Street
Benicia, CA 94510

Re: Benicia Business Park - Processing

Dear Mr. Erickson:

I would like to thank the City of Benicia for giving us the opportunity to continue to work on our existing Benicia Business Park project application through a collaborative process in conformance with Resolution No. 09-19 which was adopted on February 17, 2009.

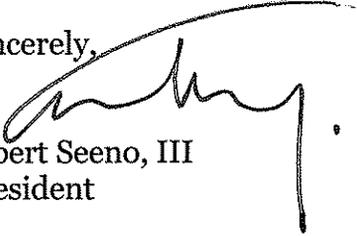
At this time we would like to postpone further processing of the Benicia Business Park project application and resume the project in January, 2010. We have already agreed to waive any present or past statutory or regulatory timelines. We understand that until a new project management consultant is hired to facilitate the completion of the Specific Plan/SEIR the estimated timetable of 18 months for completion of the Specific Plan/SEIR process will not begin.

The purpose of this postponement is directly correlated to the present economy. We agree with the City's Finance Director that, "...the economic downturn has been escalating in the past four months and is expected to continue into the future." Given the plight of the current economy, it is imperative that our company be extraordinarily careful in how resources are allocated. The economic scenario unfolding before us continues to be much worse than anticipated and continues to be incredibly unpredictable; thus we must be prudent with our resources. We need to see where the economy is headed over the next year and what demands are put on development by the local, state and federal legislatures.

To be clear, we in no way plan to abandon processing of the Benicia Business Park project. However, at this time we cannot justify the extraordinary expense that will result over the next 18 months in processing a Specific Plan/SEIR for this project in addition to the other elements outlined in Resolution No. 09-19. Therefore, we will delay any further processing of this application until January, 2010 at which time we will resume processing if it makes economic sense for us to do so.

Thank you for your time and I look forward working with the City on this project in the near future.

Sincerely,


Albert Seeno, III
President

Cc: Charlie Knox
Louis Parsons