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29 August 2008

Chair, Members of the Board of Directors
CENTRE CITY DEVELOPMENT CORPORATION
401 West Broadway, Suite 400
San Diego, CA 92101

Directors:

The purpose of this communication is to convey to the Board an explanation for the tender of my resignation as Corporation Counsel. I do so for the following reasons.

As a result of recent events that involve Nancy Graham and Lennar, I undertook a review of CCDC's and my firm's involvement with Lennar. The Form 700 Statement of Economic Interest that I filed earlier this year for calendar year 2007 disclosed Lennar as a source of income to me, because one of my partners represents Lennar Homes of California with respect to a single family residential subdivision in Escondido.

There were CCDC meetings on the San Diego Marriott at Ballpark Village project beginning in July of 2007. At that time, I did not know that Lennar had an interest in that project; thus I did not announce a disqualification and/or leave the room during the meeting. The staff reports did not mention Lennar as an owner of the project. Staff has informed me that neither the Ownership Disclosure Statement provided by JMI or the Centre City Development Permit Application listed Lennar as an owner of the project. Therefore, I did not know or have reason to believe I should have disqualified myself from those meetings.

However, because the Ballpark Village Owner Participation Agreement was approved in 2005, I also undertook a review of my Form 700 filings for calendar years 2005 and 2006 and associated accounting information. In those years, there were payments to my firm by Eureka Escondido, LLC. This entity was formed for the development of a single family residential subdivision in Escondido, and Lennar is the managing member of that entity; a fact about which I was unaware at the time. Now, being informed of the Lennar role, I am filing an amendment to the 2007 Form 700 to include a reference to the Eureka Escondido, LLC in addition to Lennar. Because of my lack of knowledge with respect to Lennar, I did not disqualify myself from the 2005 meetings.

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As I noted in correspondence to City Attorney Mike Aguirre and Stacey Fulhorst of the Ethics Commission on this matter, although I regret the necessity of the Form 700 amendments, I am glad that I have been made aware that there is a need to do so. Please be assured that with this knowledge, I would have made these amended filings irrespective of the issues surrounding Nancy Graham.

Although the issues caused by these inadvertent disclosures and a lack of knowledge on my part can be addressed with ratification of earlier actions, I know of the Board's sincere commitment to retain the public's full confidence in the organization. To emphasize and support those efforts, I hereby tender my resignation to the Board.

I firmly believe in the excellent work being done by CCDC and its commitment to redevelopment efforts in downtown San Diego, and am grateful for the opportunity to have worked with such dedicated and talented persons. It has been my pleasure to work with each of you, and with CCDC's excellent staff, and I wish everyone all the best.

Best regards,

A handwritten signature in black ink, appearing to read "Helen Holmes Peak". The signature is written in a cursive, flowing style.

HELEN HOLMES PEAK