

**HERBERT R. FIELDEN**

REAL ESTATE CONSULTANT

HAND DELIVERED

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April 11, 1988

Mr. Stanley H. Hall  
City Manager  
City of East Palo Alto  
2415 University Avenue  
East Palo Alto, CA 94303

RE: Purchase/Development  
K mart Corporation

Dear Stan:

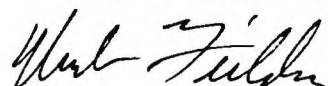
As a follow-up to our meeting of March 16, we have spoken several times with our contacts within the development division at the home office of K mart Corporation in Troy, Michigan; and they are very interested in possibly doing something within your city.

At this preliminary time, it appears that they might be interested in possible doing their version of a "Wal-Mart's Hypermart;" a 240,000± square foot, one-stop super retail store, which would include such diverse retail items as groceries, television sets, hardware, patio furniture, jewelry, clothing, and other related merchandise; all sold under one roof, and with one checkout area. Additionally, they might also be interested in simultaneously developing one of their more "conventional" retail developments within your city. At the worst case, we feel that we could end up with only one major retail project by them. At the best case, we could very well end up with two such major retail projects. Upon our submittal to them of some additional information which they have requested from us, they are prepared to come out to the Bay Area and have us show them the various development sites within your city.

One item of general "housekeeping," however, needs to be accomplished before we can proceed with our market efforts on your city's behalf. K mart Corporation has requested that we keep our commission arrangement directly with your city, as the seller of the property. Accordingly, we are enclosing a proposed commission schedule for your review and approval.

It appears that we could be in a proverbial win-win situation with K mart Corporation, and we look forward to being able to bring all of this to fruition for your city.

Very truly yours,



Herbert R. Fielden

HRF/vz  
Enclosure  
cc: Mr. Stephen Brothers