



One CVS Drive | Woonsocket, RI 02895

August 30, 2013

Cynthia Battenberg  
Community Development Director  
City of San Leandro  
835 E 14<sup>th</sup> Street  
San Leandro, CA 94577

**RE: CVS Stores # 9635 and # 9942 in San Leandro CA**

Dear Ms. Battenberg:

This letter is to confirm the understanding to which CVS is willing to move forward on the relocation and redevelopment of store # 9635 (1188 E 14<sup>th</sup> St) in San Leandro California. We appreciate the city's desire for a more vibrant downtown and CVS is prepared to offer the following as part of the redevelopment:

**1. Existing CVS Store # 9635 located at 1188 E. 14<sup>th</sup> St.**

CVS will vacate the store located at 1188 E. 14<sup>th</sup> St upon opening of the new store at 1550 E. 14<sup>th</sup> St.

**2. Future of CVS Store # 9635 located at 1188 E. 14<sup>th</sup> St.**

Once vacated, CVS would be willing to consider the joint sale of the CVS owned property at 1188 E. 14<sup>th</sup> St along with the adjoining City parking lot. The pledge to sell the CVS property is conditioned upon:

- a) Receiving market value for the property
- b) Deed restricting the property from any future pharmacy related business

**3. Future of CVS Store # 9942 located at 1401 Washington Ave.**

CVS will forgo the final 10 year lease extension option in 2017 conditioned upon:

- a) Safeway will plan to make a significant investment in redeveloping their store, including expansion of their bakery, deli and produce sections
- b) Safeway will not just expand into the current CVS space to operate a pharmacy

**4. Future of new CVS Store # 9635 located at 1550 E. 14<sup>th</sup> St.**

As part of the development of Village Marketplace, CVS will build a new store located off of the hard corner with a shared parking field to create a more cohesive shopping experience. CVS will offer complimentary goods and services with the other proposed retailers as well as provide primary access off of a Juana Avenue to help avoid congestion to East 14<sup>th</sup> Street. In addition the building materials and architectural features will include:

- a) Varying roof heights and wall planes
- b) Additional true windows on three sides of the building
- c) Trellis with climbing vines and cantilevered arbors

CVS looks forward to working with the City of San Leandro and the developer to make the Village Marketplace something that everyone will be proud of. Please don't hesitate to contact me if you have any questions or concerns.

Sincerely,  
Stephen LaBonge



Regional Director of Real Estate – Bay Area  
CVS Caremark