

HUNTER STORM

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To Whom it May Concern:

The Covid 19 global pandemic has negatively impacted all aspects of the hospitality industry. According to the American Hotel and Lodging Association, since May 13th seven out of every ten hotel rooms are empty. Additionally, US hotels have already lost \$23B in room revenue and the number will continue to grow for the foreseeable future. These circumstances are forcing new hotel development to basically stop until the industry can recover.

In 2019 we reached out to CB Richard Ellis' hospitality brokerage team in San Jose and San Francisco to help us market our hotel parcel for disposition. We were very optimistic prior to the pandemic that we would find a buyer for our site as we received over 70 inquiries from interested developers all over the country. Unfortunately, that number became zero as we moved through the first quarter of 2020.

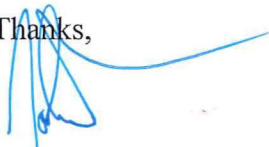
Our existing Development Agreement with the City of Santa Clara requires that we begin construction of the hotel prior to issuing building permits for the 2nd residential building onsite. Given this unprecedented global situation, our team is requesting to amend the Development Agreement to move the required start date for the hotel to before building permits are issued for the 2nd phase of the development.

Amending the agreement will allow us to bring all 725 residential units of phase 1, including 73 below market rate units, to market significantly sooner than our existing agreement would allow. Other community benefits would be available much sooner as well including the Police Activities League retail space in building 2, the public park, the Brokaw Road improvements and the Tavern on the Green.

Ultimately, we believe that moving the hotel development to before the 2nd phase of our project makes the most sense for everyone involved, including those residents of Santa Clara who are feeling the effects of both the pandemic and the housing crisis that has gripped the Bay Area for years.

If you have any questions, I can be reached at 408-255-4100 or at josh@hunterproperties.com.

Thanks,

A handwritten signature in blue ink, appearing to be 'Josh Rupert', with a long horizontal stroke extending to the right.

Josh Rupert
Director of Development