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October 3, 2018

Via Electronic Mail

Robert Langenkamp
President & CEO
The Economic Development Corporation of Kansas City, Missouri
1100 Walnut, Suite 1700
Kansas City, MO 64106

Re: Drury Southwest, Inc. ("Drury") EDCKC Redevelopment Project Application (the "Application") for proposed Drury Plaza Hotel (the "Project") at 1211 McGee

Dear Bob:

As you know, we represent Drury in connection with the Application submitted by Drury on May 9, 2018 for the Project. As Drury indicated from the outset, achieving an adequate rate of return on the Project was challenging, given the high level of costs that would need to be incurred to complete the Project. Additionally, Drury believes that the Project is financially risky, particularly given the projected doubling of downtown hotel room inventory over the next twenty-four months. Drury anticipates that a substantial decline in revenue per available room will take place over the next several years while the market absorbs this unprecedented growth in available rooms.

Drury has worked for several months with the Economic Development Corporation of Kansas City, Missouri, its consultants and City staff in an effort to reach agreement upon a level of incentives that would allow the Project to be financially feasible. This has included providing to City's consultant SB Friedman substantial amounts of information (including proprietary information) concerning the greater Kansas City hotel market, as well as information that refuted the low rates of return that SB Friedman was presenting as adequate for a development such as the Project. Unfortunately, despite Drury's efforts, Friedman has stubbornly retained both its rosy revenue projections and its low return thresholds. As a result, Drury has determined that Friedman's optimistic financial projections of the revenues that will be generated by the Project, as well as its unrealistically low recommendations as to an acceptable rate of return for the Project, create an unreasonable risk to Drury that it will not be able to achieve a reasonable rate of return upon the Project, particularly in light of the risks that the Project presents to Drury, or any other developer of the Project.

Given its analysis that it is unable to achieve a reasonable rate of return in light of the position of SB Friedman as to revenue projections and adequate returns, Drury believes that the only prudent action for it to take is to withdraw the Application, and Drury hereby notifies you that

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it withdraws the Application. Drury will not proceed with the Project given the level of incentives recommended by SB Friedman.

Sincerely,

Stinson Leonard Street LLP

A handwritten signature in blue ink that reads "David Frantze". The signature is written in a cursive style with a blue ink color.

David Frantze

DWF:zb