



October 17, 2018

City of Hercules  
Mr. David Biggs  
111 Civic Drive  
Hercules, CA 94547

RE: Hilltown Site

Dear David:

As I know you are aware, the deal we were attempting to negotiate with Costco has proven unfruitful. Their lack of being able to provide a reasonable, non-refundable deposit amount after an Initial Feasibility Period along with the length of time for entitlements and workplans that they insisted upon were too much to overcome.

I have instructed my team to resume activities toward the submission of our application in accordance with the Development Agreement.

Given the fact that we put our project on hold since early July, while exploring the feasibility with Costco and pursuant with comments we heard from several Councilmembers during our presentation/update in August, we are requesting adding four months to the timeline established in the Development Agreement.

Please identify what will be required of us so that the matter may be heard by Council at the earliest opportunity.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stephen E. Schott".

Stephen E. Schott

CC: Patrick Tang  
Jim Sullivan  
Cory Kusich

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Santa Clara, CA 95050-7062  
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