



October 18, 2006

Don Blubaugh
Interim City Manager
City of Martinez
525 Henrietta Street
Martinez, CA 94553-2394

RE: 630 COURT STREET

Dear Don:

We remain very interested in developing 630 Court Street into a successful project that will help facilitate the revitalization of Downtown Martinez.

Unfortunately, the latest information that a full Environmental Impact Report ("EIR") will likely be required puts a further burden upon the building, one that our project cannot support. The fact that we are proposing a very expensive building and are projecting very high rents results in a marginal return. We are approaching the project as a long term investment as opposed to a short term one.

We have given careful consideration to the concept of preserving the existing building and have determined that we do not have interest in this scenario for a host of reasons:

Health & Safety Issues

First and foremost is the fact that our structural engineer was very clear to state that if we preserved the existing building facades, he could not provide any guarantee that the building would not collapse during a significant seismic event. We have a major concern of preserving a building that could create hazardous or even fatal consequences for potential tenants and customers.

Functional Challenges of the Existing Building

We feel very strongly that using the existing building will not achieve our collective goal of helping to revitalize Downtown Martinez and attracting a desirable restaurant to the building. The existing building has several functional restrictions such as low ceiling heights, limited window openings, and a very awkward floor plan that is chopped up with office lobbies.

Economic Issues

Secondary to the above issues, preserving the existing building would create significant cost issues that we have identified previously. In addition to the unknown cost of retrofitting the building, we would end up with less leasable retail square footage due to both the office lobbies and the fact that we would be building a walls inside of the existing walls.

We feel that the City of Martinez needs to answer an important question- whether you desire to preserve the existing building or pursue a project that builds a new one. If you desire to raze the existing building and build a new one, for the reasons outlined above we respectfully feel that the City should perform and EIR (if required), and then proceed to develop the property. We would be very interested in proceeding with our proposed building once this is done.

In closing, we would like to point out that whatever path the City of Martinez decides to take, it is most important to proceed with the a project that maximizes the potential revitalization of the Downtown. We feel very strongly that building a new, attractive building will not only maximize the chances of attracting a desirable restaurant tenant, this will also maximize the potential success of such a restaurant. The worst outcome for the Downtown would be for a restaurant to fail in this most important location, and we fear that this could be a likely outcome by opening a restaurant in the existing building.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Hirahara". The signature is stylized with a large, sweeping initial "B" and a long horizontal stroke extending to the right.

Brian Hirahara
BH Development