

May 28th, 2024

City of Reno
Attn: Angela Fuss

Subject: Request for Extension of 1,000 Homes Installment for The Mod Riverwalk 2

Dear Angela,

On behalf of The Mod Riverwalk 2, we respectfully request an extension of our first payment under the 1,000 Homes Initiative. We propose to make this payment either upon securing permanent financing or within 180 days, whichever comes first.

Background:

The Mod Riverwalk 2 is a 69-unit multifamily property at 344 W. 2nd Street. Construction began in Spring 2021, driven by the City's need for additional housing under the 1,000 Homes Initiative. Despite our best efforts, we faced numerous challenges: the pandemic, the global supply chain crisis, contractor issues, the banking crisis, interest rate hikes, and an oversupply of housing in downtown Reno. Initial leasing began in Fall 2023, traditionally a very difficult period for new lease-ups. As a result, our leasing activity has been slower than anticipated, delaying stabilization and permanent financing.

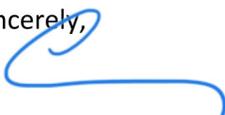
We understand the 1,000 Homes program provided a one-year grace period for developers to stabilize their projects before making installments. Our first installment of \$72,284 is due in August 2024. Given the hardships faced, we request an extension until we secure permanent financing or within 180 days, whichever comes first. This will allow us to achieve full occupancy, build sufficient cash reserves and make this installment.

Our Long-term Commitment to Reno:

Since 2015, our partnership has been dedicated to Reno's revitalization. Our investments include a Midtown revitalization project in 2014, the Reno Renaissance hotel in 2015, and converting the old Reno Riviera motel into The Mod Riverwalk 1 in 2018. During the 2020 Covid crisis, we offered several of our apartments at \$0 rent to First Responders and Healthcare providers. We remain committed to supporting Reno's growth and community.

Thank you for your consideration of this request. We look forward to continuing to support the city and residents of Reno.

Sincerely,



On behalf of ECI LLC,
Chris Vargas, T Tran and Vesa Kaunismaki