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Via E-Mail & Expedited, Prepaid Overnight Federal Express

April 30, 2020

Bank of America, N.A.
c/o Capital Markets Servicing Group
900 West Trade Street, Suite 650
Mail Code: NC1-026-06-01
Charlotte, North Carolina 28255
Attention: Servicing Manager
Telephone No: (866) 531-0957

Wells Fargo Commercial Mortgage Servicing
401 S. Tryon Street, 8th Floor
Charlotte, North Carolina 28202
E-mail: commercial.servicing@wellsfargo.com

Cadwalader, Wickersham & Taft LLP
227 West Trade Street, Suite 2400
Charlotte, North Carolina 28202
Attention: Matthew Robertson, Esq.
Telephone No.: (704) 348-5100
E-mail: matthew.robertson@cwt.com

Re: Request for Forbearance and Modification of that certain Loan Agreement, Mezzanine A Loan Agreement and Mezzanine B Loan Agreement (collectively, the “Loan Agreements”) and any Related Loan Documents for Bank of America Loan No. 3450581 and Wells Fargo Bank Loan Nos. 43-0952525 and 43-0952529

To Whom it may Concern:

On behalf of each Borrower under the Loan Agreements (collectively, “**Manchester**”) and in accordance with the notice provisions therein, we write to request forbearance of Loan payments, waivers of certain potential defaults, and to propose a modification of the terms of the Loan, as further described below. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Loan Agreements. The facts are as follows:

The Loan is secured by the Fairmont Austin Hotel (the “**Hotel**”), operated by Fairmont Hotels & Resorts (Maryland) LLC, pursuant to a hotel management agreement. The Hotel contains approximately 1.4 million total square feet, consisting of 1,048 guest rooms, 140,000 square feet of meeting and event space, five bars and restaurants, a spa, pool deck, and fitness and other amenity space. Following the City of Austin’s initial confirmation of two cases of persons in the city limits with COVID-19 disease on March 13, 2020, the actual presence of the SARS-CoV-2 virus (the “**Virus**”) spurred orders from the Mayor of the City of Austin and other governmental authorities, which severely limited access to the Hotel and forced the



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closure of the adjacent Austin Convention Center. Following the spread of the Virus, the Hotel operated at limited capacity, with increased safety measures in place. However, on April 7, 2020, Manchester was forced to close the Hotel due to the Virus and the governmental orders in place, drastically cutting Hotel revenue.

The Virus and various orders of governmental authorities promulgated in response to the Virus have directly negatively impacted the Hotel's financial performance. On March 6, the City of Austin officially cancelled the South by Southwest festival, which regularly draws 400,000 visitors to the city, has its hub at the adjacent Austin Convention Center, and is a major source of business for the Hotel. On March 11, 2020, the global Virus outbreak was declared a pandemic by the World Health Organization. On March 13, 2020, the President of the United States declared the current Virus pandemic a national emergency. On the same day, Governor Abbott issued a Declaration of State of Disaster for the State of Texas. On March 6, 2020, the City of Austin declared a local disaster. By March 17, the Mayor of the City of Austin prohibited community gatherings of ten or more persons, thereby prohibiting use of the Hotel's meeting and conference space, and ordered the closure of common dining areas for food or drinking establishments, including those at the Hotel; and by March 20, such prohibitions expanded to include any social gatherings of ten or more persons. On March 24, 2020, the City of Austin, Travis County and Williamson County jointly issued "shelter in place" orders. The Stay Home – Work Safe Order 20200324-007 dated March 24, 2020, as extended by the Stay Home – Work Safe Order No. 20200413-009 dated April 13, 2020 ("**City Order**") strictly prohibits non-Essential Activities or Essential Travel (each as defined in the City Order). While hotels are deemed an "Essential Business" under the City Order to the extent used for lodging or delivery or carry-out food services, the City Order prohibits use of all Hotel functions other than guest rooms and severely restricts access to and use of the Hotel guest rooms. Similar orders in other states and countries limit travel to "essential" travel, further impacting Hotel revenue.

The impacts to the performance of the Hotel do not appear to be limited to the duration of shelter-in-place orders. As the economic fallout unfolds from the current pandemic, we expect more news of event cancellations for 2020, severely impacting the Hotel. The hospitality industry has been devastated worldwide. The combination of non-existent bookings and refunds for expected events has severely impacted the Hotel's operations and financials. As such, Manchester's ability to timely complete the interest payments pursuant to Sections 2.5(a) of the Loan Agreements, and simultaneously prepare for post-crisis recovery, has been greatly impacted.

For these reasons, Manchester requests Lender's cooperation in restructuring the Loan. Manchester proposes the following modifications to the terms of the Loan Agreements:

- Waiver of all Debt Service on the Loans from April 15, 2020, through April 14, 2021, provided that interest will accrue during such period at the applicable Component Interest Rate (without taking into account the Default Rate);
- Extension of the Initial Maturity Date by twelve (12) months, to September 9, 2022 (the "**New Maturity Date**"), which will not be considered an exercise of Borrower's Extension

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Option provided under Section 2.5(c) of the Loan Agreements, and the relevant dates for the Extension Option as set forth such Section 2.5(c) will be extended accordingly by twelve (12) months;

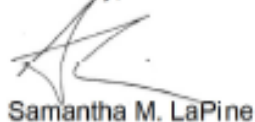
- Payment of principal and interest payments on the Loan during the final twelve (12) months prior to the New Maturity Date, based on a 30-year amortization schedule;
- Lender's forbearance in declaring a Ground Rent Reserve Trigger Period and/or Cash Sweep Period; and
- A restatement of the representations in, or waiver with respect to:
 - Section 4.14 of the Loan Agreement(s), to reflect that the Virus and related City Order have resulted in a Material Adverse Effect on the financial condition, operations and business of Borrower from the date of Borrower's last submitted financial statements;
 - Section 4.19 of the Loan Agreement(s), to reflect that, on April 26, 2020, Borrower has made a claim under the Policies for losses due to the Virus; and
 - Section 4.36 of the Loan Agreement(s), to reflect that the Virus and related City Order have resulted in a material adverse change that may result in a material inaccuracy in prior forward-looking financial statements provided to Lender.

In connection therewith, Manchester also requests waivers of any default, Event of Default or mandatory prepayment of a Loan arising out of Manchester's loan payments, financial requirements, or other covenants or obligations affected by the Virus and the City Order, each following February 2020. Further, this notice shall constitute a notice of a Material Adverse Effect pursuant to Section 5.7 of the Loan Agreements.

Please note that this matter is confidential and sensitive and Manchester expects Lender and its counsel to treat this notice and the matter described herein with the utmost confidentiality.

Please contact me via email at slapine@cooley.com to discuss this matter. Manchester reserves all its rights under the Loan Agreements and applicable law with respect to this matter and waives none.

Sincerely,



Samantha M. LaPine

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