

STEELCRAFT

17434 BELLFLOWER BLVD., SUITE 300
BELLFLOWER, CA 90706
562.427.4124 | WWW.STEELCRAFTLB.COM

February 23, 2021

Mr. Paul Guerrero
City of Garden Grove
Real Property Division
11222 Acacia Parkway
Garden Grove, CA 92842

Re: SteelCraft Garden Grove - Rent Deferment Extension

Dear Mr. Guerrero:

In follow up to our rent deferment extension request letter of Jan 21, 2021 please find additional information in support of our request to extend the deferral of the Ground Rent payment for SteelCraft Garden Grove for an additional six months.

Due to the impact of COVID-19 restrictions and closure guidelines, in the early months of the pandemic SteelCraft initially developed a rent deferment plan for the Tenants, resulting in \$10,500.00 in deferred rent. As the pandemic continued in resulting in multiple shutdowns it became necessary to offer additional rent relief. Over the past eleven months of the COVID-19 pandemic SteelCraft has provided the Garden Grove Tenants with additional rent waivers totaling \$47,500.00.

Part of our program during the pandemic in addition to the deferment and waiver of rent has been to reduce the operating costs for the project for the Tenants benefit. In partnership with our vendors, we have reviewed the project services and reduced operational costs for the year by 44%.

Even with the deferments and waivers of rent several Tenants have not been able to survive due to the economic hardship caused by the pandemic and they were unable to meet their financial obligations and had to permanently close. The Landlord's loss in unpaid rent, CAM and damages is estimated at \$190,225.56. For the sake of the privacy of our tenants, we have provided economic totals in the letter only. Should you require additional detailed information, please let us know.

All said, the economic damages which SteelCraft Garden Grove has incurred due directly to the economic hardships of the pandemic total in excess of \$248,000. Please know that the Ground Rent deferral provided by the City of Garden Grove has been vital to our survival.

While we have had some successes in new leasing (e.g., Duck Donuts), we do have several difficult months ahead of us. This six-month extension to our Ground Rent deferral will continue to be vital to our survival.

We are confident that our customers and the communities we serve will be thankful for your perseverance. When that day does come, we believe that our SteelCraft family's restoration and recovery will be mutually fruitful. We are grateful for the partnership we have had with the City of Garden Grove not during this time, but since inception of the development, and we look forward to a successful future together!

Please let us know if any additional information is needed.

Best Regards,
STEELCRAFT GARDEN GROVE, L.P.

A handwritten signature in black ink, appearing to read 'M. Howard', written over the printed name below.

Martin D. Howard
General Partner

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January 21, 2021

Mr. Scott Stiles
City Manager
Ms. Lisa Kim
Director of Community and Economic Development
City of Garden Grove
11222 Acacia Parkway
Garden Grove, CA 92842

RE: SteelCraft Garden Grove – Ground Rent Deferral Extension

Dear Scott/Lisa:

In light of the fact that the COVID pandemic is still with us and that both inside and outside dining is still prohibited by the Orange County Health Department and will be for the foreseeable future we would respectively like to request an additional 6-month deferral of the ground lease rent as provided for in Article 3 of the Third Amendment of Lease Agreement dated May 12, 2020.

We appreciate your consideration in advance. Please let me know if you have any questions.

Sincerely



Martin D. Howard
SteelCraft Garden Grove. LP.
General Partner