



October 2, 2023

Lisa Kim, City Manager
City of Garden Grove
11222 Acacia
Garden Grove, CA 92886

Re: Cottage Industries – Loan Maturity Request – via email lisak@ggcity.org

Hello, Lisa:

Per our letter of March 14th, we'd like to restate our request for a maturity date extension on the loan originating December 2022 between Cottage Industries LLC and the City of Garden Grove for 5 parcels (11301 Garden Grove Blvd., 12951 7th, 12942 8th, 11421 Garden Grove Blvd., 11461 Garden Grove Blvd.)

The request is, first and foremost, to conjoin the 2022 loan to the maturity date of December 30, 2029 to coincide with our original Promissory Note on the 12 initial parcels. Currently the 2022 loan carries a balloon payment due in December of this year, 2023, two months hence.

As the City is aware, the purchase of the 5 leased parcels in December 2022 offers parking amenities which support the entitlement of the Cottage project (Phase I and II) and have already been improved by Cottage Industries. To enable future permanent financing of the project it is practical to wrap loan maturity notes to the same expiry date of December 30, 2029; all parcels being of one project.

Cottage Industries has been making monthly mortgage payments on all 17 parcels according to our agreements and will continue to do so. We are not asking for a deferred interest or payment schedule.

We thank you in advance for your consideration. Phase I, after facing delays and interruptions including an historical pandemic, supply chain issues, SCE lead times, banking volatility, etc. awaits tenant TI work and we intend to keep momentum by continuing Phase II improvements asap.

Regards,

Linda Sadeghi
linda@thelab.com

Cc via email: Omar Sandoval, Greg Blodgett, Grace Lee