

## AGREEMENT BIBLIOGRAPHY

Agreement With:	SteelCraft Garden Grove LP
Agreement Type:	Third Amendment to lease agreement for the property at 12900 Euclid Street (APN 090-16-437) to modify the terms of the lease
Date Approved:	05 12 2020
Start Date:	05 12 2020
End Date:	See agreement
Contract Amount:	See agreement
Comments	File No. A-55.1A Community and Economic Dev.
Insurance Expiration:	12 14 2020



## CITY OF GARDEN GROVE OFFICE OF THE CITY CLERK

*Safeguard all official records of the City.  
Conduct municipal elections and oversee legislative administration.  
Provide reliable, accurate, and timely information to the  
City Council, staff, and the general public.*

**Steven R. Jones**  
Mayor

**John R. O'Neill**  
Mayor Pro Tem - District 2

**George S. Brietigam**  
Council Member - District 1

**Diedre Thu-Ha Nguyen**  
Council Member - District 3

**Patrick Phat Bui**  
Council Member - District 4

**Stephanie Klopfenstein**  
Council Member - District 5

**Kim B. Nguyen**  
Council Member - District 6

May 27, 2020

SteelCraft Garden Grove LP  
3750 Long Beach Blvd, Ste 200  
Long Beach, CA 90807

Attention: Martin D. Howard, President

Enclosed is a copy of the Third Amendment to the Lease Agreement by and between the City of Garden Grove and SteelCraft Garden Grove LP, to modify the terms of the lease for the property at 12900 Euclid Street (APN 090-16-437).

The amendment was approved by the City Council at their meeting held on May 12, 2020.

Sincerely,

Teresa Pomeroy, CMC  
City Clerk

By: Liz Vasquez  
Deputy City Clerk

Enclosure

c: Finance Department  
Finance Department/Purchasing  
Community and Economic Development

**THIRD AMENDMENT TO THE LEASE**  
**APN 090-164-37**  
**12900 Euclid Street**  
**Garden Grove, CA 92840**

This is the THIRD AMENDMENT OF LEASE AGREEMENT ("Third Amendment") is made and entered into by and between the **CITY OF GARDEN GROVE**, a municipal corporation ("Landlord") and **STEELCRAFT GARDEN GROVE LP**, a Delaware limited liability company ("Tenant"), effective as of May 12, 2020.

**RECITALS**

A. WHEREAS, the Landlord and SteelCraft Long Beach, LP entered into that certain Lease Agreement, dated June 13, 2017 ("Lease"), for the Lease of City-owned property ("Property") identified as APN 090-164-37, located at 12900 Euclid Street, Garden Grove, 92840 for the development of a multi-tenant, outdoor commercial retail and food court use occupying modified shipping containers; and

B. WHEREAS, effective June 13, 2017, the Tenant assumed all rights, obligations, and liabilities as Tenant under the Lease; and

C. WHEREAS, Article 20 of the Lease stipulates that the Lease may be modified by written amendment executed by Landlord and Tenant; and

D. WHEREAS, the Lease was amended as to Tenant's contact information and assigned to Tenant by the Consent to Assignment and Amendment of Lease dated April 16, 2018; and

E. WHEREAS, the Lease was amended as to Tenant's term as to permit extensions up to 55-years of Lease dated November 26, 2019; and

F. WHEREAS, the Landlord and Tenant desire to further amend the Lease to modify the terms thereof subject to the terms set forth herein.

**AGREEMENT**

**NOW THEREFORE**, in consideration of the terms and conditions of this Third Amendment, Landlord and Tenant mutually agreed as follows:

1. The monthly rental amount of \$8,120 is hereby paused for a 12-month period at no-interest, beginning April 2020 through March 31, 2021, to be repaid to the City over a five-year period, with repayment commencing April 1, 2021,

2. The first Consumer Price Index increase to the monthly rent is hereby waived until through the deferral period,

3. At least 90-day prior to the end of the 12-month deferment period, Tenant may request an additional 6-month deferral period subject to the reasonable discretion of the City, and

[SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, the Landlord and Tenant have caused this Amendment No. 3 to be executed by their officers duly authorized on the dates set forth opposite their signatures, below.

**"LANDLORD"**

**CITY OF GARDEN GROVE, a municipal corporation**

Date: 5/20/20

By:   
Scott C. Stiles  
City Manager

**ATTEST:**

By:   
Teresa Pomeroy  
City Clerk

Date: May 21, 2020

**APPROVED AS TO FORM:**

By:   
Omar Sandoval  
City Attorney

Date: 5-20-2020

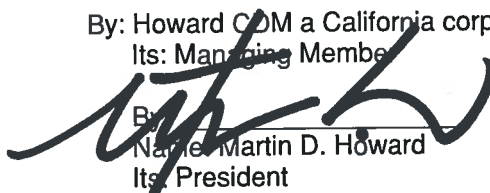
**"TENANT"**

**STEELCRAFT GARDEN GROVE LP,  
A California limited partnership**

By: Steelcraft Long Beach, LP  
a California limited partnership  
Its: General Partner

By: Gardening at Nite LLC,  
a California limited liability company  
Its: General Partner

By: Howard CDM a California corporation  
Its: Managing Member

By:   
Martin D. Howard  
Its: President



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

3/2/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Los Angeles-Alliant Insurance Services 601 South Figueroa St Ste 4480 Los Angeles CA 90017		<b>CONTACT NAME:</b> Soe Juedes <b>PHONE (A/C, No, Ext):</b> 213-402-0220 <b>FAX (A/C, No):</b> 310-981-0832 <b>E-MAIL ADDRESS:</b> soe.juedes@alliant.com	
License#: BR-800584 3777PAR-01		<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURED</b> Steelcraft Long Beach, LP Steelcraft Garden Grove, LP 3750 Long Beach Blvd, Suite 200 Long Beach CA 90807		<b>INSURER A:</b> Mitsui Sumitomo Insurance Grou <b>INSURER B:</b> Mitsui Sumitomo Insurance Comp <i>A+, XV</i> <b>INSURER C:</b> <b>INSURER D:</b> <b>INSURER E:</b> <b>INSURER F:</b>	
		<b>NAIC #</b> 26 20362	

**COVERAGES****CERTIFICATE NUMBER:** 976713239**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y	Y	PKG3127664	12/14/2019	12/14/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						
B	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			UMB5701005	12/14/2019	12/14/2020	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

City of Garden Grove, its officers, officials, agents, employees, and volunteers are named as additional insured as it relates to General Liability coverage provided per the attached forms. The above coverage is primary and noncontributory where required by written contract.

**CERTIFICATE HOLDER****CANCELLATION**

City of Garden Grove Attn: Risk Management 11222 Acacua Pkwy. Garden Grove CA 92840	<b>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.</b>  <b>AUTHORIZED REPRESENTATIVE</b> 
--	---

© 1988-2015 ACORD CORPORATION. All rights reserved.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

## ENHANCED COMMERCIAL GENERAL LIABILITY COVERAGE FORM ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMON POLICY CONDITIONS

This endorsement modifies coverage and provides increased limits of insurance to enhance your insurance program. The Limits of Insurance stated below are granted by us as enhancements to your insurance program and are subject to the terms and conditions of this endorsement and the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** and **COMMON POLICY CONDITIONS**.

If these Limits of Insurance are not sufficient, you may purchase additional Limits of Insurance. The premium charge will be based on the additional Limits of Insurance you purchase. When you purchase additional Limits of Insurance for any coverage, the Limit of Insurance stated in the Declarations will be in addition to any Limit of Insurance we have granted below.

### Summary Of Coverage

- |  |                     |
|--|---------------------|
| 1. Broad Form Named Insured  |                     |
| 2. Nonowned Watercraft   |                     |
| 3. Property Damage – Property Loaned To You  |                     |
| 4. Property Damage Liability - Elevators   |                     |
| 5. Damage To Premises Rented To You  |                     |
| 6. Personal and Advertising Injury Assumed By Contract   |                     |
| 7. Medical Payments - Increased Period   | 3 Years             |
| 8. Supplementary Payments - Increased Limits   |                     |
| Cost of Bail Bonds   | Up To \$2,500       |
| Loss of Earnings   | Up To \$500 Per Day |
| 9. Automatic Additional Insureds By Contract, Agreement Or Permit                                  |                     |
| 10. Who Is An Insured Redefined - Fellow Employee Coverage and Incidental Medical Malpractice      |                     |
| 11. Duties In The Event Of Occurrence, Claim Or Suit Redefined                                     |                     |
| 12. Unintentional Failure To Disclose All Hazards  |                     |
| 13. Waiver Of Transfer Of Rights Of Recovery Against Others To Us                                  |                     |
| 14. Liberalization   |                     |
| 15. Bodily Injury Redefined  |                     |
| 16. Insured Contract Redefined   |                     |
| 17. Mobile Equipment Redefined ( <u>This provision is not applicable in New York or Virginia</u> ) |                     |
| 18. Personal and Advertising Injury Redefined  |                     |
| 19. Additional Definitions   |                     |
| 20. Cancellation Condition   | 90 Days             |

The following **OPTIONAL COVERAGE** applies only if a YES is indicated next to the coverage below.

YES Additional Insured – Broad Form Vendors

## 1. Broad Form Named Insured

- a. The second paragraph of the preamble of this Coverage Form is replaced by the following:

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, any other person or organization qualifying as a Named Insured under this policy, and any "controlled business entity". The words "we", "us" and "our" refer to the company providing this insurance.

As used in this endorsement, the term "controlled business entity" means any business entity in which the Named Insured owns an interest of more than 50 percent during the policy period and for which similar coverage is not otherwise more specifically provided. However, we will not pay any sums such as damages because of "bodily injury" or "property damage" to which this insurance applies caused by an "occurrence" that occurred before the Named Insured acquired or formed the "controlled business entity", or because of "personal and advertising injury" to which this insurance applies caused by an offense committed before the Named Insured acquired or formed the "controlled business entity." Notwithstanding the foregoing, we will not pay any sums or perform any acts or services on behalf of any person or organization for which coverage is specifically excluded by endorsement.

- b. Paragraph 3. of Section II – Who Is An Insured of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is deleted in its entirety.

## 2. Nonowned Watercraft

Paragraph g.(2) of 2. Exclusions of Section I – Coverage A Bodily Injury And Property Damage Liability of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is replaced by the following:

- (2) A watercraft you do not own that is:

(a) Less than 75 feet long; and

(b) Not being used to carry persons or property for a charge;

## 3. Property Damage – Property Loaned To You

Paragraph j.(3) of 2. Exclusions of Section I – Coverage A Bodily Injury And Property Damage Liability of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is amended by adding the following:

This exclusion j.(3) does not apply to property loaned to you, which is not being used by you to perform "your work".

Our obligation to pay for damages because of such "property damage" is excess over any valid and collectible insurance (including any deductible), whether primary, excess, contingent or on any other basis.

## 4. Property Damage Liability - Elevators

Exclusions j. and k. of Section I – Coverage A Bodily Injury And Property Damage Liability of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** are amended as follows:

- a. Exclusion j. is amended to add the following:

Paragraphs (3), (4) and (6) of this exclusion j. do not apply to "property damage" arising out of the use of an elevator at premises you own, rent or occupy.

- b. Exclusion k. is amended to add the following:

This exclusion k. does not apply to:

(1) The use of elevators; or

(2) Liability assumed under a sidetrack agreement.

Our obligation to pay sums for damages because of such "property damage" is excess over any other valid and collectible



insurance (including any deductible), whether primary, excess, contingent or on any other basis.

**5. Damage To Premises Rented To You**

Paragraph 6. of Section III – Limits Of Insurance of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is replaced by the following:

- a. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning, or "explosion", while rented to you or temporarily occupied by you with permission of the owner.
- b. The most we will pay for Damage To Premises Rented To You will be the greater of:
  - (1) \$300,000; or
  - (2) The amount shown in the Declarations.

**6. Personal and Advertising Injury Assumed by Contract**

Paragraph e. Contractual Liability of 2. Exclusions of Section I – Coverage B Personal And Advertising Injury Liability of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is replaced by the following:

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in an "insured contract", provided the "personal and advertising injury" arises out of an offense committed subsequent to the execution of the "insured contract". Solely for the

purpose of liability assumed in an "insured contract", where the "personal and advertising injury" arises out of an offense committed subsequent to the execution of the "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "personal and advertising injury", provided that:

- (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
- (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

**7. Medical Payments - Increased Period**

Paragraph a. of 1. Insuring Agreement of Section I – Coverage C Medical Payments of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is replaced by the following:

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
  - (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;provided that:
  - (a) The accident takes place in the "coverage territory" and during the policy period;
  - (b) The expenses are incurred and reported to us within three years of the date of the accident; and
  - (c) The injured person submits to examination, at our expense, by

physicians of our choice as often as we reasonably require.

**8. Supplementary Payments - Increased Limits**

Paragraphs 1.b. and 1.d. of Section I – Supplementary Payments – Coverages A and B of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** are replaced by the following:

- b. Up to \$2,500 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.

**9. Automatic Additional Insureds By Contract, Agreement Or Permit**

a. Paragraph 2. of Section II – Who Is An Insured of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is amended by adding the following:

Any person or organization with whom you agreed, in a written contract, agreement or permit, to provide insurance such as is afforded under this Coverage Form, but only with respect to your operations, "your work" or facilities owned or occupied by, or rented or loaned to you.

However:

- 1. The insurance afforded to such additional Insured only applies to the extent permitted by law; and

- 2. If coverage provided to the additional insured is required by a written contract, agreement, or permit, the insurance afforded to such additional insured will not be broader than that which you are required by the written contract, agreement, or permit, to provide for such additional insured.

- b. The following additional exclusions apply to the insurance afforded by Paragraph a. above.

This insurance does not apply:

- (1) Unless the written contract, agreement or permit has been issued prior to the "bodily injury", "property damage" or "personal and advertising injury";
- (2) To any person or organization included as an insured by any other endorsement issued by us and made part of this Coverage Form;
- (3) To any lessor of equipment:
  - (a) After the equipment lease expires; or
  - (b) If the "bodily injury", "property damage" or "personal and advertising injury" arises out of the sole negligence of the lessor.
- (4) To any engineer, architect or surveyor if the "bodily injury", "property damage" or "personal and advertising injury" arises out of the rendering or the failure to render professional architectural, engineering or surveying services by or for you, including:
  - (a) The preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; and

- (b) Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or the failure to render any professional services by or for you.

(5) To any:

- (a) Owners or other interests from whom land has been leased; or

- (b) Managers or lessors of premises

If:

- (i) The "occurrence" takes place after you cease to be a tenant of such land or premises; or

- (ii) The "bodily injury", "property damage" or "personal and advertising injury" arises out of structural alterations, new construction or demolition operations performed by or on behalf of the owner, manager or lessor.

- c. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance**:  
If coverage provided to the additional insured is required by a written contract, agreement, or permit, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the written contract, agreement, or permit; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**10. Who Is An Insured Redefined - Fellow Employee Coverage and Incidental Medical Malpractice**

Paragraph 2.a.(1) of Section II – Who Is An Insured of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is replaced by the following:

- (1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture) or to your members (if you are a limited liability company);

- (b) For which there is an obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) above; or

- (c) Arising out of his or her providing or failing to provide professional health care services. However, this exclusion does not apply to nurses, emergency medical technicians or paramedics who are employed by you to provide medical or paramedical services.

**11. Duties In The Event Of Occurrence, Offense, Claim, or Suit Redefined**

Paragraph 2. Duties In The Event Of Occurrence, Offense, Claim or Suit of Section IV – Commercial General Liability Conditions of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is amended by adding the following::

- e. With respect to an "occurrence", offense, claim or "suit":

- (1) Knowledge of an "occurrence", offense, claim or "suit" by an agent,

servant or "employee" of any insured, and receipt of any demand, notice, summons or other legal paper in connection with a claim or "suit" by any agent, servant or "employee" of any insured, shall not in itself constitute knowledge or receipt of such information by you or by an involved insured, unless and until you, or an "executive officer", in-house or outside counsel, risk manager or "employee" assigned to the risk management, insurance or safety department (other than clerical staff), or any other agent or "employee" designated to receive or handle notices of an "occurrence" or offense which may result in a claim or "suit" shall have such knowledge or shall have received such demand, notice, summons or legal paper from the agent, servant or "employee."

- (2) Failure of any agent, servant or "employee" of any insured to notify us of a known "occurrence", offense, claim or "suit" shall not prejudice coverage afforded by this policy, provided that we are notified of the "occurrence", offense, claim or "suit" once it is known to you, or to an "executive officer", in-house or outside counsel, risk manager, or "employee" assigned to the risk management, insurance or safety department (other than clerical staff) or any other agent or "employee" designated to receive or handle notices of an "occurrence" or offense which may result in a claim or "suit."

## **12. Unintentional Failure To Disclose All Hazards**

Paragraph 6. Representations of Section IV – Commercial General Liability Conditions of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is amended by adding the following:

Your failure to disclose hazards existing as of the inception date of this policy shall not prejudice you with respect to the insurance

provided by this Coverage Form, provided such failure or omission was not intentional. However, this provision does not affect our right to collect additional premium for any such hazard or to exercise our right of cancellation or nonrenewal

## **13. Waiver Of Transfer Of Rights Of Recovery Against Others To Us**

Paragraph 8. Transfer Of Rights Of Recovery Against Others To Us of Section IV – Conditions of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is amended by adding the following:

We waive any right of recovery we may have against a person or organization because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard", if:

- a. The waiver of such rights is required in a written contract or agreement with that person or organization; and
- b. You have assumed the liability of that person or organization in that same contract, and it is an "insured contract"; but,

these provisions only apply to the person or organization addressed in a. and b. above, and only if the injury or damage occurs after the execution of the written contract of agreement.

## **14. Liberalization**

Section IV – Commercial General Liability Conditions of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is amended by adding the following:

### **Liberalization**

If we adopt a change in the insurance provided by this policy that would broaden the scope of insurance afforded to you without additional premium charge, then the broader insurance will apply. It will apply

when the change becomes effective in your state.

#### 15. Bodily Injury Redefined

The definition of "bodily injury" in Paragraph 3. of Section V – Definitions of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is replaced by the following:

3. "Bodily injury" means bodily injury, sickness, disease or "incidental medical malpractice" sustained by a person, including mental anguish or injury, humiliation, embarrassment, or death resulting from any of these at any time.

#### 16. Insured Contract Redefined

The definition of "insured contract" in Paragraph 9. of Section V – Definitions of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is amended as follows:

Paragraph a. is replaced by the following:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by water, fire, lightning, explosion, or smoke to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

Paragraph c. is replaced by the following:

- c. Any easement or license agreement;

Paragraph f. is replaced by the following:

- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury," "property damage" or "personal and advertising injury" to a third person or organization. Tort liability means a

liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in Paragraph (1) above and supervisory, inspection, architectural or engineering activities.

#### 17. Mobile Equipment Redefined - This provision is not applicable in New York or Virginia.

Paragraph f.(1) of the definition of "Mobile Equipment" in Paragraph 12. of Section V – Definitions of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** does not apply to self-propelled vehicles of less than 1,000 pounds gross vehicle weight, designed for use principally off highways.

#### 18. Personal and Advertising Injury Redefined

The definition of "Personal and Advertising Injury" in Paragraph 14. of Section V – Definitions of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is amended by adding the following:

- h. Discrimination or humiliation that results in injury to the feelings or reputation of a natural person, but only if such discrimination or humiliation is:

(1) Not done intentionally by or at the direction of;

(a) An insured; or

(b) Any "executive officer", director, stockholder, partner or member of the insured; and

(2) Not directly or indirectly related to the employment, prospective employment or termination of employment of any person or persons by any insured.

#### 19. Additional Definition

**Section V – Definitions of the COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is amended by adding the following definitions:

"Incidental medical malpractice" means injury arising out of the negligent rendering of, or failure to render medical or paramedical services to persons by any physician, dentist, nurse, emergency medical technician or paramedic who is employed by you to provide such services provided you are not engaged in the business or occupation of providing any services referred to in this definition.

"Explosion" means a sudden release of expanding pressure accompanied by a noise, a bursting forth of material and evidence of the scattering of debris to locations further than would have resulted by gravity alone.

"Explosion" does not include any of the following:

- a. Artificially generated electrical current including electrical arcing, that disturbs electrical devices, appliances or wires;
- b. Rupture or bursting of water pipes;
- c. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned

or leased by you, or operated under your control; or

- d. Rupture or bursting caused by centrifugal force.

#### 20. Cancellation Condition

Paragraph 2.b. of Section A. Cancellation of the **COMMON POLICY CONDITIONS** is replaced by the following:

- a. 90 days before the effective date of cancellation if we cancel for any other reason.

#### OPTIONAL COVERAGE

The **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is amended to provide the following **Optional Coverage** only if a YES is indicated next to **Additional Insured – Broad Form Vendors** on the first page of this endorsement.

##### **Additional Insured - Broad Form Vendors**

1. **Section II – Who is An Insured** is amended to include as an additional insured any person(s) or organization(s) (referred to below as vendor) with whom you have agreed, in a written contract or written agreement to provide insurance, but only with respect to "bodily injury" or "property damage" arising out of "your product" which is distributed or sold in the regular course of the vendor's business.

However:

- a. The insurance afforded to such vendor only applies to the extent permitted by law; and
  - b. If coverage provided to the vendor is required by a contract or agreement, the insurance afforded to such vendor will not be broader than that which you are required by the contract or agreement to provide for such vendor.
2. The insurance afforded by this paragraph does not apply to:
- a. "Bodily Injury" or "property damage" for which the vendor is obligated to pay

damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;

- b. Any express warranty unauthorized by you;
- c. Any physical or chemical change in "your product" made intentionally by the vendor;
- d. Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
- e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in connection with the sale of "your product";
- f. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of "your product"; or
- g. "Your product" which, after distribution or sale by you, has been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
- h. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its "employees" or anyone else acting on its behalf. However, this exclusion does not apply to:
  - (1) The exceptions contained in Paragraphs d. or f. above; or
  - (2) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in connection with the sale of "your product."

- 3. This insurance does not apply to any insured person or organization, from whom you have acquired such products or any ingredient, part or container, entering into, accompanying or containing such products.

- 4. With respect to the insurance afforded to these vendors, the following is added to Section III – Limits Of Insurance:

If coverage provided to the vendor is required by a contract or agreement, the most we will pay on behalf of the vendor is the amount of insurance:

- a. Required by the contract or agreement; or
- b. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

All other terms and conditions remain unchanged.

APPROVAL OF THE THIRD AMENDMENT OF THE LEASE AGREEMENT WITH  
STEELCRAFT GARDEN GROVE LP, FOR PROPERTY LOCATED AT 12900 EUCLID  
STREET, GARDEN GROVE (F: A-55.1A)

This matter was considered later in the meeting.

APPROVAL OF THE THIRD AMENDMENT OF THE LEASE AGREEMENT WITH  
STEELCRAFT GARDEN GROVE LP, FOR PROPERTY LOCATED AT 12900 EUCLID  
STREET, GARDEN GROVE (F: A-55.1A)

Following City Council discussion, Council Member Bui moved, seconded by Council Member Brietigam to continue this matter for two weeks, and to ask SteelCraft Garden Grove LP for additional information including their plan for their tenants, and a written proposal. Following further discussion, Council Member K. Nguyen moved a substitute motion, seconded by Council Member Klopfenstein that:

The Third Amendment to the Lease Agreement with SteelCraft Garden Grove LP, to pause the monthly rent for an eighteen-month period at no-interest, from April 1, 2020 through September 30, 2021, to be repaid over a five-year period commencing October 1, 2021;

The first Consumer Price Index during the deferred period, be waived; and

The City Manager be authorized to execute the Third Amendment and make minor modifications as needed on behalf of the City.

The motion carried by a 5-2 vote as follows:

Ayes:	(5)	D. Nguyen, Klopfenstein, K. Nguyen, O'Neill, Jones
Noes:	(2)	Brietigam, Bui



**City of Garden Grove**

**INTER-DEPARTMENT MEMORANDUM**

To:	Scott C. Stiles	From:	Lisa L. Kim
Dept.:	City Manager	Dept.:	Community and Economic Development
Subject:	Approval of the Third Amendment of the Lease Agreement with SteelCraft Garden Grove, LP, for property located at 12900 Euclid Street, Garden Grove. ( <i>Action Item</i> )	Date:	5/12/2020

---

**OBJECTIVE**

For the City Council to approve a third amendment to the SteelCraft Garden Grove, LP, lease ("Third Amendment") to defer monthly rent for an 18-month period, repayment over a five-year period, and waiver of CPI adjustment during the deferral period.

**BACKGROUND**

In 2017, the City entered into a ground lease agreement with SteelCraft to lease approximately 1.7-acres of City-owned unimproved real property, identified as APN 090-164-37 (12900 Euclid Street). The agreement provided for an initial 10-year term along with an option to extend up to four 5-year extensions (a total of 20 additional years). The monthly rent paid by SteelCraft for the first three years was set at \$8,120 with periodic Consumer Price Index (CPI) adjustment to rent.

In 2018, the City and Steelcraft executed an amendment ("First Amendment") for assignment of lease, assigned to SteelCraft Garden Grove LP.

In 2019, the City and Steelcraft executed an amendment ("Second Amendment") to extend the optional extensions of the lease from 30-years to a total of 55-years.

**DISCUSSION**

Due to the recent COVID-19 pandemic, the City received a request from Steelcraft to defer monthly rent for an 18-month period, beginning April 1, 2020 through September 30, 2021, requesting payment over a five-year period. Beginning October 1, 2021, Steelcraft would resume monthly rent along with the repayment rent of \$2,436 per month. The deferred amount would be \$146,160. Additionally, waiver of

the CPI adjustment during the deferral period is recommended. Except as modified by this Third Amendment, all other terms and conditions remain in full force and effect. The current COVID-19 pandemic has spread across the United States and forced temporary closure of business operations during this public health emergency. In order to best protect the health and safety of the tenants, workers, and clients, Steelcraft has opted to shut down their operations on a temporary basis until the Governor's stay-at-home order is lifted.

#### FINANCIAL IMPACT

The rent deferral would pause the collection of rent totaling \$146,160 for an 18-month period. The repayment of deferral rent would be repaid over a five-year period. At the end of the five-year repayment period, the City will be made whole.

#### RECOMMENDATION

It is recommended that the City Council:

- Approve the Third Amendment to the Lease Agreement with SteelCraft Garden Grove LP, to pause the monthly rent for an eighteen-month period at no-interest, from April 1, 2020 through September 30, 2021, to be repaid over a five-year period commencing October 1, 2021;
- Approve to waive the first Consumer Price Index during the deferred period; and
- Authorize the City Manager to execute the Third Amendment and make minor modifications as needed on behalf of the City.

By: Paul Guerrero, Sr. Program Specialist - Real Property

#### ATTACHMENTS:

Description	Upload Date	Type	File Name
SteelCraft Third Amendment	4/30/2020	Agreement	SteelCraft_Third_Amendment.doc
SteelCraft Executed Lease Agreement	4/30/2020	Agreement	SteelCraft_Executed_Lease_Agreement.pdf
SteelCraft Executed First Amendment of Lease	4/30/2020	Agreement	SteelCraft_Executed_First_Amendment_of_Lease.pdf
SteelCraft Executed Second Amendment to Lease.	4/30/2020	Agreement	SteelCraft_Executed_Second_Amendment_to_Lease..pdf

**THIRD AMENDMENT TO THE LEASE**  
**APN 090-164-37**  
**12900 Euclid Street**  
**Garden Grove, CA 92840**

This is the THIRD AMENDMENT OF LEASE AGREEMENT ("Third Amendment") is made and entered into by and between the **CITY OF GARDEN GROVE**, a municipal corporation ("Landlord") and **STEELCRAFT GARDEN GROVE LP**, a Delaware limited liability company ("Tenant"), effective as of May 12, 2020.

**RECITALS**

A. WHEREAS, the Landlord and SteelCraft Long Beach, LP entered into that certain Lease Agreement, dated June 13, 2017 ("Lease"), for the Lease of City-owned property ("Property") identified as APN 090-164-37, located at 12900 Euclid Street, Garden Grove, 92840 for the development of a multi-tenant, outdoor commercial retail and food court use occupying modified shipping containers; and

B. WHEREAS, effective June 13, 2017, the Tenant assumed all rights, obligations, and liabilities as Tenant under the Lease; and

C. WHEREAS, Article 20 of the Lease stipulates that the Lease may be modified by written amendment executed by Landlord and Tenant; and

D. WHEREAS, the Lease was amended as to Tenant's contact information and assigned to Tenant by the Consent to Assignment and Amendment of Lease dated April 16, 2018; and

E. WHEREAS, the Lease was amended as to Tenant's term as to permit extensions up to 55-years of Lease dated November 26, 2019; and

F. WHEREAS, the Landlord and Tenant desire to further amend the Lease to modify the terms thereof subject to the terms set forth herein.

**AGREEMENT**

**NOW THEREFORE**, in consideration of the terms and conditions of this Third Amendment, Landlord and Tenant mutually agreed as follows:

1. The monthly rental amount of \$8,120 is hereby paused for an 18-month period at no-interest, beginning April 2020 through September 30, 2021, to be repaid to the City over a five-year period, with repayment commencing October 1, 2021,

2. The first Consumer Price Index increase to the monthly rent is hereby waived until through the deferral period, and

3. All other terms, covenants, and conditions set forth in the Lease shall remain in full force and effect.

[SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, the Landlord and Tenant have caused this Amendment No. 3 to be executed by their officers duly authorized on the dates set forth opposite their signatures, below.

**"LANDLORD"**  
**CITY OF GARDEN GROVE, a municipal corporation**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Scott C. Stiles  
City Manager

**ATTEST:**

By: \_\_\_\_\_  
Teresa Pomeroy  
City Clerk

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Omar Sandoval  
City Attorney

Date: \_\_\_\_\_

**"TENANT"**  
**STEELCRAFT GARDEN GROVE LP,**  
**A California limited partnership**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

LEASE AGREEMENT BETWEEN  
CITY OF GARDEN GROVE  
AND  
STEELCRAFT LONG BEACH, LP

12900 Euclid Street

This Lease Agreement (the "Lease") is made and entered into this 13<sup>th</sup> Day of June, 2017 ("Effective Date") by and between CITY OF GARDEN GROVE, a municipal corporation of the State of California ("Landlord"), and STEELCRAFT LONG BEACH LP., a California Limited Partnership ("Tenant"). The undersigned parties agree to this Lease based upon the following facts and upon the following terms and conditions.

RECITALS

- A. Landlord is the owner of certain 1.864 acre unimproved real property in the City of Garden Grove, County of Orange, State of California, identified as APN 090-16-437 (12900 Euclid Street), and more particularly described on Exhibit "A" attached hereto and made part hereof ("the Property"). Collectively, the Property, including all rights and appurtenances pertaining to such land, including all adjacent streets, parking lots, alleys or rights of way, is referenced throughout this Lease as the "Premises."
- B. Landlord desires to lease to Tenant and Tenant desires to lease from Landlord, the Premises pursuant to the terms and conditions set forth herein.

NOW THEREFORE, the Undersigned parties hereto agree as follows:

AGREEMENT

- 1. Lease of Premises. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises for the Term (as hereinafter defined) and upon the terms and conditions as set forth herein. Tenant accepts the Premises in an "As Is" condition without any representation or warranties being made by Landlord. Landlord expressly disclaims any warranty or representation with regard to the condition, safety or security of the Premises or suitability of the Premises for the Tenant's intended use. This is a Triple-Net Lease.
- 2. Use.
  - 2.1. Generally. Tenant shall use the Premises for the purposes of developing, constructing and operating restaurant, retail, and office space within recycled shipping containers, along with ancillary seating and outdoor space, and for other reasonable associated uses consistent with current zoning (except residential) or Tenant's purposes, as approved by the Landlord. Notwithstanding the foregoing, Tenant shall not cause or permit

the Premises to be used in any way which (i) constitutes a violation of any law, ordinance, or governmental regulation or order regulating the manner of use by Tenant of the Premises (including, without limitation, any law ordinance, regulation, or order relating to Hazardous Materials), (ii) constitutes a nuisance or waste, or (iii) increases the cost of any insurance relating to the Premises paid by Landlord. Tenant shall obtain, at its sole cost and expense, all governmental permits, licenses and authorizations of whatever nature required by any governmental agencies having jurisdiction over Tenant's use of the Premises. Further, Tenant, at its sole cost, will comply with all applicable governmental laws and regulations in connection with its operations within the City of Garden Grove. Tenant will also comply with any and all reasonable rules and regulations promulgated by Landlord. The Premises shall be used solely for the use described in this Section and for no other use or purpose.

2.2. Hazardous Materials. As used in this Lease, the term "Hazardous Materials" means any flammable items, explosives, radioactive materials, hazardous or toxic substances, material or waste or related materials, including any substances defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" now or subsequently regulated under any applicable federal, state, or local laws or regulations, including without limitation petroleum-based products, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos, PCBs and similar compounds, and including any different products and materials which are subsequently found to have adverse effects on the environment or the health and safety of persons. However, "Hazardous Materials" shall not include ordinary and general office supplies and common household cleaning materials. Tenant shall not cause or permit any Hazardous Materials to be generated, produced, brought upon, used, stored, treated, or disposed of in or about the Premises by Tenant, its agents, employees, contractors, sublessees or invitees in violation of any applicable laws, codes ordinances or regulations governing the same. Tenant shall be solely responsible, both financially and legally, for remediation of Hazardous Materials on the Premises to the extent such Hazardous Materials were released, discharged, used, or stored on or about the Premises during the Term or any extension or holdover period of this Lease. Landlord shall be solely responsible, both financially and legally, for remediation of Hazardous Materials on the Premises to the extent such Hazardous Materials were released, discharged, used, or stored on or about the Premises prior to the Effective Date of this Lease and not caused by Tenant.

3. Term. The term of this lease shall be 10 years, commencing on the Effective Date (the "Term"), unless terminated earlier as provided in this lease. Tenant may extend the term for up to four 5-year extensions (a total of 20 additional years) upon giving

Landlord written notice of its election to extend the term 180 days but no less than 90 days prior to the end of the initial term and any subsequent 5-year term extension.

4. Taxes.

4.1. Real Property Taxes and Assessments. Should the property interest conveyed by this Lease be subject to real property taxation and/or assessments, Tenant shall pay, before delinquency, all lawful taxes, assessments, fees or charges which may be levied by the State, County, City, or any other tax or assessment-levying body upon the Premises and any improvement thereon. TENANT UNDERSTANDS THAT THIS LEASE MAY SUBJECT TENANT TO PROPERTY AND POSSESSORY INTEREST PROPERTY TAXATION as set out in Revenue & Taxation Code Section 107.6 *et seq.*

4.2. Personal Property Taxes. Tenant shall pay all taxes charged against trade fixtures, furnishings, equipment or any other personal property belonging to Tenant, if any. Tenant shall use commercially reasonable efforts to have personal property taxes separately from the Premises if any tax becomes due as to the Premises. If any of Tenant's personal property is taxed with the Premises and paid by Landlord, Tenant shall reimburse Landlord the taxes for personal property within 15 days after tenant receives a written statement from Landlord for such personal property taxes, together with reasonable evidence showing the amount of personal property taxes paid by Landlord.

4.3. Payment of Taxes and Assessments. To the extent that any taxes or assessments are separately assessed to Tenant, Tenant shall pay the same before delinquency. If Tenant fails to pay any such taxes or assessments as and when Tenant is required to do so hereunder, Landlord shall have the option, but not the obligation, to pay such amount together with any and all interest and penalties, in which case the total amount so paid together with interest thereon at the rate of 10% per annum, calculated from the date of payment by Landlord to the date of repayment by Tenant, shall be due and payable by Tenant to Landlord upon receipt of written notice from Landlord. All taxes and assessments not separately assessed to Tenant shall be paid by Landlord to the taxing authority, but the amount thereof shall be payable by Tenant to Landlord within 30 days of Landlord's invoice therefor.

5. Utilities. Tenant shall pay, directly to the appropriate supplier, the cost of all natural gas, heat, light, power, sewer service, telephone, water, refuse disposal and all other utilities and services used at the Premises or supplied to the Premises at Tenant's request.



6. Rent.

- (a) Commencing on the date of the issuance of the Certificate of Occupancy, Tenant agrees to pay Landlord, without notice or demand, monthly rent of EIGHT THOUSAND ONE HUNDRED TWENTY dollars (\$8,120.00) in advance, on or before the first business day of each and every successive month during the Term. Rent for any period which is less than one month shall be a prorated portion of the monthly installment based upon a 30 day month.
- (b) Rent shall be paid to Landlord without deduction or offset, in lawful money of the United States of America at 11222 Acacia Parkway, Garden Grove, California, 92840, or such other place as Landlord may from time to time designate in writing.
- (c) Commencing with the third anniversary of the term, and every third year thereafter, including any extension period, rent shall be increased in an amount equal to the lesser of (i) the percentage increase in the Consumer Price Index for the Los Angeles-Orange County Metropolitan Area, all consumers, for the prior 36 month period, or (ii) three percent (3.0%).
- (d) Rent shall be increased by 3% annually at the anniversary of any holdover period.
- (e) Late Charges. Tenant acknowledges that late payment of rent or other sums due will cause Landlord to incur costs, the exact amount of which will be difficult to ascertain. Accordingly, if any installment of rent or any other sum due from the Tenant is not received by Landlord within five (5) days of the date on which it is due, Tenant shall pay to Landlord as additional rent the lesser of the maximum amount allowed by law or five percent (5%) of such overdue amount. In addition, Tenant shall pay Landlord any attorneys' fees or notice/process service fees incurred by Landlord by reason of Tenant's failure to pay rent or other charges when due hereunder. In addition, all unpaid amounts shall accrue interest from the date due the lesser of the maximum rate allowed by law or 10% per annum until paid.
- (f) No Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than any payment of Rent due shall be deemed to be other than on account of the amount due, and no endorsement or statement on any check or any letter accompanying any check or payment of Rent shall be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such payment of Rent or to pursue any other remedies available to Landlord. No receipt of money by Landlord from Tenant after the termination of this Lease or Tenant's right of possession of the Premises shall reinstate, continue or extend the Term.

7. Improvements.

7.1 As Necessary to Use, Landlord Consent. Tenant shall, at its sole expense, make improvements to the Premises as necessary to fulfill or engage in its use of the Premises described herein. No construction or improvements to any part of the Premises shall be allowed unless Tenant first seeks and obtains Landlord's consent thereto, together with any necessary permits, approvals, licenses or other land use entitlements (in the aggregate, "Consent"). Such Consent, to the extent controlled by Landlord, shall not be unreasonably withheld or delayed.

7.2. Required Improvements by Tenant.

7.2.1. Tenant Improvements.

Tenant agrees to design, develop and construct improvements generally consisting of restaurant, retail, and office space within recycled shipping containers and ancillary seating and outdoor space, as more particularly displayed in the conceptual site plan and elevations in Exhibit "B" attached hereto and made part hereof ("Tenant Improvements"). Tenant shall be solely responsible for obtaining all necessary governmental approvals for the implementation of the design and construction of the Tenant Improvements. Landlord shall be allowed adequate opportunity to post Notices of Non-responsibility or other similar notices at the location of any Tenant Improvement before the commencement of work thereon.

7.2.2. All Work on Written Contract.

All work required in the construction of the Tenant Improvements, shall be performed only by competent contractors licensed under the laws of the State of California and shall be performed in accordance with written contracts with those contractors. Each such contract shall provide that the final payment under the contract due to the contractor shall be in an amount equaling at least 5 percent of the full amount payable under the contract and shall not be paid to contractor until whichever of the following last occurs: (i) The expiration of 35 days from the date of recording by Tenant as owner of a Notice of Completion of the Tenant Improvements, Tenant agreeing to record that Notice of Completion promptly within the time specified by law for the recording of that notice; or (ii) The settlement and discharge of all liens of record claimed by persons who supplied either labor or materials for the construction of the Tenant Improvements.

7.2.3. Time for Completion.

Tenant shall cause construction of the Tenant Improvements to be commenced no later than 120 days after obtaining permits, and shall then cause construction of the Tenant Improvements to be diligently pursued without unnecessary interruption, and shall cause the Tenant Improvements to be completed and ready for occupancy per Exhibit "C" Schedule of Performance. The Garden Grove City Manager is authorized to approve modifications to the Schedule of Performance and the compliance dates for the milestones therein on behalf of Landlord. Tenant shall be excused for any delays in construction or commencement of construction caused by the act of Landlord, the act of any agent of Landlord, the act of any governmental authority, the act of any public enemy, acts of God, the elements, war, war defense conditions, litigation, strikes, walkouts, or other causes beyond Tenant's control. Tenant shall, however, use reasonable diligence to avoid any such delay and to resume construction as promptly as possible after the delay.

- 7.3 Submission of Plans. Within 90 days of Landlord's approval of the lease, the Tenant shall submit final site plans, floor plans and elevations, and other such information to Landlord as Landlord may reasonably request, to allow Landlord to evaluate compliance with the construction of Tenant Improvements and any proposed alterations to Tenant Improvements. Such plans shall be prepared by a licensed architect or engineer. Landlord shall approve such plans within 14 days of Tenant's formal submission thereof. Tenant shall make any corrections within 14 days of Landlord's notice of required corrections.
- 7.4. Compliance with Governmental Regulations. The term "Governmental Regulations" means all federal, state, county, or municipal laws, ordinances, rules, regulations, directives, orders, or requirements now in force or which may hereafter be in force. Subject to Tenant's right to contest the same, Tenant shall, at all times, comply with all applicable Governmental Regulations, including all applicable federal, state and local occupation, safety and health laws, rules, regulations and standards, applicable federal and state labor standards, applicable prevailing wage requirements, zoning and development, building, plumbing, mechanical and electrical codes, and all other provisions of the City of Garden Grove Municipal Code, and all applicable disabled and handicapped access requirements, including, without the limitation, the Americans With Disability Act, 42 U.S.C. §12101 et seq., Government Code §4450 et seq., and the Unruh Civil Rights Act, Civil Code §51 et seq. Nothing in this Lease is a representation or warranty by Landlord, and Tenant hereby expressly acknowledges and agrees that Landlord has not previously affirmatively represented to Tenant or its agents, in writing or otherwise, that any Tenant improvement or construction or erection of improvements performed on the Premises on or after the date of this Lease is not a "public work," as defined in Section 1720 et seq. of the California Labor Code,

including but not limited to Sections 1771 and 1781. Tenant hereby agrees that Tenant shall have the obligation to provide any and all disclosures or identifications required by Labor Code Section 1781, as the same may be amended from time to time, or any other similar law. In addition to any other Tenant indemnifications of Landlord set forth in this Lease, Tenant shall indemnify, protect, defend and hold harmless the Landlord and its officers, employees, contractors and agents, with counsel reasonably acceptable to Landlord, from and against any and all loss, liability, damage, claim, cost, expense and/or "increased costs" (including reasonable attorney's fees, court and litigation costs, and fees of expert witnesses) which, in connection with the construction (as defined by applicable law) and/or operation of the Premises, results or arises in any way from any of the following: (1) the noncompliance by Tenant of any applicable local, state and/or federal law, including, without limitation, any applicable federal and/or state labor laws (including, without limitation, if applicable, the requirement to pay state prevailing wages and to hire apprentices); (2) the implementation of Section 1781 of the Labor Code, as the same may be amended from time to time, or any other similar law; and/or (3) failure by Tenant to provide any required disclosure or identification as required by Labor Code Section 1781, as the same may be amended from time to time, or any other similar law. It is agreed by the Parties that, in connection with any construction (as defined by applicable law) of improvements on the Premises, maintenance and repairs by Tenant, Tenant shall bear all risks of payment or non-payment of prevailing wages and hiring of apprentices under California law and/or the implementation of Labor Code Section 1781, as the same may be amended from time to time, and/or any other similar law. "Increased costs," as used in this Section, shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be amended from time to time. The foregoing indemnity shall survive termination of this Lease.

- 7.5. Removal and Retention of Improvements. Upon termination or expiration of this lease, Tenant shall, at its sole cost and expense, remove all non-fixed improvements (including, but not limited to, containers and furniture) or alterations to the Premises upon written request and authorization by the Landlord, and shall return the Premises to Landlord in substantially the same condition as they were on the Effective Date of this Lease, or as improved via structural alteration approved by Landlord, ordinary wear and tear excepted. Any fixture or structural alteration or improvement to the Premises shall remain on and be surrendered with the Premises upon the termination or expiration of the Lease without compensation to Tenant, unless Landlord specifically directs Tenant in writing to remove all or any such fixture or alteration. Such direction to remove a fixture or structural alteration (a "Removal Directive") shall be given not less than sixty (60) days before the date of termination or expiration of the Lease. Tenant shall be solely responsible for implementing any Removal Directive and

restoring the Premises to substantially the same condition as upon the Effective Date of this Lease.

- 7.6. Quitclaim Deed. Upon termination of this Lease for any reason, including but not limited to termination because of default by Tenant, Tenant shall execute, acknowledge, and deliver to Landlord within 30 days after receipt of written demand therefor, a good and sufficient deed whereby all right, title and interest of Tenant in the Premises and any improvements which are not to be removed therefrom pursuant to this Lease is quitclaimed to Landlord. Should Tenant fail or refuse to deliver the required deed to Landlord, Landlord may prepare and record a notice reciting the failure of Tenant to execute, acknowledge, and deliver such deed and said notice shall be conclusive evidence of the termination of this Lease and of all right of Tenant or of those claiming under Tenant in and to the in the Premises and said improvements.
- 7.7. Signage, Limitations of Landlord Approval. Tenant expressly agrees to comply with all applicable signage ordinances. No structure, sign or other improvement of any kind shall be constructed on the Premises by Tenant, its employees, agents or contractors without the prior written approval of Landlord in each case. Approval may be withheld, conditioned or delayed in Landlord's sole and absolute discretion. No changes, modifications or alterations from approved plans and specifications may be made without Landlord's prior written approval. No approval by Landlord of any plans specifications shall constitute: (i) approval of architectural or engineering sufficiency or representation (ii) warranty by Landlord as to the adequacy or sufficiency of the plans and specifications or the improvements contemplated for Tenant's use or purpose. Landlord, by approving the plans and specifications, assumes no responsibility or liability for any defect in any improvements constructed on the basis of the plans and specifications.

8. Encumbrance of Leasehold

- 8.1 Tenant's Right to Encumber. Tenant may encumber to any institutional construction lender regulated by state or federal authority (referred to in this lease as "Lender"), by deed of trust or mortgage or other security instrument, all of Tenant's interest under this lease and the leasehold estate hereby created in Tenant (referred to in this lease as a "Leasehold Encumbrance") for purposes only related to the construction of the Tenant Improvements. However, no Leasehold Encumbrance incurred by Tenant in accordance with this Section shall, and Tenant shall not have power to incur any encumbrance that shall constitute in any way a lien or encumbrance on Landlord's fee interest in the Premises. Any Leasehold Encumbrance shall be subject to all covenants, conditions, and restrictions set forth in this lease and to all rights and interests of Landlord, except as is otherwise provided in this lease. Tenant shall give Landlord prior written

notice of any Leasehold Encumbrance, together with a copy of the deed of trust, mortgage, or other security interest evidencing the Leasehold Encumbrance.

- 8.2. Notice to and Service on Lender. Landlord shall mail to any Lender who has given Landlord written notice of its name and address, a duplicate copy of any and all notices Landlord may from time to time give to or serve on Tenant in accordance with or relating to this lease, including but not limited to any notice of default, notice of termination, or notice regarding any matter on which Landlord may predicate or claim a default. Any notices or other communications permitted by this or any other section of this lease or by law to be served on or given to Lender by Landlord shall be deemed duly served on or given to Lender when deposited in the United States mail, first-class postage prepaid, addressed to Lender at the last mailing address for Lender furnished in writing by Lender to Landlord.
- 8.3. No Modification Without Lender's Consent. For as long as there is any Leasehold Encumbrance in effect, Tenant and Landlord hereby expressly stipulate and agree that they will not modify this lease in any way nor cancel this lease by mutual agreement without the written consent of Lender having that Leasehold Encumbrance.
- 8.4. Right of Lender to Realize on Security. A Lender with a Leasehold Encumbrance shall have the right at any time during the term of this lease and the existence of the encumbrance to do both of the following:
- 8.4.1. Any act or thing required of Tenant under this lease, and any such act or thing done and performed by Lender shall be as effective to prevent a forfeiture of Tenant's rights under this lease as if done by Tenant; and
- 8.4.2. Realize on the security afforded by the leasehold estate by foreclosure proceedings, accepting an assignment in lieu of foreclosure, or other remedy afforded in law or in equity or by the security instrument evidencing the Leasehold Encumbrance (referred to in this lease as "the Security Instrument"), and
- 8.4.3. To transfer, convey, or assign the title of Tenant to the leasehold estate created by this lease to any purchaser at any foreclosure sale, whether the foreclosure sale is conducted under court order or a power of sale contained in the Security Instrument, or to an assignee under an assignment in lieu of foreclosure; and
- 8.4.4. To acquire and succeed to the interest of Tenant under this lease by virtue of any foreclosure sale, whether the foreclosure sale is conducted under a court order or a power of sale contained in the

Security Instrument, or by virtue of an assignment in lieu of foreclosure.

The Lender or any person or entity acquiring the leasehold estate shall be liable to perform Tenant's obligations under this lease only during the period, if any, in which that entity or person has ownership of the leasehold estate or possession of the Premises.

- 8.5. Right of Lender to Cure Defaults. For as long as there is in effect any Leasehold Encumbrance, before Landlord may terminate this lease because of any default under or breach of this lease by Tenant, Landlord must give written notice of the default or breach to Lender and afford Lender the opportunity after service of the notice to do one of the following:
- 8.5.1. Cure the breach or default within 10 days after expiration of the time period granted to Tenant under this lease for curing a default, when the default can be cured by the payment of money to Landlord or some other person;
  - 8.5.2. Cure the breach or default within 30 days after expiration of the time period granted to Tenant under this lease for curing a default, when the breach or default must be cured by something other than the payment of money and can be cured within that time; or
  - 8.5.3. Cure the breach or default in any reasonable time that may be required when something other than money is required to cure the breach or default and cannot be performed within 30 days after expiration of the time period granted to the tenant under this lease for curing a default, provided that acts to cure the breach or default are commenced within that time period after service of notice of default on Lender by Landlord and are thereafter diligently continued by Lender.
- 8.6. Foreclosure in Lieu of Curing Default. Notwithstanding any other provision of this lease, a Lender under a Leasehold Encumbrance may forestall termination of this lease by Landlord for a default under or breach of this lease by Tenant by commencing proceedings to foreclose the Leasehold Encumbrance. The proceedings so commenced may be for foreclosure of the Leasehold Encumbrance by order of court or for foreclosure of the Leasehold Encumbrance under a power of sale contained in the Security Instrument. The proceedings shall not, however, forestall termination of this lease by Landlord for the default or breach by Tenant unless all of the following conditions are met:
- 8.6.1. The proceedings are commenced within 30 days after service on Lender of the notice described in subsection (f) of Section 8;

- 8.6.2. The proceedings are, after having been commenced, diligently pursued in the manner required by law to completion; and
  - 8.6.3. Lender keeps and performs all of the terms, covenants, and conditions of this lease requiring the payment or expenditure of money by Tenant until the foreclosure proceedings are complete or are discharged by redemption, satisfaction, payment, or conveyance of the leasehold estate to Lender.
- 8.7. Assignment Without Consent on Foreclosure. A transfer of Tenant's leasehold interest under this lease to any of the following shall not require the prior consent of Landlord:
- 8.7.1. A purchaser at a foreclosure sale of the Leasehold Encumbrance, whether the foreclosure sale is conducted under court order or a power of sale in the instrument creating the encumbrance, provided Lender under the Leasehold Encumbrance gives Landlord written notice of the transfer, including the name and address of the purchaser and the effective date of the transfer;
  - 8.7.2. An assignee of the leasehold estate of Tenant under an assignment in lieu of foreclosure, provided Lender under the Leasehold Encumbrance gives Landlord written notice of the transfer, including the name and address of the assignee and the effective date of the assignment; or
  - 8.7.3. A purchaser or assignee of the purchaser at a foreclosure sale of the Leasehold Encumbrance or of the assignee of the leasehold estate of Tenant acquired under an assignment in lieu of foreclosure, provided the purchaser or assignee delivers to Landlord its written agreement to be bound by all of the provisions of this lease.
- 8.8. New Lease to Lender. Notwithstanding any other provision of this lease, should this lease terminate because of any default under or breach of this lease by Tenant, Landlord may enter into a new lease for the Premises with Lender under a Leasehold Encumbrance, as Tenant, provided all of the following conditions are satisfied:
- 8.8.1. A written request for the new lease is served on Landlord by Lender within 30 days after service on Lender of the notice described in Subsection (f) of Section 8 of this lease;
  - 8.8.2. The new lease



- 8.8.2.1. Is for a term ending on the same date the term of this lease would have ended had this lease not been terminated;
- 8.8.2.2. Provides for the payment of rent at the same rate that would have been payable under this lease during the remaining term of this lease had this lease not been terminated; and
- 8.8.2.3. Contains the same terms, covenants, conditions, and provisions as are contained in this lease (except those that have already been fulfilled or are no longer applicable);
- 8.8.3. Lender, on execution of the new lease by Landlord, shall pay any and all sums that would at the time of the execution of the new lease be due under this lease but for its termination and shall otherwise fully remedy, or agree in writing to remedy, any other defaults under or breaches of this lease committed by Tenant that can be remedied;
- 8.8.4. Lender, on execution of the new lease, shall pay all reasonable costs and expenses, including attorneys' fees and court costs, incurred in terminating this lease, recovering possession of the Premises from Tenant or the representative of Tenant, and preparing the new lease;
- 8.8.5. The new lease shall be subject to all existing subleases between Tenant and subtenants, provided that for any sublease, the subtenant agrees in writing to attorn to Lender (or its assignee); and
- 8.8.6. The new lease shall be assignable by Lender but not by any assignee of Lender without the prior written consent of Landlord.
- 8.9. No Merger of Leasehold and Fee Estates. For as long as any Leasehold Encumbrance is in existence, there shall be no merger of the leasehold estate created by this lease and the fee estate of Landlord in the Premises merely because both estates have been acquired or become vested in the same person or entity, unless Lender otherwise consents in writing.
- 8.10. Lender as Assignee of Lease. No Lender under any Leasehold Encumbrance shall be liable to Landlord as an assignee of this lease unless and until Lender acquires all rights of Tenant under this lease through foreclosure, an assignment in lieu of foreclosure, or as a result of some other action or remedy provided by law or by the instrument creating the Leasehold Encumbrance.
- 8.11. Lender as Including Subsequent Security Holders. The term "Lender" as used in this lease shall mean not only the institutional lender that loaned money to Tenant and is named as beneficiary, mortgagee, secured party, or security holder in the Security Instrument creating any Leasehold

Encumbrance, but also all subsequent purchasers or assignees of the leasehold interest secured by the Leasehold Encumbrance.

- 8.12. Two or More Lenders. In the event two or more Lenders each exercise their rights under this lease and there is a conflict that renders it impossible to comply with all requests of Lenders, the Lender whose Leasehold Encumbrance would have senior priority in the event of a foreclosure shall prevail.

9. Maintenance and Repair.

- 9.1. General Maintenance and Repairs. Tenant shall be responsible to perform general maintenance and repair of the Premises, including but not limited to all common areas, landscaping, irrigation and parking facilities, and keep all portions of the Premises in a clean and orderly condition. Tenant shall be responsible for any damage done in or to the Premises caused by Tenant, sub-tenants or its employees, agents, contractors and invitees. Upon termination of this Lease, Tenant shall peaceably surrender and quit the Premises in good order, condition and repair, reasonable wear and tear excepted, and at its sole expense, except as otherwise specified in Section 7.5 above, shall remove all of its trade fixtures and personal property and repair any damage to the Premises occasioned by removal of these items.

- 9.2. Capital Repairs and Improvements. Tenant acknowledges and agrees that Tenant has inspected the Premises and has substantial knowledge as to the condition of the Premises. Landlord shall not be responsible for capital repairs or improvements to the Premises. Subject to the terms herein, Tenant hereby waives its rights to compel Landlord to repair, replace, upgrade or otherwise maintain the Premises.

- 9.3. Destruction of Premises. If the Premises, or any portion thereof, are destroyed or damaged by any reason, Landlord and Tenant agree as follows: If the damage is covered by Tenant's insurance maintained per Section 12 below, Tenant shall immediately submit appropriate claims to effect repair and restoration of the Premises. If insurance proceeds are insufficient to fully effect such repair and restoration, or if the damage is not covered by Tenant's insurance, Tenant and Landlord shall work together to determine how to proceed, recognizing the special nature of the Premises.

10. Liens. Except as provided for in Section 8, Tenant shall not permit to be placed against the Premises, or any part of the Premises, any mechanics', materialmen's, contractors', subcontractors', or other liens. Tenant shall indemnify, defend (with counsel acceptable to Landlord) and hold Landlord harmless from all liability for any and all liens, claims, demands, together with the costs of defense and reasonable attorneys' fees related to same. Landlord reserves the right, at any time and from time to time, to post and maintain on the Premises, any portion thereof or

on the improvements on the Premises any notices of non-responsibility or other notice as may be desirable to protect Landlord against liability. In addition to and not in limitation of Landlord's other rights and remedies under this Lease, should Tenant fail, within ten (10) days of a written request from Landlord, to discharge any lien or claim related to Tenant's use of the Premises, or to indemnify, hold harmless and defend Landlord from and against any loss, damage, injury, liability or claim arising out of Tenant's use of the Premises as provided above, then Landlord, at its option, may elect to pay any lien, claim, loss, demand, injury, liability or damages or settle or discharge any action or satisfy any judgment and all costs, expenses, and attorney's fees incurred in doing so shall be paid to Landlord by Tenant upon written demand, together with interest thereon at the rate of seven percent (7%) per annum (but in no event more than maximum interest rate permitted by law) from the date incurred or paid through and including the payment date.

11. Indemnity. As a material part of the consideration to Landlord, to the fullest extent allowed by law, Tenant shall indemnify, defend (with counsel acceptable to Landlord) and hold Landlord, together with Landlord's agents, employees, officers, officials, and volunteers, harmless from and against any loss, damage, injury, accident, casualty, liability, claim, cost or expense (including, but not limited to, reasonable attorney's fees) of any kind or character to any person, including wrongful death, or property (collectively, "Claims") arising from or related to: (i) Tenant's occupation and/or use of the Premises, before, during, and after the Term and/or (ii) any act or omission of Tenant, its employees, agents, contractors or invitees. Tenant shall not be liable for such Claims to the extent and in the proportion that the same is ultimately determined to be attributable to the sole gross negligence or intentional misconduct of Landlord. All indemnity obligations under this Section shall survive the expiration or termination of this Lease. Landlord shall not be liable for any loss or theft or any property on the Premises.

12. Insurance.

- 12.1. Coverage. Tenant, at its sole cost and expense, shall, during the entire Term, keep in full force and effect: (i) a worker's compensation insurance policy as required by the State of California; and (ii) a policy or policies of general liability and property damage insurance, with respect to the Premises, in which the combined single limit of liability shall not be less than TWO MILLION DOLLARS (\$2,000,000). Tenant shall also maintain a standard form all-risk policy covering fire and extended coverage, vandalism, malicious mischief, sprinkler leakage and other perils of direct physical loss or damage insuring the personal property, trade fixtures and equipment of Tenant. Said policies shall name Landlord as additional insured and contain a clause that the insurer may not cancel or change the insurance coverage limits without first giving Landlord thirty (30) days' prior written notice, except cancellation for nonpayment of premium, in which case only ten (10) days' prior written notice shall be required.

Tenant's general liability insurance shall include a contractual liability endorsement insuring performance of all indemnities of Tenant under this Lease and a cross-liability endorsement to the extent insurable. Said insurance policy shall be with an insurance company or companies with general policy holders' rating of not less than "A-VIII" as rated in the most current available Best's Key Rating Guide and which are qualified to do business in the state in which the Premises are located.

- 12.2. Risk of Loss. Landlord shall not be liable for injury to any person or for any damage to personal property sustained by Tenant or others that arises from or relates to : (i) any defect or alleged defect in the Premises or any service facilities, (ii) the occurrence of any accident, including but not limited to damage cause by water, wind, storm, or by any gas, steam, electrical wiring, sprinkler system, plumbing, heating or conditioning apparatus, (iii) Tenant's acts or omissions or those of Tenant's agents, employees, invitees/customers, officers, volunteers or other occupants of the Premises, present with Tenant's permission or knowledge, (iv) any part or appurtenance of the Premises, including any and all furniture, fixtures, and equipment of Tenant becoming out of repair
- 12.3. Waiver of Subrogation. Tenant hereby releases Landlord from liability and waives all right of recovery against Landlord for any loss in or about the Premises from perils insured against under its fire or liability insurance contracts, including any and all risk endorsements thereof, whether due to negligence or any other cause. However, this Section shall be inapplicable as to a particular insurance contract to the extent it would have the effect of invalidating the coverage provided by that contract, whether of Landlord or Tenant. Nothing herein shall relieve Tenant of its obligation to request and procure, to the extent available on a commercially reasonable basis, the necessary endorsements required to validly waive subrogation in accordance with this paragraph. Tenant shall, at the request of Landlord, execute and deliver to Landlord a Waiver of Subrogation in the form and content as reasonably required by Landlord's risk manager. To the extent Tenant fails to maintain the insurance required under the terms of this lease, such failure shall be a defense to any claim asserted by Tenant against Landlord by reason of any loss sustained by Tenant due to circumstances that would have been covered had such required insurance been maintained.
- 12.4. Certificate of Insurance. A certificate issued by the insurance carrier for each policy of insurance required to be maintained by Tenant under the provisions of this Lease shall be delivered to Landlord upon or before the delivery of the Premises to Tenant for any purpose. Each of said certificates of insurance and each such policy of insurance required to be maintained by Tenant hereunder shall expressly evidence insurance coverage as required by this Lease.

13. Defaults and Remedies.

- 13.1. Events of Default. Should Tenant be in default in the prompt and full performance of any obligation of the Lease for more than ten (10) days, (unless due to the nature of such default it is not capable of being cured within ten (10) days, in which event Tenant shall be in default unless it commences to cure such obligation within such ten (10) day period and thereafter diligently prosecute such cure to completion), after written notice from Landlord specifying the particulars of the default (any such notice being required by this Section for any breach, being deemed in lieu of, and not in addition to, any notice required under Section 1161 of the California Code of Civil Procedure, or any similar superseding statute), or should Tenant vacate or abandon the Premises, or should Tenant make any general assignment for the benefit of creditors (other than as provided in Section 8), or should substantially all of Tenant's assets located at the Premises or Tenant's interest in this Lease be attached or judicially seized where the seizure is not discharged within thirty (30) days, then Landlord may treat the occurrence of any one (1) or more of the foregoing events as a breach of this Lease and, in addition to any or all other rights or remedies of Landlord by law provided, Landlord shall have the right, at Landlord's option, without further notice or demand of any kind to Tenant or any other person: (i) to declare the Term ended and to re-enter and take possession of the Premises and remove all persons, property and improvements therefrom, or (ii) to re-enter the Premises, without declaring this Lease terminated and without terminating Tenant's rights to possession, and to occupy the whole or any part for and on account of Tenant, and to collect any unpaid rentals and other charges which have become payable or which may thereafter become payable, or (iii) to terminate this Lease and all of Tenant's rights as to the Premises hereunder, even though it may have previously re-entered the Premises without terminating this Lease. In any case in which Landlord shall re-enter and occupy the whole or any part of the Premises, by unlawful detainer proceedings or otherwise, Landlord, at its option, may repair, alter, subdivide, or change the character of the Premises from time to time in such manner as Landlord deems best, may re-let the Premises or any part thereof and receive the rents therefor, and none of such actions shall constitute a termination of this Lease, a release of Tenant from any liability hereunder. Landlord shall not be deemed to have terminated this Lease or liability of Tenant to pay any rent or other charges later accruing by any re-entry of the Premises as provided above, or by any action in unlawful detainer or otherwise to obtain possession of the Premises, unless Landlord shall have notified Tenant in writing that it has so elected to terminate this Lease. Notwithstanding anything to the contrary set forth above, if the default complained of, other than a default for the payment of monies, cannot be rectified or cured within the period requiring rectification or curing, as specified in the written notice relating to the default, then, as to a default susceptible to being cured, the default

shall be deemed to be rectified or cured if Tenant, within the notice period, shall have commenced to rectify or cure the default and shall thereafter diligently and continuously prosecute same to completion.

13.2. Termination of Lease. Should Landlord elect to terminate this Lease pursuant to this Section, Landlord may recover from Tenant all damages caused as a result of Tenant's default.

14. Waiver. Any waiver by Landlord of any default or breach of any covenant, condition, term, and agreement contained in this Lease, shall not be construed to be a waiver of any subsequent or other default or breach, nor shall failure by Landlord to require exact, full, and complete compliance with any of the covenants, conditions, terms, or agreements contained in this Lease be construed as changing the terms of this Lease in any manner or preventing Landlord from enforcing the full provisions hereof. No delay, failure, omission of Landlord to exercise any right, power, privilege, or option arising from any default or breach, nor any subsequent acceptance of payment then or thereafter by Landlord, shall impair any such right, power, privilege, or option or be construed as a waiver of or acquiescence in such default or breach, or as relinquishment of any right. The rights, powers, options, privileges, and remedies available to Landlord under this Lease shall not be exclusive but shall be cumulative with and in addition to all remedies now or hereafter allowed by law and elsewhere provided in this lease.

15. Attorneys' Fees. Should either party to this Lease have to resort to litigation to enforce any provision of this Lease, the prevailing party shall be entitled to its attorneys' fees and reasonable costs incurred in litigating any dispute.

16. Landlord's Access and Parking Lot Use.

16.1 Access and Inspection. Landlord and its representatives, employees, agents or independent contractors shall have access to the Premises, or any portion thereof, at all times, upon reasonable notice to Tenant, for purposes of inspection, to show the Premises to prospective purchasers, to provide necessary services, to make necessary repairs or perform other services, or to post appropriate Notices of Non-Responsibility, all without being liable for any breach of a covenant of quiet enjoyment possessed by Tenant, of eviction of Tenant, or any other damage to Tenant or its operations. In exercising these rights, Landlord shall use its best efforts to minimize disruption or inconvenience to Tenant, and shall unless in an emergency, provide reasonable advance notice of any such entry onto the Premises or inspection thereof.

16.2 Parking Lot Use. Landlord shall have use of a portion of the parking lot, consisting of not less than 20 parking spaces, located at the southeast end of the Property as generally delineated in Exhibit D, attached hereto and

made a part hereof, provided that such use shall be limited to Mondays through Friday from 7:00 a.m. to 5:30 p.m.

17. Prohibition on Assignment and Subletting.

17.1. Landlord's Consent. Tenant may sublease space within containers installed or brought upon the Premises by Tenant in accordance with, and for uses authorized by, this Lease; provided, however, that no such sublease shall relieve Tenant of any of its obligations under the Lease. Except as otherwise provided in the foregoing sentence and in Section 8, Tenant may not assign, sublet or otherwise transfer its interest, under this Lease without Landlord's prior written consent, which consent may be withheld, conditioned or delayed in Landlord's sole and absolute discretion. Any attempted assignment, sublet or transfer made in violation of this provision shall be void.

17.2. Approved Assignments. The following events shall not be considered a transfer of interest under Section 17.1 above: (a) a change in ownership of Tenant as a result of a merger, consolidation, reorganization, or joint venture; (b) the sale, exchange, issuance, or other transfer of Tenant's stock on a national exchange or between Tenant's parent company, if any, and any subsidiary, affiliate, related entity, or other entity that controls, is controlled by, or is under common control with Tenant; (c) the Transfer of this Lease to Tenant's parent entity, if any, or any subsidiary, affiliate, related entity, an entity that controls, is controlled by, or is under common control with Tenant; or (d) a collateral assignment of Tenant's interest in this Lease to a lender as security for any indebtedness of Tenant to the lender. Tenant shall not be required to obtain Landlord's consent and Landlord shall have no right to delay, alter, or impede any of the foregoing transactions or combinations thereof, but such transfer of interest shall be effective only upon not less than sixty (60) days written notice to Landlord.

18. Notices. All written notices required to be given pursuant to the terms hereof shall be either (a) personally delivered, (b) deposited in the United States express mail or first class mail, registered or certified, return receipt requested, postage prepaid, (c) delivered by overnight courier service, or (d) by electronic mail in Portable Document Format (PDF) with confirmation of receipt, in which case notice shall be deemed delivered upon receipt of confirmation of receipt. All such notices shall be deemed delivered upon actual receipt (or upon the first attempt at delivery pursuant to the methods specified in clauses (a), (b) or (c) above if the intended recipient refuses to accept delivery). All such notices shall be delivered to the following addresses, or to such other address as the receiving Party may from time to time specify by written notice to the other Party:

To Tenant: SteelCraft Long Beach LP  
3750 Long Beach Blvd., Suite 200

Long Beach CA 90807 Attn.: William Burkett  
Phone: 562-427-4124

To Landlord: City of Garden Grove  
11222 Acacia Parkway  
Garden Grove, CA 92840  
Attn.: City Manager  
Phone: (714) 741-5100

19. No Principal/Agent Relationship. Nothing contained in this Lease shall be construed to render Landlord in any way or for any purpose a partner, joint venturer, or associate in any relationship with Tenant other than that of Landlord and Tenant, nor shall this lease be construed to authorize either to act as an agent for the other.
20. Entire Agreement, Modification. This lease constitutes the entire agreement between Landlord and Tenant pertaining to the subject matter of this Lease and supersedes all prior and contemporaneous agreements, representations and understandings of Landlord and Tenant, oral or written. No supplement, modifications or amendment of this Lease shall be binding unless in writing and executed by Tenant and Landlord.
21. Applicable Law and Venue. This Lease shall be construed and enforced in accordance with, and governed by, the laws of the State of California. The parties consent to the jurisdiction of California Courts with venue in Orange County.
22. Counterparts. This Lease may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.
23. Headings and Recitals. The headings of this Lease are for purposes of reference only and shall not limit or define the meaning of any provision.
24. Construction. The Parties acknowledge that each Party and its counsel have reviewed and revised this Lease and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Lease or any amendments hereto.
25. Memorandum of Lease for Recording. Landlord and Tenant shall, at the request of either at any time during the term of this lease, execute a memorandum or "short form" of this lease for purposes of, and in a form suitable for, recordation. The memorandum or "short form" of this lease shall describe the parties, set forth a description of the leased premises, specify the term of this lease, incorporate this lease by reference, and include any other provisions required by Lender(s).



26. Termination; Holdover. This Lease shall terminate without further notice at the expiration of the Lease Term. Any holding over by Tenant after expiration shall not constitute a renewal or extension or give Tenant any rights in or to the Premises.
27. Incorporation of Attachments. All Attachments included herein or attached hereto are hereby incorporated into this Lease by this reference, and constitute an integral part of this Lease.
28. Time. Time is of the essence of every provision contained in this Lease.
29. Severability. If any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Lease shall be construed as if such invalid, illegal, or unenforceable term or provision had never been contained herein.
30. Waiver of Relocation Rights. As consideration for entering into this Lease, Tenant expressly, voluntarily and knowingly understands, acknowledges and agrees that its status is and will be and remain as a "post-acquisition tenant" with no eligibility or rights to relocation assistance or benefits thereunder pursuant to the Relocation Assistance Laws. Tenant acknowledges the rights granted by State and/or Federal Relocation Assistance Laws and regulations and, notwithstanding any other provision of this Lease, expressly waives all such past, present and future rights, if any, to which Tenant might otherwise be or become entitled with regard to this Lease. Tenant hereby waives any right to relocation assistance, moving expenses, goodwill or other payments to which Tenant might otherwise be entitled under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 U.S.C. § 4601 et seq., and/or the California Relocation Assistance Law, as amended, Government Code § 7260 et seq. Tenant fully, intentionally, knowingly and voluntarily waives, releases and discharges Landlord, and its appointed and elected officials, officers, directors, employees, contractors, and agents (together "Indemnitees") from all and any manner of rights, demands, liabilities, obligations, claims, or cause of actions, in law or equity, of whatever kind or nature, whether known or unknown, whether now existing or hereinafter arising, which arise from or relate in any manner to (i) the sale of the Premises or the relocation of any of Tenant's operations or the relocation of any person or persons, business or businesses, or other occupant or occupants located on the Premises, including the specific waiver and release of any right to any relocation benefits, assistance and/or payments under the Relocation Assistance Laws notwithstanding that such relocation assistance, benefits and/or payments may be otherwise required under such state or federal law; and (ii) compensation for any interest in the operations at, on, or about the Premises including, but not limited to, land and improvements, fixtures, furniture, or equipment thereon, leasehold interest, goodwill, severance damage, attorneys' fees or any other compensation of any nature whatsoever.

31. Brokers. There have been no brokers, finders or agents involved in this Lease, and each party agrees to hold the other harmless from the failure to pay any other broker, finder or agent making a claim for compensation, commission or charges with respect to this Lease and/or the negotiation hereof.
32. Right of First Refusal. Tenant is hereby granted a Right of First Refusal to purchase the Property as follows:
- (a) Prior to soliciting any offer for sale of the Property or disposition of any interest in the Property, or accepting any offer to purchase the Property or any beneficial ownership interests in the Property, Landlord shall notify Tenant of such interest to sell or offer and deliver to Tenant a copy thereof. Tenant may exercise the Right of First Refusal by delivering to Landlord a written notice of exercise within ninety (90) days after Tenant has received Landlord's notice of an intent to sell. The purchase price shall be the fair market value of the Property determined as follows. Landlord shall provide Tenant with a list of no fewer than three appraisers for Tenant's approval. Tenant shall select one appraiser to perform the appraisal and determine the fair market value of the Property. Tenant may reject any appraiser for a reasonable cause. If any appraiser(s) are rejected with cause, Landlord will provide alternative appraiser(s) of an equal number. In the event Tenant fails to select an appraiser within fifteen (15) days of receiving the list of appraisers, Landlord may select an appraiser. Landlord shall pay the cost of the appraiser. Any appraiser selected pursuant to this section shall be an MAI appraiser with at least five years of experience.
  - (b) In the event Tenant does not exercise the Right of First Refusal pursuant to subparagraphs (a) above, Landlord may sell the Property.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, Landlord and Tenant have executed this instrument of the Effective Date.

LANDLORD  
CITY OF GARDEN GROVE, a California  
Municipal Corporation

TENANT  
STEELCRAFT LONG BEACH LP, a  
California Limited Partnership

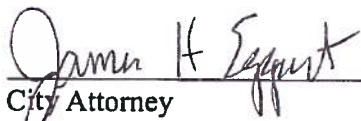
  
\_\_\_\_\_  
City Manager

Date: 7/13/17

Attest:

  
\_\_\_\_\_  
City Clerk

Approved as to form:

  
\_\_\_\_\_  
City Attorney

By: GARDENING AT NITE, LLC, a  
California Limited Partnership  
Its: General Partner

By: HOWARD CDM, a  
California Corporation  
Its: Manager

  
\_\_\_\_\_  
By: Martin Howard, President

Date: 7-3-17

**Exhibit "A"**  
**LEGAL DESCRIPTION**

Real property in the City of Garden Grove, County of Orange, State of California, described as follows:

PARCEL 1 AS SHOWN ON A MAP RECORDED IN BOOK 126, PAGES 18 AND 19 OF  
PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF ORANGE COUNTY,  
CALIFORNIA.

APN: 090-16-437

Exhibit "B"

**PRELIMINARY CONCEPTUAL SITE PLAN AND ELEVATIONS**



Exhibit "C"

**SCHEDULE OF PERFORMANCE**

<b>MILESTONE</b>		<b>COMPLIANCE DATE</b>
1.	Obtain all Entitlements and Building Permits	Within 180 days of lease approval by City Council.
2.	Submit evidence of financing to construct Tenant Improvements.	Within 180 days of lease approval by City Council.
3.	Commence Construction.	Within 240 days of lease approval by City Council.
4.	Completion of Construction.	Within 540 days (approximately 18 months) of lease approval by City Council, not later than December 5, 2018.

**\*\*The Garden Grove City Manager is authorized to approve modifications to the Schedule of Performance and the compliance dates for the milestones therein on behalf of Landlord.**



Exhibit "D"

PARKING LOT AREA RESERVED FOR LANDLORD'S USE

Monday - Friday  
7:00 a.m. - 5:30 p.m.



**CONSENT TO ASSIGNMENT AND AMENDMENT OF LEASE**

**12900 Euclid Street,  
Garden Grove, CA 92840**

This Consent to Assignment and Amendment of Lease ("Assignment") is made this 16 day of April, 2018, by and between the CITY OF GARDEN GROVE, a municipal corporation ("Lessor"), STEELCRAFT LONG BEACH LP ("Lessee") and STEELCRAFT GARDEN GROVE LP ("Assignee") together referred to herein as the "Parties." The Parties agree as follows:

1. **RECITALS.** This Assignment is made with reference to the following facts and objectives:
  - A. Lessor and Lessee entered into Lease Agreement ("Agreement") dated August 13, 2017, for the lease of City-owned property ("Property") located at 12900 Euclid St., Garden Grove, CA 92840 for the development of a multi-tenant, outdoor commercial retail and food court use occupying modified shipping containers ("Development").
  - B. Pursuant to Article 17 of the Agreement, the Agreement may not be assigned or transferred by Lessee without Lessor's consent.
  - C. Pursuant to Section 20 of the Agreement, the Agreement may be modified by written amendment executed by Lessor and Lessee.
  - D. Lessee desires to assign the Agreement to Assignee for purposes of creating a project specific entity to handle leasing activities and everyday operations of the Development.
2. **ASSIGNMENT OF LEASE.** CITY approves assignment of the Agreement to Assignee and Assignee hereby assumes all of Lessee's rights, obligations, and liabilities as "Tenant" under the Agreement.
3. **AMENDMENT REGARDING NOTICE.** Section 18 of the Agreement is amended by replacing the contact information for Notice as follows:

To Tenant at:

SteelCraft Garden Grove LP  
3750 Long Beach Blvd., Suite 200  
Long Beach, CA 90807  
Attn: Martin Howard
4. **EFFECTIVENESS OF THE AGREEMENT.** Other than as expressly amended by this Amendment, all provisions of the Agreement remain in full force and effect.

[SIGNATURE PAGE FOLLOWS]



**LESSOR:**

CITY OF GARDEN GROVE,  
a municipal corporation

  
\_\_\_\_\_  
City Manger

**ATTEST:**

  
\_\_\_\_\_  
City Clerk

**APPROVED AS TO FORM**

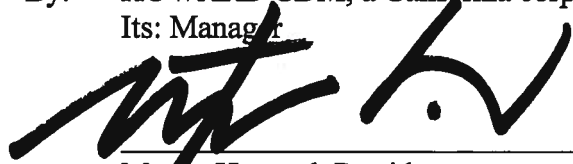
  
\_\_\_\_\_  
City Attorney

**LESSEE:**

STEELCRAFT LONG BEACH LP,  
a California limited partnership

By: GARDENING AT NITE, LLC,  
A California Limited Liability Company  
Its: General Partner

By: HOWARD CDM, a California corporation  
Its: Manager

  
\_\_\_\_\_  
Martin Howard, President

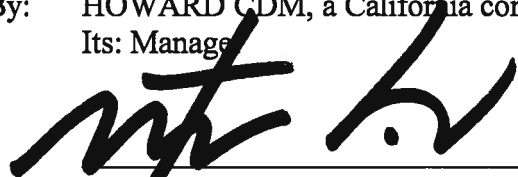
**ASSIGNEE:**

STEELCRAFT GARDEN GROVE LP,  
a California limited partnership

By: GARDENING AT NITE, LLC,  
A California Limited Liability Company  
Its: General Partner

By: STEELCRAFT LONG BEACH LP,  
A California Limited Partnership  
Its: General Partner

By: HOWARD CDM, a California corporation  
Its: Manager

  
\_\_\_\_\_  
Martin Howard, President

**SECOND AMENDMENT OF LEASE  
12900 Euclid Street  
Garden Grove, CA 92840**

This Second Amendment of Lease Agreement ("Amendment") is entered into by and between the **CITY OF GARDEN GROVE**, a municipal corporation ("Landlord"), and **STEELCRAFT GARDEN GROVE LP** ("Tenant"), effective as of November 26, 2019.

WHEREAS, Landlord and Steelcraft Long Beach LP entered into that Lease Agreement Dated August 13, 2017 ("Lease"), for the lease of City-owned property ("Property") located at 12900 Euclid St., Garden Grove, CA 92470 for the development of a multi-tenant, outdoor commercial retail and food court use occupying modified shipping containers; and

WHEREAS, Article 20 of the Lease stipulates that the Lease may be modified by written amendment executed by Landlord and Tenant; and

WHEREAS, the Lease was amended as to Tenant's contact information and assigned to Tenant by that Consent to Assignment and Amendment of Lease dated April 16, 2018; and

WHEREAS, Landlord and Tenant desire to further amend the Lease to permit extensions of the term for up to 55 years as more particularly provided herein.

NOW, THEREFORE, it is mutually agreed, by and between the parties as follows:

1. Section 3 of the Lease is hereby amended to read as follows:
  3. Term. The term of this lease shall be 10 years, commencing on the Effective Date (the "Term"), unless terminated earlier as provided in this lease. Tenant may extend the term for up to nine 5-year extensions (a total of 45 additional years) upon giving Landlord written notice of its election to extend the term 180 days but no less than 90 days prior to the end of the initial term and any subsequent 5-year term extension.
2. Except as expressly amended hereby, the Lease remains in full force and effect as originally executed.

*[SIGNATURES ON FOLLOWING PAGE]*

IN WITNESS WHEREOF, the parties have caused this Amendment No. 1 to be executed by their respective officers duly authorized on the dates set forth opposite their signatures, below.

**"LANDLORD"**

CITY OF GARDEN GROVE, a municipal corporation

Date: 12/3/19

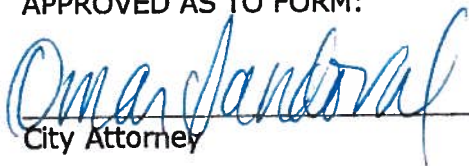
By:   
City Manager - Scott C. Stiles

ATTESTED:

  
City Clerk

Date: 12/3/19

APPROVED AS TO FORM:

  
City Attorney

**"TENANT"**

STEELCRAFT GARDEN GROVE LP,  
A California limited partnership

By: STEELCRAFT LONG BEACH, LP  
A California limited partnership, its  
general partner

By: GARDENING AT NITE, LLC  
A California limited liability  
company, its general partner

By: HOWARD CDM, A California  
corporation, its managing  
member

By:   
Name Martin Howard

Title: President



**City of Garden Grove**

**INTER-DEPARTMENT MEMORANDUM**

To:	Scott C. Stiles	From:	Lisa L. Kim
Dept.:	City Manager	Dept.:	Community and Economic Development
Subject:	APPROVAL OF A THIRD AMENDMENT STEELCRAFT LEASE AGREEMENT FOR PROPERTY LOCATED AT 12900 EUCLID STREET		
		Date:	May 12, 2020

**OBJECTIVE**

For the City Council to approve a third amendment to the SteelCraft Garden Grove, LP, lease ("Third Amendment") to defer monthly rent for a 12-month period with an option for an additional 6-month deferral, repayment over a five-year period, and waiver of CPI adjustment during the deferral period.

**BACKGROUND**

In 2017, the City entered into a ground lease agreement with SteelCraft to lease approximately 1.7-acres of City-owned unimproved real property, identified as APN 090-164-37 (12900 Euclid Street). The agreement provided for an initial 10-year term along with an option to extend up to four 5-year extensions (a total of 20 additional years). The monthly rent paid by SteelCraft for the first three years was set at \$8,120 with periodic Consumer Price Index (CPI) adjustment to rent.

In 2018, the City and Steelcraft executed an amendment ("First Amendment") for assignment of lease, assigned to SteelCraft Garden Grove LP.

In 2019, the City and Steelcraft executed an amendment ("Second Amendment") to extend the optional extensions of the lease from 30-years to a total of 55-years.

**DISCUSSION**

Due to the recent COVID-19 pandemic, the City received a request from Steelcraft to defer monthly rent for a 12-month period, beginning April 1, 2020 through March 31, 2021, requesting payment over a five-year period. Beginning April 1, 2021, Steelcraft would resume monthly rent along with the repayment rent of \$1,624 per month. The deferred amount would be \$97,440. Additionally, waiver of the CPI adjustment during the deferral period is recommended. The amendment would provide an option for an additional 6-month deferral subject to request 90 days before the expiration of the initial 12-month deferral period and staff review. Prior to the end of the 12-month

In Connection with Agenda Item No. 2.h.

period, Staff will update the City Council with a SteelCraft update. Except as modified by this Third Amendment, all other terms and conditions remain in full force and effect. The current COVID-19 pandemic has spread across the United States and forced temporary closure of business operations during this public health emergency. In order to best protect the health and safety of the tenants, workers, and clients, Steelcraft has opted to shut down their operations on a temporary basis until the Governor's stay-at-home order is lifted.

**FINANCIAL IMPACT**

The rent deferral would pause the collection of rent totaling \$97,440 for an 12-month period. The repayment of deferral rent would be repaid over a five-year period. At the end of the five-year repayment period, the City would be made whole.

**RECOMMENDATION**

It is recommended that the City Council:

- Approve the Third Amendment to the Lease Agreement with Steelcraft Garden Grove LP, to pause the monthly rent for a 12-month period at no-interest, from April 1, 2020 through March 31, 2021 to be repaid to the City over a five-year period commencing April 1, 2021,
- Approve to waive the first Consumer Price Index during the deferred period, and
- Authorize the City Manager to execute the Third Amendment and make minor modifications as needed on behalf of the City.

LISA L. KIM

Assistant City Manager/Community & Economic Development Director

By: Paul Guerrero  
Senior Program Specialist/ Real Property Agent

Attachment 1 – SteelCraft Third Amendment to Lease  
Attachment 2 – SteelCraft Executed Second Amendment to Lease  
Attachment 3 – SteelCraft Executed First Amendment to Lease  
Attachment 4 – SteelCraft Executed Lease Agreement

**THIRD AMENDMENT TO THE LEASE  
APN 090-164-37  
12900 Euclid Street  
Garden Grove, CA 92840**

This is the THIRD AMENDMENT OF LEASE AGREEMENT ("Third Amendment") is made and entered into by and between the **CITY OF GARDEN GROVE**, a municipal corporation ("Landlord") and **STEELCRAFT GARDEN GROVE LP**, a Delaware limited liability company ("Tenant"), effective as of May 12, 2020.

**RECITALS**

A. WHEREAS, the Landlord and SteelCraft Long Beach, LP entered into that certain Lease Agreement, dated June 13, 2017 ("Lease"), for the Lease of City-owned property ("Property") identified as APN 090-164-37, located at 12900 Euclid Street, Garden Grove, 92840 for the development of a multi-tenant, outdoor commercial retail and food court use occupying modified shipping containers; and

B. WHEREAS, effective June 13, 2017, the Tenant assumed all rights, obligations, and liabilities as Tenant under the Lease; and

C. WHEREAS, Article 20 of the Lease stipulates that the Lease may be modified by written amendment executed by Landlord and Tenant; and

D. WHEREAS, the Lease was amended as to Tenant's contact information and assigned to Tenant by the Consent to Assignment and Amendment of Lease dated April 16, 2018; and

E. WHEREAS, the Lease was amended as to Tenant's term as to permit extensions up to 55-years of Lease dated November 26, 2019; and

F. WHEREAS, the Landlord and Tenant desire to further amend the Lease to modify the terms thereof subject to the terms set forth herein.

**AGREEMENT**

**NOW THEREFORE**, in consideration of the terms and conditions of this Third Amendment, Landlord and Tenant mutually agreed as follows:

1. The monthly rental amount of \$8,120 is hereby paused for a 12-month period at no-interest, beginning April 2020 through March 31, 2021, to be repaid to the City over a five-year period, with repayment commencing April 1, 2021,

2. The first Consumer Price Index increase to the monthly rent is hereby waived until through the deferral period,

3. At least 90-day prior to the end of the 12-month deferment period, Tenant may request an additional 6-month deferral period subject to the reasonable discretion of the City, and

4. All other terms, covenants, and conditions set forth in the Lease shall remain in full force and effect.

**IN WITNESS WHEREOF**, the Landlord and Tenant have caused this Amendment No. 3 to be executed by their officers duly authorized on the dates set forth opposite their signatures, below.

**"LANDLORD"**  
**CITY OF GARDEN GROVE, a municipal corporation**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Scott C. Stiles  
City Manager

**ATTEST:**

By: \_\_\_\_\_  
Teresa Pomeroy  
City Clerk

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Omar Sandoval  
City Attorney

Date: \_\_\_\_\_

**"TENANT"**  
**STEELCRAFT GARDEN GROVE LP,**  
**A California limited partnership**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_