

When you Love Shopping Centers, it Shows

Dedicated to Our Communities,
Our Tenants and Our Customers



RE: Christmas Miracle: A vaccine (or two) and a Lifeline from the Federal Government (PPP)

December 22, 2020

Dear Merchant,

It isn't quite Christmas, but at the end of this very difficult year, we have had two Christmas Miracles.

The first one, the distribution of not one, but two COVID vaccines, will eventually bring an end to this dark period for our businesses and our neighboring communities. Based on what we know, we are somewhere between 3-6 months from a return to something approaching normal for our visitors and shoppers. We will hopefully be moving forward, with less restrictions and much safer environments sooner than that, but the journey will take some time, and will take place in stages.

Which brings us to our second miracle. Congress has finally come to an agreement and has passed a much-needed follow-up stimulus package. The bill which was passed yesterday includes another round of funding for PPP also known as Paycheck Protection Plan. The bill has earmarked \$284 billion for small businesses, with a criteria which would include most of you.

Over 500 of our small businesses applied for PPP last time and it was a lifeline for many of you. At that time we put information and resources on our site at: <https://www.newmarkmerrill.com/covid19/> (towards the middle of the page).

Even if you got PPP financing last time, this new stimulus bill provides businesses another round of funds if you can show reduction of 25% or greater in revenue for 2020 over 2019 revenue in any QUARTER.

Paycheck Protection Program provides a loan that can be transitioned to a grant as long as the funds are spent on qualifying expenses including, but not limited to payroll, rent and other operational costs. This stimulus bill widens the expenses that can count towards forgiveness under the loan.

If you DID NOT receive funding in the first round, the qualifications are:

- Your business cannot employ more than 500 employees
- You are eligible to borrow 2.5 times your eligible monthly payroll (IE if your payroll is \$100k per month, you are eligible for a \$250,000 forgivable loan).

If you received the first round of PPP funding, to get a second round of funding:

- You cannot employ more than 300 employees
- You have used or will use the full amount of your first PPP loan; and
- You can demonstrate at least a 25 percent reduction in gross receipts in the first, second, or third quarter of 2020 relative to the same 2019 quarter.

If your business is designated an accommodation or food service business (restaurant, fast food, etc), you are eligible for a forgivable loan size of up to 3.5 times your monthly payroll costs.

Based on the previous PPP process, we believe the application process will begin in about 5 days. Until then, gather your qualifying information and documentation in electronic format to submit with your application. Use this [form](#) to determine eligibility and possible loan amount. Although the \$284 billion sounds like a lot, it goes very quickly in a country that has the amount of need as ours does. So, I would move quickly.

This is a quick summary of the stimulus bill, which is obviously brand new, having just passed yesterday and still awaiting the President's signature. For more information about PPP, qualifications, loan forgiveness and additional eligible expenses, [download this attachment](#) we were provided which provides more detail. Our objective is to get you as much information as soon as possible so you can be prepared to pursue this lifeline while we return to normalcy.

For those of you that already have banking relationships or got PPP funding in the past, please contact your banks and see if they will work with you on a new application. Previously we had recommended A10 Capital for those who needed assistance with PPP funding or didn't have a strong banking relationship. We get no

financial benefit in referring you to them, and we encourage you to do your due diligence in deciding if you wish to pursue a PPP loan and/or decide to work with any lender. If you are interested in doing your own research, their website is <https://a10capital.com/ppp-overview> and we would refer you to [Kurt Gregg](#) as he was very helpful last time.

I am very thankful for each of you for your continued support to your customers and neighbors over the last 10 difficult months, and showing true ingenuity and commitment to your businesses. I am hopeful we are at the beginning of the end of a truly unique period which has brought out the best of many of us in the toughest time in our lives. Hopefully, for those who need it the newly approved stimulus will provide the tools necessary to get through this last period and come out stronger for the years ahead.

I wish you a very happy holiday season, a meaningful New Years and a transformative 2021.

Sincerely,



Sanford D. Sigal
President and Chief Executive Officer
NewMark Merrill Companies, Inc.



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