

Attachment C to Agenda File No. 2022-0261

807 Seaport LLC dba 3rd Base

Unit (Rentable Area):	E-3 – 5,923 Square Feet (SF)*																		
Outdoor Patio Area:	622 SF of outdoor patio space located directly adjacent to Suite E-3 and 2,842 SF of the former common area courtyard and patio located in the Lighthouse District																		
Term:	Approx. 10 years (commences on Rent Commencement Date).																		
Extensions:	One 5-Year Option to Extend																		
Rent Commencement Date:	The "Rent Commencement Date" is when Tenant's obligation to pay rent commences and is the earlier of a) Tenant's first day open for business to the public, or b) one hundred eighty (180) days after Tenant's receipt of all Necessary Approvals (as defined in Section 8 of the Lease), such that construction of the Initial Tenant Improvements can legally commence, or c) January 1, 2024. Lease Year 1 commences on the Rent Commencement Date.																		
Termination Clause:	<p>District shall have the right to terminate the Lease beginning on the 1st of the fifty-sixth (56th) month of the Lease Year 5 with 180 days' advance notice. Advance notice can be delivered before the 56th month.</p> <p>The termination fee to be paid by the District shall be as follows provided that the Tenant has made an investment of \$2.5M in the premises:</p> <p>\$750,000 if terminated during months 56 – 59 of Year 5 \$750,000 if terminated during Lease Year 6 – 7 \$650,000 if terminated during Lease Year 8 \$0.00 if District exercises the termination right after Lease Year 8</p>																		
Relocation Clause:	Beginning on the 1 st day of the fifty-sixth (56) month of Lease Year 5 of the Rent Term and anytime thereafter, the District shall have the right to relocate Tenant, or any extension or renewal thereof. District pays for actual cost of relocating the Tenant and the reasonable moving costs of Tenant actually incurred in connection with the same. If the new premises are in excess of 7,000 SF, the District and Tenant shall meet and confer in good faith to determine the amount of additional rent that Tenant will pay for the square footage in excess of the Rentable Area.																		
Tenant Improvement Allowance:	\$760,000																		
Minimum Annual Rent:	<table> <tr> <td>Year 1</td><td>\$266,535.00</td></tr> <tr> <td>Year 2</td><td>\$274,531.05</td></tr> <tr> <td>Year 3</td><td>\$282,766.98</td></tr> <tr> <td>Year 4</td><td>\$291,249.99</td></tr> <tr> <td>Year 5</td><td>\$299,987.49</td></tr> <tr> <td>Year 6</td><td>\$308,987.12</td></tr> <tr> <td>Year 7</td><td>\$318,256.73</td></tr> <tr> <td>Year 8</td><td>\$327,804.43</td></tr> <tr> <td>Year 9</td><td>\$337,638.56</td></tr> </table>	Year 1	\$266,535.00	Year 2	\$274,531.05	Year 3	\$282,766.98	Year 4	\$291,249.99	Year 5	\$299,987.49	Year 6	\$308,987.12	Year 7	\$318,256.73	Year 8	\$327,804.43	Year 9	\$337,638.56
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	Year 10	\$347,767.72
Minimum Annual Rent (Option Term):	Year 11	\$358,200.75
	Year 12	\$368,946.77
	Year 13	\$380,015.18
	Year 14	\$391,415.63
	Year 15	\$403,158.10
Percentage Rent:	6% of annual gross sales above an annual breakpoint which commences at \$5.0M in Lease Year 1 and escalates thereafter throughout the term of the Lease.	
10-Year Internal Rate of Return (IRR)**:	26%	
7-Year IRR:	21%	
10-Year Net Present Value (NPV):	\$1,148,985	
7-Year NPV:	\$582,349	
Early Termination 6-Year IRR***:	5%	
Early Termination 6-Year NPV***:	\$90,792.10	

*Note: 2,066 SF Second Level, 622 SF wrap around patio and 2,842 SF Lighthouse District Courtyard included in the Premises but not in the total SF.

**Note: IRR calculation assumes reimbursement of tenant improvement allowance and payment of broker commissions.

***Note: IRR calculation assumes reimbursement of tenant improvement allowance, payment of broker commissions and potential payment of early termination fees.