

Attachment C to Agenda File No. 2019-0414

Mike Hess Brewing

Unit:	W14E - 1,034 SF																														
Term:	10 years																														
Extensions:	One 5-year option to extend																														
Termination Clause:	District shall have the right to terminate the Lease with 180 days' notice following the commencement of the 7th year of the lease. The termination fee to be paid by the District shall be as follows: \$100,000 if terminated during the 7th year of the Lease \$75,000 if terminated during the 8th year of the Lease \$50,000 if terminated during the 9th year of the Lease																														
Relocation Clause:	District shall have the right to relocate Tenant at any time during the Lease.																														
Tenant Improvement Allowance:	\$250,000																														
Minimum Annual Rent:	<table> <tr><td>Year 1</td><td>\$ 93,060</td></tr> <tr><td>Year 2</td><td>\$ 95,852</td></tr> <tr><td>Year 3</td><td>\$ 98,727</td></tr> <tr><td>Year 4</td><td>\$ 101,689</td></tr> <tr><td>Year 5</td><td>\$ 104,740</td></tr> <tr><td>Year 6</td><td>\$ 107,882</td></tr> <tr><td>Year 7</td><td>\$ 111,119</td></tr> <tr><td>Year 8</td><td>\$ 114,452</td></tr> <tr><td>Year 9</td><td>\$ 117,886</td></tr> <tr><td>Year 10</td><td>\$ 121,422</td></tr> <tr><td>Year 11</td><td>\$ 125,065</td></tr> <tr><td>Year 12</td><td>\$ 128,817</td></tr> <tr><td>Year 13</td><td>\$ 132,681</td></tr> <tr><td>Year 14</td><td>\$ 136,662</td></tr> <tr><td>Year 15</td><td>\$ 140,762</td></tr> </table>	Year 1	\$ 93,060	Year 2	\$ 95,852	Year 3	\$ 98,727	Year 4	\$ 101,689	Year 5	\$ 104,740	Year 6	\$ 107,882	Year 7	\$ 111,119	Year 8	\$ 114,452	Year 9	\$ 117,886	Year 10	\$ 121,422	Year 11	\$ 125,065	Year 12	\$ 128,817	Year 13	\$ 132,681	Year 14	\$ 136,662	Year 15	\$ 140,762
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Percentage Rent:	6% of gross sales above an annual breakpoint of \$2.16M																														
7-Year IRR:	22%																														
10-Year IRR:	27%																														
7-Year NPV:	\$182,000																														
10-Year NPV:	\$359,000																														