

Attachment B to Agenda File No. 2019-0506

Seaport Entertainment, LLC

Unit:	E3 - 6,600 SF and Lighthouse District Common Area Courtyard		
Term:	10 years		
Extensions:	One 5-year option to extend		
Termination Clause:	<p>District will maintain the right to terminate the lease, with 90 days' notice to Seaport Entertainment, LLC, any time after the end of Lease Year 5 in the event that (1) demolition and/or construction related to a redevelopment of the shopping center has commenced or will imminently commence, as approved by the Board and (2) is significantly impactful to the shopping center and the tenant's leasehold as determined in the District's discretion. In the event the District terminates the lease during Lease Year 6 or Lease Year 7, the District will be responsible for paying the tenant a termination fee of \$328,571.43.</p> <p>Seaport Entertainment, LLC, will also maintain the right to terminate the lease, with 90 days' notice to the District, any time after the end of Lease Year 5, in the event that (1) demolition and/or construction related to any future redevelopment of the shopping center has commenced or will imminently commence, as approved by the Board and (2) is significantly impactful to the shopping center and tenant's leasehold. Additionally, Seaport Entertainment, LLC would be able to terminate if, in anticipation of future demolition and/or construction related to redevelopment of the shopping center, as approved by the Board, more than fifty percent (50%) of the rentable square footage of the shopping center is vacant. Lastly, Seaport Entertainment, LLC would also be able to terminate if (1) demolition and/or construction related to the shopping center (but not related to a redevelopment of the shopping center), as approved by the Board, has commenced or will imminently commence and (2) is significantly impactful to the tenant's leasehold and 3) more than fifty percent (50%) of the rentable square footage of the shopping center is vacant.</p>		
Relocation Clause:	<p>District shall have the right to relocate Tenant at any time during the Lease. If District opts to relocate Tenant, Tenant shall have the right to terminate the Lease. If this happens before the end of Lease Year 7, District will pay Tenant a termination fee of \$328,571.43.</p>		
Tenant Improvement Allowance:	\$495,000		
Minimum Annual Rent:	Year 1	\$ 132,000	
	Year 2	\$ 135,960	
	Year 3	\$ 140,039	
	Year 4	\$ 144,240	
	Year 5	\$ 148,567	
	Year 6	\$ 153,024	
	Year 7	\$ 157,615	
	Year 8	\$ 162,343	
	Year 9	\$ 167,214	
	Year 10	\$ 172,230	
	Year 11	\$ 177,397	
	Year 12	\$ 182,719	
	Year 13	\$ 188,200	
	Year 14	\$ 193,846	
	Year 15	\$ 199,662	
Percentage Rent:	6% of gross sales above an annual breakpoint of \$4.0M (breakpoint increases 3% annually)		
7-Year IRR:	29%		
10-Year IRR:	34%		
7-Year NPV:	\$551,611		
10-Year NPV:	\$958,733		