

Malibu Farm Seaport Village Inc.

Unit (Rentable Square Feet):	C1 – 14,000 SF																														
Outdoor Deck Area:	2,542 SF																														
Term:	10 years																														
Extensions:	One 5-year option to extend																														
Termination Clause:	The District and Malibu Farm would both maintain the right to terminate the proposed lease, with not less than 180 days' notice to the other party anytime from and after lease year 5 in the event of future redevelopment of the Central Embarcadero. As set forth in the proposed lease, certain conditions would have to be met in order for the District or Malibu Farm to terminate the lease. If such conditions are met and the District or Malibu Farm terminates the lease in year 5, 6 or 7, the District would be responsible for paying Malibu Farm a termination fee as follows: \$1,000,000 in year 5, \$750,000 in year 6 and \$500,000 in year 7. If Malibu Farm elects not to terminate the lease under this scenario, they would continue to operate and pay rent to the District under a temporary, alternative rent structure that would terminate if Malibu Farm exceeds a gross sales threshold as defined in the lease. This alternative rent structure would only be exercisable one time during the term of the lease.																														
Relocation Clause:	District shall have the right to relocate Malibu Farm if both parties come to a mutual agreement on a relocation alternative as set forth in the lease.																														
Tenant Improvement Allowance:	\$2,800,000																														
Minimum Annual Rent:	<table> <tr><td>Year 1</td><td>\$ 602,000.00</td></tr> <tr><td>Year 2</td><td>\$ 602,000.00</td></tr> <tr><td>Year 3</td><td>\$ 602,000.00</td></tr> <tr><td>Year 4</td><td>\$ 602,000.00</td></tr> <tr><td>Year 5</td><td>\$ 602,000.00</td></tr> <tr><td>Year 6</td><td>\$ 674,240.00</td></tr> <tr><td>Year 7</td><td>\$ 674,240.00</td></tr> <tr><td>Year 8</td><td>\$ 674,240.00</td></tr> <tr><td>Year 9</td><td>\$ 674,240.00</td></tr> <tr><td>Year 10</td><td>\$ 674,240.00</td></tr> <tr><td>Year 11</td><td>\$ 755,148.80</td></tr> <tr><td>Year 12</td><td>\$ 755,148.80</td></tr> <tr><td>Year 13</td><td>\$ 755,148.80</td></tr> <tr><td>Year 14</td><td>\$ 755,148.80</td></tr> <tr><td>Year 15</td><td>\$ 755,148.80</td></tr> </table>	Year 1	\$ 602,000.00	Year 2	\$ 602,000.00	Year 3	\$ 602,000.00	Year 4	\$ 602,000.00	Year 5	\$ 602,000.00	Year 6	\$ 674,240.00	Year 7	\$ 674,240.00	Year 8	\$ 674,240.00	Year 9	\$ 674,240.00	Year 10	\$ 674,240.00	Year 11	\$ 755,148.80	Year 12	\$ 755,148.80	Year 13	\$ 755,148.80	Year 14	\$ 755,148.80	Year 15	\$ 755,148.80
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Percentage Rent:	6% of gross sales above an annual breakpoint of \$10M																														
7-Year IRR:	19%																														
10-Year IRR:	24%																														
7-Year NPV:	\$1,280,422																														
10-Year NPV:	\$2,764,392																														