

Warehouse 4 is proposed to become an arena for pickleball and other sports and entertainment activities. The use will require parking to be made available. Potentially outdoor courts might be constructed on what is referenced as the option property in the lease. The Lease terms are summarized below:

- Upon execution, the Tenant will pay a \$26,000 security deposit
- Each year, the Tenant will pay \$26,000 Base Rent as well as reimburse the City for the cost of property insurance, with the first payment of base rent being due within a year of execution or at the issuance of a certificate of occupancy, whichever is sooner
- Construction is expected to begin no later than 9 months after execution of the Lease, following necessary inspections being conducted and permits obtained
- Base Rent is to be increased annually using a CPI adjustment, with periodic reviews being reserved to the City to establish a basis for a higher increase in Base Rent
- The initial Lease term is fifteen years with four extension terms if conditions are met at each renewal period, for a total Lease term, assuming conditions are met, of 55 years
- Conditions for renewal include capital investment and adequate generation of tourism dollars (12.02(l))
- At least \$2,000,000 will be invested in the premises to support pickleball, basketball, volleyball, futsal, tennis, and other like entertainment to include tournaments, as well as conventions, concerts, and expos
- For these uses, up to 200 parking spaces will be made available in Zone #94 for up to three-hour visits; parking will be validated by the City for the first twelve months after issuance of a certificate of occupancy
- Each year, the Tenant will provide a report on the parking usage to justify continuation of the number of validations being provided and the length of time validated, with the possibility of reasonable adjustments being made
- During special events, parking rates are adjusted accordingly and fifty percent of the net revenue collected by the City will be shared with the Tenant on a quarterly basis
- The Lease is a triple net lease and includes insurance and indemnity provisions