

Rockwell Properties

2489 Mission Street, Suite #30
San Francisco, CA 94110
415-398-2400

May 20, 2019

Trevor Gudim
Via e-mail

RE: 668 Guerrero Street

Hi Mike,

Tyler of Noise Bridge, has requested that I make the following offer on his behalf:

Premises: 668 Guerrero Street, consisting of approximately 4,050 sq ft. on the ground level and 3,450 on the mezzanine level for a total of 7,500 sq ft.

Use: Noise Bridge has occupied 2169 Mission Street as a “Maker Space” for over 10-years. They would use Guerrero for the exact same use. (see 2 pictures attached.)

Lease
Commencement: August 1, 2019

Early Access: Upon full lease execution, transfer of security deposit, prepaid rent and proof of a commercial insurance policy.

Rent Schedule:

Year 1 (8/1/2019 to 7/31/2020):	\$10,000/month
Year 2 (8/1/2020 to 7/31/2021):	\$11,000/month
Year 3 (8/1/2021 to 7/31/2022):	\$12,000/month
Year 4 (8/1/2022 to 7/31/2023):	\$13,000/month*

*Owner’s Right
To Cancel: Tenant is aware that Owner would like to tear down Property and develop. Therefore, Landlord may terminate this Lease on 8/1/2022 or the first day of any month thereafter by giving Tenant ~~180~~120-day prior written notice.

Use Contingency: It is pretty clear from the City Planning Permit history that the Premises current designated use is, “Workshop Commercial,” which is the Tenant’s intended Use. Therefore, the Tenant is willing to invest substantially in the renovations. In the unlikely event that City Planning disallows the Tenant’s use *because Tenant’s use is not compatible with the current RH-*

3 zoning, the Landlord agrees to release Tenant from their Lease obligation on the final date that City Planning gives Tenant, after Tenant has exhausted all their appeal options.

Option to Purchase: Tenant shall have the option to close escrow on the property for \$4,000,000 any time prior to 1/1/2022. ~~Half of rent paid during the lease term shall be applied to the purchase price.~~

Initial Deposit: \$25,000, of which \$15,000 shall be security deposit and \$10,000 shall be first month's rent.

Improvements: Tenant accepts property in its existing, "as is" condition. All improvements shall be made at Tenant's expense. All plumbing and electrical work must be done to code and with permit. Any structural changes must be made to code and with permit and with Landlord's prior written approval, which shall not be unreasonably withheld. Landlord understands that Tenant will primarily be working on floors and walls and Landlord hereby approves said work. *ALSO Tenant will install new ADA restroom with multiple stalls on the first floor, most likely in the location of existing restroom.*

NNN Costs: Landlord pays property tax. Tenant pays annual property insurance, ~~estimated at approximately \$6,000 per year or \$500 per month.~~

Utilities: Tenant shall pay all separately metered utilities and separately billed services including but limited to water, electricity and garbage.

Commission: It is understood that Touchstone Commercial Real Estate represent the Landlord and Rockwell Properties represents the Tenant in this transaction. The Landlord will pay Touchstone Commercial Real Estate per its separate agreement, and all commissions shall be split on a 50/50 basis between Touchstone Commercial Real Estate and Rockwell Properties.

Tenant's Financials: This offer is contingent upon Tenant submitting financial information acceptable to the Landlord prior to Lease execution.

LETTER OF INTENT:

Tenant and Landlord understand that this summary is a preliminary statement of general intentions and addresses only some of the terms and conditions that would be contained in a lease. It is understood by Tenant and Landlord that neither of them will be bound until and unless a formal lease has been signed covering all of the foregoing matters and such additional considerations as either party deems appropriate. Performance by either party before execution of a final lease of any of the obligations which may be included in the lease between the parties when and if negotiations are undertaken or completed shall not be considered as evidence of intent by either party to be bound by this letter of intent.

Please let us know if this proposal is acceptable to you, and if you need any other additional financial information.

Sincerely,

Mark Kaplan

I have read, understood and approve this non-binding LOI, and I have the authority to sign on behalf of Noise Bridge:

Tyler Maran for Noise Bridge: _____ **Date:** _____