

local happy hours, and special events. The Premises will include public and gathering spaces for consumption of products sold on-site that also celebrate San Francisco, its urban manufacturing sector and culture and craft beverage renaissance. This destination is intended to serve both waterfront visitors and San Francisco residents and employees. No full-service restaurants will be permitted.

JPPF will select retail subtenants in consultation with the non-profit SFMade, with top priority given to those that showcase and sell products manufactured in San Francisco by SFMade members and a secondary priority given to those that sell goods manufactured in the wider Bay Area. JPPF will include terms for SFMade's involvement in its letters of intent and subleases for retail space to ensure that SFMade has a seat at the table from a very early stage in the subleasing process.

The Premises is currently estimated to occupy 22,600 sf, but may vary slightly depending on occupancy calculations. The central portion of the bulkhead would be dedicated to retail uses and would use the central arch as the main entrance. The beverage spaces are currently laid-out on the perimeter of the central retail space, establishing a large, engaging hall. Beverage production and storage, as well as public restrooms, would be located within a portion of the bulkhead. The Premises would allow for approximately 10,000 sf of retail space, 2,000 sf of beverage consumption space, 3,700 sf of back of house space, 4,100 sf of beverage production space, and 3,100 sf of storage space, as illustrated in Exhibit 1 attached to this Conceptual Term Sheet.

The final layout will be subject to Port and City review and will be designed to meet occupancy, ingress, and egress regulations. The Lease will allow for future good faith negotiations for JPPF's activation of an outdoor plaza on the south side of Pier 29 Bulkhead under a license or similar agreement with Port's standard terms and conditions for such areas.

5. Proposed Financial Terms:

The parties acknowledge that the full scope and cost of capital improvements to the Premises are not presently known, pending resolution of the acceptable project concept and design. After endorsement of this Conceptual Term Sheet by the Port and Board, Jamestown will diligently undertake the necessary design and engineering work for the endorsed concept plan, which will result in a proposed budget for the Project. Based on the budget, the parties will negotiate the financial terms for the Lease, based on the following principles:

Project Funding: Jamestown will be solely responsible for the funding of all soft and hard project costs, estimated at the proposal stage to be \$5,830,000, subject to rent credits as provided below.

Base Rent: Fair market rent to be determined by the parties after taking into account costs of build-out for the Project, with periodic fixed adjustments, which amount was estimated at the proposal stage to be \$25,000 per month.

Rent Credits: Jamestown will be eligible for a rent credit against Base Rent for certain reasonable hard costs actually incurred for specified capital improvements that benefit the Port, estimated at the proposal stage to be \$1,182,000.

Participation Rent: The Lease will provide the Port with an upside participation in revenues, including as a result of a sale of the Lease, that takes into account a reasonable and market-based return to Port and JPPF.

7. Public Trust:

All uses permitted under the Lease shall be consistent with the public trust and Waterfront Land Use Plan, based upon findings by the Port Commission in accordance with the Burton Act and City Charter.

8. As Is Condition

JPPF will accept the Premises in its as-is condition.

9. Standard Terms and Conditions.

The Lease, except as negotiated above or in the ENA will address the terms and conditions of the Port's December 23, 2016 Request for Proposals ("RFP"). The Lease will be materially consistent with the Port's standard retail lease form as included in the RFP, with such negotiated changes mutually agreed by the parties to respond to circumstances unique to the Premises and the proposed project. Without limitation, the Lease will address security for Lease obligations (including a security deposit and security for construction obligations), tenant's compliance with laws, operations and management requirements, , indemnity and exculpation and insurance and hazardous materials. The Lease will require Tenant to comply with all City laws to the extent applicable to the Lease and Tenant's use thereunder, including, but not limited to, Non-Discrimination, First Source Hiring, Health Benefits Coverage, Limitation on Contributions, Prevailing Wages, and Local Hiring requirements. The Lease will address the Port's Seawall project and potential sea level rise issues.

10. Non-Binding.

The parties agree that this Term Sheet is not intended to create any agreement or obligation by Port to negotiate a definitive lease and imposes no duty whatsoever on Port to continue negotiations, including without limitation any obligation to negotiate in good faith or in any way other than at arms' length. Prior to delivery of a definitive executed lease approved by the San Francisco Port Commission, and without any liability, the parties may (1) propose different terms from those summarized herein, and/or (2) unilaterally terminate all negotiations.

Attached Exhibits:

Exhibit 1-Site Map