

ORDINANCE NO.: 2005-091

Authorizing execution of a Sub-Lease between the City of Columbia and Beyond Better, Incorporated d/b/a The Athlete Factory and Joseph Robert DeLuca for the first floor and basement of the former Tapp's Building located at 1644 Main Street

ORIGINAL
STAMPED IN RED

BE IT ORDAINED by the Mayor and Council of the City of Columbia, South Carolina, this 3rd day of August, 2005, that the City Manager is hereby authorized to execute a Sub-Lease between the City of Columbia and Beyond Better, Incorporated d/b/a The Athlete Factory and Joseph Robert DeLuca for the rental of the first floor and basement of the former Tapp's Building located at 1644 Main Street. Such Sub-Lease to be upon a form to be approved by the City Attorney. The general terms of such Sub-Lease are set forth on the attached Exhibit "A".

Requested by:

Economic Development Director



MAYOR

Approved by:



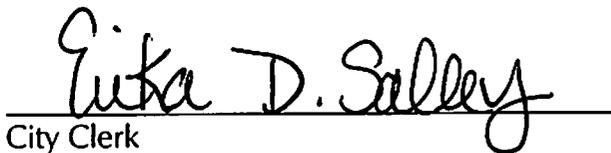
City Manager

Approved as to form:



City Attorney

ATTEST:



City Clerk

Introduced: 7/27/2005

Final Reading: 8/3/2005

Matter No.: 05060626
Attorney: JSM
Date In: 06/14/05
File No.: 2005-RP-013
Date Out: 7/21/05

City of Columbia



Memo



To: Jim Meggs
From: Jim Gambrell *J. Gambrell*
Date: June 13, 2005
Re: Tapp's Building – Lease for Athlete Factory

We are having discussions with Joe DeLuca who owns the Athlete Factory on Lady Street. Our discussions concern his sub-leasing the Tapp's space that we currently lease from Mainstream. We have signed a non-binding agreement (see attached) and we need a new "lease" to present to City Council.

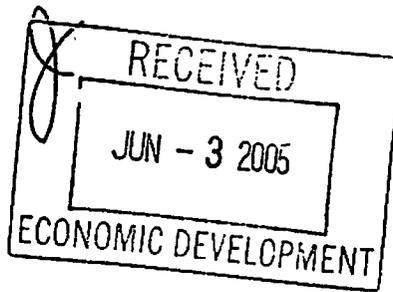
Attached is the "Letter of Intent" outlining the general terms of the lease. We have agreed on an up-fit allowance of up to \$120,000. They will begin in the seventh (7th) month (April '06) of the lease, paying a lease up-fit surcharge equal to the actual amount of the up-fit cost we pay, divided by sixty (60 months).

I have attached a copy of the lease your staff prepared for us for the previous tenant. This can be used as an outline. Note: There was no provision in that lease for "late payments" which should be included in a new lease.

Mr. DeLuca has offered to have his attorney, Gary Pennington (Pennington Lott Law Firm) prepare the lease using our outline if you want to do it that way. Let me know how you will proceed.

JBG/bvj

Attachment(s)



CBRE
 CB RICHARD ELLIS
 Columbia
 P. O. Box 1837
 Columbia, SC 29202
 Phone: 803.779.7777
 Fax: 803.931.8989

June 2, 2005

LETTER OF INTENT

Landlord: City of Columbia
 Name: City of Columbia
 Address: 1201 Main St.
 City, State: Columbia, S.C. 29201

Tenant: The Athlete Factory
 Name: Beyond Better, Incorporated.
 Address: 534 Lady Street
 City, State: Columbia, S.C. 29201

THIS AGREEMENT between Landlord and Tenant with regard to the property described above indicates the intent of Tenant and Landlord to enter a Sub-Lease Agreement, under the following terms and conditions:

1. Location: 1644 Main Street, Columbia, SC
Tapp's Building.
2. Space: 19,000 Square Footage. *+/- Joe JTR*
3. Tenant: The Athlete Factory. *Joe JD*
4. Personally guaranteed by: Joe DeLuca
~~The Athlete Factory.~~
5. Use: Personal Physical Training Facility/Fitness Center
6. Rent Commencement Date: October 1, 2005
7. Occupancy/Delivery Date: September 15, 2005
8. Lease Term: 7 years
9. Base Rent:

| | |
|--------|-------------|
| Year 1 | \$78,000.00 |
| Year 2 | \$79,950.00 |
| Year 3 | \$81,948.00 |
| Year 4 | \$83,997.47 |
| Year 5 | \$86,097.41 |
| Year 6 | \$88,249.85 |
| Year 7 | \$88,249.85 |

10. Landlord Improvements:

- 1. Install 2 handicapped accessible bathrooms on Main Floor.
- 2. Replace ceilings above both seating areas in basement.
- 3. Fitness center up fit ^{to} and build out cost estimated at \$120,000.00 as per General Contractor, cost ~~is~~ be amortized and paid by the tenant over the term of the lease will accompany lease.

JG JD

11. Parking Spaces:

4 parking spaces along side of Tapp's Building if existing parking agreement with building owner permits. *at prevailing city rate*

JG JD

12. Taxes, Insurance & Common Area Maintenance:

n/a

13. Zoning Requirements:

City of Columbia to approve all zoning requirements.

14. Operating costs:

All operating costs will be the responsibility of Tenant.

It is the intention of the parties that this Letter Agreement is a non-binding obligation of the parties hereto. If the Tenant is in agreement with the outlined terms and conditions, please have the authorized representative sign where indicated below, and return it to our office. Both parties agree to execute a binding lease agreement as soon as practical, subject only to: 1) mutual agreement of a lease document, in form and in content satisfactory to both parties and their respective counsel. If such conditions have not been met by June 20, 2005, then this agreement shall be considered null and void and neither party will have any further obligation to the other to perform the terms and conditions outlined in this agreement.

Accepted by Landlord

J. S. Ambrose
6-3-05

Date

Accepted by Tenant

J. D. [Signature] President
6-2-05

Date