



Kelly R. Rivett
Senior Managing Director

980 9th Street, Suite 2500, Sacramento, CA 95814
T 916.920.4400 D 916.569.2385
M 916.606.8600 F 916.920.0854
krivett@newmarkccarey.com www.newmarkccarey.com
CA RE License #01249433

November 30, 2020

Quarry Park Outdoor Market Proposal
City of Rocklin
3970 Rocklin Road Rocklin, CA 95677
Attn: Marc Mondell, Assistant City Manager
Copy via email: marc.mondell@rocklin.ca.us

Re: 4000 Rocklin Road
Rocklin, CA

Dear Mr. Mondell,

Thank you for the opportunity to respond to the Request for Proposal for the above referenced location. We are very excited about the possibility of being part of the Rocklin community and hope that you will consider our concept as a launch to energize this location and add value to the City of Rocklin. We include specific responses noted in the RFP outline below as well as the attached Business Plan and Proposed Site Plan Layout.

Background/Qualifications. Information on the applicant (type of entity, IRS designation), and related experience. Include information on similar projects completed.

‘BEER 40’, a Community Beer, Wine and Food Garden is presented by **ALE YARD VENTURES LLC**, a California limited liability corporation (LLC) doing business as **BEER 40 of Rocklin**. BEER 40 of Rocklin is envisioned to be a community oriented outdoor concept, with many of its principles modeled by our current locations in Vacaville and Sacramento. We’ll offer a vast selection of independent craft beer, wine and non-alcoholic beverages in addition to a seasonal local farm food approach. We have successfully implemented and established this business model in both Sacramento and Vacaville, which we are ready to duplicate in a greater Sacramento community. ROCKLIN, one of the fastest growing cities in California longs for new and creative experiences to unite the community. Rocklin has always been a specific target market for our owner/partners as we strongly believe that the community would enjoy a “non-chain” experience promoting local businesses.

BEER 40 Vacaville was established during the summer of 2020. The City of Vacaville issued an RFP to activate certain land parcels prior to the March COVID-19 shut downs. We initially paused our submittal but elected to move forward with our response late March in support of the needed outdoor experience. It is our belief that socially safe practices and community experiences can still be attained in an outdoor environment. The concept was successfully launched in July 2020 obtaining proper county, city and state permits through the extensive



communication and support of the respective jurisdictions. Although challenged by timing as a result of COVID-19, we were able to complete our build out and open our doors within 90 days. Our experienced team in addition to our upstanding business reputation with a proven

establishment (Sac Yard Community Tap House), helped to promote swift execution on all fronts. This included obtaining new licensing with CA Alcohol Beverage Control, County Health Department approval and navigating through City of Vacaville's Planning Department.

SACYARD COMMUNITY TAP HOUSE ("SACYARD" located in SACRAMENTO) was established in 2017 as a small group of investors with the vision to create a community environment while promoting local and regional independent craft brewers as well as wine makers. The food truck experience also put SACYARD on the map as one of the most diverse rotational food options in town.

We are humbled by the support in our community during one of the most unprecedented pandemics in our lifetime. Our business model continues to succeed despite the COVID-19 hardships small businesses continue to face.

We've partnered with a number of charitable organizations to raise funds for causes important to our greater community including the Fire Fighter Burn Institute where we successfully raised more than \$20k during 2018 and 2019 to support burn victims. In addition, we have received several recognized media accolades as well as awards including Small Business of the Year in 2018, SN&R 1st Place for Best of Sacramento Best Place to get a Beer, 2019 Best Patio, and Best Beer Garden.

Use of Premises. A comprehensive description of the proposed use of the premises as an outdoor market or similar concept. This should include a timeframe for use of the premises as an outdoor market.

During "Year One" BEER 40 Rocklin will establish a creative approach to serving independent craft beer and wine paired with a unique food experience in a family and dog friendly environment. We will engage with the local charitable fundraising efforts to support causes such as "Campaign One at a Time" and "Unite for Fido". We also hope to ease in smaller community gatherings for the promotion of art and music within the local community. Beer and wine enthusiasts will be regularly invited to enjoy featured breweries and local wine makers.



Beginning “Year Two”, our vision also includes the promotion of local farm fresh produce and a weekly “Farmer’s Market” along with Artisans and local merchant pop ups. We have designated the anticipated location of the Farmer’s Market in our initial submittal so we can comfortably accommodate this opportunity as COVID-19 restrictions allow. While more

information will need to be gathered and processed, we will work with Placer Grown (<http://www.placergrown.org/farmers-markets/>) to determine the eligibility and viability of creating a farmer’s market day in Rocklin. We feel this could be accomplished by year two.

“Year Three” we hope to be released of COVID-19 restrictions and will plan for broader “Live Music” venues, family friendly “Movie Nights”, as well as public and private event gatherings such as little league night and small-scale kid’s pumpkin patch.

BEER 40 will be dedicated to providing first rate service while integrating sustainable practices partnered with the community. Success will be measured not only by setting realistic financial goals, but also by the favorable community impact through the support and promotion of local businesses and community programs. Our interest is to create a welcoming environment where our guests gather and feel comforted by community and part of a growing revitalization.

Business Plan. A business plan for the proposed use of the premises including a projection of income and expenses and supporting the underlying assumptions. This should include a pro forma budget for duration of lease (maximum 5 years), rent to be paid for the premises, costs related to any improvements to the premises, and a plan for funding.

The Business Plan is attached as a separate presentation.

Management and Operation Plan for the Premises. A comprehensive description of the operation plan for the premises, including the expected number of employees on the Premises, hours of operation, products offered and proposed security arrangements.

More detail can be found in our Business Plan but summarized below.

a. Proposed hours and days of operation.

YEAR ONE - BEER 40 will be open Wednesday - Thursday’s 3pm – 9pm, Friday’s 1pm - 10pm, Saturday’s 12pm - 10pm, and Sunday’s 12pm - 9pm. Due to the outdoor setting, BEER 40 will consider later opening hours during seasonal temps in excess of 100+ degree days to avoid heat exposure to its employees and customers.



YEAR TWO AND THREE – BEER 40 will expand hours to include Tuesday through Sunday during the summers modeling similar hours noted in year one.

b. The number of employees anticipated at peak hours.

1 host, 1 busser and 4 bar employees are anticipated at peak hours for food and bar service. This includes a manager on duty at all times.

c. Security. The beer garden and all facilities will be locked down and secured each night with voice activated cameras strategically located throughout the garden. The need for on-site security guards is not anticipated but will be engaged if it is determined there is a need.

Improvements. If improvements are proposed, a detailed description of the scope of work of all improvements. The improvement plan should be accompanied by sufficient detail to understand the scope and nature of the proposed improvements. These plans may be informal sketches.

See attached detailed submittal including proposed site layout.

Signage. Preliminary signage design (including possibility of reworking main entry sign).

Wayfinding signage will be consistent with the Quarry's theme and will include entrance locations, directional indication for restrooms, and parking including ADA stalls.

Please let us know if you have any questions or wish to receive any additional information. Thank you for your consideration.

Very truly yours,

Dan Thebeau

Dan Thebeau

A handwritten signature in blue ink that reads "Melody Thebeau". The signature is written in a cursive, flowing style with a long horizontal line extending from the end.

Melody Thebeau





Introducing

A COMMUNITY FOOD, WINE & BEER GARDEN



EXECUTIVE SUMMARY

“BEER 40”, a Community Food, Wine and Beer Garden is presented by ALE YARD VENTURES LLC a California limited liability corporation (LLC) dba BEER 40 of ROCKLIN with many of its concept principles modeled by our industry experiences. We’ll offer a vast selection of independent craft beer (as well as non-alcoholic beverages) in addition to varietal collection of local and regional wines paired with a unique food concept. While we have successfully established a business model that is ready to duplicate in other greater Sacramento areas, choosing a community that compliments our vision is key. ROCKLIN, one of the fastest growing cities in California, is a target market for us. We believe that the Rocklin community would embrace a “non-chain” experience promoting local businesses.

Beer 40’s focus is to establish a creative outdoor approach serving the community in a family and dog friendly environment. We will be dedicated to providing first rate service while integrating COVID safe practices and sustainable initiatives. Success will be measured, not only by setting realistic financial goals, but also by the favorable community impact through the support and promotion of local businesses and community programs. Our interest is to create a welcoming environment where our guests gather and feel comforted by community and part of a growing revitalization.



SACYARD



PROFESSIONAL EXPERIENCE AND BIOS

Dan and Melody Thebeau, are proprietors of BEER40 and SACYARD Community Tap House. Our research included 8 years of industry travel to competitive markets including Portland & Bend, OR, Austin, TX, Boulder, CO, Boise, ID, Portland, ME, Southern and Northern CA, as well as Midwest and East regions. Our focus was on the rise and fall of breweries and taprooms. This exercise gave us great insight as to what works and what doesn't which resulted in the successful execution of our business plan as a proven community establishment in East Sacramento and Vacaville. SACYARD is in its Third Year of operation and has received several awards including Small Business of the Year in the City of Sacramento, Best Place to get a Beer in Sacramento by SNR and recognition as the Best Small Business of the Year in East Sacramento. We continue to exceed our financial goals year over year with 4.5+ star ratings on Yelp and Google.

Dan Thebeau is dedicated full time to BEER 40 and SACYARD COMMUNITY TAP HOUSE. Dan is responsible for operations and overall site management. As a proprietor, Dan believe in hard work with a hands on approach. Dan will work closely with the GM on a daily basis.

General Manager Kyle Baumann will be instrumental in the Rocklin launch as part of our employee profit share program. Kyle has 15 years of industry and customer service experience and 10 years of direct management experience. Kyle is also a US Air Force Veteran and a CSUS Cum Laude. Kyle successfully lead the start up launch of BEER 40 Vacaville and is in charge of our beer management program, staffing and inventory management.

Melody Thebeau, co-owner, will be responsible for back of house financial management of BEER40's establishment. Melody is in the commercial real estate industry (25+ years), serving as vice president of the Western region with LBA Realty (10+ years) as operation lead for LBA Realty's commercial office and industrial portfolio. She will retain her full time employment status.

OPERATIONAL PLAN

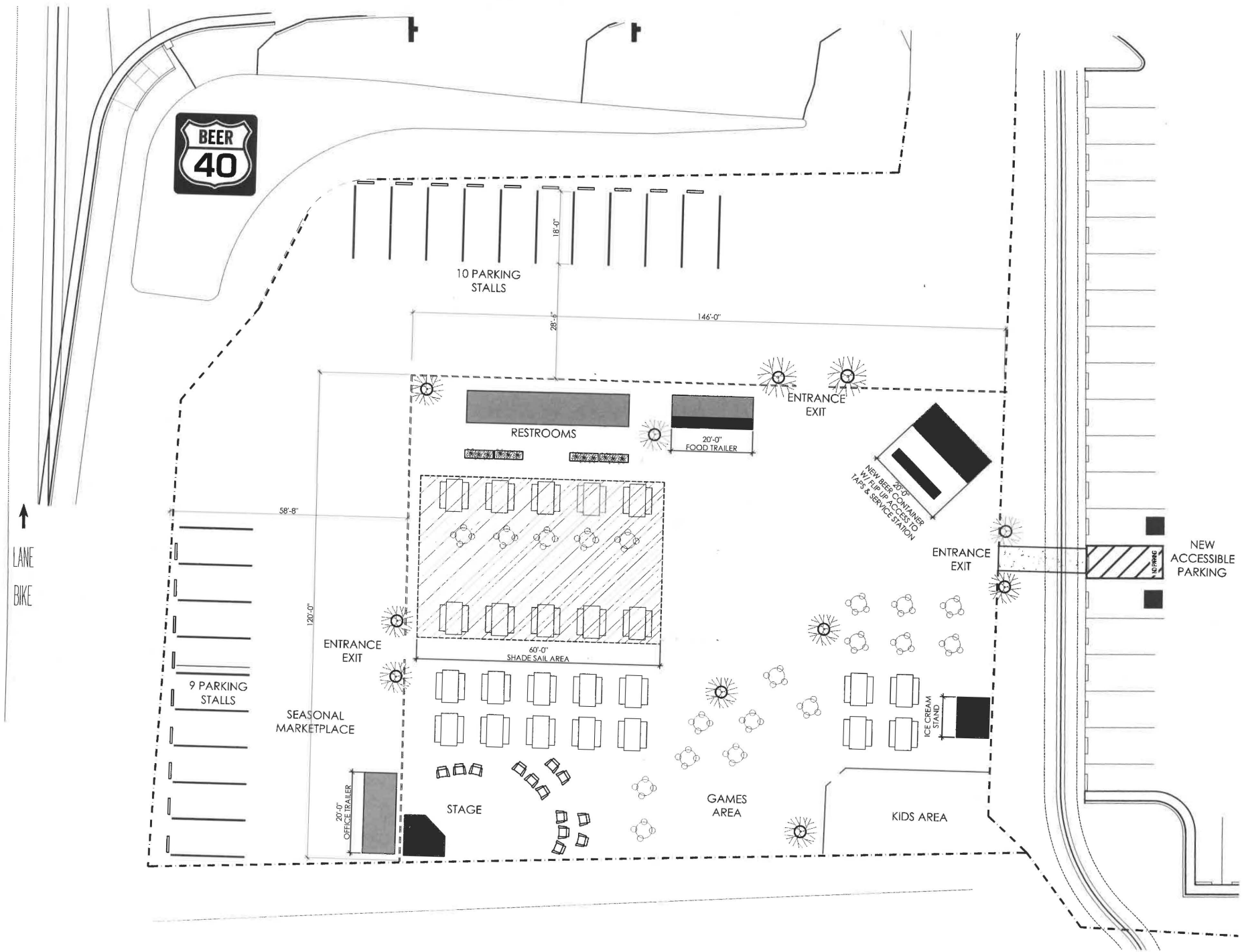
Beer 40 patrons will be welcomed by a dedicated Host who will be given an overview of the Beer Garden's amenities, seating layout and anticipated COVID policies. The community garden will consist of an assortment of wood barrel tables that seat 4-6 people and larger picnic tables accommodating up to 8-10, depending of County thresholds. Each seated table will be 6' - 8' feet distanced and include shade sales, independent sun umbrellas and ambient LED Beer Garden lighting. The Beer and Wine Bar will be a modified container installation with attractive siding that mirrors elements of the Quarry's character. We propose to install quality restroom containers finished with proper ventilation and electricity. Ideally these containers will be directly plumbed to the sewer system.

A sound system will play back ground music in addition to special live music venues that will be staged as allowed by County authorities. A children's nature play area will be designed with wood stepping stumps, floor grade wood balancing beams, and art recreation areas. All improvements will be simple installations with no permanent attachments. The park will be dog friendly, with posted dog rules and expected to include pet adoption days in cooperation with a local Rocklin pet shelter.

Artisan Fairs and possible Farmers Market will be introduced in year two subject to County approval. We also hope to promote local independent restauranter's with an opportunity to create an inner park pop-up to promote their establishment with low cost food samplings. While the food operation will fall under BEER40's umbrella it will operated by an experienced chef and designated kitchen operator.

Beer 40 will be open Tuesday - Thursday's 3 – 9 pm; Friday's 1 to 10 pm, Saturday's noon to 10 pm and Sunday's noon to 9 pm. Due to the outdoor setting, Beer 40 will consider later opening hours during seasonal temps in excess of 100 degree days to avoid heat exposure to its employees and customers.

The proposed layout and concept images are attached.



BEER 40 ROCKLIN - CONCEPTS





U.S. BEER SALES VOLUME GROWTH 2019

OVERALL
BEER
-1.6%

191,249,000 BBLS

3.6%
CRAFT

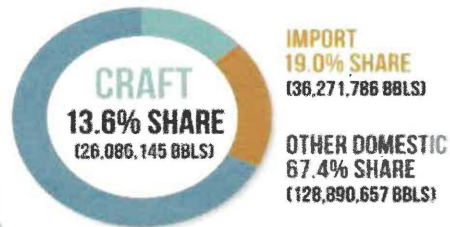
26,086,145 BBLS

1.8%
IMPORT
BEER

36,271,786 BBLS

OVERALL BEER MARKET
\$116.0 BILLION

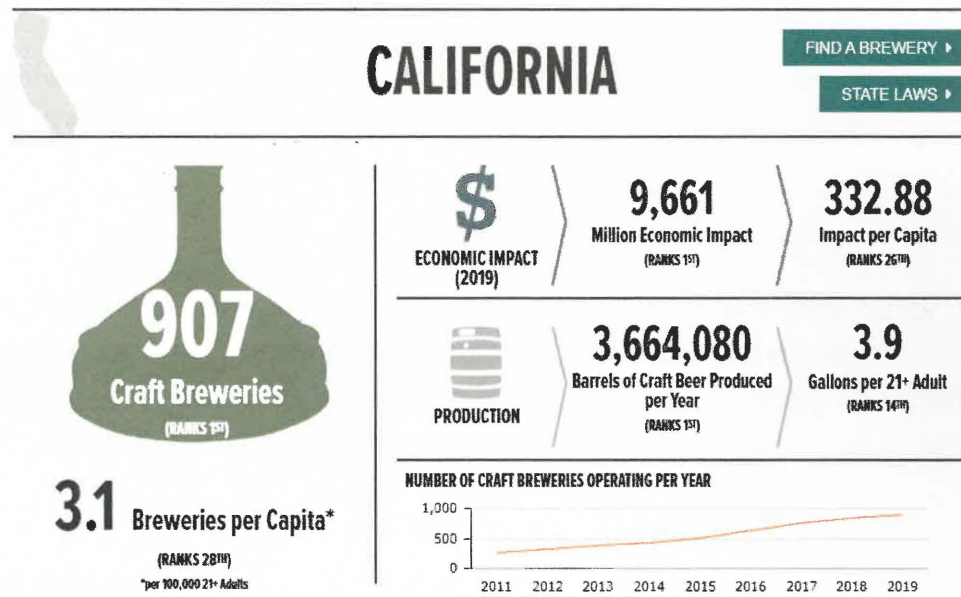
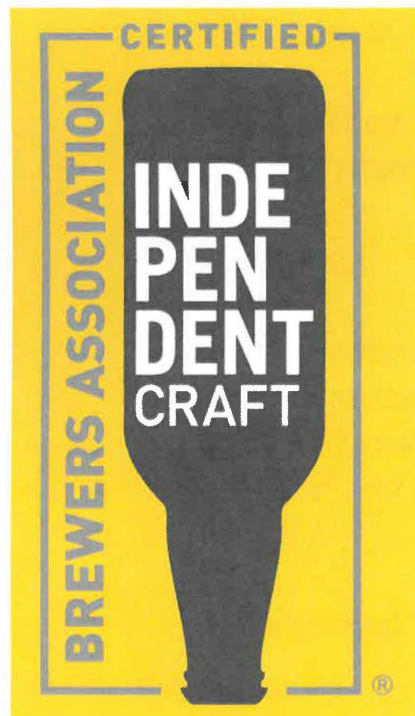
CRAFT BEER MARKET
\$29.3 BILLION
8% DOLLAR SALES GROWTH



SOURCE: BREWERS ASSOCIATION, BOULDER CO

Overall U.S. beer volume sales were down 2% in 2019, whereas craft brewer sales continued to grow at a rate of 4% by volume, reaching 13.6% of the U.S. beer market by volume. Craft production grew the most for taprooms.

Retail dollar sales of craft increased 6%, up to \$29.3 billion, and now account for more than 25% of the \$116.0 billion U.S. beer market.



FINANCIAL PLAN

BEER 40 Ownership will assume a highly conservative approach in year one with realistic growth projections year over year. See attached "5 Year Plan" for Estimated Income and Expenses.

Additional Charts include our 2021 (9 Month) Budget and 2022 Stabilized (12 month projection). Our expected NOI in Year One is approximately \$118,000.

COST OF IMPROVEMENTS

Our Tenant Improvement budget is approximately \$207,000 which does not include CM Fees as we will self manage the construction project. Our time line is expected to be 12 weeks assuming a commitment to release materials order by 1/1/2021. We wish to be open by April, 2021 to maximize the income opportunity.

See attached "Tenant Improvement Budget". The cost of the improvements will be at the sole cost to Tenant offset by an rent credit amortized over the term of the 60 month lease.

RENT CALC

Proposed Rent Structure to be based on a Percentage Rent of 5% of Gross Sales (Net Sales Tax). Rent shall be offset by non-reusable TI cost of site specific improvements of up to \$150,000 amortized over the Lease term of 60 months. (All improvements shall be at Tenants sole cost and expense. Tenant shall pay for the improvements from cash on hand and investor capital.)

See attached "Rent Calculation Schedule".

ALE YARD VENTURES, LLC
5 YR Budget Overview
BEER 40 - ROCKLIN

CATEGORY	2021 BUDGET	2022 BUDGET	2023 BUDGET	2024 BUDGET	2025 BUDGET
Income					
Sales of Product Income	476,000	576,000	633,600	728,640	874,368
Total Income	476,000	576,000	633,600	728,640	874,368
Cost of Goods Sold					
Cost of Goods Sold	142,800	172,800	181,440	198,720	207,360
Total Cost of Goods Sold	142,800	172,800	181,440	198,720	207,360
Gross Profit	333,200	403,200	452,160	529,920	667,008
Expenses					
Advertising & Marketing	2,250	3,000	3,000	3,000	3,000
Bank Charges & Fees	450	600	600	600	600
Car & Truck	3,600	4,800	4,800	4,800	4,800
Charitable Donations	2,250	3,000	3,000	3,000	3,000
Credit Card Fees	13,090	15,840	17,424	20,038	24,045
Data and Cable Service	2,250	3,000	3,000	3,000	3,000
Employee Benefits	2,700	3,600	3,600	3,600	3,600
Equipment Rental	6,750	9,000	9,000	9,000	9,000
Exterior Lighting and Misters	900	1,200	1,200	1,200	1,200
Insurance	9,000	12,600	13,230	13,892	14,586
Job Supplies	4,500	6,000	6,300	6,615	6,946
Payroll Expenses	119,000	144,000	151,200	158,760	166,698
Refuse Removal	1,800	2,400	2,520	2,646	2,778
% Rent Expense	1,311	1,573	1,730	1,990	2,388
Repairs & Maintenance	1,800	2,400	2,520	2,646	2,778
Landscape Services	1,800	2,400	2,400	2,400	2,400
Total Repairs & Maintenance	3,600	4,800	4,800	4,800	22,400
Taxes & Licenses	34,510	50,400	55,440	63,756	76,507
Utilities	3,150	4,200	4,326	4,456	4,589
Total Expenses	214,711	274,813	290,090	310,198	354,316
Net Operating Income	118,489	128,387	162,070	219,722	312,692
Net Income	118,489	128,387	162,070	219,722	312,692

ALE YARD VENTURES, LLC

Budget Overview: BEER 40 - ROCKLIN (FY22 P&L STABILIZED)

January - December 2022

	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	2022 Total
Income													
Sales of Product Income	30,000	30,000	40,000	48,000	48,000	60,000	60,000	60,000	70,000	60,000	40,000	30,000	576,000
Total Income	30,000	30,000	40,000	48,000	48,000	60,000	60,000	60,000	70,000	60,000	40,000	30,000	576,000
Cost of Goods Sold													
Cost of Goods Sold	9,000	9,000	12,000	14,400	14,400	18,000	18,000	18,000	21,000	18,000	12,000	9,000	172,800
Total Cost of Goods Sold	9,000	9,000	12,000	14,400	14,400	18,000	18,000	18,000	21,000	18,000	12,000	9,000	172,800
Gross Profit	21,000	21,000	28,000	33,600	33,600	42,000	42,000	42,000	49,000	42,000	28,000	21,000	403,200
Expenses													
Advertising & Marketing	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Bank Charges & Fees	50	50	50	50	50	50	50	50	50	50	50	50	600
Car & Truck	400	400	400	400	400	400	400	400	400	400	400	400	4,800
Charitable Donations	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Credit Card Fees	825	825	1,100	1,320	1,320	1,650	1,650	1,650	1,925	1,650	1,100	825	15,840
Data and Cable Service	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Employee Benefits	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Equipment Rental	750	750	750	750	750	750	750	750	750	750	750	750	9,000
Exterior Lighting and Misters	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Insurance	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	12,600
Job Supplies	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Payroll Expenses	7,500	7,500	10,000	12,000	12,000	15,000	15,000	15,000	17,500	15,000	10,000	7,500	144,000
Refuse Removal	200	200	200	200	200	200	200	200	200	200	200	200	2,400
% Rent Expense	0	0	0	0	0	0	0	0	1,573	0	0	0	1,573
Repairs & Maintenance	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Landscape Services	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Total Repairs & Maintenance	400	400	400	400	400	400	400	400	400	400	400	400	4,800
Taxes & Licenses	2,625	2,625	3,500	4,200	4,200	5,250	5,250	5,250	6,125	5,250	3,500	2,625	50,400
Utilities	350	350	350	350	350	350	350	350	350	350	350	350	4,200
Total Expenses	16,200	16,200	19,850	22,770	22,770	27,150	27,150	27,150	32,373	27,150	19,850	16,200	274,813
Net Operating Income	4,800	4,800	8,150	10,830	10,830	14,850	14,850	14,850	16,627	14,850	8,150	4,800	128,387
Net Income	4,800	4,800	8,150	10,830	10,830	14,850	14,850	14,850	16,627	14,850	8,150	4,800	128,387

ALE YARD VENTURES, LLC
Budget Overview: BEER 40 - ROCKLIN (FY21 P&L)
January - December 2021

	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	2021 Total
Income													
Sales of Product Income	0	0	0	48,000	48,000	60,000	60,000	60,000	70,000	60,000	40,000	30,000	476,000
Total Income	0	0	0	48,000	48,000	60,000	60,000	60,000	70,000	60,000	40,000	30,000	476,000
Cost of Goods Sold													
Cost of Goods Sold	0	0	0	14,400	14,400	18,000	18,000	18,000	21,000	18,000	12,000	9,000	142,800
Total Cost of Goods Sold	0	0	0	14,400	14,400	18,000	18,000	18,000	21,000	18,000	12,000	9,000	142,800
Gross Profit	0	0	0	33,600	33,600	42,000	42,000	42,000	49,000	42,000	28,000	21,000	333,200
Expenses													
Advertising & Marketing	0	0	0	250	250	250	250	250	250	250	250	250	2,250
Bank Charges & Fees	0	0	0	50	50	50	50	50	50	50	50	50	450
Car & Truck	0	0	0	400	400	400	400	400	400	400	400	400	3,600
Charitable Donations	0	0	0	250	250	250	250	250	250	250	250	250	2,250
Credit Card Fees	0	0	0	1,320	1,320	1,650	1,650	1,650	1,925	1,650	1,100	825	13,090
Data and Cable Service	0	0	0	250	250	250	250	250	250	250	250	250	2,250
Employee Benefits	0	0	0	300	300	300	300	300	300	300	300	300	2,700
Equipment Rental	0	0	0	750	750	750	750	750	750	750	750	750	6,750
Exterior Lighting and Misters	0	0	0	100	100	100	100	100	100	100	100	100	900
Insurance	0	0	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	9,000
Job Supplies	0	0	0	500	500	500	500	500	500	500	500	500	4,500
Payroll Expenses	0	0	0	12,000	12,000	15,000	15,000	15,000	17,500	15,000	10,000	7,500	119,000
Refuse Removal	0	0	0	200	200	200	200	200	200	200	200	200	1,800
% Rent Expense	0	0	0	0	0	0	0	0	1,311	0	0	0	1,311
Repairs & Maintenance	0	0	0	200	200	200	200	200	200	200	200	200	1,800
Landscape Services	0	0	0	200	200	200	200	200	200	200	200	200	1,800
Total Repairs & Maintenance	0	0	0	400	400	400	400	400	400	400	400	400	3,600
Taxes & Licenses	0	0	0	3,480	3,480	4,350	4,350	4,350	5,075	4,350	2,900	2,175	34,510
Utilities	0	0	0	350	350	350	350	350	350	350	350	350	3,150
Total Expenses	0	0	0	22,000	22,000	26,200	26,200	26,200	31,011	26,200	19,200	15,700	214,711
Net Operating Income	0	0	0	11,600	11,600	15,800	15,800	15,800	17,989	15,800	8,800	5,300	118,489
Net Income	0	0	0	11,600	11,600	15,800	15,800	15,800	17,989	15,800	8,800	5,300	118,489

BEER 40 ROCKLIN

Site/Development Budget (Consolidated)

Date Created: 11/15/2020
Date Updated:
Brief project description: Food, Beer & Wine Community Garden
Approved Budget: \$210,000

Item	Description	Consultant - Contractor	1.1.21 Budget	Comments
1	A/E Fees		\$8,000	
	Architecture		\$3,500	Estimated - Architectural
	Structural		\$0	
	MEP		\$4,500	Estimated - MEP
	Civil Engineering		\$0	
	Misc. Specialty Consultants		\$0	
2	Landscape		\$45,000	
	Landscape		\$30,000	Fence, Blue Rock, Steel Posts, Kids Play Area
	Planter Boxes		\$5,000	Planters boxes and material
	Mister System		\$10,000	Mister system materials and labor
3	Construction		\$128,500	
	Owner Provided Costs		\$0	
	Site Work		\$0	
	Plumbing/Electrical		\$40,000	Sewer Line, Water Line and Conduit for Electrical
	Container - Restrooms		\$25,000	40' Container, women/mens restroom
	Container - Bar		\$20,000	20 Container, footings and branding
	Steel		\$6,000	KW Quote - Steel Posts
	Security		\$5,000	Low Voltage / Security
	Shade Sails		\$15,000	Goodwin Cole
	FF&E		\$12,500	Picnic tables/ barrels, stools
	Stage		\$5,000	Music Stage
4	Testing and Inspection		\$500	
	Special Inspections		\$500	Contingency
NON-CONTRACT ACCOUNTS PAYABLE				
5	Utility Companies		\$7,500	
	Elec., water, gas, sewer, storm drain		\$7,500	PG&E Temp Power
6	City Fees		\$7,500	
	PC & Permit		\$7,500	Estimated Permit Fees
	Traffic Fee		\$0	
	Other		\$0	
7	Miscellaneous expenses		\$10,000	
	Printing, mileage, reimbursables		\$0	
	Other		\$10,000	Contingency
	SUBTOTAL		\$207,000	
	General Conditions and GC Fees		\$0	
	TOTALS		\$207,000	
	BUDGET		\$207,000	

BEER 40 - ROCKLIN RENT CALCULATION

Proposed Rent Structure to be based on a Percentage Rent of 5% of Gross Sales (Net Sales Tax). Rent shall be offset by non-reusable TI cost of site specific improvements of up to \$150,000 amortized over the Lease term of 60 months. (All improvements shall be at Tenants sole cost and expense. Tenant shall pay for the improvements from cash on hand and investor capital.)

TENANT IMPROVEMENT BUDGET	\$207,500	
TENANT FIXED EXPENSE	-\$57,500	TENANT OWNED EQUIP INCLUDES BAR CONTAINER, RESTROOM CONTAINER AND FF&E.
TENANT TI - RENT OFFSET	\$150,000	RENT OFFSET OVER TERM
MONTHLY RENT OFFSET	\$2,500	60 MO. TERM

Rent shall be reconciled quarterly. Example of Rent Payment calculation:

Q2 - 2021 ESTIMATED RENT:

Estimated Gross Sales for Q2'21	\$156,000	
Less Sales Tax	-\$11,310	Based on 7.25%
	<u>\$144,690</u>	

Percentage Rent (5%)	\$7,235
TI Offset (\$2,500 min. monthly)	<u>\$7,500</u>

If min offset is higher than % Rent then
\$0 Rent is \$0 for Q2.

Q3 - 2021 ESTIMATED RENT:

Estimated Gross Sales for Q2'21	\$190,000	
Less Sales Tax	-\$13,775	Based on 7.25%
	<u>\$176,225</u>	

Percentage Rent (5%)	\$8,811
TI Offset (\$2,500 min. monthly)	<u>\$7,500</u>

If Percentage Rent is higher, then min TI
\$1,311 offset, then Rent is \$1,311 for Q3.

Q4 - 2021 ESTIMATED RENT:

Estimated Gross Sales for Q2'21	\$130,000	
Less Sales Tax	-\$9,425	Based on 7.25%
	<u>\$120,575</u>	

Percentage Rent (5%)	\$6,029
TI Offset (\$2,500 min. monthly)	<u>\$7,500</u>

If min offset is higher than % Rent then
\$0 Rent is \$0 for Q4.

Please note, our rent projections are highly conservative. For comparison purposes, BEER 40 Vacaville net sales for opening quarter 2020 was \$171k (Mid July-Sep, 2020). Quarter was approx. 10 weeks and we experienced extensive fires and air quality issues causing a shut down during key weekend days during the quarter. Vacaville also opened during the pandemic. We expect to exceed the projected income goals which will result in increased rent opportunity.

The Craft Brewing Industry Contributed \$82.9 Billion to the U.S. Economy in 2019, more than 580,000 Jobs. Small and independent American craft brewers contributed \$82.9 billion to the U.S. economy in 2019. The figure is derived from the total impact of beer brewed by craft brewers as it moves through the three-tier system (breweries, wholesalers and retailers), as well as all non-beer products like food and merchandise that brewpub restaurants and brewery taprooms sell. The industry also provided more than 580,000 total jobs, with more than 160,000 jobs directly at breweries and brewpubs, including serving staff at brewpubs.



Top 5 States (2019)

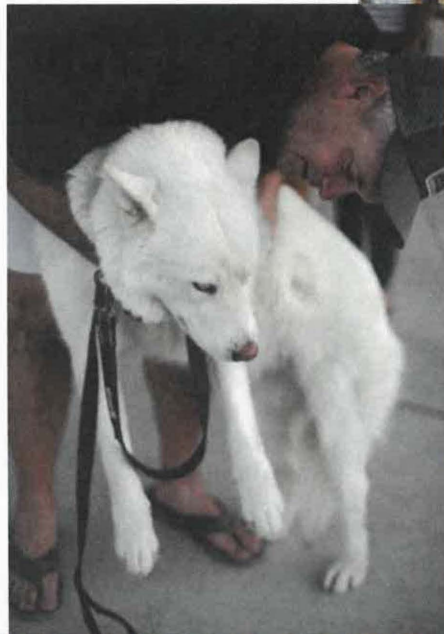
Rank	State	Output
1.	California	\$9.7 billion
2.	Pennsylvania	\$5.6 billion
3.	Texas	\$5.4 billion
4.	New York	\$4.9 billion
5.	Florida	\$3.8 billion



While beer and wine sales is anticipated to be our highest revenue generator, Beer 40 will also offer a unique food experience with a quality menu catered to the neighborhood “foodie” and the little league kids! Our model is to keep it simple.

Approximately 80% of our revenue is generated from beer and food sales, 10% from non-alcoholic beverages and the remaining 10% come from miscellaneous revenue generating sources such as private and promotional event venues. A portion of our revenue will be allocated to local charitable organizations and non-profits.

Statutory Definition of Beer: "Beer" means any alcoholic beverage obtained by the fermentation of any infusion or decoction of barley, malt, hops, or any other similar product, or any combination thereof in water, and includes ale, porter, brown, stout, lager beer, small beer, and strong beer, but does not include sake, known as Japanese rice wine. Beer aged in an empty wooden barrel previously used to contain wine or distilled spirits shall be defined exclusively as "beer" and shall not be considered a dilution or mixture of any other alcoholic beverage.

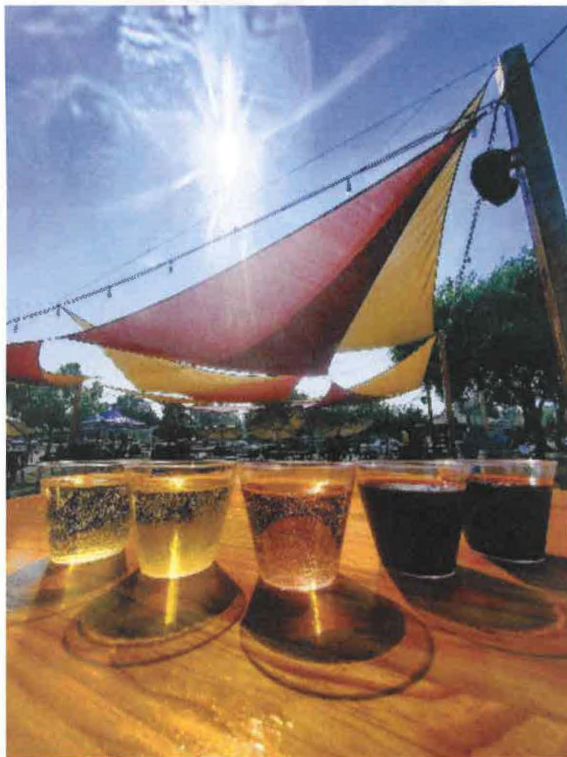




“Superior guest experience. We take pride in providing a diverse assortment of independent craft beer and ciders from local and regional breweries, in addition to a range of excellent varietal wines. Our primary goal is to have a favorable impact in our community catering to families, business professionals, beer and wine connoisseurs and families of furry friends. We will also provide healthy food options with an emphasis on local flavors and farm fresh experiences. Our community is our priority. Their experience will tell the story.”

Bridging Generations with the sound of music.....





Sensitive information

The confidentiality agreement exists solely to ensure that information contained herein may only be shared by consent of "Beer 40" and "SACYARD, LLC" to avoid the threat of the total loss of the information to a possible competitor.

Obligations of Receiving Party. Receiving Party shall hold and maintain the Confidential Information in strictest confidence for the sole and exclusive benefit of the Disclosing Party. Receiving Party shall carefully restrict access to Confidential Information to employees, contractors, and third parties as is reasonably required and shall require those persons to sign nondisclosure restrictions at least as protective as those in this Agreement. Receiving Party shall not, without prior written approval of Disclosing Party, use for Receiving Party's own benefit, publish, copy, or otherwise disclose to others, or permit the use by others for their benefit or to the detriment of Disclosing Party, any Confidential Information. Receiving Party shall return to Disclosing Party any and all records, notes, and other written, printed, or tangible materials in its possession pertaining to Confidential Information immediately if Disclosing Party requests it in writing.