

SUBSTITUTE

**Proposed Terms of Lease for Retail Space at 1118 North 4th Street
Within City of Milwaukee Parking Garage located at 324 W. Highland Avenue**

Lessee business name: CENTERCOURT 1118 LLC

Principals: Mr. Brian James and Mr. Rick Kohen

Mr. James has owned and successfully operated Rosies' Bar on Water Street for over ten years.

Mr. Kohen has been the owner of Connections Ticket Service, Inc. in the Milwaukee area for over 13 years. Mr. Kohen holds a bachelor's degree from UWM in criminology and worked as a police officer for six years prior to starting Connections Ticket Service.

Hired Bar and Restaurant Consultants: Lessees have contracted with consultants who operate six restaurants and/or bars between Milwaukee Street and the 5th Ward, one of whom is Omar Shaikh, the owner of Carnevor, Umami Moto, Charro's, etc

Liquor License: Application has been submitted. If it is not granted, restaurant will open in advance without liquor sales to familiarize clientele with new operation.

Lease Term: One seven-year lease with one seven-year extension. In the first four months of the first term of the lease, there will be a rent abatement as establishment begins to attract clientele. There will be no further rent abatement during first term or extension.

Annual Combined Base and Supplemental Rent:

First Term

Year: 1 st Term	2010	2011	2012	2013	2014	2015	2016
Annual Base Rent	\$75,000 - 4 mo = \$50,0000	\$82,000	\$90,000	\$99,000	\$109,000	\$120,000	\$132,000

Second Term

Year: 2 nd Term	2017	2018	2019	2020	2021	2022	2023
Annual Base Rent	\$139,000	\$146,000	\$153,000	\$161,000	\$169,000	\$177,000	\$186,000

Percentage Rent: In addition to the payment of Base rent, Lessee shall pay to Lessor for each lease year of the term, as percentage rent: a) five percent (5%) of the amount, if any, by which the gross sales exceed One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) and are less than Two Million (\$2,000,000); b) seven percent (7%) of the amount by which gross sales exceed Two Million (\$2,000,000).

Security Deposit: \$25,000 payable before occupation of space.

Employee Parking: Up to twenty spaces near the closest entrance to the restaurant Will strive to make them as contiguous as possible. Lessee will be pay monthly unreserved rate in existence for these spaces throughout lease.

Customer Parking: On weekdays when there are no special events, City and lessee will establish a mutually acceptable parking validation system that will allow up to two (2) hours of free parking for lessee's customers at all times that a special event parking fee is not in effect for the parking structure. During the months of September – January on Saturday and Sundays, City will attempt to develop but does not guarantee a functioning validation system to allow up to three hours free parking, as long as parkers exit the garage by 3:00 P.M. or pay full event rate upon exit after 3:00 P.M. Lessee's employees may not utilize validation system for part or full-time employee parking .Lessee may be invoiced by the City for the lost revenue for any improperly-issued validations. City reserves the right and option to cancel free parking arrangements upon sixty (60) days prior written notice to Lessee, if validation system continues to be improperly used after two notifications.

Assignment: Lease may be assigned with prior written consent of the Commissioner of Public Works

Signage: Any change in exterior signage must be approved by the City of Milwaukee Department of City Development (DCD). DPW will permit signage changes that have been approved by DCD.

Bradley Center Remodeling: If the Bradley Center is closed and rebuilt elsewhere, the lessee may terminate lease. If the entrance to the Bradley Center is moved from the east side of the facility to a west side location, the lease for the retail space may be renegotiated to reflect lower visibility for the restaurant/bar. If Bradley Center remodeling restricts access to lessee's space for extended period, the City will work cooperatively with lessee to determine effect on access to the property and to the business. If a significant negative effect is substantiated, City will negotiate a temporary reduction in lease rate during the period of substantial remodeling.

Default Clause to be added to lease:

Lessee creates or allows conditions to occur which cause a public nuisance at, on or about leased premises or there shall occur on an ongoing and cumulative basis, a significant drain on Lessor's public safety resources as a result of call to Leased Premises".