

LAND LEASE AGREEMENT

MILWAUKEE COUNTY

AND

PREMIER DEVELOPMENT GROUP L.L.C.

FOR

CHILD CARE FACILITY

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RECITALS

THIS LAND LEASE AGREEMENT, made and entered into this _____ day of _____, 2011, by and between, Milwaukee County, a corporate municipal body (hereinafter Lessor), and Matthew J. Mehring, also doing business as, Premier Development Group L.L.C. (hereinafter Lessee), a for profit company providing facilities management services, organized and licensed to do business in the State of Wisconsin.

THEREFORE WITNESSETH:

WHEREAS, the Lessor has authority under Wisconsin State Statute, and by review and approval of the Milwaukee County Board of Supervisors, to enter into this Land Lease Agreement (hereinafter Agreement) with the Lessee for the purpose of managing, facilitating and potentially expanding the current child care facility now occupying the Lessor's land subject to the terms and conditions of this Agreement; and,

WHEREAS, the Lessee enters into this Agreement in order to manage, facilitate and potentially expand the child care center operations, which provides child care services to students and employees of the Milwaukee Regional Medical Center and, the general public, on the Lessor's land and in the building located thereon (hereinafter Facility); and,

WHEREAS, the Lessor, in recognition of the existing land lease between Milwaukee County and the Milwaukee Regional Medical Center, Inc. dated June 12, 1990, has determined that a change in the current leasing arrangement is acceptable and warranted and that this Agreement with the Lessee is in the best interest of all parties pursuant to this Agreement with the intent and purpose of the continuation of quality child care services to the aforementioned; and,

NOW, THEREFORE, in consideration of the mutual covenants and agreements along with other good and valuable considerations, with mutual acknowledge of receipt of same, hereby agree between the Lessor and Lessee as follows:

1. **Premises.** Lessor agrees to lease Lessee a parcel of land, consisting of approximately 1.748 acres (hereinafter Premises) which legal description appears herein as Exhibit A and attached hereto.

2. **Length of Lease.** This Agreement shall be for an initial term of thirty (30) years from the date of the signing of this Agreement (Commencement Date) with two (2) additional ten (10) year extension periods that may be exercised by the Lessee by providing Lessor with a six (6) month written Notice to Extend prior to the end of said initial term and, as well, the additional extension periods.

3. **Terms and Compensation.** For use of the Premises the Lessee agrees to pay Lessor the agreed upon rental compensation referenced in Exhibit B which is attached hereto. Lessee to pay Lessor the rental compensation annually and in advance of the Commencement Date and every anniversary date thereafter. Commencing with the eleventh (11th) year of this Agreement, the rental compensation shall be paid to the Lessor by the Lessee in an amount calculated and determined by a mutually satisfactorily independent real estate appraiser licensed in the State of Wisconsin. Appraisal costs are to be shared equally between Lessor and Lessee. Rental payments shall, in years twelve (12) through twenty (20), escalate 1% annually per a revised Exhibit B. Subsequent appraisals are to be conducted every ten (10) years thereafter with 1% annual escalators over the life of this Agreement. If the parties cannot agree to a mutually satisfactorily independent real estate appraiser, each party shall submit to the other three (3) names of appraisers satisfactory to the other party. If the parties' nominations overlap to the extent that but one person is named by both parties, that one person who has been nominated by both parties shall be named the appraiser hereunder. If two (2) persons have been nominated by both parties, the parties select by lot from the two persons so nominated. If three (3) persons have been nominated by both parties, the Lessee shall have the first opportunity to strike one (1) nominee. The Lessor shall have the second opportunity to strike a nominee and the third nominee shall be the named appraiser hereunder. If there is no overlap in nominations, the parties shall again attempt to agree upon a mutually satisfactory appraiser and if not successful shall apply to the Chief Judge of the Circuit Court for Milwaukee County to appoint an appraiser from the membership

of the American Institute of Real Estate Appraisers or other duly recognized organizations of professional appraisers who is well qualified in the appraisal of institutional properties and also holds a designation other than residential appraiser.

4. Facility Additions and Expansion.

- (a) Lessor grants the Lessee the right, absent obligation, to expand the existing physical Facility. Said Facility expansion will not be commenced or committed until such time as the proper plans and specifications for the physical development of the Facility are vetted and approved by the Lessor's Director of Public Works, who shall sign off in Agreement with the plan, without unreasonable delay, along with any other such approvals that may be necessary and required by the City of Wauwatosa. Lessee shall submit a formal letter requesting Lessor's Director of Public Works prompt review of said plans and specifications along with seeking approval of the City of Wauwatosa. Such plans and specifications shall be deemed to have been approved, unless Lessor's Director of Public Works, within thirty (30) days of the submittal, provides a written Notice of Disapproval of Lessee's intended plans or specifications. In such Notice the Lessor's Director of Public Works shall provide the Lessee with specific objections and reasons for disapproval of Lessee's plan. In such an event, Lessee shall have the thirty (30) day option, from the date of notice, to amend or change specifications of the plan to meet the approval of the Lessor's Director of Public Works. Upon final approval, no material changes in the plans or specifications can be made without the express written approval of the Lessor's Director of Public Works. Any material changes to the initial plan shall be promptly submitted to the Lessor's Director of Public Works for review of which said Director shall promptly review and expedite. Upon prior notice, except in the case of an emergency and at Lessor's sole risk and expense, the Director of Public Works may enter upon the Premises and the Facility proper to observe and take note of construction related activities.

- (aa) Prevailing Wage.** To the extent applicable, all project construction shall be subject to and comply with Wisconsin's Prevailing Wage Laws. (Wis. Stat. Sec. 66.0903, 66.0904 and 103.49)
- (aaa) Prior Approval.** Any expansion of the existing physical Facility at any time shall require compliance with Due Diligence requirement of the Milwaukee County Department of Administrative Services (DAS), which shall include and require that Lessee provide evidence that it has obtained the necessary funds or financing in an amount not less than one hundred percent (100%) of the estimated cost of the proposed expansion, before commencing any expansion of the existing physical Facility.
- (b)** Lessee may obtain financing to facilitate Facility asset purchases and/or any future additions, improvements and/or expansions of the Facility deemed necessary thereto, through various financing sources, public or private, including but not limited to loans, grants, guarantees, tax credits, interest subsidies or other financial means from multiple government or private institutions and sources. It is recognized and understood that all such institutions and sources (hereinafter Financing Agencies) may, incident thereto, be required from time to time to attach, by mortgage, Lessee's leasehold interests in the Premises. In the event that one or more Financing Agencies requests a modification of this Agreement in recognition of same, such modification shall not include, in any way, the subordination of Lessor's fee interest in the Premises to any leasehold mortgage without indemnifying the Lessor from any payment obligations or indebtedness as a condition of said financing. Lessor acknowledges that requests for mortgage security may be required as a consequence of Lessee's construction financing needs and therefore the merits of same may be considered, on a case by case basis, by Lessor in the event a modification request is deemed reasonable and necessary in order to facilitate the construction financing and development of the Facility.

- (c)** In the event Lessor receives a written notice from a Financing Agency seeking to provide financing to the Lessee for construction related to the Facility or improvements, Lessor shall promptly contact the Financing Agency in writing and provide any information concerning any default by Lessee in its obligation to the Lessor or any information pertaining to any contemplated termination of said Agreement. In the case of curing a default to avoid termination or any other outstanding indebtedness owed to Lessor, the Financing Agency may have the same rights and privileges as the Lessee, in order to protect its interests, in providing support of the continued intended use of the Facility.
- (d)** Lessee's fee rights are limited to the physical Facility only and do not include the Premises upon which the construction and Facility, subject to this Agreement, is predicated. In the event Lessee obtains a mortgage against Lessee's leasehold interests, all of the limitations pertaining to the use of the Facility shall remain applicable to and binding on the mortgagee, its successors and assigns. Nothing contained herein or made a part of any mortgage shall be construed as creating a general indebtedness or obligation of Lessor to assume any debt within the meaning of any constitutional, statutory provisions or limitations, or otherwise, impose upon Lessor any liability for any indebtedness or other financial obligation of Lessee.
- (e)** Lessee is obligated to and shall restore, at Lessee's expense, all roadways or other pathways to the same or near similar condition as existed prior to the commencement of construction activities. Lessee agrees to make any such repairs, if needed, which shall be completed no later than thirty (30) days after receiving notice from Lessor that such repair is necessary.
- (f)** For those amenities provided to Lessee which are in common and shared with the other private geographic members of the Milwaukee Regional Medical Center on the County Grounds, the Cost Sharing Ordinance (Chapter 98, Milwaukee County General Ordinances) shall be applicable to Lessee and

Lessee shall pay its proportion of the properly chargeable costs pursuant to Chapter 98.

- (g)** Any and all security needs for the Premises and Facility are to be provided by Lessee at Lessee's expense.
- (h)** Lessor is the owner and operator of the following utility services which it provides for customers of the County Grounds: sanitary sewer, storm sewer and potable water.
- (1)** With respect to same, Lessor will provide Lessee with connection and use of water and sanitary and storm sewers. Depending on the needs of the Lessee, Lessee is extended the privilege to tie into, connect or disconnect from Lessor's water, sanitary and storm sewer distribution system on the County Grounds at such points and locations, in such manner and with such materials and equipment as shall be determined and approved by Lessor's Director of Public Works. All costs and expenses incidental thereto, including all costs of metering and controlling devices or installation thereof, if required by Lessor or code, shall be borne by and the sole responsibility of the Lessee. Lessee agrees to financially contribute to the Storm Water Fund on a prorated basis in conjunction with the other geographic members of the Milwaukee Regional Medical Center.
- (2)** Notwithstanding anything to the contrary in the Agreement, if Lessee is prevented from receiving water, sewer or storm sewer services that Lessee requires for the operation of Lessee's child care business at the leased Premises and such interruption renders the Premises untenable, in whole or in part, or makes it impractical for Lessee to operate its business on the Premises, then Lessee shall give notice to Lessor thereof and the rental compensation and other payments due under the Agreement shall abate on a per diem basis commencing on the fifth (5th)

business day after such notice. In addition, if such interruption continues for a period of thirty (30) days after such notice, Lessee may terminate this Agreement at its election at any time thereafter by giving notice to Lessor of its desire to do so whereupon this Agreement shall terminate on the date specified by Lessee with the same force and effect as if such date were the date originally set forth herein as the expiration date. Lessor is not deemed to be the grantor and is to be held non liable for interruption of utility services. While Lessor will exert its best efforts to assure the uninterrupted continuation of utility services to Lessee's Facility, Lessor is not, by electing to make such services available to Lessee, liable to Lessee for damages related to either if one or more of said services should be interrupted, terminated or reduced because of necessary maintenance, repairs or improvements or any other cause whatsoever.

- (3)** Lessee agrees to pay Lessor for potable water, sanitary sewer and storm sewer services at the same rate which Lessor charges other customers that utilize its utility services. The frequency and method of payment shall be established by Lessor's Director of Public Works. In the case of nonpayment of utility charges, upon not less than ten (10) days notice to Lessee, Lessor may discontinue furnishing such utility services as are not paid for and such discontinuance shall not render Lessor liable to Lessee for damage or relieve Lessee from performance of its obligation under this Agreement.

- (4)** Lessor shall have access to any utility meters with 24 hours notice, except in the case of emergency, to enter upon the Premises and into the Facility, for the purpose of reading, inspecting, monitoring, repairing, replacing or modifying any utility meters, sensors or other controls installed thereon or therein.

(5) Where approval of the Director of Public Works is required herein, Lessee shall make specific requests in writing for each such required approval of concurrence therewith and shall submit all necessary and required drawings, specifications or other supporting documentation requested and that the Director of Public Works, or their designee, shall respond timely in writing.

(6) Lessor shall provide Lessee ingress and egress to and from the Lessor owned North 87th Street, which abuts and is adjacent to the Premises, during all periods with exception to any portion of time associated with interruptions due to required street maintenance, repair or road construction that may be required and beyond the control of the Lessor. Any change or modification in the ingress or egress from North 87th Street to the Premises by Lessee that existed at the time of the signing of this Agreement shall require the approval of the Director of Public Works.

5. **Completion of Facility Addition and Expansion.** In the event Lessee shall elect to expand the existing Facility, Lessee shall substantially complete any alterations or Facility expansion within two (2) years of the commencement of construction. Commencement of construction means actual physical construction of the Facility and does not include preliminary or basic excavation of the Premises. The Lessee shall provide Lessor with a plan and time-table for the completion of the construction within the two (2) year period. Lessor may extend the time for completion based on construction issues that may affect same that are beyond the control of the Lessee (i.e. labor strikes or labor shortage, unavailability of materials and supplies, government restrictions or national emergencies, acts of God, or delays caused by acts of the Lessor.) The Facility expansion shall be of high quality construction performed in a workman like manner and must be in compliance with all applicable laws, rules, statutes, ordinances, regulations and other construction industry requirements and standards. Said completion of the Facility construction and expansion shall be overseen by Lessee's construction manager or architect who

will provide Lessor's Director of Public Works with reports updating and certifying that such work is progressing towards timely completion. Lessee agrees to be responsible for removing, at Lessee's cost and expense, any and all surface or subsurface structures or construction impediments which may exist or interfere with Lessee's operation, facility management or expansion construction plans related to the Facility. This includes but is not limited to relocation of underground utility and sewer lines as determined by the construction needs of the project.

- 6. Cost and Payment of Facility, Additions, Expansion and Alterations.** Prior to any construction, pursuant to Section 4 (aaa), Lessee shall provide reasonable and satisfactory evidence, to the Lessor's Director of Public Works, that Lessee has sufficient available funds to assure construction and satisfactory completion of the Facility expansion with the ability to make payment of all costs and expenses associated with said construction. Such evidence may be provided in the form of cash on hand, marketable securities, firm pledges or gift commitments, loan commitments, grants from state or federal agencies or any other additional marketable assets which shall constitute an aggregate amount sufficient to cover the expense of construction completion. In the alternative, Lessee may furnish performance and payment bonds naming Lessor as co-insured in an amount equal to the cost of construction and completion of the facilities expansion construction exclusive of furnishings and equipment. No Lien shall be imposed on Lessor's Premises and Lessee shall not permit any part of the Premises or Facility to be used by any persons in such a manner as might reasonably tend to impair Lessor's title to or interest in any part of the Premises. Lessee shall indemnify and hold harmless Lessor from any and all statutory liens or claims of any construction contractor, sub-contractor, material supplier, laborer or other third party participant which may arise in connection with the construction or completion of the Facility expansion.

- 7. Use of Facility and Premises.** The Premises and Facility shall be exclusively used as a child care center, including any afterschool or school-age programs, together with related administrative areas, kitchen facilities, and outdoor play area, as necessary, to serve the employees, faculty and students associated with the

Milwaukee Regional Medical Center and the general public and, shall serve no other purpose without prior written consent from Lessor. Lessee is prohibited from sub-leasing or leasing space in this Facility to any individual, organization or other entity, with the exception of sub-leasing the Facility to Bright Horizons Children's Center L.L.C. (hereinafter Sublessee) and a portion of the parking lot surface on the south side of the Premises to the Eddie Martini Restaurant, without first obtaining written approval from Lessor. Failure to comply with this requirement shall be deemed a material breach of this Agreement. Lessee shall comply with all applicable statutes, laws, orders, ordinances and license requirements to operate the Facility pursuant to regulations mandated by the Federal Government, the State of Wisconsin or any other municipal governing body who has jurisdiction over the operation of said child care facility. This includes the local Board of Fire Underwriters and any other similar body having lawful responsibility to impose upon either Lessor or Lessee the duty to subscribe or conform to existing rules and regulations affecting the operation of the Facility and business. Nothing contained herein prevents or prohibits the Lessee from challenging or seeking legal exemption from any law, rule or regulation.

Lessee shall, at its sole cost and expense, comply with all requirements pertaining to the Premises and Facility imposed by any insurance organization or company that is necessary for the maintenance of the insurance required by this Agreement. No use shall be made, or permitted to be made, of any part of the Premises or Facility, or acts done, which will be in violation of any provision of or cause a cancellation of any insurance policy covering any part of the buildings, structures, or improvements located on the Premises.

- 8. Indemnification.** As a condition of this Agreement Lessee will, at all times during the initial thirty (30) year term and any extended terms thereafter, indemnify and hold harmless the Lessor, Milwaukee County Executive, Milwaukee County Board of Supervisors, and any other Lessor officer or agent, against any and all liability associated with any loss, damage, personal injury, loss of life, charges, costs or expenses that Lessee may incur or sustain or be required to pay as a result of any willful, negligent, illegal act or omission of Lessee, Lessee's employees, agents or representatives which may result from the failure of Lessee to perform or adhere to

any of the terms, covenants and conditions of this Agreement resulting in any damage, property loss, personal injury or death while in or on the Premises and Facility. To the fullest extent allowed by law, Lessor, as a municipal corporation, will endeavor to hold harmless and reimburse any costs or loss to Lessee based on Lessor's acts, including acts of its officers, employees, agents or representatives which may result in damage, property loss, personal injury, charges, costs or expenses while in or on the Premises and Facility.

9. Insurance.

(a) Hazard Insurance. Lessee shall procure directly, or through Sublessee at all times during the term of its sublease, at these parties sole cost and expense, property insurance on the Premises including contents, improvements and betterments and appropriate business interruption coverage as usual to the industry and at all times maintain the policies in force or Lessee/Sublessee may elect to self-insure business interruption coverage provided, however, that Lessee/Sublessee indemnifies and holds Lessor harmless from any, every and all claims, demands and causes of action arising in any way because of business interruption. Such coverage shall provide endorsements representing the Lessor's interest in the Premises and when applicable, any financial institution interest required by loans or other monetary instruments. Coverage shall reflect in forms current and usual to the industry for replacement cost. Deductibles shall be no more than \$100,000 and co-insurance penalties no less than 80% of the full insurable value. Lessee/Sublessee shall indemnify and hold Lessor harmless for any, every and all claims, demands and causes of action falling within such deductible amounts. Deductibles and co-insurance penalties shall remain the payment responsibility of the Lessee and its Sublessee. Insurance policies shall be written by a reputable insurance company authorized to do business in the State of Wisconsin. Lessee shall provide proof of property insurance coverage in the form of an insurance certificate to Lessor annually or as requested by Lessor in the event of a change in Sublessee. If Sublessee does not provide minimum required coverage or in the event there is no Sublessee, the Lessee shall comply with all insurance requirements in this section.

(b) Public Liability Insurance. Lessee and or its Sublessee shall ensure and agree to evidence and maintain proof of financial responsibility for any costs or legal actions that may arise from claims of tort, statutes and any other vicarious liability arising from the acts or omissions of Sublessee and its officers, employees, agents or personal representatives. Such evidence shall be in the form of proof of Net Worth in excess of \$100,000,000. Such coverage shall include policies of comprehensive general liability specifically covering the operations of Lessee and or Sublessee with minimum limits in the following amounts.

Workers Compensation and Employers Liability coverage per Wisconsin State Statute with minimum limits of \$100,000/\$500,000/\$100,000 usual to the industry.

Commercial General Liability for Bodily Injury and Property Damage in forms usual to the industry, i.e., ISO or its equivalent, with combined single limits of no less than \$10,000,000. Such limits may be satisfied by primary and umbrella policies. Coverage will include Fire Legal Liability with at least \$100,000 limit, Contractual Liability and Completed Operations Coverage as well as Professional Liability and Sexual Abuse Coverage, with a minimum primary occurrence limit of \$1,000,000 and \$2,000,000 aggregate.

Lessee and/or Sublessee shall ensure and keep in force insurance amounts as may reasonably be requested in writing by Lessor and from time to time as may be required to protect the interests of Lessor. Lessor shall be included as an additional insured by endorsement for all policies of general liability, professional liability, sexual abuse coverage, and umbrella coverage and Sublessee's insurance broker shall agree to provide a thirty (30) day notice to Lessor of any material change, cancellation and non-renewal of coverage. A certificate of liability insurance shall be provided to Lessor at least annually or as requested throughout the duration of the Agreement. If requested, policy specifics in addition to a certificate will be disclosed. Coverage shall be placed with insurance company(ies) approved or licensed in the State of Wisconsin with financial ratings of A- or higher from recognized rating agencies such as

Best's Key Rating Guide. Any deviations, including use of purchasing groups, risk retention groups or the like, or, requests for waiver from any of the above requirements shall be submitted in writing to Lessor for approval prior to the commencement of any activities covered by this Agreement. At any time during the initial or subsequent terms hereof, when any improvements upon the Premises are under construction, such insurance against aforementioned conditions may be provided under the builder's risk coverage policy.

If Sublessee does not provide minimum required coverage or in the event there is no Sublessee, the Lessee shall comply with all insurance requirements in this section.

10. Taxes and Assessments. Lessee agrees to pay directly to the appropriate taxing authority, when due, all real and personal property taxes, assessments and or other governmental impositions, fees, charges of any and every kind and nature, levied against Lessee, the Premises or Facility during the life of the Agreement. Nothing herein contained shall prevent Lessee or Lessor from protesting the validity or amount of any levy or assessment against the Premises or from taking any action required or permitted by law from affecting a protest of same. If, according to protocol and by providing satisfactory security according to statute, Lessee makes a determination to withhold the portion of said disputed amount of taxes or assessment, Lessor shall not, during this period, foreclose on Lessee's property rights for the non- payment of said taxes or assessment. Lessor shall not, during the term(s) of this Agreement unlawfully discriminate against Lessee in the levy or assessment of any tax against Lessee, the Premises or Lessee's Facility.

11. Condemnation and Taking.

(a) Total Taking. If during any term of this Agreement the entire Premises, or other such portions of the Facility that the Lessee may deem pertinent to the operation of the Facility's business, shall become unsuitable for said business or taken by any public or quasi-public authority under power of condemnation or eminent domain, or otherwise sold to any entity under threat thereof, this Agreement shall immediately terminate as of the date of intended possession of said acquiring authority. If in the event this Agreement is terminated as such,

or if the title to the land or any Lessor utility lines or tunnels are seized, Lessor shall be entitled to receive that part or the total award or compensation payable by reason of said taking which, whether stated affirmatively in the award notice or not, is equal or attributable to the value due the Facility, notwithstanding any increment in value due to the Facility or improvements made by Lessee or, any Lessor utility line or tunnels so taken. Lessee shall be entitled to receive the balance of any award or compensation due, or payable, as a result of said taking.

- (b) Partial Taking.** If the portion of the Premises taken by any public or quasi-public authority under its power of condemnation or eminent domain (or sold under the threat thereof) shall not, in the opinion and at the sole discretion of the Lessee, render the remaining portion unsuitable for the continued use of Lessee's business activities, Lessee shall restore the remaining portion of the Premises to the condition just prior to the taking, and to the extent practicable, with any award realized as a result of said taking which would allow for the continuation of the Agreement in its full force and effect. Nothing contained herein, however, shall prevent Lessee from restoring the Premises in accordance with revised plans and specifications which are different from the original intended plans and specifications, provided that the same standard of quality of the Facility is to be maintained and not materially impaired, provided that any difference conforms to the approved specifications and plans. Lessee shall be entitled to the use of all of the proceeds, if any, attributable and payable to the partial taking in order to restore the remaining Facility as herein provided, exclusive of that portion of said proceeds, if any, attributable to the partial taking of Lessor's underground utility to which Lessor shall be paid that portion due as a result of said partial taking. If any portion of the remainder of the proceeds payable by reason of the partial taking is not expended by Lessee in connection with the restoration of the remainder of the Facility, Lessor, if title to that part of the land was taken, shall be entitled to receive out of the portion of the proceeds that amount which is equal or attributable to the value of the land taken (notwithstanding any increment in value due to the Facility restoration or improvements made by

Lessee). The balance of the award or compensation payable by reason of said taking shall be the sole property of the Lessee.

- 12. Disputes.** With regards to any dispute between the parties arising out of the allocation or division of said award or negotiated sale or settlement price paid by the condemning entity, said dispute shall be referred for resolution to the Circuit Court by petition of the parties according to the provisions of Wisconsin Statutes 32.05 (7)(d) as amended.

- 13. Facility Damage or Destruction.** If, at any time during the term of this Agreement, the entire Premises or Facility or such portion thereof shall be rendered unsuitable for the continued conduct of Lessee's stated business and activities shall be damaged or destroyed by fire or other unintended casualty, Lessee shall have the right to terminate this Agreement at any time within six (6) months thereafter by providing the Lessor with a thirty (30) day written notice of termination. In the event Lessee elects to terminate this Agreement because of damage or destruction, Lessee shall, at Lessor's written request, demolish and remove any and all Facility residuals from the Premises and restore, to the extent possible, the Premises upon which the Facility was operating, to the condition that existed prior to the Facility, provided that any underground utilities that have been severed, capped or abandoned need not be removed. In the event of the termination of this Agreement by Lessee, Lessor shall have no interest in or claim to any proceeds of any insurance made payable or paid to the Lessee by reason of the damage or destruction insurance payments except to the extent of damage or destruction of Lessor's underground utilities. If Lessee does not terminate the Agreement as herein provided, Lessee then shall provide, to the extent of any insurance proceeds paid or payable by reason of the damage or destruction, repair and restoration of the Facility and Premises, including Lessor's underground utilities, to the condition immediately prior to the damage or destruction or the practicable equivalent thereof. Nothing contained herein, however, shall prevent Lessee from restoring the Premises or Facility in accordance with the original plans and specifications, or reasonable modification thereof, provided that the standard of quality of construction and craftsmanship are not materially impaired thereby, and

provided that such differences, if any, conform to any approved plans and specifications. All repairs and restoration shall be commenced as soon as reasonably possible after the occurrence of the damage or destruction and the receipt of insurance payments and shall be performed in a workmanlike manner in accordance with all laws, applicable statutes, ordinances, rules and regulations of any governmental authority having jurisdiction over the Premises, as well as the construction, existence and operation of the Facility. In the event the insurance proceeds paid or payable by reason of the damage or destruction exceeds the costs of performing the repairs or restoration as herein provided, said proceeds shall be the sole property of the Lessee. Except as expressly provided herein, damage to or destruction of the Facility shall in no event terminate this Agreement or affect, abate, or mitigate in any manner, or for any time period, the obligation of Lessee to pay the rental compensation under this Agreement.

- 14. Assignment and Subletting.** Lessee may not assign, in part or in whole, any portion of this Agreement or lease or sub-lease any part of the Premises or improvements therein, without the proper prior written approval of the Lessor, provided that mortgaging Lessee's leasehold interest pursuant to Section 4 of this Agreement does not require prior written approval of the Lessor for that purpose. (See Section 7 for permitted sub-lease and Sublessee usage and approvals.)
- 15. Land Lease Parking.** Lessee shall have the right to use portions of the Premises for the purpose of onsite parking to accommodate motor vehicles for visitors, staff, employees, invitees and the general public. Designated surface parking areas shall be of a hard surface material, have appropriate perimeter landscaping and utilize lighting fixtures consistent with lighting fixtures employed by the private members of the Milwaukee Regional Medical Center and the City of Wauwatosa. All plans and specifications for the development of the surface parking areas shall be subject to prior written approval of Lessor's Director of Public Works.
- 16. Warranty of Title/Quiet Enjoyment.** Lessor warrants that Lessor at all times shall maintain title to the Premises in fee simple free and clear of any and all liens or

other encumbrances and that the Lessor has full rights and authority to enter into this Agreement with Lessee. Lessor covenants and agrees that so long as Lessee shall duly and punctually perform and observe the terms and conditions hereof, Lessee and Sublessee shall peaceably and quietly have, hold and enjoy the Premises without any hindrance or obstruction. As noted in Section 4 (h) (6), Lessor shall at all times provide to Lessee appropriate and adequate ingress and egress to and from the Premises during the life of this Agreement.

17. Title to Equipment and Fixtures. Title to fixtures, equipment installed in the Facility or upon the Premises by Lessee shall remain solely owned by the Lessee up until the expiration or termination of the Agreement. Upon expiration or termination of the Agreement, Lessee shall be entitled to remove all or any part of installed equipment, displays or any other personal property of Lessee used in connection with the operation of the Facility. Title to all personal property, fixtures, equipment, displays or other personal property not removed by Lessee at the conclusion of the Agreement shall revert to Lessor, at Lessor's option. Removal of said fixtures, equipment, displays or other personal property from the Facility or Premises by the Lessee shall be coordinated with the Lessor.

18. Termination of Lease / Default Remedies.

(a) In the Event of Default by Lessee. Any one or more of the following events shall constitute a material breach and default by Lessee warranting termination by Lessor:

- (1)** If Lessee shall fail to complete the timely construction or expansion of the Facility or any part thereof in accordance with the agreed upon plans of construction; or,
- (2)** If Lessee fails to operate the Facility in accordance with the stated purpose or abandons the operation of the Facility any time during the Agreement period; or,

- (3) If Lessee fails to pay amounts due and owing for rental compensation, fire protection or other required services or charges necessary to maintain, protect and serve the Facility or those who use the Facility services; or,
- (4) If Lessee fails to comply with any other affirmative covenants material to this Agreement which are contained herein. If the occurrence of any event that may be deemed a default, and if the default continues after the proper sixty (60) day written notice has been given to Lessee to correct said default, said default has not been cured to the satisfaction of the Lessor, Lessor may elect to terminate this Agreement in accordance with Lessor's rights to do so, re-enter the Premises or any part thereof for the purpose of repossessing and securing same, expelling and removing Lessee or any other persons that may be occupying the Premises; or,
- (5) If default is made by Lessee in the performance or observance of any substantial covenant, condition or requirement contained herein, other than those previously enumerated in the foregoing paragraphs and said default shall continue (1), for ninety (90) days after written notice thereof shall have been received by Lessee, (2) if the default is not of a type that can reasonably be corrected or cured within the ninety (90) days, or a period reasonably required for curing same, and the Lessee has not proceeded to diligently expedite the curing thereof within said period, then Lessor shall have the right to cure said default of Lessee and charge the cost of any expense or expenditure associated with curing said default to the Lessee and to proceed, claim and collect, in a court of law, the amount incurred as the debt owed to Lessor by Lessee if said amount is not paid within the ninety (90) day period as requested in writing by Lessor.

- (b) **In the Event of Default by Lessor.** If Lessor defaults in the performance or observance of a substantial covenant or condition herein and the default shall continue (1), for ninety (90) days after written notice thereof shall have been received by Lessor or, (2), if default is not of the type that can be reasonably cured or corrected within ninety (90) days, or a period of time reasonably required for curing same, then Lessee shall have the right to cure

said default of Lessor and to proceed to claim and collect in Court, if contested, the amount incurred said debt due from Lessor if the amount is not paid within ninety (90) days after written by Lessee.

(c) Remedies. Any right or remedy conferred upon either Lessor or Lessee under provisions of this Agreement shall not be deemed to be exclusive of any other right or remedy which may otherwise be available hereunder at law or in equity. The rights and remedies of either party shall be cumulative and may be exercised and enforced concurrently and whenever and as often as the occasion thereof may arise.

(d) No Waiver of Rights. Failure of Lessor or Lessee to insist upon strict performance of any of the terms, covenants or conditions herein contained shall not be deemed to be a waiver of any subsequent breach or default in any of the terms, covenants or conditions of this Agreement.

19. Right to Access Property. Lessor shall have the right, upon reasonable notice and at reasonable times, to enter into and upon the Premises for the purpose of examining and inspecting whether Lessee has or is performing Lessee's covenants set forth in this Agreement; provided that entry shall be done in a manner that does not disrupt or interfere with Lessee's operations of the Premises. With respect to Lessor's utility lines, Lessor shall have the right in the case of an emergency, without prior notice and at any time, to enter upon the Premises and Facility for the purpose of examining, maintaining, repairing, replacing or removal of all or any portions thereof. It is further understood that Lessor must maintain unlimited rights to enter in order to perform all acts which the Lessor deems necessary in order to ensure the continued and uninterrupted flow of utility services to the Premises and Facility and to the various other Milwaukee Regional Medical Center buildings. In the case of such entry, acts performed thereon shall be done at Lessor's expense and risk and in such a manner as will minimize any interruption or interference with the conduct of Lessee's operations and activities.

20. Signage. Lessee shall be permitted to place and affix signs, in number, size, location and design, upon the exterior of the Facility and on the Premises indicating the identity of the Lessee's services therein. Size and design requirements shall be substantially the same as the uniform signage requirements of all of the geographic members of the Milwaukee Regional Medical Center and the City of Wauwatosa, and, with prior written consent of Lessor's Director of Public Works under the procedures heretofore enumerated. During any future construction or alterations to the Facility, appropriate signage may also be erected.

21. Maintenance and Repair. Lessee covenants and agrees that Lessee shall keep Premises and Facility in good, clean, safe, secure, hazard free and sanitary condition and as well Lessee shall perform whatever maintenance and repairs that may be necessary to comply with all statutes, laws, ordinances, rules, regulations and requirements of any governmental authority having jurisdiction over the Premises and its operation and maintain the Premises and Facility per child care and playground standards, including ADA accessibility compliance. Lessee shall also at all times keep the Premises and all of the Facilities and improvements of the Premises and all appurtenances thereto and all walkways, steps and excavations under the walkways of the Premises in the proper state of maintenance and repair and in good, clean, safe, secure and sanitary condition. Lessee shall keep all service roadways within the Premises in a clean and safe condition and shall conform to all municipal ordinances and laws affecting the Premises and will hold the Lessor free and harmless from any penalty, damages or other charges imposed as a result of any violation of any of the ordinances or laws governing same, whether occasioned by neglect of Lessee or any agent or person contracting with Lessee. Lessee shall provide adequate and appropriate containers for the temporary storage of trash and garbage. Lessee shall not permit any unattractive or unsanitary accumulation of trash, debris or litter on the Premises. The piling of boxes, cartons, drums, barrels, cans or other similar items in an unsightly or unsafe manner is strictly prohibited. Lessee shall maintain all grass areas, shrubbery and trees on the Premises which shall be trimmed and adequately maintained. Use of pesticides, herbicides, fertilizers and similar substances shall be in compliance and conformity with all local, state and federal

rules, laws and regulations. All materials, equipment, and supplies used or provided to Lessee and or Sublessee shall comply fully with all safety requirements as set forth by State of Wisconsin Administrative Code and all applicable Federal and OSHA Standards.

22. Nondiscrimination and Equal Employment Opportunities.

- (a)** In the use of the Premises and contracted operations, including construction or alterations of the Facility, Lessee shall not discriminate or allow discrimination to exist in a manner, or cause the operator of the Facility to discriminate, against any person or group of persons because of their race, sex, creed, color, gender orientation, age, national origin or handicap, in the operation of the Facility and that Lessee agrees to fully comply with or cause Facility operators to comply with all applicable statutes, laws orders, regulations, ordinances or other requirements mandated by the federal government, the State of Wisconsin or any other county, municipal or public authority prohibiting such discrimination.
- (b)** In the performance of the execution of this Agreement, Lessee shall not or cause the operator of the Facility to discriminate against any employee or applicant for employment because of race, sex, creed, color, gender orientation, age, national origin or handicap, which shall include, but is not limited to, the following: employment, promotion, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and, selection for training, including apprenticeships. Lessee will post, in a conspicuous location, proper employment notices setting forth the provisions of employment and non-discrimination.
- (c)** Consistent with all applicable laws, Lessee agrees that Lessee will commit to and will cause the operator of the Facility to implement the principles of equal employment opportunity through an effective and lawful affirmative program, and will so certify as to same prior to the execution of this Agreement. This program shall have as its objective the increasing and meaningful utilization of minorities, women and handicapped individuals and other protected groups

who are underutilized and underrepresented in the industry. Lessee also agrees that in the event of any dispute as to compliance with the aforementioned requirements, Lessee shall be responsible for showing that Lessee has made a "good faith effort" to meet those requirements.

- (d) With regards to the construction and expansion of the Facility; Lessee, including Lessee's construction developer and professional services contractors, shall commit to achieving the Disadvantaged Business Enterprise (DBE) participation goals established by the Milwaukee County Division of Community Business Development Partners (CBDP) governed by 49 Code of Federal Regulations (CFR) 26. Lessee's construction developer shall submit to the Lessor a DBE Participation Plan to be reviewed by the CBDP office. Lessee, at Lessee's request, shall seek assistance in the identification of certified DBE firms, monitoring of the achievement, compliance and measurement of the stated objectives in meeting the DBE goals.

- 23. Facility Fire Protection.** The Lessor has entered into an agreement with the City of Wauwatosa on or about December 19, 1990, whereby the City of Wauwatosa agreed to and has located a fire station on the Milwaukee County Institution grounds in close proximity to Lessee's Facility and will provide and furnish first line fire protection to the county grounds institutions thereon which include the Premises leased by Lessee, for a period of no less than sixty (60) years from that date. Under this agreement Lessor is liable for eighty five per cent (85%) of the construction costs of the fire station and responsible for fifteen (15) fire fighter positions providing service to the institution grounds with said individuals being hired by the City of Wauwatosa. By virtue of the foregoing and in benefiting the Lessee thereby, it is agreed that Lessee's contribution to Lessor's continued costs of retaining fire protection in close proximity to the leased Premises and Facility, Lessee shall pay Lessor a prorated portion of said fire protection costs. This sum will be adjusted by the percentage of increases which Lessor shall be required to pay to the City of Wauwatosa for the services of the aforementioned fifteen (15) fire fighters pursuant to the agreement with the City of Wauwatosa. Said payments are to be made by Lessee on or before January 1st of each calendar year, except payment shall be adjusted based on the expansion construction

of the Facility. Payments by Lessee shall be predicated upon the condition that the City of Wauwatosa provides the services called for under the agreement signed and dated on or about December 19, 1990. All payments shall be made payable to Milwaukee County and shall be mailed to the attention of the Department of Public Works Facilities Management Accounting Coordinator, located at 10301 West Watertown Plank Road, Milwaukee, Wisconsin 53226.

- 24. Fencing.** By reason of the planned use of the Premises and Facility being primarily geared towards child care services, Lessee shall provide adequate and secure fencing for those utilized portions of the Premises at all times so as to eliminate, reduce the risk or prevent injury to the Facility's children. Accordingly, Lessee agrees that it will, at its sole cost and expense, provide and install permanent fencing of the play area on the Premises for child care and playground standards and ADA accessibility compliance as well as construction fencing during any expansion of the Facility.
- 25. Environmental Remediation and Indemnification.** Lessee shall, to the full extent provided for under any environmental laws, rules and regulations, be responsible for any required repair, cleanup, remediation, or detoxification arising out of (1) any Hazardous Materials brought onto or introduced into the Premises or surrounding areas by Lessee, its contractors, subcontractors, agents or guests, and/or (2) Hazardous Materials, whose presence pre-exists the commencement of Lessee's activities, that are discovered or disturbed as a result of Lessee's activities on, at or near the Premises. The Lessee hereby agrees to indemnify, defend and hold the Lessor harmless from and against any and all liabilities, costs, expenses (including attorney fees), damages (including but not limited to cleanup, remediation or detoxification of) or any other losses caused by any such Hazardous Materials described above. Any environmental damage caused by the Lessee and or Sublessee operations is the responsibility of the Lessee even after the Agreement expiration as may be required by law. Notwithstanding the foregoing, Lessee shall not be liable for, and shall have no obligations for (including but not limited to the indemnification, repair, cleanup, remediation or detoxification of) any Hazardous Material brought on the Premises by the Lessor or any third parties, other than Lessee's contractors,

agents or guests. The Lessor hereby agrees to indemnify, defend, and hold Lessee harmless from and against, any and all liabilities, costs, expenses (including attorney fees), damages (including but not limited to clean-up, remediation or detoxification of) or any other losses caused by any Hazardous Materials brought on the Premises by the Lessor. "Hazardous Materials" as the term is used herein shall mean any substance: (i) the presence of which requires investigation or remediation under Federal, State or local statute, regulation, ordinance, order, action or policy; or (ii) which is or becomes defined as a "hazardous waste" or "hazardous substance" under any Federal, State or local statute, regulation, ordinance, or amendments thereto.

26. Additional Provisions and Special Requirements.

- (a) **Notices.** Notices and demands required or pertinent to this Agreement shall be given to Lessor and as well, the Lessee at the following address:

LESSOR:

Milwaukee County Dept. of Public Works Facilities Management
10310 W. Watertown Plank Road
Wauwatosa, Wisconsin 53226

Or,

Milwaukee County Corporation Counsel Office
901 N. 9th Street, Rm. 303
Milwaukee, Wisconsin 53233

LESSEE:

C/o Matthew J. Mehring
Premier Development Group L.L.C.
1100 Buena Vista Ave.
Waukesha, Wisconsin, 53188

All such notices and demands under this Agreement shall be deemed to have been given when deposited, at minimum first class mail, in the United States mail with appropriate postage and receipt of mailing.

- (b) Provisions Severable.** If any provision of this Agreement shall be finally held or declared by a court of competent jurisdiction, including any appellate court, to be invalid, illegal or unenforceable under law, the particular provision so identified shall be deemed to be deleted from this Agreement without impairing or prejudicing the validity, legality or enforceability of the remaining provisions hereof.
- (c) Authority.** Lessor has executed this Agreement pursuant to the authority granted by Lessor's Board of Supervisors at its full Board meeting held on _____, 2011. Lessee recognizes and agrees that the undersigned representatives of the Lessor have the requisite authority and power to execute the terms and conditions contained herein
- (d) Laws of General Application.** All references contained in this Agreement to municipal and other governmental regulations are intended to apply to governmental regulations which would be generally applicable to all geographic members and shall not apply to regulations which would discriminate against Lessee, the Premises, or Lessee's Facility. In addition, during the term of this Agreement or any extensions thereof, Lessor shall not discriminate against Lessee, the Premises or Lessee's Facility. In addition, during the term of this Agreement or any extension thereof, Lessor shall not discriminate against Lessee or the Premises or Lessee's Facility in enacting any ordinance, regulation or requirement.
- (e) Benefits.** The term and conditions hereof shall inure to the benefit of the parties to be applicable to and binding upon their successors and assigns.
- (f) Purpose.** Lessor and Lessee both agree and understand that this Agreement is for the purpose of developing and maintaining child care services that are to

be utilized by employees, students who patronize the Milwaukee Regional Medical Center and, the general public.

- (g) Partnership.** Nothing contained in this Agreement shall constitute or be construed to create a partnership or joint venture between the Lessor or its successors or assigns and Lessee or its successors or assigns. In entering into this Agreement, and in acting in compliance herewith, Lessee is at all times acting and performing independently from Lessor, duly authorized to perform the acts required hereunder. This Agreement does not create the relationship of principal and agent, or of partnership, of joint venture, or of any other association between Lessor and Lessee and the sole relationship between Lessor and Lessee herein created is that of Lessor and Lessee.
- (h) Records and Auditing.** Pursuant to Sec. 56.30(6)(e) of the Milwaukee County Code of Ordinances, the Lessee's construction developer and professional services contractor (Contractor) shall allow the Lessor, by way of the Milwaukee County Department of Audit or any other party the Lessor may name, when and as Lessor demands, to audit, examine and make copies of records in any form or format, meaning any medium on which written, drawn, printed, spoken, visual, or electromagnetic information is recorded or preserved, regardless of physical form or characteristics which has been created or is being kept by Lessee or Contractor, including but not limited to, handwritten, typed or printed pages, maps, charts, photography, films, recordings, tapes (including computer tapes), computer files, computer printouts and optical disk files and excerpts or transcripts from any such records or other information directly relating to the matters under this Agreement and all at no cost to the Lessor. Any subcontracting by Lessee, Sublessee or Contractor in performing the duties described under this Agreement shall subject the subcontractor/Sublessee and/or their associates to the same audit terms and conditions as the Lessee or Contractor. Lessee, Sublessee, Contractor or any other subcontractor/Sublessee shall maintain and make available to the Lessor the aforementioned audit information for no less than three (3) years after the conclusion of any contract term.

27. Title to Facility. Upon termination of this Agreement, title to the Facility, improvements and structures existing on the Premises herein shall, at the option of Lessor, be retained and therefore vest in Lessor. Upon demand the Lessee shall execute any and all forms and documents necessary to effectuate vesting of title in Lessor free and clear of mortgages, liens or other legal encumbrances. Should Lessor elect not to retain title to the Facility, improvements and structures existing on the premises, Lessee shall restore the Premises to the condition prior to the existence of the Facility, improvements thereon, pursuant to the then current laws, code and regulations.

28. Binding Effect. It is agreed by the parties hereto that this Agreement shall bind the parties, their heirs, assigns, successors and future interests. This Agreement is bound by the laws of the State of Wisconsin and any dispute or claim not resolved through mediation or other informal means shall fall under the jurisdiction of the Circuit Courts of the State of Wisconsin.

LESSOR: Milwaukee County

By _____
Chris Abele, Milwaukee County Executive

By _____
Joseph Czarnecki, Milwaukee County Clerk

LESSEE: Premier Development Group L.L.C.

By _____
Matthew J. Mehring

Approved for Execution

Reviewed By

Corporation Counsel

Risk Manager

STATE OF WISCONSIN)

)SS.

MILWAUKEE COUNTY)

Personally came before me this _____ day of _____, 2011, the above named, Chris Abele, Milwaukee County Executive, to me known to be the person who executed the foregoing instrument on behalf of Milwaukee County with the requisite authority to do so.

Notary Public, State of Wisconsin
My Commission: _____

STATE OF WISCONSIN)

)SS.

MILWAUKEE COUNTY)

Personally came before me this ____ day of _____, 2011, the above named, Joseph Czarnezki, Milwaukee County Clerk, to me known to be the person who executed the foregoing instrument on behalf of Milwaukee County with the requisite authority to do so.

Notary Public, State of Wisconsin

My Commission: _____

STATE OF WISCONSIN)

)SS.

MILWAUKEE COUNTY)

Personally came before me this ____ day of _____, 2011, the above named Matthew J. Mehring, to me known to be the person who executed the foregoing instrument on behalf of Premier Development Group L.L.C. and acknowledged to same to be holder of the requisite authority to act on behalf of the corporation and have been given the authority by the corporation to act on behalf of same.

Notary Public, State of Wisconsin

My Commission: _____

EXHIBIT A

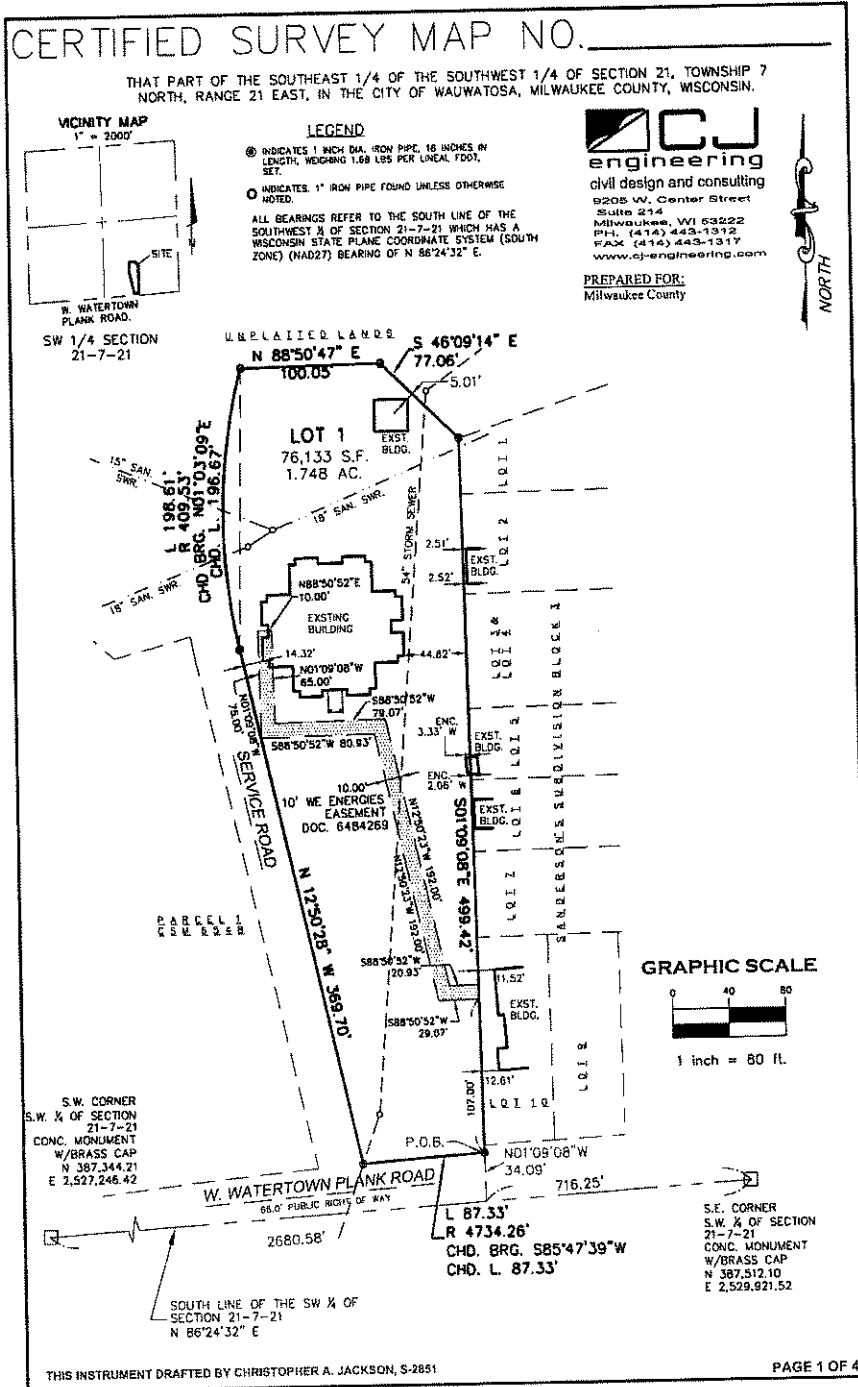


EXHIBIT B

YEAR #	YEAR	ANNUAL RENTAL COMPENSATION
1	2011	\$57,092.00*
2	2012	57,662.92
3	2013	58,239.55
4	2014	58,821.94
5	2015	59,410.16
6	2016	60,004.27
7	2017	60,604.31
8	2018	61,210.35
9	2019	61,822.46
10	2020	62,440.68

* Escalated annually 1% per year through Year 10.