

Date

Re: **Preliminary Lease Term Sheet**
Proposal for lease at _____, _____

Dear _____:

Subject to the general conditions set forth below, the following summarizes the negotiations between Landlord and Tenant with respect to the proposed lease of the above-referenced Premises. Landlord and Tenant propose to enter into a lease on the following terms:

Premises: Approximately _____ usable square feet in the location(s) shown on the floor plan attached as Exhibit A.

Name of Landlord: _____, a _____

Address of Landlord: _____

Name of Tenant: Milwaukee County ("MC")

Address of Tenant: 633 W. Wisconsin Avenue, Suite 903
Milwaukee, WI 53203

Initial Lease Term: ____ (__) year(s)

Extension Options: ____ (__) option(s) to extend for period(s) of ____ (__) year(s) each

Rent Commencement
Date: Earlier to occur of delivery of the Premises to Tenant or
_____, 20__

**Rent Abatement/
Free Rent:**

Annual Fixed Rent: Years 1-__: \$_____
Years _-__: \$_____

Extension Options Rent: ____ (__) option(s) to extend for period(s) of ____ (__) year(s) each.
Option rent will increase __% for each option.

Funding: The continued obligation of Tenant under the lease is subject to approval of Tenant's approved annual budget and the payment of

rent of rent is subject to the availability of funds that may be lawfully used for such payment.

Entitlements:

Landlord shall be responsible for obtaining from the appropriate governmental authorities all land use approvals and other approvals which are necessary for the improvements to the Premises. Landlord shall bear the cost of all impact fees and assessments attributable to Tenant's tenancy and improvements to the Premises.

Financial Incentives:

Landlord represents that it has not applied for, nor has the right to receive, has received, nor will receive in the future from any governmental or quasi-governmental body, or any other entity any inducement, incentive or benefit arising from, attributed to or in connection with the development of the project whether in the form of grants, tax credits, exemptions, increment financing, tax rebates or otherwise. In the event any such incentives are obtained by or through Landlord for the development of the project, the same shall be applied against the projects costs/site work contribution so as to reduce MC's share thereof.

Landlord's Work:

See Exhibit C.

If Landlord fails to deliver Premises to Tenant, with Landlord's work completed, on _____, 20__, Landlord shall be obligated to pay to Tenant as liquidated damages \$_____ for each day of delay.

Tenant's Work:

Tenant shall have the right to construct in the Premises and those commons areas exclusively serving the Premises, at Tenant's sole cost and expense, and any improvements Tenant may be required to build out the Premises for its intended purpose.

Landlord Contribution:

\$_____/s.f. (\$_____)

**Pre-Approval
Deliverables:**

Within 30 days of signing this document, Landlord shall provide Tenant with the Pre-Approval Due Diligence Deliverables attached hereto as Exhibit B. This information is needed 8 weeks prior to a project being presented for approval.

Due Diligence:

Tenant shall have a due diligence period of ninety (90) days following lease execution to conduct feasibility studies of the Premises. Tenant shall have the right to enter the Premises to conduct these studies.

Personal Property Taxes:

Tenant shall pay it proportionate share.

CAM: Landlord shall be responsible for the operation, maintenance and repair of the Premises.

Insurance: Tenant shall have the right to self-insure.

Building Maintenance: Landlord shall be responsible for the maintenance of the foundation, roof joists, roof decking, roof membrane, HVAC, exterior (including façade) and all structural components of the Premises.

Alterations: At its own expense, Tenant may, at any time and from time to time during the Term, make any alterations, changes, additions and improvements to the Premises that Tenant deems necessary or appropriate.

Use of Premises: Tenant shall have the right to use the premises as office space and any ancillary and customary uses.

Nothing contained in the lease shall be construed to obligate Tenant to occupy the Premises.

Assignment and Subletting: Tenant shall have the unrestricted right to assign the lease or sublet all or any portion of the premises.

Parking: Landlord shall provide _____ dedicated spaces for Tenant's use.

Lighting: Landlord shall be responsible for ensuring that interior and exterior lighting is adequate to maintain a well-lighted environment.

Signs: Tenant shall the right to install maximum signage allowable by law or variance on the building or existing freestanding signage. Tenant shall have the right to install its sign panels on any directional signage.

Hazardous Materials: Landlord shall, at Landlord's sole cost and expense, provide Tenant with a Phase I Environmental Site Assessment analyzing the existence or likelihood of existence of hazardous materials and compliance by the Premises with all applicable environmental laws. Landlord shall be responsible for the remove and/or remediation of all hazardous materials.

Archaeological Survey: Landlord shall provide an assessment of any historic, archaeological or culturally significant grounds impacted by the project. Landlord shall be responsible to protect and/or relocate any significant items.

Non-Disturbance

Agreement: Landlord shall obtain non-disturbance agreements from all mortgagees and ground lessors.

Holding Over: Tenant requests that any holding over be treated as a month-to-month tenancy at the same rate currently paid by tenant for six (6) months. After six (6) months, the rate shall increase to 125% of the then current rent. In addition, there will be no consequential damages for the first 60 days of any holdover.

Right of First Offer: Before entering into any other agreements, Landlord shall notify Tenant of space availability. Rent and other expenses shall be calculated at the same rate as the Premises.

Brokerage: Landlord will pay all brokerage fees.

Memorandum of Lease: Landlord shall record a memorandum of this Lease in the appropriate land records promptly after lease execution. Landlord shall pay all recording fees and transaction taxes imposed in connection with this lease and the memorandum of lease.

Documentation: Tenant will prepare the lease documents. The documents will be based on Tenant's standard for documentation and may contain provisions that are not addressed in this letter.

Confidentiality: The parties agree to keep the terms and conditions set forth in this letter confidential during negotiations, subject in all cases to the Wisconsin Public Records Law, Wis. Stat. sec. 19.21 et seq.

It is understood and agreed that this letter and our negotiations are not an offer to lease the Premises described above and that neither of us shall have any obligation or liability to the other, it being understood that only a subsequent lease which is executed by Tenant and Landlord shall be legally binding. Please note that the representative of Tenant signing this letter does not have the authority to legally bind Tenant to a lease, and that all leases must be approved by the County Executive. Tenant shall not be bound by any statements made by such representatives at any time, and all expenses incurred by you, whether in reliance on this letter, on statements made by representatives of Tenant or otherwise, are your responsibility unless an executed agreement between Tenant and Landlord provides otherwise.

If the preceding terms and conditions of this proposal are acceptable, please confirm by signing one copy and returning it to my attention. This proposal shall be valid until _____, 20____.

Very Truly Yours,

Lease Manager

Enclosure

cc: Sponsoring Division

Director of Economic Development

EXHIBIT A

Floor Plan

(Copy Attached)

EXHIBIT B

Pre-Approval Due Diligence Deliverables

- 1) Existing CAD files of the current building floor plan.
- 2) Existing architectural, structural and MEP as-built drawings.
- 3) Building decommissioning survey report.
- 4) Phase 1 Environmental Site Assessment report.
- 5) Preliminary sign package showing location(s) and rendering(s).
- 6) Existing title report(s) and ALTA Survey(s).
- 7) Copies of operating documents that govern the site.
- 8) Preliminary schedule to secure necessary approvals/permits and meet milestone dates.

EXHIBIT C

Landlord's Work

ALL LANDLORD WORK IDENTIFIED IN THIS WORK LETTER SHALL BE AT THE SOLE COST AND EXPENSE OF THE LANDLORD.

Section 1 - Plans and Specifications

Landlord shall have civil plans and specifications, including building plans if required, prepared for the construction of the Landlord's Work. All Landlord Work shall be performed pursuant to all applicable laws, statutes, ordinances, codes, administrative rules, and alike.

Section 2 - PERMITS, APPROVALS AND EASEMENTS

Landlord shall pursue and obtain all permits, approvals, easements or easement modifications for Landlord's Work as required by the Authority Having Jurisdiction (AHJ) or other approving groups. Landlord shall be responsible for recording of all such easements and clearance of property title of all encumbrances.

Section 3 - ENVIRONMENTAL SITE ASSESSMENT (ESA), BUILDING DECOMMISSIONING & HAZARDOUS MATERIALS ABATEMENT

Landlord shall supply Tenant with comprehensive ESA reports (Phase I, Phase II and/or Phase III as required), and ASTM (American Society for Testing and Materials) standards. Landlord shall at its own costs perform any environmental clean-up, mitigation of hazardous materials removal recommended or otherwise revealed by this report.

Landlord shall supply a Decommissioning and Hazardous Materials Report (Asbestos, Mold, Lead-Based Paint and Hazardous Materials Surveys) of the Premises that meets all applicable code requirements. This report shall be provided to Tenant for review. Landlord shall perform the scope of abatement and shall provide a clean building free of all hazardous material and documentation of such at the turnover of Premise to Tenant.

If the AHJ requires final documentation indicating compliance of a clean building, Landlord shall provide documentation and proof to Tenant of their concurrence and acceptance of said document.

Section 4 - BUILDING STRUCTURE

Landlord shall provide a complete structurally sound, fire resistive, waterproof, weather-tight and secure building containing the Premise, including perimeter and demising walls, roof, code required egress doors and Tenant exclusive or submetered utilities ready to service the Premises.

- **Floors and Slabs**

Landlord shall provide existing floor with a minimum live load customary for office space. Landlord also shall comply with Code requirements. Landlord shall provide additional live load requirements at any loading dock or storage area.

- **Walls**

Landlord shall furnish and install demising walls separating Tenant's space and other tenants or common areas. All demising walls on the Tenant's side shall be taped and unpainted.

- **Roof**

Landlord shall seal and make watertight all roof penetrations prior to Tenant's possession. Landlord shall install HVAC curbs and all required HVAC penetrations based upon RTU design locations. Landlord shall be responsible for all structural modifications required to support designed RTU's.

Landlord shall provide and installed smoke evacuation fan(s), if required by AHJ, on roof and stubbed within Tenant's for Tenant's future distribution.

Landlord shall provide conduit or chase to Tenant's demised Premises to facilitate placement of a satellite dish.

Landlord shall provide soil vents and penetrations for restrooms.

Landlord shall provide new roof hatch.

Landlord shall provide new gas line on roof.

Landlord shall demolish and remove all non-essential mechanical equipment from the existing roof.

If interior rain water leaders are required, they will be properly sized and routed through Tenant space as agreed to by Tenant and run against columns so they can be enclosed. There shall be no internal roof drain clean-outs permitted. If exterior gutter and downspouts are required, Landlord shall provide as part of the new roof work.

- **Ceilings**

Landlord shall provide exposed structure with fireproofing as required by all applicable codes.

Section 5 - INTERIOR WORK

Landlord shall demolish and remove all non-essential interior partition walls and ductwork chases and provide a broom clean space.

Landlord shall relocate and secure stairways as required.

Section 6 - VERTICAL TRANSPORTATION (If applicable)

Landlord shall furnish passenger elevators and escalators, providing ADA vertical transportation accessible to all levels within the Premises per AHJ. Vertical transportation shall include all design, pits, shafts, floor openings, cab finishes and structural modifications, inclusive of 1 full year maintenance / warranty coverage on all equipment.

Section 7 - UTILITIES

Landlord shall provide exclusive and independent utilities. Landlord shall be responsible for all utility relocations, splitting (including costs for temporary power as required), coordination and reconnections.

- **Electrical**

Landlord shall provide properly sized electrical transformer and electrical gear / main distribution panels for Tenant's use. Landlord shall provide service grounding electrical system. Landlord shall provide electrical meter to be turned over to Tenant on turnover date. Landlord shall demolish and remove all non-essential electrical wiring, conduit and other electrical equipment.

- **Water / Fire Protection**

Landlord shall provide water service for Sprinkler system into the Tenant's Premises. Landlord shall reimburse Tenant (including all soft costs, materials and construction costs) for fire pump, modifications to riser room and upgrades to the existing system or pump regulation valve if needed.

Landlord shall install sprinklers as required for Temporary Certificate of Occupancy (TCO) if TCO is required by Code for Landlord delivery of possession.

- **Water / Domestic**

Landlord shall provide a separately metered water line into the Tenant's Premise. Landlord will provide a properly sized water meter.

- **Sanitary Sewer**

Landlord shall provide properly sized sanitary sewer pipes and vent lines. Landlord shall perform a camera inspection of any existing sanitary sewer system and will ensure that the system is provided to Tenant in proper working condition.

- **Storm Water**

Landlord shall perform a camera inspection of the existing storm water system out to the detention / retention area to ensure that the drainage pipes are clear of debris as well as detention / retention ponds are maintained and in good working condition.

- **Telephone / Internet / Telecommunications**

Landlord shall provide empty conduits to the Tenant's Premises.

- **Fire Alarm Wiring**

Landlord shall provide Fire Alarm Wiring to the existing system if required.

Section 8 - SITE ADA COMPLIANCE

Landlord shall be responsible for ensuring that all City, State and Federal site ADA requirements are met and are in compliance in order for Tenant to open and operate.

Section 9 - LANDSCAPE / IRRIGATION

Landlord shall be responsible to upgrade landscape as required by AHJ. Landlord shall be required to re-establish damaged or overgrown plantings as well as replace any dead or voided materials.

Section 10 - WALK THROUGH

Prior to Landlord delivery of Premises, Landlord shall notify Tenant and coordinate a walk-through of the Premise two (2) weeks prior to the delivery date. Landlord's Work items will be reviewed at that time and a punch-list shall be created addressing any outstanding items. These outstanding items shall be completed and Landlord's Architect / Engineer shall provide written statement indicating that all of Landlord's Work has been completed in accordance with this work letter.