

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF MADISON, WISCONSIN

Resolution No. 2955

Authorizing the Chair and Secretary of the Community Development Authority to execute a lease with Lien Pham and Thanh Nguyen, d/b/a VIP Nails for space within the Atrium at The Villager.

Presented May 13, 2010
 Referred _____
 Reported Back _____
 Adopted May 13, 2010
 Placed on File _____
 Moved By Timothy Bruer
 Seconded By Julia Kerr
 Yeas 7 Nays 0 Absent 0
 Rules Suspended _____

The Community Development Authority (the "CDA") of the City of Madison currently leases 2,000 square feet within The Villager to VIP Nails. The lease (the "Current Lease") was executed on August 9, 1995 between the previous owner of The Villager and the tenant. The lease term has been extended several times and is due to expire on October 11, 2011. The original tenant sold the business to the current owners Lien Pham and Thanh Nguyen. The CDA and the current owner's have negotiated terms and conditions for a new lease that will continue the operation of VIP Nails at its current location. Upon execution of the new lease the Current Lease will be terminated.

NOW, THEREFORE, BE IT RESOLVED that the Community Development Authority (the "CDA") of the City of Madison hereby authorizes the execution of a lease (the "Lease") between the CDA and Lien Pham and Thanh Nguyen, d/b/a VIP Nails (the "Tenant"), on the following terms and conditions:

- Leased Premises:** 2308 S. Park Street, Madison, WI, containing approximately 2,000 square feet (the "Leased Premises") as per the attached Exhibit showing the VIP Nails salon at The Village.
- Landlord:** Community Development Authority of the City of Madison (the "CDA")
- Tenant:** Lien Pham & Thanh Nguyen, d/b/a VIP Nails
- Tenant Notice Address:** 2308 S. Park Street, Madison, WI 53713
- Use:** Nail salon including pedicures and the sale of related products and for no other purpose.
- Initial Term:** Five (5) years
- Security Deposit:** The Tenant shall provide a Security Deposit of \$2,000.00. Credit shall be given for any security deposit currently held by the CDA.
- Net Rental Rate:** The Net Rental Rate for year 1 shall be \$13.55 per square foot (\$2,258.33/month) and thereafter subject to annual 3% escalation on the anniversary of the Lease Commencement Date. Rent to commence no later than April 15, 2010.
- Taxes / CAM / Insurance:** The Tenant shall be responsible for Common Area Maintenance (CAM), Real Estate Taxes (RET), and Insurance estimated at \$5.32 per square foot (PSF) per year, subject to annual review. Initial estimated amounts are:
 - CAM (including insurance) \$4.71 PSF
 - RET (or payment in lieu of taxes) \$0.61 PSF

- Utilities:** The Leased Premises shall be separately metered for utilities and the Tenant shall be responsible to pay the cost of all separately metered utilities used inside the Leased Premises. Landlord shall pay for all utility meters.
- Renewal Options:** The Tenant shall have one (1) option to renew the lease for a period of three (3) years by providing at least nine (9) months prior written notice before the effective date of the Renewal Option Term. Renewal Option Term rent shall be subject to 3% annual increases.
- Tenant Improvements:** The Tenant shall take the Leased Premises "as is" and the Tenant may install such Tenant Improvements, fixtures and finishes in the Leased Premises as the Tenant deems necessary or desirable subject to the CDA's written approval. The Tenant shall submit plans to the CDA of the Tenant's intended improvements subject to the CDA's approval, which shall not be unreasonably withheld. The Tenant shall remove its improvements and fixtures when it vacates the Leased Premises.
- Landlord Work:** The CDA shall provide the Leased Premises in "as is" condition.
- Assignment Provisions:** The Tenant shall have the right to sublet or assign all or part of the Leased Premises at any time with the CDA's consent, which shall not be unreasonably withheld, conditioned or delayed. The sublessee's use must be similar to the underlying lease. Any change of use must be approved in writing by the CDA prior to approval of a sublease. CDA shall also have the right of recapture. The Tenant shall not profit from any assignment or sublet. The CDA shall have the reasonable right to consider the financial capability and creditworthiness of a sublessee of the Tenant.
- Signage:** The Tenant shall have signage consistent with The Villager sign standards.
- Parking ratio:** The Tenant shall have non-exclusive access to parking as reasonably determined by the CDA.
- Security:** The CDA shall charge the Tenant for additional security resulting from the Tenant's use of common areas outside of normal business hours, which hours maybe adjusted from time to time. Below is an outline of the current building security hours.
Monday – Saturday 7:30am - 10:30pm
Sunday 5:00pm – 7:00pm

BE IT FURTHER RESOLVED that the Current Lease shall be terminated on the date immediately preceding the Lease Commencement Date.

BE IT STILL FURTHER RESOLVED that the Chair and Executive Director and Secretary of the CDA are hereby authorized to execute, deliver and record the Lease and to take such other actions as shall be necessary or desirable to accomplish the purposes of this Resolution.