

EXHIBIT A

CONDITIONS FOR LEASE OF RESTAURANT SPACE IN UNION STATION

1. Upon execution of a lease, the Tenant will place in escrow with the Landlord (City) a security deposit or letter of credit in the amount of \$5,000.
2. The Tenant must demonstrate a minimum of 5 years' experience in the restaurant business.
3. The Tenant must operate a full-service restaurant serving breakfast, lunch, and dinner.
4. The Tenant must carry liability insurance in the amount required by the City and provide evidence of that insurance on an annual basis.
5. The City will provide \$283,450 towards installation of exhaust fan system and grease trap; installation of equipment and drops for electrical, plumbing, and gas; design and engineering costs; basic restaurant equipment. Costs beyond these are the responsibility of the Tenant. These Tenant costs may include fixtures, furniture, additional equipment (as needed), smallwares, china, glassware, silverware, etc.
6. All utilities will be paid by the Tenant.
7. The City will require a minimum commitment to an initial five-year lease with options for up to two additional five-year terms.
8. The City will require a minimum lease commitment to Suites 210 and 218, containing approximately 3,795 sq. ft. The Union News Suite H208 is not included in the restaurant lease. If Suite 205 were included in the lease, it would add an additional 804 sq. ft.
9. The City will require a lease rate of \$9/sq. ft. in years 1 and 2, \$10/sq. ft. in year 3, \$11/sq. ft. in year 4, \$12/sq. ft. in year 5, with annual increases of 5% thereafter during the first and second five-year options, if exercised. This graduated lease structure recognizes the fact that a restaurant will likely undergo an initial start-up period prior to optimum productivity.

NOTE: Staff has conducted surveys, which indicate the utility costs of the restaurant space could be within an \$18,000 - \$30,000 range per year. At this rate, it is only feasible to lease restaurant space with the tenant paying their own utilities. It is believed the proposed lease rate reflects this scenario.