

Commercial Gross Lease

1. **Names.** This lease (this "**Lease**"), dated _____, 2016, is made by City of Davenport ("**Landlord**"), and RAWBAR, LLC, an Iowa limited liability company.
2. **Premises Being Leased.** Landlord is the owner of certain real estate legally described as RiverCenter/Adler Theatre in Davenport [Scott], Iowa (the "**Real Estate**"). The Real Estate is improved with in property lines of Adler Theatre [insert description of building, or buildings] (the "**Improvements**") (the Real Estate and the Improvements are collectively referred to as the "**Property**"). Landlord hereby leases and demises to Tenant the following described portion of the Property: Address _____, Suite _____, consisting of 800 square feet (the "**Premises**").
3. **Term of Lease.** This Lease begins on opening day (estimated to be February 17th , 2016 and ends on 10 years later (the "**Initial Term**") and such Initial Term as extend from time to time, if at all, pursuant to Section 5 of this Lease, the "**Term**").
4. **Rent.** Tenant will pay rent in advance on or before the first day of month, the 1st, after opening day. Tenant's first rent payment will be the 1st day of the month after opening day, in the amount of \$ 329. Tenant will pay rent monthly consistent with the rent table below (the "Rent") thereafter. Tenant and Landlord acknowledge that the monthly base rent amount is partially abated by Tenant improvements to the property of \$70,651, resulting in a \$588 monthly credit for ten (10) years. Tenant shall provide sufficient documentation to Landlord prior to occupying the Premises demonstrating actual improvement costs of at least \$70,651. If Tenant fails to show actual improvement costs of \$70,651, Tenant and Landlord agree to reset the base amounts to the numbers in the rent table below and to provide an abatement equal to the actual improvement costs amortized over a 10-year period at 0% interest. Subject to prior review and approval by Landlord, Tenant may be entitled to a higher abatement amount should the actual costs of Tenant improvements exceed \$70,651.

	<u>Base Rent</u>	<u>Abatement</u>	<u>Actual Rent Due From Tenant</u>
Years 1-2	\$917	\$588	\$329
Years 3-4	\$945	\$588	\$357
Years 5-6	\$973	\$588	\$385
Years 7-8	\$1,002	\$588	\$414
Years 9-10	\$1,032	\$588	\$444

5. **Improvements by Tenant.** Tenants may make alterations and improvements to the Premises after obtaining the Landlord's written consent, which will not be unreasonably withheld; provided, however, Landlord hereby consents to the alterations and improvements to the Premises set forth on Exhibit A. At any time before this Lease ends, Tenant may remove any of Tenant's alterations and improvements, as long as Tenant repairs any damage caused by attaching the items to or removing them from the Premises. Tenant will not remove any wiring, walls, flooring, HVAC or plumbing once installed.
6. **Utilities.** Utilities will be paid by the Landlord (tenant will be tapping into the existing services) to include electric and water.
7. **Profit Sharing.** Tenant will pay the Landlord 25% of tenant bar sales during Adler Theater bar open hours. Profits will be paid monthly at the same time as rent.
8. **Tenant's Use of Premises.** Tenant will use the Premises for the following business purposes: operating and managing all or any part of a bar, restaurant, and related-products establishment. Tenants may also use the Premises for purposes reasonably related to the main use.
9. **Maintenance and Repairs.** (a) Landlord will maintain in good repair and working order and make all necessary or advisable repairs to: (i) the roof, foundation, structural components, exterior walls, interior common walls, and Improvements of the Premises (including plate glass and other windows, window frames, and doors), and (ii) the plumbing, electrical, heating, ventilation, and air-conditioning systems. The Landlord shall keep all driveways, sidewalks, and parking

areas on the Premises free and clear of ice and snow. (b) Tenant will clean and maintain Tenant's portion of the building so that it will be kept in an attractive condition.

10. Insurance and Indemnification.

Tenant shall secure and maintain such primary insurance policies as will protect himself or his vendors from claims for bodily injuries, death or property damage which may arise from operations under this contract whether such operations be by himself or by any vendor or anyone employed by them directly or indirectly.

The following insurance policies are required unless other limits are specified. The Landlord shall be identified as a certificate holder and specifically named as an additional insured under General Liability.

(1) Statutory Worker's Compensation with waiver of subrogation in favor of the Landlord.

(2) General Liability

General Aggregate \$1,000,000

Each Occurrence \$1,000,000

(3) Excess Liability Umbrella Form \$1,000,000

(4) Dram Shop Liability Statutory Requirements

CONTRACTUAL LIABILITY

The insurance required above under "TENANT INSURANCE", shall:

(1) be Primary insurance and non-contributory.

(2) include contractual liability insurance coverage for the Tenant's obligations under the INDEMNIFICATION paragraph below.

CERTIFICATES OF INSURANCE

Certificates of Insurance, acceptable to the Landlord indicating insurance required by the Contract is in force, shall be filed with the Landlord's prior to approval of the Contract by the Landlord. The Lessee shall insure that coverages afforded under the policies will not be cancelled until at least thirty (30) days prior written notice has been given to the Landlord. The Tenant will accept responsibility for damages and the Landlord's defense in the event no insurance is in place and the Landlord has not been notified.

INDEMNIFICATION

To the fullest extent permitted by the law, the Tenant shall defend, indemnify, and hold harmless the Landlord, its officials and its agents and employees from and against all claims, damages, losses and expenses, including but not limited to, all attorneys' fees arising out of or resulting from the performance of the work, provided that any such claim, damage, loss or expense:

(1) is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property, including the loss of use resulting therefrom; and

(2) is caused in whole or in part by any negligent act or omission of the Tenant, any Subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable.

In any and all claims against the Landlord, its officials or any of its agents or employees by any employee of the Tenant, any Subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation under this Paragraph shall not be limited in anyway by any limitation on the amount

or type of damages, compensation or benefits payable by or for the Tenant or any Subcontractor under workers' or workmen's compensation acts, disability benefit acts or other employee benefit acts.

11. **Taxes.** Landlord and Tenant acknowledge that as of the date of this agreement that the Landlord is not required to pay property taxes for the Premise. In the case that the Landlord becomes obligated at any time during this Lease by law to pay property taxes for the Premise caused by Tenant's use in the Real Estate, the Rent terms of this agreement shall be maintained for a period of four (4) months following Landlord's notification to Tenant. Landlord and Tenant shall reopen and renegotiate Section 4 Rent and Section 7 Profit Sharing upon this notification. If both parties are unable to find mutually acceptable Rent and Profit Sharing terms, this Lease agreement in its entirety shall be considered null and void at the end of the four (4) month period.
12. **Subletting and Assignments.** Except to any of Tenant's lenders as security for any loan or an affiliate of Tenant, Tenant will not assign this Lease or sublet any part of the Premises without the written consent of Landlord. Assignment will be limited to same or similar business purpose.
13. **Damage to Premise.** (a) If the Premises are damaged through fire or other cause not the fault of Tenant, Tenant will owe no rent for any period during which Tenant is substantially deprived of the use of the Premises. (b) If Tenant is substantially deprived of the use of the Premises for more than 90 days because of such damage, Tenant may terminate this Lease by delivering written notice of termination to Landlord.
14. **Notice of Default.** Before starting a legal action to recover possession of the Premises based on Tenant's default, Landlord will notify Tenant in writing of the default. Landlord will take legal action only if Tenant does not correct the default within ten days after written notice is received by Tenant.
15. **Quiet Enjoyment.** As long as Tenant is not in default under the terms of this Lease, Tenant will have the right to occupy the Premises peacefully and without interference.
16. **Eminent Domain.** This Lease will become void if any part of the leased Premises or the building in which the leased Premises are located are taken by eminent domain. Tenant has the right to receive and keep any amount of money that the agency taking the Premises by eminent domain pays for the value of Tenant's lease, its loss of business, its alterations or improvements, and for moving and relocation expenses.
17. **Holding Over.** If Tenant remains in possession after this Lease ends, the continuing tenancy will be from month to month.
18. **Entire Agreement; Successors and Assignees.** This is the entire agreement between the parties. It replaces and supersedes any and all oral agreements between the parties, as well as any prior writings. This Lease binds and benefits the heirs, successors, and assignees of the parties.
19. **Notices.** All notices must be in writing. A notice may be delivered to a party at the address that follows a party's signature or to a new address that a party designates in writing. A notice may be delivered: in person, by certified mail, or by overnight courier.
20. **Governing Law.** This Lease will be governed by and construed in accordance with the laws of the state of Iowa without giving effect to the principles of conflicts-of-law thereof.
21. **Counterparts.** This Lease may be executed and delivered in one or more counterparts, each of which when executed and delivered shall be an original, and all of which when executed shall constitute one and the same instrument. The exchange of copies of this Lease and of signature pages by facsimile or by electronic image scan transmission in .pdf shall constitute effective execution and delivery of this Lease as to the parties and may be used in lieu of the original Lease for all purposes. Signatures of the parties transmitted by facsimile or electronic image scan transmission in .pdf shall be deemed to be their original signatures for all purposes.
22. **Modification; Waiver; Severability.** This Lease may be modified only by a writing signed by the party against whom such modification is sought to be enforced. If one party waives any term or provision of this Lease at any time, that waiver will be effective only for the specific instance and specific purpose for which the waiver was given. If either party fails to

exercise or delays exercising any of its rights or remedies under this Lease, that party retains the right to enforce that term or provision at a later time. If any court determines that any provision of this Lease is invalid or unenforceable, any invalidity or unenforceability will affect only that provision and will not make any other provision of this Lease invalid or unenforceable, and shall be modified, amended, or limited only to the extent necessary to render it valid and enforceable.

[Remainder of Page Intentionally Left Blank]

The undersigned have caused this Lease to be executed by their duly authorized representatives to be effective as of the date first set forth above.

<u>LANDLORD</u>	
By:	
Name:	
Title:	
Date:	
Address:	
Facsimile:	
<u>TENANT</u>	
RAWBAR, LLC, an Iowa limited liability company	
By:	Sid Rognoni
Name:	
Title:	Owner
Date:	
Address:	
Facsimile:	

Exhibit A

Alterations and Improvements to Premises

