



City of Milwaukee
Employees' Retirement System

Bernard J. Allen
Executive Director

David M. Silber, CFA, CAIA
Chief Investment Officer

Melody Johnson
Deputy Director

November 19, 2019

Mr. Jim Owczarski
City Clerk
Room 205, City Hall

Dear Mr. Owczarski:

Please be advised that an Administration & Operations (A&O) Committee Meeting of the Annuity and Pension Board has been scheduled for **Monday, November 25, 2019 at 8:30 a.m. in the Employees' Retirement System Conference Room at 789 N. Water Street, Suite 300.** If a quorum of the Board is present, this meeting will convene as a Special Board Meeting. The agenda is as follows:

- I. Approval of First Amendment to Lease with K&K McKinney Properties, LLC.

Sincerely,

A handwritten signature in black ink that reads "Melody Johnson".

for Bernard J. Allen
Executive Director

BJA:jmw

PLEASE NOTE - Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through sign language interpreters or other auxiliary aids. For additional information or to request this service, please call 414-286-3557.

LEASE AGREEMENT
(789 N. Water Street – Fourth Floor Conference Center)

This Lease Agreement (“Lease”) made and entered into on December 1, 2019 between K&K McKinney Properties, LLC (“Landlord”), Fiduciary Real Estate Development, Inc. (“Fiduciary”) and the Employees’ Retirement System of the City of Milwaukee (“ERS”). Fiduciary and ERS are each a “Tenant” and collectively, the “Tenants.” Landlord and Tenants are each a “Party” and collectively, the “Parties.”

WITNESSETH

WHEREAS, Water Street Investment, LLC and ERS entered into a lease dated July 1, 2007 (the “Original Lease”), under the terms of which ERS leases the Third Floor Premises and the Server Room, collectively referred to as the Leased Premises, in the building commonly known as 789 North Water Street, Milwaukee, Wisconsin 53202, as further described in the Original Lease (the “Building”); and

WHEREAS, On November 21, 2008 a Warranty Deed conveying the Property, as defined and described in the Original Lease, from Water Street Investment, LLC to K&K McKinney Properties, LLC was recorded in the Milwaukee County Register of Deeds Office as Document No. 09673773; and

WHEREAS, By conveyance of the Property and pursuant to Section 21.B. of the Original Lease, Water Street Investment, LLC assigned all of its rights and obligations under the Original Lease to K&K McKinney Properties, LLC who thereby became the Landlord of the Building; and

WHEREAS, Pursuant to Section 28 of the Original Lease, Landlord was required to obtain the agreement of Heartland Advisors, Inc. (“Heartland”) to allow ERS to utilize Heartland’s conference training center, which is located on the Fourth Floor of the Building and is approximately 1,440 square feet (the “Fourth Floor Conference Center”), and is furnished with desks, chairs, and audio-visual equipment (“Furniture and Equipment”), subject to reasonable scheduling with Heartland; and

WHEREAS, The Fourth Floor Conference Center is no longer a portion of Heartland’s leased premises but ERS purchased the Furniture and Equipment and desires to continue using the Fourth Floor Conference Center and Fiduciary desires to use the Fourth Floor Conference Center; and

WHEREAS, The Parties desire to enter into this Lease to define the terms of the Tenants’ shared use of the Fourth Floor Conference Center;

NOW, THEREFORE, in consideration of the terms, covenants and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenants hereby agree to the following:

AGREEMENTS

In consideration of the Recitals and the mutual agreements set forth herein, Landlord and Tenants agree as follows:

1. Definitions. Terms used herein and not otherwise defined herein shall have the same meanings as provided in the Original Lease.

2. Term. The Term of this Lease shall commence on December 1, 2019 (“Commencement Date”) and shall continue on a month-to-month basis. The Parties shall have the option of terminating this Lease upon a sixty (60) day written notice. If upon termination, either Tenant continues to use the Fourth Floor Conference Center without the consent of the Landlord, Landlord may, in addition to any other remedies under applicable law, treat the respective Tenant as holding over on a month-to-month basis and otherwise on the same terms and conditions set forth in this Lease, but shall never be deemed to create a periodic tenancy on a year-to-year basis.

3. Rent. Rent shall be due by the first day of each month during the Term. Tenants’ first payment of Rent is due by Commencement Date. The Rent for any fractional calendar month at the commencement or end of the Term shall be prorated. Rent is payable to K&K McKinney Properties, LLC, and delivered to Fiduciary Real Estate Development, 2nd Floor 789 Water Street, Milwaukee, WI 53202.

- a. Rent for ERS shall be payable at a rate of \$750.00 per month.
- b. Rent for Fiduciary shall be payable at a rate of \$1,200.00 per month.

4. Cooperation. Tenants agree to cooperate in the scheduling and use of the Fourth Floor Conference Center as follows:

- a. Scheduling shall be coordinated with and performed by Fiduciary’s administrative assistant.
- b. Scheduling will occur on a first come first serve basis except that the Tenants agree to the following priority:
 - i. ERS Retirement Seminars, which occur four to five times per calendar year, take first priority.
 - ii. Fiduciary’s general use takes second priority.
 - iii. ERS’s general use takes third priority.
 - iv. Other City of Milwaukee departments’ general use takes fourth priority.
- c. The priority schedule above is based on expectations that ERS will use the Fourth Floor Conference Center approximately one (1) time per

month and Fiduciary will use the Fourth Floor Conference Center approximately two (2) times per month.

- d. Conflicts regarding scheduling that cannot be resolved between ERS and Fiduciary will be resolved by Landlord.

5. Notices. Any notice or other document required or permitted to be delivered hereunder shall be deemed to be delivered whether actually received or not when personally delivered or when deposited in the continental United States Mail, postage prepaid, certified or registered mail, or when deposited with a recognized overnight delivery service addressed to the Parties hereto at the respective address set out below, or at such address as they have theretofore specified by written notice delivered in accordance herewith:

Landlord: Jerry A. McKinney
K & K McKinney Properties, LLC
789 N. Water St.
Milwaukee, WI 53202
In care of: Fiduciary Real Estate Development, Inc.

Tenant: Employes' Retirement System of the City of Milwaukee
789 N. Water St., Suite 300
Milwaukee, WI 53202
Attn: Executive Director

Tenant: Fiduciary Real Estate Development, Inc.
789 N. Water St., Suite 200
Milwaukee, WI 53202
Attn: Steve Bersell

6. Other Terms and Conditions/Conflict. Except as specifically modified herein, all other terms and conditions of the Original Lease as they relate to ERS and the Landlord shall remain in full force and effect. In the event of a conflict between the terms and conditions of the Original Lease and the terms and conditions of this Lease as it relates to the ERS and the Landlord, the terms and conditions of this Lease shall control.

IN WITNESS WHEREOF, the parties have executed this Lease as of the date and year written above.

LANDLORD:

K&K McKinney Properties, LLC, a
Wisconsin limited liability company

By: _____

Its: _____

TENANT:

**Employes' Retirement System of the
City of Milwaukee**

By its: Annuity and Pension Board

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

TENANT:

Fiduciary Real Estate Development, Inc.

By its: _____

By: _____

Name: _____

Title: _____