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LEASE AGREEMENT

This Lease Agreement ("Lease") made in duplicate and effective January 1, 2017, by and between 3 Degree Ventures LLC (hereinafter "Lessor") and the City of Lodi, a Wisconsin Municipal Corporation (hereinafter "Lessee").

1. **Premises.** Lessor, for and in consideration of the rents to be paid by Lessee and the provisions contained within this Lease, does hereby lease to Lessee and Lessee hereby takes from Lessor the use of the office space, and other real estate located at 915 Development Drive in the City of Lodi, Columbia County, Wisconsin, more particularly identified as Tax Parcel No. 11246-704.2B; Lot 2 of CSM 1471 (the "Leased Premises").
2. **Term.** The initial term of this Lease shall begin January 1, 2017 and end June 30, 2018.
3. **Rent.** Lessee agrees to pay to Lessor without any deductions or offset whatsoever, as rent for the Leased Premises during the term hereof as follows: Rent for the initial lease term shall be set at \$1,250.00 per month due on January 1, 2017, and on the first day of each month thereafter.
4. **Real Estate Taxes and Assessment.** Lessor shall pay all real estate taxes and assessments as they become due and payable.
5. **Security Deposit.** There shall be no security deposit made by Lessee to Lessor.
6. **Option to Extend.** At the conclusion of the initial term of this Lease, so long as Lessee is in full compliance with all of the terms and conditions hereof, Lessee shall have the option to extend the term of this Lease for 1 additional 1 or 3 year period, at Lessee's sole and absolute discretion, pursuant to the provisions of this paragraph. On or before 90 days prior to the end of the initial lease term, Lessee shall deliver written notice to Lessor of the exercise of this option. In the event of failure to give such written notice of extension, such option shall be deemed waived and this Lease shall terminate and be of no further force and effect at the end of the initial term. In the event Lessee elects to extend the term of this Lease as provided for in this section, the rent for each year of the extending term shall increase at the rate of 4% from the prior year's rent.
7. **Use of the Premises.** Lessee agrees that it will use the leased premises for warehouse and storage space in compliance with all applicable laws, ordinances and regulations of the City of Lodi and the State of Wisconsin. No part of the leased premises shall

be occupied or used by any person for any purpose or in any manner so as to prevent the obtaining of insurance.

8. **Insurance.**

- A. **Public Liability.** Throughout the term of this Lease, Lessee shall obtain and maintain in force public liability insurance coverage with respect to the Leased Premises for death and bodily injury liability in the amount of not less than \$1,000,000.00 general aggregate per occurrence. The public liability insurance policy shall name the Lessor as an additional insured and shall provide for notice to Lessor at least 10 days prior to cancellation of any coverage. Lessee shall provide to Lessor properly endorsed certificates indicating that the insurance required by this paragraph is in effect.
- B. **Personal Property.** Lessee shall be responsible for obtaining and maintaining such insurance as it may deem advisable for all of its personal property and fixtures located in or about the Leased Premises, and it is understood that any insurance coverages provided by Lessor do not cover the risk of loss or damage to Lessee's property.
- C. **Fire and Extended Coverage.** Lessor agrees to provide and maintain fire and extended coverage insurance upon the Leased Premises.

9. **Utilities and Services.** Lessor shall provide utility service to the Leased Premises; however, Lessee shall be responsible for the payment of all utilities (including without limitation water, sewer, water softener, electric, telephone, heat, cable television and internet service). Lessee shall also be responsible for the cleaning of the interior spaces of the Leased Premises. Lessee shall be responsible for trash removal, lawn mowing, snow plowing and maintenance of the exterior of the building and the other real estate constituting the Leased Premises.

10. **Personal Property Taxes.** Lessee shall be 100% responsible for and pay all personal property taxes on the equipment and personal property located on the Leased Premises.

11. **Alterations and Improvements.** Lessee shall not make or cause to be made any alterations, additions or improvements or install or cause to be installed any trade fixtures, exterior signs, floor covering, interior or exterior lighting, plumbing fixtures or mechanical equipment or make any changes to the facade without first obtaining the Lessor's consent in writing. Such consent shall not be unreasonably withheld. Lessee shall present to Lessor plans and specifications for any such work at the time approval is sought. Upon the termination of this Lease, unless Lessor and Lessee agree otherwise, Lessee shall fully restore the Leased Premises to the state and condition that existed at the commencement date of this Lease, normal wear and tear excepted, and Lessee shall be fully responsible for the cost thereof.

12. **Liens and Obligations.** Lessee shall not create or permit others to create any lien or obligation against Lessor or the Leased Premises by reason of making repairs or installing or constructing material, fixtures or equipment, and further agrees to hold Lessor harmless from all claims and demands from any third party in any manner connected with such repairs, maintenance, installation or construction or with Lessee's occupancy of the Leased Premises.
13. **Maintenance and Repair.** Lessee shall at all times keep and maintain in good order, condition and repair, the Leased Premises and shall perform all minor and routine interior maintenance and repairs on the Leased Premises. Lessor shall be responsible for repairs or replacement to all structural components, roof and foundation, surface parking lot, and sidewalks, and for maintenance and repairs to the plumbing, electrical, heating and ventilating systems and other mechanical and electrical systems. Should Lessor refuse or neglect to repair or maintain as required herein after 20 days written notice to Lessor, Lessee may undertake any such repairs and maintenance in a workmanlike manner, equal in quality and class to the original work, and upon completion, Lessor shall pay Lessee's reasonable costs for making such repairs and maintenance upon presentation of billing statements and invoices.

Notwithstanding anything set forth above, Lessee shall be solely responsible for all costs of repairs or replacements resulting from the negligence of Lessee, its agents, employees, or guests.

Each party covenants that in making repairs, alterations or improvements, it will complete in compliance with all statutes, ordinances, rules, orders and regulations of the federal, state, county or city government and of their departments and bureaus having jurisdiction of the leased premises.

14. **Hold Harmless.** Lessee agrees to indemnify and hold Lessor harmless against and from any and all claims, damages, costs and expenses, including reasonable attorney fees, arising from the use of the Leased Premises by Lessee or from any breach or default in the performance of any covenant, warranty or agreement on the part of Lessee to be performed pursuant to the terms of this Lease, or from any negligent act or willful omission of Lessee, its agents or employees in or about the Leased Premises, except that Lessee shall not be responsible for any loss or damage caused by the negligence or misconduct of Lessor. Lessee further agrees to indemnify and hold Lessor harmless from and against, and shall reimburse Lessor for, any and all loss, claims, liability, damage, injunctive relief, injury to person, property or natural resources, costs, expenses, actions or causes of action, settlements reached or administrative governmental orders arising in connection with the release, threatened release or introduction of any hazardous or toxic waste or hazardous substance on the Leased Premises by Lessee. This indemnity shall remain in full force and effect, without limitation, with respect to the discovery or release or threatened release of

hazardous or toxic waste or hazardous substances after the date Lessor leases the Premises to Lessee and with respect to the migration or release or threatened release of any hazardous or toxic waste or hazardous substance previously introduced at or near the Leased Premises.

15. **Destruction of Premises.** If the building which is part of the Leased Premises is damaged or partially destroyed by fire or other casualty to the extent of one-half or less of the then cost of replacement thereof above foundation, the Lessor shall repair such damages as quickly as practicable. If the building is so destroyed or damaged to the extent of more than one-half of the then replacement cost thereof above foundation, the Lessor shall repair such damages as quickly as is practicable, except that either Lessor or Lessee may elect to terminate this Lease and such obligation to rebuild by giving written notice thereof to the other party within thirty (30) days after such damage occurs. If any damage or destruction renders the building in which the Leased Premises is located wholly untenable, rent hereunder shall abate until the Leased Premises have been restored and rendered tenantable. If any damage or destruction renders the Leased Premises untenable only in part, the rent shall abate proportionately as to the portion of the Leased Premises rendered untenable.
16. **Assignment of Subletting.** Lessee shall not assign or in manner transfer this Lease or any interest hereunder and shall not sublet the Leased Premises or any part or parts thereof, without the written consent of Lessor.
17. **Rent Default.** If Lessee defaults in the payment of any of the rent, Lessor may forward written notice of such default and Lessee's failure to cure such default within 10 days after said notice shall, at the option of Lessor, work a forfeiture on this Lease. In the event Lessor has previously provided Lessee with said written notice of default for which Lessee cured the default by paying the amount due within the 10-day period, upon a subsequent failure by the Lessee to pay any amount when due, Lessor may terminate the Lease by providing Lessee written notice to vacate within 30 days.
18. **Other Defaults.** If Lessee shall default in any of the terms or provisions of this Lease other than payment of rent, Lessor may forward written notice of such default to the Lessee and Lessee agrees that if it be in default as set forth in such notice, it shall cure such default within 30 days after such notice (or in the event such default is of such a character as to require more than 30 days to cure, the Lessee shall use due diligence to cure such default). If, however, after due notice to Lessee to cure the same, Lessee shall refuse or fail to cure or make good any such default, Lessor may, at Lessor's option, terminate this Lease.
19. **Re-entry by Lessor and Liability for Rent.** If Lessee abandons or vacates the Leased Premises before the end of the term of this Lease, or suffers any installment of rent or other payment to be in arrears, or neglects or fails to keep or perform any of

the provisions or terms of this Lease on the part of the Lessee to be performed, Lessor, after notice as herein provided, may enter said Leased Premises and remove any signs of said Lessee, and relet the same as Lessor may see fit. If a sufficient sum is not realized from such reletting to equal the total rent stipulated to be paid by Lessee under the provisions of this Lease, then Lessee shall pay said deficiency during each month during the term of this Lease, on demand.

19. **Surrender.** On the last day of the term of this Lease or upon the earlier termination thereof for any reason, Lessee shall peaceably and quietly surrender the Leased Premises in the condition required hereunder, and shall surrender all keys to the Leased Premises to Lessor at the place then fixed for the payment of rent. All alterations, additions, improvements and trade fixtures which may be made or installed by Lessee upon the Leased Premises may be removed by Lessee at the termination of the term of this Lease at Lessee's expense, provided that the Leased Premises shall be restored to its original condition, reasonable wear and tear excepted.
20. **Lessor's Covenant.** Upon the observance of all the covenants, terms and conditions on Lessor's part to be observed and performed, Lessee shall peaceably and quietly hold and enjoy the Leased Premises for the term hereof without hindrance or interruption by Lessor or any other person or persons lawfully or equitably claiming by, through, or under the Lessor, subject to the terms and conditions hereof.
21. **Notices.** Any notice required or provided for herein shall be in writing and shall be served personally or shall be served or given by certified or registered mail addressed to:

Lessor: 3 Degree Ventures LLC
 W 10875 West Harmony Drive
 Lodi, WI 53555

Lessee: City of Lodi
 130 S. Main Street
 Lodi, WI 53555

Either party may designate to the other party in writing a new address to which notices shall be sent. If notices are mailed as aforesaid, such notice shall be deemed to have been served or given when deposited in the United States mail, addressed as aforesaid with postage prepaid.

23. **Acquisition of Leased Premises.** If the Leased Premises shall be condemned or taken by eminent domain by any authority having the right of eminent domain, or

purchased by such authority in lieu of condemnation of said Leased Premises, then the term of this Lease shall cease and terminate as of the date title vests in the condemnor and all rents shall be paid up to such date and Lessee shall thereafter have no claim against Lessor for the value of any unexpired term of the Lease. If a part of the Leased Premises shall be taken in the manner referred to herein, and such purchase or taking shall render the remainder of the Leased Premises unsuitable for the business of Lessee, then the term of this Lease shall cease and terminate at the same time and in the same manner as if the entire Leased Premises had been taken. In the event a partial taking of the Leased Premises does not render the remainder of the Leased Premises unsuitable for the business of Lessee, then Lessor shall promptly restore the Leased Premises at the time of the commencement of such condemnation proceeding or taking, less the portion lost in the taking, and thereafter this Lease shall continue in full force and effect, but the fixed rent shall abate proportionately as to the portion of the Leased Premises so taken if such taking has a material effect on the Leased Premises. Lessee shall have no interest in any award resulting from any condemnation, except for such items in the award which may have been installed and paid for by Lessee, and for which items Lessee has not been reimbursed by Lessor.

24. **Holding Over.** In the event Lessee shall continue to occupy the Leased Premises after the expiration of the term of this Lease, or any extension thereof, with the prior written consent of the Lessor, such holding over shall be deemed to constitute a tenancy from month-to-month, upon the same terms and conditions as herein provided, and in no event shall the tenancy be deemed to be one from year-to-year. In the event Lessee continues to occupy the Leased Premises after the expiration of the term of this Lease, or any extension thereof, without the prior written consent of the Lessor, the Lessee shall be liable for double the amounts due Lessor from Lessee under this Lease.
25. **Right to Enter and View.** The Lessor or their legal representatives may, at all proper times and with 48 hours advanced notice to Lessee, enter the Leased Premises for the purpose of viewing the same or to exhibit same to subsequent tenant or purchaser or of making such alterations or changes in the Leased Premises as they shall deem advisable.
26. **Enforcement of Provisions.** Each party agrees to pay and discharge all reasonable costs, attorney fees and expenses which may be incurred or made by the other in enforcing the covenants and agreement of this Lease.
27. **Miscellaneous.** No waiver of any default by Lessee hereunder shall be implied from any omission by Lessor to take any action on account of such default if such default persists or is repeated and no express waiver shall effect any default other than the default specified in the express waiver, and then only for the time and the extent

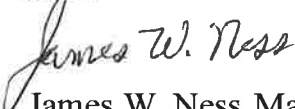
therein stated. One or more waivers of any covenant, term or condition of this Lease by Lessor shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition. The invalidity or unenforceability of any provisions hereof shall not effect or impair any other provisions. The laws of the State of Wisconsin shall govern the validity, performance and enforcement of this Lease. This Lease shall be binding upon the parties hereto and their representatives, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed as of the day first above written.

LESSOR:
3 DEGREE VENTURES LLC


By: Alexander D. Jones, Member

LESSEE:
CITY OF LODI


By: James W. Ness, Mayor


By: Patty Spence, Clerk