

LAND LEASE: FREEZER-BAKERY PROJECT

This Land Lease: Freezer-Bakery Project ("Lease") is made and executed this ____ day of December, 2012, by and between the **City of La Crosse**, a Wisconsin municipal corporation ("**Lessor**") and **Kwik Trip, Inc.**, a Wisconsin corporation ("**Lessee**").

WITNESSETH:

In consideration of the rents reserved herein and of the covenants, terms, conditions, warranties and agreements herein set forth, Lessor and Lessee hereby agree as follows:

1. **Premises.** Lessor hereby leases and demises to Lessee and Lessee hereby takes and leases from Lessor, upon the terms and conditions set forth herein, that real property located in the City of La Crosse, County of La Crosse and State of Wisconsin, as more particularly described in **Exhibit A** attached hereto ("Premises").

2. **Term.**

(a) **Initial Lease Term.** The initial term of this Lease shall commence on December 1, 2013, or sooner as mutually agreed by the parties ("Lease Commencement Date"), and continue until the last day of the calendar month in which the 20th anniversary of the Lease Commencement Date occurs. Lessee's obligation to pay rent, at the Rent set forth in **Exhibit B** hereto, shall commence on December 1, 2013, or sooner as mutually agreed by the parties ("Rent Commencement Date").

(b) Lessee, if not at that time in default, shall have the right and option(s) to extend the term of this Lease for two (2) additional ten (10) year option periods, at the Rent set forth in **Exhibit B** hereto and upon all of the same other terms and conditions as are set forth in this Lease. If Lessee shall elect not to exercise any of its options to so extend the term of this Lease, Lessee shall give written notice to Lessor of such election not to extend the Lease term not later than a full six (6) months prior to the expiration of the then current term otherwise the Lease term shall automatically extend.

(c) At the end of the initial lease term, Lessee shall pay to the Lessor the Principal Amount as defined in Section 21 herein (which shall be applied toward the purchase price at such time as Lessee elects to exercise its option to purchase the Premises).

3. **Rent.** Lessee shall pay to Lessor, for each month during the term of this Lease, rent at the rates and for the periods set forth in **Exhibit B** ("Rent"). The Rent for any partial month shall be prorated. Rent shall be paid in advance on the first day of each calendar month during the Lease term.

4. **Use of Premises.**

(a) During the term of this Lease, the Premises may be used by Lessee for "any use permitted by law", provided that Lessee shall, at its sole cost and expense, promptly comply with all laws, rules, ordinances, orders, regulations and requirements of federal, state, county and municipal authorities, now in force or which may hereafter be in force, which shall impose any duty upon Lessor or Lessee affecting the Premises and further provided that the use complies with the Kwik Trip Development

Agreement: Dairy and Freezer-Bakery Expansion Projects recorded at the Register of Deeds on July 3, 2012 as document number 1600043 ("Development Agreement").

(b) Lessee intends to construct and operate a freezer-bakery operation consisting of a building of not less than fifty thousand (50,000) square feet on the Premises. Lessee may demolish all existing improvements, including buildings which are located on the Premises and construct new buildings and improvements to be used in the operation of its business ("Lessee Improvements"). Lessee shall at all times appropriately heat, light and air condition the Premises.

(c) Lessee shall commence construction on or before December 31, 2014 or within one (1) year of obtaining the required permits and approvals, whichever is later. Lessee shall make good faith efforts to timely apply and obtain all necessary permits and approvals.

In the event construction fails to commence by this date, the Lessee shall make an accelerated payment in the amount of one hundred twenty-five percent (125%) of the Principal Amount as defined in Section 21 herein (which shall be applied toward the purchase price at such time as Lessee elects to exercise its option to purchase the Premises), and this Lease shall continue in full force and effect (including Lessee's Option to Purchase as set out in Section 21 herein), provided however that the rent amount shall be reduced to One Dollar (\$1.00) per year, effective upon Lessor's receipt of one hundred twenty-five percent (125%) of the Principal Amount from Lessee.

5. Representations and Covenants of the Lessor. Lessor represents, warrants and covenants to Lessee as follows:

5.1 Lessor will have as of the Commencement Date, good and marketable title to and undisputed possession of the Premises, possesses full power and authority to deal therewith in all respects as relates to the Premises and no other party has any right or option thereto or in connection therewith.

5.2 There are no pending or threatened condemnation proceedings or actions affecting the Premises.

5.3 There are no pending or threatened actions or legal proceedings affecting the Premises or the Lessor's interest therein, except for environmental remediation issues as per Section 19 of this Lease.

5.4 There are no past due installments of special assessments for sewer, sidewalk, water, paving, electrical or power improvements or other capital expenditures or improvements.

5.5 There are no violations of any law, regulation, ordinance, order or other requirements of any governmental authority having jurisdiction over or affecting any part of the Premises, except for environmental remediation issues as per Section 19 of this Lease.

5.6 Lessor is not obligated on any contract, lease or agreement, written or oral, with respect to the ownership, use, operation or maintenance of the Premises.

6. **Utilities.** Lessee shall pay when due all charges for electricity, gas, heat, air cooling, telephone, water, sewer and any and all other utility services used in connection with the Premises during the Lease term, including all maintenance and repair to all such utility systems.

7. **Taxes.**

(a) Lessee shall be responsible for the payment, before any fine, penalty, interest or cost may be added thereto for the non-payment or late payment thereof, any and all real and personal property taxes, assessments, license fees and other public charges.

Any such taxes and assessments for any partial calendar year during the term of this Lease shall be prorated between Lessor and Lessee on a per diem basis and any sum payable by Lessee which would not otherwise be due until after the date of expiration or other termination of this Lease shall be paid by Lessee to Lessor upon such expiration or other termination.

If any such item shall not have been paid by Lessee as required hereunder, then Lessor may, but shall not be required to, pay the same, including any additional charge added thereto, and shall immediately thereupon be entitled to repayment in full by Lessee of such amount on demand, together with interest thereon from the date of Lessor's payment thereof at the rate of one and one-half percent (1.5%) per month.

(b) Lessor shall promptly transmit to Lessee any communication which Lessor shall receive relating to any taxes or assessments to be paid by Lessee hereunder.

(c) Lessee shall have the right to contest or review by legal proceeding, or in such other proper manner as it shall deem suitable (which, if instituted, Lessee shall conduct promptly at its own expense and free of any expense to Lessor) in the name of Lessee or Lessor or both, any tax, assessment or other governmental imposition or charge, the payment of which is the responsibility of Lessee hereunder. Lessee may further, if it so elects, contest the validity of any assessment, or seek a lowering of the assessed valuation upon the Premises. Any legal proceeding undertaken hereunder may include, at the election of Lessee, an appropriate proceeding to review tax assessments and appeals from any judgment, decree or order in connection therewith, but such proceeding shall be commenced as soon as practical after the assessment of any contested item and shall be prosecuted to final adjudication with dispatch. If there shall be any refund with respect to any contested item based upon a payment by Lessee, Lessee shall be entitled to such refund and to any interest or costs recovered in connection therewith as allowed by law.

8. **Maintenance and Repair.** Except as otherwise provided in Section 10 hereof, Lessee shall, at its sole cost and expense, maintain and repair the Premises and all of the improvements thereon. Lessee covenants and agrees to pay promptly when due, all claims for work and material furnished in connection with Lessee's use, maintenance and repair of the Premises and Lessee shall not permit or suffer any lien or encumbrance to attach to the Premises as a result of such claims and shall indemnify Lessor against any loss therefrom.

9. **Insurance.** During the Lease term Lessee shall, at its sole expense and cost, maintain in full force and effect (i) fire and extended coverage insurance covering all improvements, structures and their contents on the Premises insuring against all standard risks of physical loss, and (ii)

personal injury and property damage insurance with a combined single limit coverage of not less than \$2,000,000. Such insurance shall be written by one or more responsible insurance companies licensed to do business in Wisconsin.

10. **Damage or Destruction.** If any of the improvements on the Premises are damaged, destroyed or lost as a result of a fire or any other casualty risk, Lessee may, with the prior written consent of the Lessor, which consent the Lessor may determine in its sole and absolute discretion, decide not to repair or reconstruct such damaged or destroyed improvements; provided however that Rent and other charges payable under the terms of this Lease shall not abate or reduce, and Lessee shall continue to pay the same unless and until this Lease shall have been terminated as herein provided.

11. **Condemnation.**

(a) If title to all of the Premises is taken for any public use under any statute, or by right of eminent domain, or by private purchase in lieu of eminent domain, or if title to so much of the Premises is so taken as to render the balance unsuitable for continued occupancy by Lessee in its reasonable discretion, then, in either such event, Lessee shall have the right to terminate this Lease as of the date that Lessee shall have been deprived of possession of the Premises, or part of the Premises, by written notice to Lessor of its intention so to do, given not later than thirty (30) days after such deprivation. Lessor shall be entitled to the entire award made with respect to any condemnation and Lessee shall have no right to recover any part thereof, provided however, that Lessee shall be entitled to that portion of such award as represents Lessee's loss of business, the then value of all leasehold improvements made by Lessee, Lessee's moving and relocation expenses and the loss of value or damage to Lessee's fixtures.

(b) If any part of the Premises shall be so taken and the remaining part of the Premises (if reconstructed to the extent reasonably practicable in the circumstances) is reasonably suitable for continued occupancy by Lessee, this Lease shall, as to the part so taken, terminate as of the date that Lessee shall have been deprived of possession thereof, and a fair and just portion of the Rent, according to the nature and extent of the damage sustained, shall be suspended or abated, as appropriate and equitable in the circumstances. Lessee shall, at its own cost and expense, make all necessary repairs or alterations to the building and other improvements on the Premises so as to restore the same to an architectural unit as nearly like their condition prior to such taking as shall be practicable, provided any award for business loss, improvements, building, fixtures and the value of the leasehold shall belong to Lessee. There shall be no abatement of Rent during such restoration except to the extent otherwise specifically provided in this paragraph.

12. **Assignment or Subletting.** Lessee may assign this Lease or sublet the Premises, provided that Lessee shall remain fully liable for the performance of all of the obligations of Lessee hereunder and further provided that, as a condition of any such assignment or subletting, the assignee or Sub-Lessee shall agree directly with Lessor, by written instrument prepared by Lessor, to be bound by all of the obligations of Lessee hereunder and further provided that any such assignment, sublet or transfer complies with the Development Agreement.

Lessor shall not assign, transfer, participate, pledge or encumber or any combination thereof, all or any part of Lessor's interest in this Lease and the Leased Premises.

13. **Quiet Possession.** Lessor represents and warrants that it is the owner in fee simple of the Premises and that it alone has full right to lease the Premises to Lessee. Provided Lessee shall not be in default, Lessor covenants that Lessee shall have peaceful and quiet enjoyment of the Premises against any and all persons lawfully claiming by, through or under Lessor.

Lessor, including, without limitation, its agents and representatives, shall upon reasonable notice to Lessee, be entitled to enter upon the Premises at reasonable times during normal business hours for the purpose of examining and inspecting the condition thereof, and exercising any right or power reserved to Lessor under the Lease; provided, however, such entry shall be done in a manner so as not to unreasonably interfere with the conduct of Lessee's activities thereon, and such entry shall only be made, at Lessee's option, if Lessor is accompanied by a responsible employee of Lessee, and provided, further that no person shall be allowed or permitted on the Premises if such person is engaged in any activities, enterprises, or business that compete, directly or indirectly, with any product or business of Lessee.

The parties specifically acknowledge that in order for Lessor to comply with Section 19(b) of this Lease, installation, maintenance and access to environmental contamination monitoring equipment is likely to be required by the State of Wisconsin for one (1) or more years after completion of environmental remediation activities on the Premises.

14. **Holding Over and Surrender.**

(a) Should Lessee remain in possession of any part of the Premises after the expiration or other termination of the term of this Lease, without extending the term or executing a new lease, then such holding over shall be construed as a tenancy from month-to-month, subject to all of the conditions, provisions and obligations of this Lease as the same be legally applicable to a month-to-month tenancy. Notwithstanding, rent for any holdover tenancy shall be calculated as four (4) times the rental value as defined in Wis. Stat. § 704.27. Rental value shall be determined by the City Assessor, in his sole and absolute discretion.

(b) On the day of expiration or sooner termination of this Lease term, Lessee shall quit and surrender the Premises, broom clean, in good and safe order, condition and repair (damage by fire or other casualty and normal wear and tear excepted) together with all alterations, additions and improvements that may have been made in, to or on the Premises, except trade fixtures. Any and all improvements (except trade fixtures) shall become the property of Lessor upon expiration of the Lease. On or before the end of the Lease term, Lessee shall remove all of its personal property, trade fixtures and equipment from the Premises and shall repair any and all damage to the Premises resulting from such removal. All such property not removed in a timely manner shall be deemed abandoned by Lessee and Lessor may dispose thereof as it shall see fit in its absolute discretion. Should the Premises not be so surrendered at the end of the Lease term, Lessee shall indemnify and hold Lessor harmless against all losses or liabilities resulting from such delay by Lessee in surrendering the Premises, including specifically, without limitation, any claims made by any succeeding tenant or owner founded on such delay, any loss by Lessor of the benefit of any lease or sale resulting from such delay and any other consequential damages of Lessor.

15. **Defaults and Remedies.**

(a) **Lessee's Defaults:** If

(i) Lessee shall fail to pay Rent on or before any date upon which the same shall become due and payable and the same shall continue for ten (10) days after receipt of written notice from Lessor, or

(ii) Lessee shall fail to perform or observe any agreement to make any other payment to or on behalf of Lessor and such failure shall continue for ten (10) days after written notice from Lessor to Lessee thereof, or

(iii) Lessee shall fail to maintain any required insurance and such failure shall not be cured within ten (10) days after written notice from Lessor to Lessee thereof, or

(iv) Lessee shall fail to perform or observe any other term, covenant or condition of this Lease and Lessee shall not commence to cure such failure within thirty (30) days after written notice from Lessor to Lessee thereof and promptly and diligently complete the curing of same, or Lessee has not exercised due diligence to cure such default if such default cannot be reasonably cured within thirty (30) days provided such default shall be cured within ninety (90) days, or

(v) The estate created in Lessee shall be taken upon execution or by any other process of law, or in any assignment shall be made of a substantial portion of the property of Lessee for the benefit of creditors, or if a receiver, guardian, conservator, trustee or other similar party shall be appointed to take charge of all or a substantial portion of Lessee's property by a court of competent jurisdiction, or if a petition concerning Lessee filed under any provision of the U.S. Bankruptcy Code shall not have been dismissed within forty-five (45) days after the filing thereof,

then Lessor lawfully may, immediately or any time thereafter, without demand or notice, enter into and upon the Premises or any part thereof in the name of the whole and repossess the same as of Lessor's former estate and expel Lessee and any party claiming through or under Lessee and remove its or their property and effects without being guilty of trespass and without prejudice to any remedies whatsoever which might otherwise be available to Lessor for arrears of Rent or preceding breach of the Lease. Upon or without entry as aforesaid, Lessor shall have the right, by proper notice to Lessee of Lessor's election so to do, forthwith to terminate this Lease. Lessee shall, notwithstanding any entry by Lessor, whether by any proceedings, termination or otherwise, pay and be liable for, on the various days originally fixed herein for the payment thereof, amounts equal to the Rent and other charges reserved as they would, under the terms of this Lease, have become due had this Lease not been terminated or had Lessor not entered as aforesaid, and whether the Premises shall or shall have been relet or remain vacant, in whole or in part, or for a period less than, the same as or greater than the remainder of the term hereof; provided, however, should any part of the Premises be relet by Lessor, Lessee shall be entitled to a credit in the net amount of the Rent actually received by Lessor therefrom in such reletting, after deduction of all expenses incurred in retaking and reletting the Premises (including, without limitation, remodeling costs, brokerage fees, legal fees and the like) and in collecting the Rent in connection therewith, in the following manner:

All amounts in the nature of Rent received by Lessor after reletting shall first be applied against such Lessor's expenses, until the same shall have been recovered, and until such recovery, Lessee shall receive no credit against its obligation to pay Rent, nor shall Lessee ever be credited with any amount resulting from the fact that any such reletting may be made for a Rent higher than the Rent provided in this Lease. If and when such expenses shall have been completely recovered, consistent with the provisions of

this paragraph, such amounts received by Lessor from reletting as shall not have been so previously applied, shall be credited against Lessee's obligations.

Lessee's obligations as of each day when a payment of Rent would have otherwise fallen due under the terms of this Lease and only the net amount of Lessee's otherwise scheduled payment shall be payable by Lessee. Further, any amounts received by Lessor from such reletting for any period shall be credited only against obligations of Lessee allocable to such period and no credit of any kind shall be allowable for any period after that date upon which the term of this Lease would have otherwise expired according to its terms.

(b) **Lessor's Defaults:** Lessor shall in no event be in default in the performance of any of Lessor's obligations hereunder unless and until Lessor shall have failed to perform such obligations within thirty (30) days, or such additional time as shall be reasonably required to remedy any such default, after proper notice by Lessee to Lessor specifying wherein Lessor shall have failed to perform any such obligation.

16. **Subordination and Estoppel.** Lessor agrees that it shall not allow any mortgages, liens, encumbrances or documents of any kind to accrue against the Premises. This Lease shall at all times supersede and have preference over such encumbrances against the Premises. Lessee shall have no obligation to subordinate its interest under this Lease or the Premises, including its Option to Purchase in favor of any mortgagee, or other lien holder. Notwithstanding Section 16 and any other part of this Lease, this Lease shall be subordinate to the Development Agreement, which shall remain recorded against the real estate until its termination.

17. **Restriction Against Transfers, Sales, Liens and Encumbrances.** So long as this Lease remains in effect, Lessor will not, without the prior written consent of Lessee, sell, transfer or convey the Leased Premises, or create, incur, assume or suffer to exist any security interest mortgage, deed of trust, trust deed, pledge, lien or encumbrance of any nature (each, a "Lien") on the Leased Premises, including any improvements located thereon.

18. **Notices.** All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations under this Lease by either party to the other party shall be writing and shall be properly given and served upon the other party only if delivered personally or sent via overnight carrier, i.e. Federal Express, or by certified U.S. Mail, return receipt requested, postage prepaid and addressed as follows:

To the Lessor: Attn: City Clerk
 City of La Crosse
 400 La Crosse Street
 La Crosse, WI 54601

With a Copy to: Attn: City Attorney
 City of La Crosse
 400 La Crosse Street
 La Crosse, WI 54601

To the Lessee: Attn: Real Estate Director

Kwik Trip, Inc.
1626 Oak Street
La Crosse, WI 54603

With a Copy to: Attn: Legal Department
Kwik Trip, Inc.
1626 Oak Street
La Crosse, WI 54603

19. Lessor's Covenants.

(a) **Conduct Pending Waiver of Contingencies.** Lessor agrees that Lessee shall have full access to examine the Premises. Lessee, at Lessee's expense, may enter upon the Premises to conduct such tests and make such examinations, including boring, soil and environmental tests, as Lessee deems necessary. Lessor shall furnish to Lessee with copies of all deeds, restrictive covenants, easements, financing statement, lis pendens, leases, agreements, mortgages, security agreements or other instruments to which Lessor is a party and/or by which the Premises are subject or bound and which Lessor has within its possession. Lessor shall advise Lessee fully as to any agreements, leases or tenancies not in writing affecting the Premises. Lessor agrees to cooperate with Lessee in obtaining the permits, approvals and licenses necessary for Lessee's operation of the Premises, provided that Lessee shall pay all of Lessee's costs and expenses, if any, of the preparation and other application activities related thereto and further provided that the Lessor cannot assure or guarantee approval of any particular permit, approval or license sought. Lessor shall provide to Lessee with copies of any reports and any surveys Lessor may have of the Premises.

(b) **Environmental.** As an express condition of Lessee's obligations under this Lease, Lessor, at its sole cost and expense, shall arrange and contract for any and all approvals concerning environmental remediation under this subsection 19(b) that are necessary from the Wisconsin Department of Commerce ("WDC") and/or the Wisconsin Department of Natural Resources ("WDNR") for Lessee to construct and operate on the Premises, a freezer-bakery operation.

Lessor acknowledges that the Premises are impacted by a hazardous substance, specifically tetrachloroethylene aka perchloroethylene ("PCE"). Lessor shall be responsible for excavating and removing all reasonably accessible visually contaminated soils originating from or contributed to by PCE from the Premises and such excavation area shall immediately thereafter be filled with clean soils, and the excavated contaminated soils originating from or contributed to by PCE shall be properly disposed of off of the Premises as required by and in accordance with applicable laws, ordinances, rules and WDC and/or WDNR guidance, all at Lessor's sole expense (together with Lessor's obligations under the immediately following sentence, the "Lessor Remediation"). In addition, Lessor, at its expense and as part of the Lessor Remediation, will file all required reports with the WDC and/or WDNR, enroll the Premises in the Wisconsin Petroleum Brownfields Program (if applicable) and work diligently and in good faith to obtain and shall obtain a final closure letter from the WDC and/or WDNR. Regarding any existing contamination liability on the Premises concerning PCE, Lessor agrees to reimburse, indemnify, defend and hold Lessee and its officers, employees and agents harmless from any and all third party claims, judgments, damages, fines, fees, costs, expenses, consultants fees, and expert fees which arise in connection with the presence or suspected presence of PCE in the soil, groundwater, or soil vapor on or under the Premises or neighboring properties, unless such PCE is present solely as the result of the negligence or willful misconduct of

Lessee, its officers, employees or agents. Lessor's obligations unless this Section shall survive the expiration of this Lease and shall continue indefinitely.

Regarding any contamination liability that may be created by Lessee as a result of its development and use of the Property, Lessee agrees to reimburse, indemnify, defend and hold Lessor and its officers, employees and agents harmless from any and all third party claims, judgments, damages, fines, fees, costs, expenses, consultants fees, and expert fees which arise in connection with the presence of any hazardous substances in the soil, groundwater, or soil vapor on or under the Premises arising solely as a result of Lessee's development and use of the Premises. Lessee's obligations unless this Section shall survive the expiration of this Lease and shall continue indefinitely.

(c) **Title Insurance.** Within fifteen (15) days from execution of this Lease, Lessor shall deliver to Lessee the existing title policy/abstracts of title covering the Premises. Lessee shall obtain a commitment to issue an ALTA Form B-1982 (Rev. 4/6/90) leasehold interest title insurance policy. All expense incurred in obtaining such commitment and in paying the premium charge for said commitment shall be paid by Lessor. Such title commitment shall show good and marketable title to and undisputed possession of the Premises in Lessor, free and clear of all defects, liens and encumbrances.

(d) **Survey.** Upon execution of this Lease, Lessor shall commission a current survey of the Premises, certified to Lessee and prepared by a land surveyor, certified or registered in Wisconsin. All expenses incurred in obtaining such survey shall be paid by Lessee. The survey shall be prepared in accordance with the Minimum Standard Detail Requirements for Land Title Surveys as adopted by the American Title Association and the American Congress on Surveying and Mapping in 2005, and shall include a proper and complete legal description of such Premises and shall show: (i) external boundaries of such Premises and the length and direction of each dimension; (ii) access to and names of the nearest or adjacent public roads; (iii) the locations of all recorded easements; (iv) the locations of any flood plains; (v) the legal description and street address of such Premises and the number of square feet within such Premises; (vi) setback requirements; (vii) physical encroachments onto such Premises; (viii) the locations of monuments at corners; (ix) the locations of all improvements; (x) the locations of all utilities and if they have not been extended to the boundary of such Premises, the nearest point from which they could be extended to such Premises; (xi) the topography of the Premises at two foot intervals; and (xii) other information necessary or required by the title company to remove the "survey" exception in the title commitment.

20. **Lessee's Contingencies.** NOTWITHSTANDING ANYTHING TO THE CONTRARY STATED HEREIN, THIS LEASE SHALL BE CONSIDERED NULL AND VOID AND EACH PARTY SHALL BEAR NO LIABILITY TO THE OTHER PARTY IF THE FOLLOWING CONDITIONS ARE NOT MET TO LESSEE'S SATISFACTION:

(a) **Rezoning; Permits/Licenses; Curb Cuts; Easements.** On or before December 31, 2012, Lessee shall have obtained on terms reasonably satisfactory to Lessee: (i) any rezoning of the Premises for Lessee's intended development and use of the Premises, and plat or replat approval in connection therewith; (ii) all permits, licenses, variances or approvals necessary for the lawful construction, operation and use of the Premises as a freezer-bakery operation, and access thereto; (iii) any curb cuts necessary for adequate access to all adjacent streets; (iv) all easements for utilities, access, use or services necessary for a freezer-bakery operation; and (v) all utilities or services necessary for the construction, operation and use of the Premises as a freezer-bakery operation.

(b) **Due Diligence; Survey; Site Investigation.** On or before December 31, 2012, Lessee shall have obtained (i) a satisfactory outcome to its due diligence investigation with respect to the Premises; (ii) a survey verifying satisfactory location, boundaries, easements and dimensions of the Premises; (iii) a satisfactory outcome of Lessor's acquisition of the Freezer Project Real Estate (as defined in the Development Agreement); (iv) a satisfactory outcome to its soil and environmental testing, including the examinations, tests, and Lessor obligations set out in Section 19(b); and (v) satisfactory evidence that the Premises and the contemplated use thereof by Lessee complies with all applicable laws.

Lessee shall have received a survey which shall show to Lessee's satisfaction, with respect to the Premises that: (i) there are no easements or other uses which adversely affect the Premises or Lessee's use thereof; (ii) there are no encroachments onto the Premises; (iii) the Premises do not lie within a flood or lakeshore erosion hazard area; and (iv) no other condition exists which would unreasonably interfere with or restrict Lessee's intended use of the Premises.

(c) **Title Insurance.** On or before December 31, 2012, Lessee shall have received and approved the title insurance commitment pursuant to Section 19(c) hereof, which shall show no title defects affecting the Premises or Lessee's intended use thereof as freezer-bakery operation.

(d) **Possession.** Lessor shall have provided Lessee with sole possession of the Premises on or before the Commencement Date.

(e) On or before December 31, 2012, Lessor shall have obtained a grant from the Wisconsin DNR providing adequate funds for the clean-up of hazardous substances on the Premises.

(f) On or before December 31, 2012, Lessor shall have obtained an agreement acceptable to Lessor and Lessee, which establishes the obligations and the financial responsibility of all Responsible Parties (as such term is defined by State Statutes) for the clean-up of any existing environmental contamination on the Premises.

21. **Option to Purchase.**

(a) Lessee shall have the exclusive right and Option to Purchase the Premises for the Principal Amount at any time during the term of this Lease, including Option Periods. In the event that Lessee elects to exercise its Option, the parties agree that they shall close such transaction within sixty (60) days of Lessor's receipt of such notice of election to purchase. During the conveyance, the parties shall share equally in the closing and transaction costs. At the Closing, Lessor shall convey all its right, title and interest in and to the Premises to Lessee by quit claim deed. Lessee shall have the right to specific performance of this Agreement by Lessor to provide Lessee with an Option to Purchase, in addition to all other remedies Lessee may have at law or in equity. "Principal Amount" shall have the same meaning as per Section 1.3(n) of the Development Agreement and is currently estimated at Four Hundred Forty-Two Thousand Five Hundred Dollars (\$442,500.00), subject to change as set forth in that certain Purchase Agreement between Lessor and ALM Family Limited Partnership, a Wisconsin limited partnership, covering the real property located at 2326 Commerce Street, La Crosse, Wisconsin (which comprises a portion of the Premises). Such Principal Amount shall be verified based on the final settlement statement at the time of closing and confirmed by amendment to this Lease.

22. **Parties Bound.** Except only as expressly provided otherwise in this Lease, all of the terms, conditions and covenants hereof shall be binding upon and inure to the benefit of the respective heirs, personal representatives, successors in interest to and assigns of Lessor and Lessee.

23. **Parties Signatory.** Each and every party signatory hereto personally represents, covenants and warrants that he is duly empowered to execute on behalf of and bind that party for whom he signs to all of the obligations set forth in this Lease.

24. **Memorandum of Lease.** A memorandum of this Lease may be executed by the parties hereto making specific reference to the term thereof and either party shall have the right to require the other party to record said Memorandum of Lease or the Lease, itself, in the office of Recorder or Register of Deeds for La Crosse County.

25. **Miscellaneous Provisions.**

(a) Time is of the essence of each term, condition, covenant and provision of this Lease.

(b) One or more waivers by either party of any right to enforce any term, condition, covenant or provision of this Lease shall not be construed as a waiver in any other instance. Any consent or approval given with respect to any act requiring such consent or approval shall not be deemed to waive or render unnecessary any further consent to or approval of any similar act. Failure of either party to complain of any action or inaction on the part of the other party, no matter how long the same may continue, shall never be deemed a waiver of any right hereunder.

(c) No payment by Lessee or acceptance by Lessor of a lesser amount than shall be due in any instance from Lessee to Lessor shall be other than a payment on account and Lessor shall not be bound by any notation on any check involving such payment or any statement accompanying or referencing such payment.

(d) INTENTIONALLY OMITTED.

(e) This instrument and the attached exhibits to which reference is made herein contain all of the agreements and conditions made between Lessor and Lessee and supersede all prior agreements, both oral and written, and may not be modified orally or in any other manner than by an agreement in writing signed by all parties to this Lease or their respective successors in interest. Notwithstanding this Subsection or any other part of this Lease, this Lease is subject to the Development Agreement. If any section, subsection, term, part or provision of this Lease conflicts with the Development Agreement, then the section, subsection, term, part or provision of the Development Agreement shall control.

(f) Captions used in this Lease are for convenience only and shall have no effect upon the construction or interpretation of any part of this Lease.

(g) Lessor shall execute for recording purposes a so-called short form or notice of lease, prepared by Lessee in recordable form which form shall contain reference to the Option to Purchase

granted to Lessee hereunder. Lessee shall record such short form or notice against the Premises at Lessee's expense.

(h) Lessee shall immediately discharge, either by payment or by filing with Lessor a bond fully satisfactory to Lessor, in Lessor's sole judgment, any mechanics', materialman's or other lien against the Premises and/or Lessor's interest therein, which lien may be alleged to arise out of any payment due for any labor, services, materials, supplies, equipment or other item furnished to or for Lessee in, on or about the Premises.

(i) The parties respectively warrant and represent to each other that neither has dealt with any broker in connection with the consummation of this Lease and possible sale of the Premises associated herewith.

(j) This Lease shall be governed exclusively by and construed and interpreted exclusively under its terms, conditions, covenants and provisions and the laws of the State of Wisconsin, as the same may exist from time to time.

(k) Wherever herein the singular number is used, the same shall include the plural, if necessary for proper interpretation, and each gender shall include the other two genders, if necessary for proper interpretation.

(l) Any amount due from Lessee to Lessor hereunder which shall not be paid when due shall bear interest at the rate of one and one-half percent (1.5%) per month from the date due until paid, unless otherwise specifically provided herein, but the payment of such interest shall not excuse or cure any default by Lessee under this Lease.

(m) The covenant to pay Rent is hereby declared to be an independent covenant on the part of Lessee to be kept and performed and no offset thereto shall be permitted or allowed.

(n) In case of any emergency (the existence of which may be determined by Lessor in its sole judgment), if Lessee shall not be present to permit entry, Lessor or its representatives may enter the Premises forcibly without rendering Lessor or its representatives liable therefore or affecting Lessee's obligations under this Lease.

(o) Nothing contained in this Lease shall cause this Lease to be construed to be or to create a partnership or joint venture between Lessor and Lessee.

(p) Any termination or surrender of this Lease prior to its expiration shall require the prior written consent of Lessor's Mortgagee.

(q) This is an unsubordinated Land Lease and the Lessee agrees that the fee ownership of the land will not be used as collateral for any of Lessee's loans. No liens, loans, debts, obligations or mortgage of Lessee shall attach to the Premises.

(r) Lessee shall comply with all applicable federal, state and local laws, regulations, ordinances and rules.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease as of the day and year first above written.

LESSOR: CITY OF LA CROSSE, WISCONSIN

By: _____
Mathias Harter, Mayor

Attest: _____
Teri Lehrke, City Clerk

LESSEE: KWIK TRIP, INC.

By: _____

STATE OF _____)
) ss.
COUNTY OF _____)

Personally came before me this _____ day of _____, 2012, the above named _____ of City of La Crosse, Wisconsin, municipal corporation, who executed the foregoing instrument, and acknowledged the same.

Notary Public, State of _____
My Commission Expires _____

STATE OF WISCONSIN)
) ss.
COUNTY OF LA CROSSE)

Personally came before me this _____ day of _____, 2012, the above named _____, _____ of Kwik Trip, Inc., a Wisconsin corporation, who executed the foregoing instrument, and acknowledged the same.

Notary Public, State of Wisconsin
My Commission Expires _____

EXHIBIT A

EXHIBIT B
"Rent"

Monthly rent in the amount of One Thousand Six Hundred Sixty-seven and 00/100 Dollars (\$1,667.00) per month, adjusted annually for inflation up to a ten percent (10%) maximum annual increase.

Rent for any successive lease term shall be calculated by taking the final monthly rent to the previous initial lease term or successive lease term, whichever is applicable, and adjusting it annually for inflation up to a ten percent (10%) maximum annual increase. The Lessor's Finance Director shall calculate annual inflation, if any, by using the Consumer Price Index for All Urban Consumers (CPI-U) U.S. City Average, All Items, Not Seasonally Adjusted 1982-84=100.