LEASE AGREEMENT

# LEASE AGREEMENT

THIS LEASE, is made this \_\_\_\_\_ of March 2015, by and between La Crosse Pettibone Boat Club, Inc, a Wisconsin not for profit corporation, at South Pettibone Drive, La Crosse, WI, (the "LANDLORD"), and Pogys P & E Enterprises, Inc, a Wisconsin corporation (the "TENANT").

#### ARTICLE 1

## PREMISES AND TERM

- Section 1. LANDLORD hereby leases to TENANT, and TENANT hereby leases from LANDLORD, the Pettibone Boat Club Restaurant facility situated in the City of La Crosse, County of La Crosse, State of Wisconsin located at the Pettibone Boat Club (the "Club") which is shown on the site plan described as Exhibit A which attached hereto and made a part hereof. LANDLORD reserves the unrestricted right throughout the term of this Lease to add land to, subtract land from or re-configure the land that currently constitutes the Club.
- Section 2. To Have And To Hold the Leased Premises unto TENANT for a term of Nine (9) months commencing April 1, 2015 and ending December 31, 2015.
- Section 3. If the Leased Premises are not ready for occupancy or LANDLORD for any reason is unable to deliver possession thereof by April 1, 2015, LANDLORD shall not be liable nor responsible for any claims, damages or liabilities in connection therewith or by reason thereof and this Lease shall remain in full force and effect. TENANT shall not be liable for Rent until LANDLORD delivers possession of the Leased Premises to TENANT, but the Term shall not be extended by the delay unless otherwise specified by written notice from LANDLORD to TENANT.

#### **ARTICLE 2**

#### PREPARATION OF LEASED PREMISES

Section 1. TENANT takes and accepts the Leased Premises in its "as is" condition. Taking of possession of the Leased Premises by TENANT shall be conclusive evidence that the Leased Premises were, on that date, in good, clean and tenantable condition as represented by LANDLORD

# **ARTICLE 3**

## PERCENTAGE RENT

- Section 1. TENANT shall pay to Landlord, for each lease year of the Initial Lease Term and any renewal or option term thereafter, a sum equivalent to the amount of Seven percent (7%) pf gross sales, as defined in Section 3 of this Article 3. The percentage rent shall be paid monthly as herein provided, at the office of LANDLORD or such place as LANDLORD may designate, without any prior demand therefore.
- Section 2. Percentage rent shall be payable thirty (30) days after the last day of each lease month. The term Lease Month will mean each calendar month within the Lease Term.
- Section 3 The term "gross sales" is hereby defined to mean sales of TENANT and of all licensees, concessionaires, or TENANT, from all business conducted or generated upon or from the Leased Premises, whether such sales be evidenced by check, credit, charge account, exchange or otherwise, and shall include, but not be limited to the amounts received from the sale goods, wares and merchandise and for services performed on or at the Leased Premises. Gross sales shall not include any sales, use or gross receipts tax imposed by any federal, state, municipal, or government authority. Gross sales shall not include any tips, or gratuities paid to Tenant's employees, nor for merchandise transferred out of the Lease Premises and transported to another store of TENANT or and affiliate of TENANT where such exchange

is made solely for the convenient operation of TENANT's business and not for the purpose of consummating a sale made in, at or from the Leased Premises.

Section 4. TENANT shall keep a permanent accurate set of books and records, in accord with sound accounting practices, of all gross sales from business conducted in the Leased Premises and all supporting records, including all original sales records, sales slips, excise tax reports, and state sales tax, business and occupation tax and gross income tax reports (collectively, "TENANT's Records"); and TENANT's records shall be open to inspection by LANDLORD and it's agents including the City of La Crosse during normal business hours. TENANT's Records shall be kept so as to disclose all information required to determine gross sales as defined in Section 3 of this Article 3.

Section 5. Acceptance by the LANDLORD of payments of percentage rent shall be without prejudice to the LANDLORD's right to examination of the TENANT's Records to verify the amount of gross sales received by the TENANT from the Leased Premises.

#### **ARTICLE 4**

#### SALES REPORTS

Section 1. On or before the thirtieth day of the calendar month following the first month included in the Initial Lease Term, and on or before the thirtieth day of each calendar month thereafter, TENANT shall prepare and deliver to LANDLORD a monthly statement of gross sales for the prior month. On or before the thirtieth day of January following each lease year, the TENANT shall provide an annual statement of Gross Sales verified by TENANT with copies of Sales Tax reports..

## **ARTICLE 5**

#### **COMMON AREAS**

Section 1. The term "common areas" shall mean that portion of the Club improvements excepting only that area which is constructed for lease to tenant. Without limiting the foregoing, the phrase "common areas" shall specifically include the driveways, parking areas, yard and docks. LANDLORD reserves the unrestricted right to change the design or size of the Club facility and add or remove land, buildings or other structures to or from the Club provided only that the size of the Leased Premises, reasonable access to the Leased Premises and minimum parking facilities as required by governmental authorities having jurisdiction, shall not be substantially or materially impaired, subject to the provisions of Article 13 of this Lease.

Section 2. LANDLORD grants to TENANT, its employees, customers, and invitees, the nonexclusive right to use the common areas from time to time constructed, such use to be common with LANDLORD and its employees, members, and invitees. TENANT shall not at any time interfere with the rights of LANDLORD, its employees, members, customers, and invitees, to use any part of the common areas

Section 3. LANDLORD agrees to manage, operate and maintain all common areas and common facilities within the common areas of the Club. The manner in which such areas and facilities shall be maintained and the expenditures therefor shall be at the sole discretion of LANDLORD, who shall have the right to adopt and promulgate reasonable nondiscriminatory rules and regulations, from time to time, including the right to designate parking areas for the use of employees of TENANT and to restrict such employees from parking in areas designated exclusively for members. LANDLORD shall have the right to close portions of the common areas from time to time for repairs, to prevent accruing of public rights therein, and for any other legitimate purpose.

# ARTICLE 6 USE

Section 1. The Leased Premises may only be used for a Bar and Restaurant, off sale beer and liquor sales if permitted by license and for the sale of business related items such as wearables and novelties. (subject always to the provisions of Section 2 of this Article 6) and for no other purpose. TENANT agrees to occupy the Leased Premises for the "Boating Season" defined as approximately May 1st through September 30th, and continuously operate the entire Leased Premises, fully stocked and adequately staffed throughout the term unless prevented from doing so by strikes, damage to the Leased Premises or other similar cause beyond the TENANT's control. TENANT also agrees to conduct its business at all times in good faith, in a high-grade and reputable manner. TENANT shall promptly comply with all laws, ordinances and regulations affecting the Leased Premises or TENANT's business therein, plus insurance company requirements affecting the cleanliness, safety, use and occupation of the Leased Premises, including (i) the Americans With Disabilities Act, as amended or supplemented from time to time, (ii) all laws, ordinances, and regulations pertaining to the generation, use, storage, removal, and disposal of hazardous substances, and (iii) LANDLORD's rules and regulations for the Club as the same may exist from time to time. TENANT shall store in the Leased Premises only such goods, wares and merchandise as TENANT intends to offer for sale at retail from the Leased Premises. LANDLORD disclaims any warranty that the Leased Premises are suitable for TENANT's use and TENANT acknowledges that TENANT has had a full opportunity to make its own determination in this regard.

LANDLORD and TENANT understand and do hereby agree that the refusal or failure of TENANT to continuously occupy and operate the entire Leased Premises, fully stocked and adequately staffed in a high-grade and reputable manner during the Boating Season unless prevented from doing so by flood, damage to the Leased Premises, or other similar cause beyond the TENANT's control, will cause the LANDLORD consequential, compensatory, or special damages. The parties hereto hereby agree that said damage amount or amounts including loss of other tenant renewals or loss of other member prospects or loss of slip rental or other member income are and will be impossible to determine. Accordingly, LANDLORD and TENANT hereby agree that in the event of said refusal or failure, TENANT shall, in addition to any other amounts payable under this lease, be liable to LANDLORD for an additional liquidated-damage amount equal to 100% of the net present value (assuming a capitalization rate of 8%) of the Rent for the duration of the Ter then remaining commencing on the date of said refusal or failure, payable within 30 days of the date of said refusal or failure.

Section 2. TENANT shall not, without LANDLORD's prior written consent, conduct any auction, fire, closing-out or bankruptcy sales in or about the Leased Premises nor use the Leased Premises for the sale of drugs, prohibited, controlled or regulated substances, drug paraphernalia, pornographic or offensive material, or for gambling or the sale of gambling related materials (such as but not limited to tip boards or video porker machines), nor obstruct the common areas or use the same for business, display or recreational purposes, nor abuse the building, other improvements, fixtures or personal property constituting the Club (including, without limitation, walls, ceilings, partitions, floors and wood, stone and iron work), nor use plumbing for any purpose other than that for which constructed, nor make or permit any noise or odor to emit from the Leased Premises that is objectionable to the public, to members of the club; nor create, maintain or permit a nuisance thereon; nor do any act tending to injure the reputation of the Club; nor, without LANDLORD's prior written consent, place or permit any radio or television antenna, loud speaker or sound amplifier, or other devices similar to any of the foregoing outside of the Leased Premises or at any place where the same may be seen or heard outside of the Leased Premises; nor, where loading and delivery facilities are provided, use or permit to be used entrances for delivery or pick-up of merchandise or supplies to or from the Leased Premises, or permit trucks or other delivery vehicles while being used for any such purpose to be parked at any place within the Shopping Center except at such facilities as are specifically provided for such purpose. TENANT shall not permit any blinking or flashing light to emit from the Leased Premises. TENANT shall keep the Leased Premises and loading platform areas allowed for the use of TENANT, clean and free from rubbish and dirt at all times, and shall store all trash and garbage within the Leased Premises and will make the same available for regular pick-up which TENANT will arrange at the TENANT's expense. TENANT shall not burn any trash or garbage at any time in or about the Club.

Section 3. LANDLORD reserves the right, without liability to TENANT, to refuse admission to the Club and the Leased Premises outside ordinary business hours to any person who is not known to any watchman in charge, or who is not properly identified, to eject any person from the Club whose conduct may be harmful to the safety and interest of Club Members or to close any part of the Club during any commotion where person or property may be imperiled.

Section 4. TENANT may use the Club name as its advertised address when referring to its business in the Leased Premises in newspaper and other advertising. The right to use such name for such purpose for the term of this Lease is hereby licensed by LANDLORD to TENANT. LANDLORD retains all property rights in such name and TENANT shall not acquire or have any rights in or to such name other than as are expressly granted by LANDLORD in this Section 4 or otherwise in writing.

#### **ARTICLE 7**

## UTILITIES

Section 1. TENANT shall pay for all heating, air conditioning, electricity, gas, water and sewer services furnished to the Leased Premises, commencing upon the date that LANDLORD first delivers possession of the Leased Premises to TENANT and continuing thereafter until the expiration of the Term of this Lease provided TENANT is open on a regular basis to the general public. Should the TENANT close for the Season, the responsibility for the utilities reverts back to the Landlord.

Section 2. If TENANT receives utilities through a meter which utilities are also supplied to other memberss of the Club, then TENANT shall pay to LANDLORD as additional rent a sum equivalent to TENANT's proportionate share of the total utility meter charges as TENANT's portion thereof. LANDLORD will provide TENANT with a list of any shared utilities

Section 3. LANDLORD shall not be liable in damages or otherwise if any utility or other service furnished to the Leased Premises shall be interrupted or impaired by fire, repairs, accident, or by any causes beyond LANDLORD's reasonable control.

## **ARTICLE 8**

# **TAXES**

Section 1. LANDLORD shall pay all real property taxes and installments of special assessments payable therewith on the Club land and improvements payable during the Lease term and rental taxes (if any) on rentals levied during the term hereof upon the rentals from the Leased Premises (collectively, "Taxes").

Section 2. TENANT shall pay all Sales and other Taxes accrued or assessed as a result of the TENANT conducting business in the Leased Premises

#### **ARTICLE 9**

#### REPAIRS

Section 1. LANDLORD shall keep the Club buildings in good repair, and if necessary or required by proper governmental authority, make modifications or replacements thereof, except that LANDLORD shall not be required to make any such repairs, modifications or replacements which become necessary or desirable by reason of the negligence of TENANT, its agents, servants or employees.

Section 2. Tenant shall permit no waste, damage or injury to the Leased Premises and shall, at its cost and expense, keep the Leased Premises in good order and in a clean, sanitary and safe condition, in accordance with all applicable laws, ordinances and regulations of any governmental authority having jurisdiction, including, without limitation, the Americans with Disabilities Act. TENANT shall only be responsible for routine maintenance or all equipment, facilities, fixtures and systems. LANDLORD shall be responsible for repairs or replacement of Restaurant equipment owned by the LANDLORD, unless such repairs or replace is necessary due to negligence of the TENANT, TENANT's employees or customers. TENANT's maintenance and repair obligation under this Section 2 shall include, but not be limited to, semi-annual cleaning and maintenance of the kitchen hood system. Such maintenance shall be performed by a reputable, licensed service contractor acceptable to LANDLORD and shall include inspection, changing filters and belts and

adjustments or maintenance that would generally be covered by a mechanical maintenance service contract. Any equipment, fixtures or systems owned by TENANT maintained by TENANT at it's own cost and expense.

Section 3. If TENANT fails to perform its obligations under Section 2, LANDLORD shall have the right, but shall not be obliged, to make repairs, replacements or improvements of any kind upon the Leased Premises, or any equipment, facilities, fixtures or systems serving the Leased Premises whether located outside or inside the Leased Premises. If LANDLORD exercises its rights pursuant to this Section 3, TENANT shall reimburse LANDLORD for all costs and expenses incurred by LANDLORD hereunder within five (5) days after demand therefore plus fifteen percent (15%) of such costs and expenses for overhead.

## **ARTICLE 10**

# INSTALLATIONS, ALTERATIONS AND SIGNS

Section 1. TENANT shall not make any, alterations or additions to the Leased Premises or make any contract therefor without first procuring LANDLORD's written consent and delivering to LANDLORD the plans and specifications and copies of the proposed contracts and necessary permits, and shall furnish indemnification against liens, costs, damages and expenses as LANDLORD may require. Subject to the terms of Article 19, Section 3 hereof, all alterations, additions, improvements and fixtures, other than trade fixtures, which may be made or installed by either of the parties hereto upon the Leased Premises and which in any manner are attached to the floors, walls or ceilings shall, at the termination of this Lease, become the property of LANDLORD, and shall remain upon and be surrendered with the Leased Premises as a part thereof, without damage or injury; any floor covering affixed to the floor or track lighting and fixtures affixed to the ceiling shall likewise become the property of LANDLORD, all without compensation or credit to TENANT. All fixtures installed by TENANT shall be new or completely reconditioned.

Section 2. TENANT shall promptly pay all contractors and materialmen, so as to avoid the possibility of a lien attaching to the Leased Premises or the Club, and should any lien be made or filed, TENANT shall bond against or discharge the same within ten (10) days after written request by LANDLORD. Nothing in this Lease contained shall be construed as a consent on the part of the LANDLORD so as to subject the LANDLORD's estate in the Leased Premises to any lien or liability under the lien laws of the State of Wisconsin.

Section 3. TENANT shall not erect or install any exterior window or door signs, advertising media or window lettering or placards or other signs or install any interior window or door signs, advertising media or window or door lettering or placards or other signs without LANDLORD's prior written consent. TENANT shall not install any exterior light or plumbing fixtures, shades or awnings, or make any exterior decoration or painting, or build any fence, or make any changes to the store front without LANDLORD's prior written consent. Use of roof is reserved to LANDLORD.

# **ARTICLE 11**

# INDEMNITY

Section 1. TENANT agrees to indemnify and save the LANDLORD harmless from any and all claims by or on behalf of any person or entity, to the extent that such claims arise from the conduct or management of any work or anything whatsoever done by or on behalf of TENANT, its employees or agents, in or about or from transactions of TENANT concerning the Leased Premises, and will further indemnify and save LANDLORD harmless against and from any and all liability arising from such claims to the extent such claims arise from any breach or default on the part of the TENANT in performance of any covenant or agreement on the part of TENANT to be performed pursuant to the terms of this Lease, or to the extent such claims arise from any tortuous acts or omissions of the TENANT, its employees or agents, and from and against all resulting reasonable costs, expenses (including attorney's fees) and liabilities incurred with respect to any such tortuous act or omission.

LANDLORD agrees to indemnify and save the TENANT against and from any and all liability arising from claims by or on behalf of any person or entity, to the extent that such claims arise from the conduct or management of any work or thing whatsoever done by or on behalf of LANDLORD, its employees or agents, in or about or from transactions of LANDLORD concerning the Leased Premises, and shall further indemnify and save TENANT harmless against and from

any and all liability arising from such claims to the extent such claims arise from any breach or default on the part of the LANDLORD in performance of any covenant or agreement on the part of LANDLORD to be performed pursuant to the terms of this Lease, or to the extent such claims arising from any breach or default on the part of the LANDLORD in the performance of any covenant or agreement on the part of the LANDLORD to be performed pursuant to the terms of this Lease, or to the extent such claims arise from any tortuous acts or omissions of the Landlord, or its employees or agents, and from and against all resulting reasonable costs, expenses (including attorney's fees) and liabilities incurred with respect to any such tortuous act or omission.

### **ARTICLE 12**

# **INSURANCE**

Section 1. TENANT shall not carry any stock of goods or do anything in or about the Leased Premises which shall in any way tend to increase insurance rates on the Leased Premises or the building in which the same are located without the consent of LANDLORD. If LANDLORD shall consent to such use, TENANT agrees to pay as additional rental any increase in premiums for insurance resulting from the business carried on in the Leased Premises by TENANT. If TENANT installs any electrical equipment that overloads the power lines to the building, TENANT shall, at its own expense, make whatever changes are necessary to avoid such overload and to comply with the requirements of insurance underwriters and insurance rating bureaus and governmental authorities having jurisdiction.

Section 2. TENANT agrees to procure and maintain a policy or policies of liability insurance, at its own cost and expense, insuring LANDLORD and TENANT from all claims, demands, or actions for bodily injury, death, and property damage sustained by one or more persons as a result of any one occurrence in the amount of one million dollars (\$1,000,000) made by or on behalf of any person or persons, firm, or corporation arising from, related to, or connected with the conduct and operation of TENANT's business in the Leased Premises. The one million dollar policy limit requirement may be satisfied by primary general liability insurance or a combination of primary general and excess umbrella liability insurance. Such insurance shall be endorsed to name LANDLORD as additional insured and this status shall be reflected on the TENANT's certificate of insurance delivered to the LANDLORD. Said insurance shall not be subject to cancellation except after at least thirty (30) days' prior written notice to LANDLORD (ten [10] days in the event of non-payment of premium), and the policy or policies, or duly executed certificate or certificates for the same, together with satisfactory evidence of the payment of premium thereon, shall be deposited with LANDLORD before TENANT takes possession of the Leased Premises and, upon any renewal of said insurance, not less than thirty (30) days prior to the expiration of the term of such insurance.

Section 3. LANDLORD may procure Special Form ("All Risks" except as excluded) Building Insurance (including coverage for rental loss in connection with damage and destruction covered by said Building Insurance), Liability Insurance, and other reasonably necessary insurance on the Club and TENANT shall have no interest therein.

Section 4. TENANT shall maintain at its own cost and expense "Special" or "All-Risks" form insurance, including Fire, Extended Coverage, Vandalism & Malicious Mischief and Theft, in an amount adequate to cover the cost of replacement of all alterations, changes, wall coverings, floors, furnishings, decorations, additions, fixtures and improvements in the Leased Premises in the event of a loss, in companies and in form acceptable to LANDLORD. The insurance which the TENANT agrees to carry in this Section shall insure the full insurable value of the improvements and betterments in the Leased Premises, whether or not the same have been paid for by TENANT and, to the extent LANDLORD has paid for such improvements, such insurance shall name LANDLORD as a loss payee. TENANT will deposit the policy or policies of such insurance or certificate thereof with LANDLORD before TENANT takes possession of the Leased Premises and, upon any renewal of said insurance, not less than thirty (30) days prior to expiration of the term of such insurance.

Section 5. If TENANT fails to comply with the requirements of this Article 12, LANDLORD may obtain such insurance and keep the same in effect and TENANT shall pay LANDLORD the premium cost thereof on demand.

Section 6. At all times during the term of this Lease or any extension thereof, LANDLORD shall place and maintain, at LANDLORD's cost, fire hazard and extended coverage insurance on the buildings located on the Leased Premises, in an amount equal to the replacement cost thereof, for all loss payable to LANDLORD and LANDLORD's mortgagee, as their interests may appear.

## **ARTICLE 13**

#### FIRE OR OTHER CASUALTY

Section 1. In case the Lease Premises shall be partially or totally destroyed by fire or other casualty covered by insurance so as to become partially or totally untenantable, the same shall be repaired at the expense of LANDLORD, unless LANDLORD elects not to rebuild. Any such election shall be made in writing within 30 days of the destruction. During the time the Leased Premises is un-tenantable, TENANT's rent shall abate.

Section 2. In case the Leased Premises shall be destroyed or so damaged by fire or other casualty as to render the building untenantable, or in the event of any substantial uninsured destruction or damage occurs, then LANDLORD may, if it so elects, by written notice to TENANT given within sixty (60) days after such destruction or damage, terminate this Lease. In no event in the case of any such destruction shall LANDLORD be required to repair or replace TENANT's stock in trade, leasehold improvements, fixtures, furniture, furnishings or floor coverings and equipment

## **ARTICLE 14**

## **EMINENT DOMAIN**

- Section 1. If the whole of the Leased Premises is taken under the power of eminent domain, then the term of this Lease shall cease as of the day possession shall be taken and Minimum Rent and Additional Rent shall be paid to that date.
- Section 2. If more than twenty percent (20%) of the land area of the Club be so taken, then LANDLORD shall have the right to terminate this Lease at the time and with the rent adjustment as provided in Section 1 by giving TENANT written notice of termination within sixty (60) days after the taking of possession by such public authority.
- Section 3. All damages awarded for such taking under the power of eminent domain, whether for the whole or a part of the Leased Premises, shall be the property of LANDLORD, whether such damages shall be awarded as compensation for diminution in value of the leasehold or to the fee of the Leased Premises; provided, however, that LANDLORD shall not be entitled to any separate award made to TENANT for loss of business, depreciation of and cost of removal of stock and fixtures.

## **ARTICLE 15**

# ASSIGNMENT AND SUBLETTING

Section 1. TENANT shall not assign, or in any manner transfer this Lease or any interest therein, nor sublet said Leased Premises or any part or parts thereof, nor permit occupancy by anyone without the prior written consent of LANDLORD. LANDLORD's consent may be conditioned upon, among other things, TENANT's payment to LANDLORD of LANDLORD's reasonable out of pocket costs in reviewing TENANT's request for LANDLORD's consent. Consent by LANDLORD to one or more assignments of this Lease or to one or more sublettings of the Leased Premises shall not operate as a waiver of LANDLORD's rights under this Article. No assignment shall release TENANT of any of its obligations under this Lease or be construed or taken as a waiver of any of LANDLORD's rights hereunder. For the purposes hereof, if TENANT is a corporation or partnership or other entity, any change in the ownership of TENANT shall be deemed to be an assignment that requires LANDLORD's consent as above set forth. The acceptance of rent from someone other than TENANT shall not be deemed to be a waiver of any of the provisions of this Lease or consent to any assignment or subletting of the Leased Premises.

Section 2. TENANT agrees not to change the advertised name of the place of business operated in the Leased Premises, which name shall be Pettibone Boat Club, without prior written consent of LANDLORD.

Section 3. Neither this Lease nor any interest therein, shall pass to any trustee or receiver in bankruptcy, or any assignee for the benefit of creditors, or by operation of law.

#### **ARTICLE 16**

#### **ACCESS TO PREMISES**

Section 1. LANDLORD shall have the right to enter upon the Leased Premises during all business hours for the purpose of inspecting the same or of making repairs, additions or alterations thereto or to the building in which the same are located.

## **ARTICLE 17**

#### REMEDIES

Section 1. Any one of the following events shall constitute an Event of Default:

- (i) TENANT shall fail to pay any monthly installment of fixed annual rent or additional rent as herein provided, and such default shall continue for a period of 10 days after the due date therefor; or
- (ii) TENANT shall violate or fail to perform any of the other conditions, covenants, or agreements herein made by TENANT, and such default shall continue for 20 days after notice from LANDLORD specifying the default.
- (iii) In the event that TENANT is not reasonably capable of curing a default under any provision of this Lease (other than the payment of rent) within 20 days of written notice under the previous paragraph, the right to terminate shall not result if TENANT has commenced diligently pursuing a cure of the default within said 20 day period.

Section 2. If an Event of Default shall have occurred and be continuing, LANDLORD may at its sole option by written notice to TENANT terminate this Lease. Neither the passage of time after the occurrence of the Event of Default nor exercise by LANDLORD of any other remedy with regard to such Event of Default shall limit LANDLORD's rights under this Section 2.

Section 3. If an Event of Default shall have occurred and be continuing, whether or not LANDLORD elects to terminate this Lease, LANDLORD may enter upon and repossess the Leased Premises (said repossession being hereinafter referred to as "Repossession") by force, summary proceedings, ejectment, or otherwise, and may remove TENANT and all other persons and property therefrom, at TENANT's sole cost and expense.

Section 4. From time to time after Repossession of the Leased Premises, whether or not this lease has been terminated, LANDLORD may, but shall not be obligated to, attempt to relet the Leased Premises for the account of TENANT in the name of LANDLORD or otherwise, for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the Lease term) and on such provisions (which may include concessions or free rent) and for such uses as LANDLORD, in its absolute discretion may determine, and may collect and receive the rent therefor. Any rent received shall be applied against TENANT's obligations hereunder, but LANDLORD shall not be responsible or liable for any failure to collect any rent due upon any such reletting.

Section 5. No termination of this Lease pursuant to Section 2, and no Repossession of the Leased Premises pursuant to Section 3, or otherwise shall relieve TENANT of its liabilities and obligations under this Lease, all of which shall survive any such termination or Repossession. In the event of any such termination or Repossession, whether or not the Leased Premises shall have been relet, TENANT shall pay to LANDLORD the fixed annual minimum rent and other sums and charges to be paid by TENANT, until the end of what would have been the Lease term in the absence of such termination or Repossession, shall pay to LANDLORD, as and for liquidated and agreed current damages for TENANT's default, the equivalent of the amount of the fixed annual rent and such other sums and charges which would be payable under this Lease by TENANT if this Lease were still in effect, less the net proceeds, if any, of any reletting effected pursuant to the provisions of Section 4 after deducting all of LANDLORD's expenses in connection with such reletting,

including, without limitation, all repossession costs, brokerage and management commissions, operating expenses, legal expenses, attorneys' fees, alteration costs, and expenses of preparation for such reletting. TENANT shall pay such current damages to LANDLORD monthly on the days on which the fixed annual minimum rent would have been payable under this Lease if this Lease were still in effect, and LANDLORD shall be entitled to recover the same from TENANT on each such day. At any time after such termination or Repossession, whether or not LANDLORD shall have collected any current damages as aforesaid, LANDLORD shall be entitled to recover from TENANT, and TENANT shall pay to LANDLORD on demand, as and for liquidated and agreed final damages for TENANT's default, an amount equal to the then net present value of the excess of the fixed annual rent and other sums or charges reserved under this Lease from the day of such termination or Repossession for what would be the then unexpired term if the same had remained in effect, over the then net fair rental value of the Premises for the same period, said net present value to be arrived at on the basis of a discount of four percent (4%) per annum.

Section 6. In addition to all other remedies of LANDLORD, LANDLORD shall be entitled to reimbursement upon demand of all reasonable attorneys' fees incurred by LANDLORD in connection with any Event of Default.

Section 7. In the event of any breach hereunder by TENANT, LANDLORD may immediately or at any time thereafter, without notice, cure such breach for the account and at the expense of TENANT. If LANDLORD at any time by reason of such breach, is compelled to pay, or elects to pay, any sum of money or do any act which will require the payment of any sum of money, or is compelled to incur any expense, including reasonable attorneys' fees, the sum or sums so paid by LANDLORD, with interest thereon at the rate of eighteen percent (18%) per annum or the highest rate permitted by law, whichever is less, from the date of payment thereof, shall be deemed to be due from TENANT to LANDLORD on the first day of the month following the payment of such respective sums or expenses.

Section 8. TENANT hereby expressly waives, to the full extent waivable (i) any and all rights to a trial by jury in any legal proceedings brought by LANDLORD to recover possession of the Leased Premises based on TENANT's default under this Lease, and (ii) any and all rights of redemption granted by or under any present or future laws in the event of TENANT being evicted or dispossessed for any cause, or in the event of LANDLORD obtaining possession of the Leased Premises by reason of the violation by TENANT of any of the covenants or conditions of this lease, or otherwise.

Section 9. LANDLORD shall in no event be considered to be in default of LANDLORD's obligations hereunder until the expiration of a reasonable time after notice of default from TENANT.

# **ARTICLE 18**

# SURRENDER OF POSSESSION

Section 1. At the expiration of the Lease term, whether by lapse of time or otherwise, TENANT shall surrender to LANDLORD the Leased Premises broom clean and in good condition and repair, reasonable wear and tear and loss by fire or unavoidable, insured casualty excepted, with all equipment, facilities, fixtures and systems, including, but not limited to, the HVAC, lights, electrical and plumbing systems, in good repair and operating condition. If the Leased Premises is not surrendered at the end of the term or upon the sooner termination thereof in the condition required by this Article, TENANT shall indemnify LANDLORD against loss, liability, cost and expense resulting from TENANT's failure to so surrender the Leased Premises. TENANT shall promptly surrender all keys for the Leased Premises to LANDLORD at the place then fixed for payment of rent.

#### **ARTICLE 19**

# **SUBORDINATION**

Section 1. TENANT agrees that this Lease shall be subordinate to the LANDLORD's Lease with the City of La Crosse (Exhibit B).

Section 2. TENANT shall, upon demand, in the event any proceedings are brought for the foreclosure of, or in the event of an exercise of a power of sale under any mortgage, deed of trust, or other financing instrument made by LANDLORD covering the Leased Premises, attorn in writing to the purchaser upon any such foreclosure or sale and recognize such purchaser as the LANDLORD under this Lease.

#### **ARTICLE 20**

#### NOTICES

Section 1. Any notice required or permitted hereunder shall be given by personal delivery upon an authorized representative of a party hereto; or if mailed by United States registered or certified mail, return receipt requested, postage prepaid; or if transmitted by facsimile copy followed by mailed notice or if deposited cost paid with a nationally recognized, reputable overnight courier, properly addressed as follows:

If to Landlord:

La Crosse Pettibone Boat Club, Inc.

P.O. Box 1042

La Crosse, WI 54602-1042

If to Tenant:

Josh Pogreba 614 So. 6<sup>th</sup> Street La Crosse, WI 54601

Notices shall be deemed effective on the earlier of the date of receipt or the date of deposit, as aforesaid; provided, however, that if notice is given by deposit with an overnight courier, the time for response to any notice by the other party shall commence to run one business day after any such deposit. Any party may change its address for the service of notice by giving notice (in accordance with this Article 20) of such change 10 days prior to the effective date of such change.

# **ARTICLE 21**

#### **CONSENTS**

Section 1. The parties agree that whenever under this Lease provision is made for securing the written consent, permission or approval of either party that such written consent, permission or approval shall not be unreasonably withheld or delayed.

Section 2. For any Section of the Lease requiring LANDLORD's written consent, said written consent requirement may be waived by LANDLORD's Representative. LANDLORD's Representative by definition shall be the duly elected Commodore of the Club or any Director of the Corporation designated by the Board of Directors to serve as Restaurant Liaison.

#### **ARTICLE 22**

### TITLE

Section 1. LANDLORD covenants that it has full right and authority to enter into this Lease for the full term hereof. LANDLORD further covenants that TENANT, upon performing the covenants and agreements of this Lease to be performed by TENANT, will have, hold and enjoy quiet possession of the Leased Premises.

#### **ARTICLE 23**

#### GENERAL

- Section 1. RELATIONSHIP OF PARTIES. Nothing contained herein shall be deemed or construed by anyone as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto.
- Section 2. CUMULATIVE REMEDIES, WAIVER AND AUDIT. The various rights and remedies contained in this Lease shall not be considered as exclusive of any other right or remedy, but shall be construed as cumulative and shall be in addition to every other remedy now or hereafter existing at law or in equity. No delay or omission of the right to exercise any power by either party shall impair any such right or power, or shall be construed as a waiver of any default or as acquiescence therein. One or more waivers of any covenant, term or condition of this Lease by either party shall not be construed by the other party as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party to or of any act by the other party of a nature requiring consent or approval shall not be deemed to waive or render unnecessary consent to approval of any subsequent similar act.
- Section 3. HEADINGS. The headings of the several articles contained in this Lease are for convenience only and do not define, limit or construe the contents of such articles.
- Section 4. BINDING EFFECT OF LEASE. The covenants, agreements and obligations here in contained, except as otherwise specifically provided, shall extend to, bind and inure to the benefit of the parties heretoto and their respective personal representatives, heirs, successors and assigns. LANDLORD, at any time and from time to time, may make an assignment of its interest in this Lease, and, in the event of such assignment and the assumption by the assignee of the covenants and agreements to be performed by LANDLORD herein, LANDLORD and its successors and assigns (other than the assignee of this lease) shall be released from any and all liability under this Lease.
- Section 5. FORCE MAJEURE. Whenever a period of time is herein provided for either party to do or perform any act or thing, that party shall not be liable or responsible for any delays, and applicable periods for performance shall be extended accordingly, due to strikes, lockouts, riots, acts of God, shortages of labor or materials, national emergency, acts of a public enemy, governmental restrictions, laws or regulations, or any other cause or causes, whether similar or dissimilar to those enumerated, beyond its reasonable control. The provisions of this Section 5 shall not operate to excuse TENANT from prompt payment of rent, percentage rent, additional rent, or other monetary payments required by the terms of this Lease.
- Section 6. RECORDING OF LEASE. TENANT shall not record this Lease without the written consent of LANDLORD.
- Section 7. ACCEPTANCE OF PAYMENT. No payment by TENANT or receipt by LANDLORD of a lesser amount than the amount then due under this Lease shall be deemed to be other than on account of the earliest portion thereof due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and LANDLORD may accept such check or payment without prejudice to LANDLORD's right to recover the balance due or pursue any other remedy in this Lease provided.
- Section 8. NO BROKERAGE. Each of the parties represents and warrants that there are no claims for brokerage commissions or finder's fees in connection with the execution of this Lease.
- Section 9. UNENFORCEABILITY; GOVERNING LAW. Unenforceability of any provision of this Lease shall not affect or impair the validity of any other provision of this Lease. The laws of the State of Wisconsin shall govern the validity, performance and enforcement of this Lease.
- Section 10. ADDITIONAL PROVISIONS. Additional provisions, if any, are set forth on the attached Exhibit D, which is by reference made a part hereof.

Section 11. EXHIBITS ATTACHED. The following exhibits are attached to and made a part of this Lease: Exhibit A, Club Site Plan; Exhibit B, City Lease; Exhibit C, Security Agreement; Exhibit D, Additional Provisions; The legal description is subject to change after the date hereof in accordance with the terms of Article 5 of this Lease.

Section 12. WAIVER OF SURROGATION. Anything in this Lease to the contrary notwithstanding, DANDLORD and TENANT each hereby univer any and all rights of recovery, claim, action or cause-of-action, against the other, its agents (including partners, both general and limited), officers, directors, shareholders or employees, for any personal injuries or property less or damage that may occur to the Lessed Promises, or any improvements thereto, or said Club of which the Lemmal Promises are a part, or any improvements thereto, or any property of such party therein, by reason of fire, the elements, or any other cause that crude is insured explaint under the transfer fundand commercial liability, worker's compensation, or fire and advantage against out of current and bids, including angligence of the other part, to this Lemma, its agents, office and angligence against such other party. LANDLORD and TENANT each hereby waives any and all rights of recovery, claim, action or cause-of-action, against the

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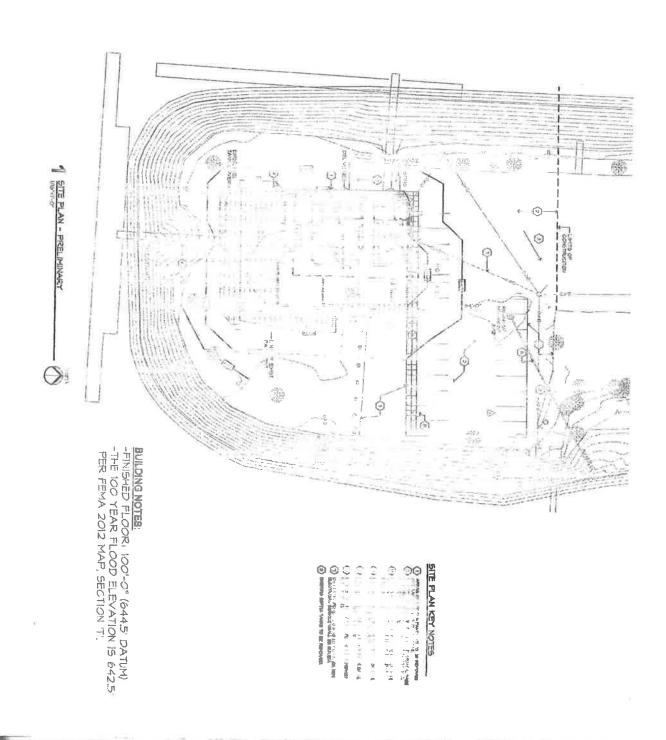
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			La Crosce Patithone Dont Club, Inc.

Its: C. T. LAND

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IN WITNESS WHEREOF, LANDLORD and TENANT have signed this Lease as of the day and year first above written.

LA CROSSE PETTIBONE BOAT CLUB, INC. a Wisconsin corporation

Treasurer

Pogys P & E Enterprises, Inc. a Wisconsin corporation

Its:

LANDLORD

**TENANT** 

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# **EXHIBIT C**

## SECURITY AGREEMENT

WHEREAS, as part of the Lease for the Pettibone Boat of	Club Restaurant Facility ("Leased Premises"), and prior to its
commencement, the La Crosse Pettibone Boat Club, Inc.	(Landlord) is surrendering the Liquor License for the Leased
Premises, and	, , , , , , , , , , , , , , , , , , ,

WHEREAS, \_\_\_\_\_\_(Tenant) is acquiring a liquor license for the Leased Premises solely to operate the Leased Premises under the Lease Agreement, and

WHEREAS, the liquor license is an important asset of the Landlord, necessary to the operation of the Leased Premises,

NOW, THEREFORE, the parties hereto agree as follows:

- 1. Tenant agrees to keep the Liquor License to the Leased Premises in effect and good standing, until the expiration of the Lease term, whether by lapse of time or otherwise.
- 2. In the event that the Lease is terminated in accordance with it's terms or at such time the Lease shall expire by lapse of time or otherwise, Tenant agrees upon demand by Landlord, to surrender the Liquor License to the Leased Premises, to the City of La Crosse, so as to allow Landlord, or Landlord's designee, to apply for a new Liquor License for the Leased Premises.
- 3. The Tenant agrees that Landlord shall be without adequate remedy at law in the event the Tenant defaults under the terms or the lease terminates as a result, Landlord shall be entitled to the issuance of an injunction, by a court of competent jurisdiction, requiring debtor to comply with the terms of this agreement.
- 4. The Landlord's right to an injunction hereunder shall not in any way affect any other legal rights or remedies of the Landlord.
- 5. Tenant shall not surrender the liquor license to the Leased Premises, or assign other rights therein to any third party without the consent of Landlord.

Dated\_\_\_7-2|

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La Crosse Pettibone Boat Club, Inc.

Its: Commodore - Treasur

LANDLORD

**TENANT** 

# **EXHIBIT D**

#### ADDITIONAL PROVISIONS

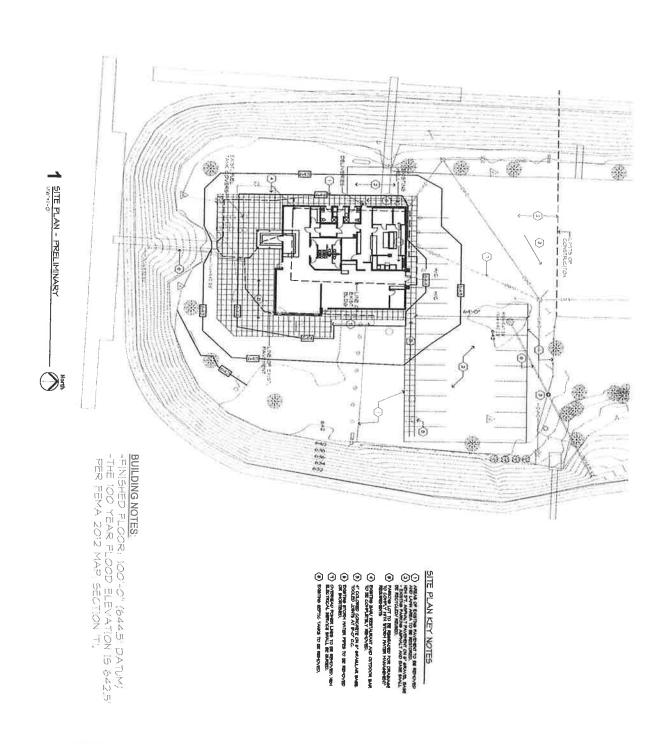
Private Parties: Tenant agrees not to close the Leased Premises for private parties or use other Club facilities for Private Parties without the written consent of the Landlord.

Food and Beverage for Private Parties: The Landlord will not permit catering by any third party vendor on the Leased Premises and that for all Club sanctioned or approved parties or events, catering will solely be provided by the Tenant.

Option Periods: Provided TENANT is not in Default of any of the terms and conditions of this Lease, Tenant shall have the right to renew this Lease for two (2) periods of one (1) year each upon 90 days written notice to LANDLORD prior to the expiration of the then current lease term.

Option Period one -1/1/16 to 12/31/16Option Period two -1/1/17 to 12/31/17

After Season Charges: If at any time after the boating season, the restaurant ceases to operate on a daily basis, TENANT shall pay LANDLORD a fee for any party or event that should take place on the premise. Such fee will be based on the attendance on a "per head" basis. If the party/event is hosted by a Member the fee paid shall be \$1.00 per head. If the party/event is hosted by a non-Member the fee shall be \$2.00 per head. Any party/event as described will require LANDLORD approval.



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PROJECT NO.
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PROJECT TITLE:
Pettibone Boat Club

PROJECT LOCATION: La Crosse, WI BROTHERS
General Contractor, Inc.

ARCHITECTS VINC