

LEASE

This Lease Agreement (this "Lease") is entered into as of the 10th day of February, 2005, by and between Landlord (hereafter defined) and Tenant (hereafter defined). This Lease is not binding between the parties stated herein until Landlord and Tenant have each executed and delivered to the other party an original of this Lease. Upon the terms and conditions hereinafter set forth. Landlord and Tenant agree as follows:

1. DEFINITIONS AND BASIC PROVISIONS. The following definitions and basic provisions shall be used in conjunction with and limited by the reference thereto in the provisions of this Lease. Upon the terms and conditions hereinafter set forth, Landlord and Tenant agree as follows:

- A. "Landlord": City of La Crosse, a municipal corporation
- B. Landlord Notice Address: City Clerk, City Hall, 400 La Crosse Street, La Crosse, WI 54601
- C. Landlord's Payment Address: Treasurer, City Hall, 400 La Crosse Street, La Crosse, WI 54601
- D. Landlord's Federal Tax ID Number: 39-6005490
- E. "Tenant": Pump House Regional Arts Center, Inc.
- F. Tenant Notice Address: Attn: Executive Director
119 King Street
La Crosse, WI 54601
- G. "Premises": All space within the building known as the Pump House, situated on real property located at 119 King Street, La Crosse, Wisconsin, as well as lands surrounding the building which would consist of Lot 6 and Lot 9 as shown on the attached map (the "Property"), Exhibit A.

- H. "Term": A period of twenty (20) years, commencing on April 1, 2005 and expiring on the 31st day of March 31, 2025 (the "Expiration Date"), unless sooner terminated as hereafter provided, with one possible extension of five (5) years at the option of the Tenant.
- I. "Basic Rent": Basic Rent shall be \$379.80 per month, payable in on the first day of each month and is the same payment as is currently made by Tenant to the City.
- J. "Tenant's Representatives": The Executive Director of the Pump House Regional Arts Center will represent the Pump House as designated agent unless the Board of the Pump House shall designate another agent in writing.
- K. "Landlord's Representatives": Director of Public Works or such other of the Landlord's agents, representatives or employees that might be designated from time to time.
- L. There is a general, and non binding, understanding by the parties to this lease of the intent of the Landlord to restore the building integrity according to the building review conducted by Hackner, Schroeder, Rolansky (HSR) dated _____ and attached as Exhibit B. Restoration could occur through the dedication of the funds in the next two capital budgets and would include consideration of repair or replacement of windows, mechanical and electrical systems.
- M. Notwithstanding this lease once the Landlord has the building conditions restored, the sale to the tenant/Pump House itself may be considered, at the City's option, by the Parties, but this is not to be construed as a sale to any third party.

2. GRANTING CLAUSE. Landlord, in consideration of the covenants and agreement to be performed by Tenant, and upon the terms and conditions contained in this Lease, does hereby lease, demise and let to Tenant, and Tenant, in consideration of the covenants and agreement to be performed by Landlord and upon the terms and conditions contained in this Lease, does hereby lease from Landlord, the Premises, to have and to hold for the Term (except as sooner terminated as provided herein).

3. USE. The premises shall be used by the Tenant as a center for conducting of events, activities and meetings for the promotion of community and area activities for the education and welfare of the public, arts programming, and short term rentals and sublet of office space to organizations with related purposes and for any purpose which is related to Tenant's business. Tenant's organization shall be open to all persons without regard to race, creed, sex, handicap, ethnic origin, age or marital status. Tenant will occupy the Premises in compliance with any and all laws, statutes, rules, regulations, codes and ordinances (including, without limitation, environmental) promulgated by any federal, state or local governmental agency (collectively, the "Law), and as otherwise provided in this Lease. Annually, a list of short term rentals will be reviewed by the Executive Director of the Pump House with the City Attorney.

4. MAINTENANCE OF PREMISES.

A. Tenant's Repair and Maintenance Responsibilities. Except for Landlord's obligation under this paragraph, Tenant shall maintain and repair at its sole cost and expense, the interior of the Premises. At the expiration of this lease or any renewal or extension of this lease, Tenant shall deliver the Premises in the condition at least equal to the condition of the premises as they existed on January 31, 2005, reasonable wear and tear excepted.

B. Landlord's Repair and Maintenance Responsibilities. Landlord shall, at Landlord's sole expenses and without pass through to Tenant, keep the structural elements of the building in good repair, including but not limited to, repairing and maintaining or replacing (collectively the "Repairs.") the roof (including the roof

membrane), foundation, basic structure, exterior walls, windows, major defects on the interior/exterior walls and base building systems, (i.e. the Building HVAC, plumbing, sprinkler and electrical systems). Except for Tenant's obligations under this lease, Landlord shall be responsible, at Landlord's sole cost and expense, and without pass through to Tenant, for repairing any damage to the Premises caused by leaks in the roof, bursting pipes (as a result of freezing or otherwise), settling of structure or from any defects of the Premises or consequences thereof. Landlord shall perform all Repairs promptly and in a good and workmanlike manner, and shall not unreasonably interfere with Tenant's conduct of its business, use of or access to the Premises during the Repairs.

5. FEES IN ADDITION TO BASIC RENT.

A. Tenant shall pay Landlord an annual fee of \$701.76 beginning January 1, 2006 or sum sufficient to pay the cost of property insurance, whichever is greater.

B. Tenant shall pay Landlord the cost of the elevator maintenance and HVAC maintenance estimated at \$220.00 per month or a sum sufficient, whichever is greater. Said fee shall be due and payable on the 15th day of each month.

C. Said amounts for HVAC maintenance, elevator maintenance, and insurance premiums for property insurance may be adjusted in accordance with the actual cost thereof. At Tenant's request Landlord shall prepare and deliver to Tenant appropriate back-up materials supporting the fees charged to Tenant.

D. Tenant is responsible for the direct payment of janitorial services and utilities, including; water, electricity, gas, heating, lighting, sewer, waste disposal, security, air conditioning and ventilating.

6. RIGHT OF INSPECTION AND ENTRY

A. Landlord, through its officers and employees, reserves the right at all reasonable times to inspect the premises to insure that the premises are used and occupied in accordance with the terms and provisions of this lease.

B. Landlord or Landlord's Representative shall have the right to enter the Premises, on five (5) days notice to the executive director, during normal business hours, and without major disruption to the business of the Tenant to (a) make repairs, alterations or additions as may be necessary, or (b) show the Premises to prospective purchasers lenders or during the last 60 days of the Term or any renewal or extension term, to prospective tenants; and Tenant shall not be entitled to any abatement or reduction of Rent by reason thereof, nor shall such be deemed to be an actual or constructive eviction.

7. PARKING. Landlord shall provide tenant with twelve (12) parking spaces, which shall be located to the rear of the building. If Tenant is in need of additional parking, Landlord shall negotiate the feasibility of the same as well as coordinate said parking needs. The City is responsible for crack sealing and snow plowing for the parking area.

8. IMPROVEMENTS. Reasonable remodeling and renovation of the premises is authorized hereto provided that the necessary permits are secured from the City of La Crosse Inspection Department, and that all remodeling and renovation is in accordance with the Code or Ordinances of the City of La Crosse. Tenant at its cost may remove any fixtures or improvements made or provided by Tenant upon termination of this lease, provided such removal shall be done in such a manner as not to injure or damage the demised premises. All interior improvements, additions, or betterments made to the building by Tenant, which are not removed at termination of the lease and are attached to or become a part of the walls, floor or ceiling, excluding Tenant's fixtures, equipment, furniture, furnishings and other personal property shall become a permanent part of the building and the leased premises. Tenant, however, shall not make, construct or install improvements, additions, betterment structures of any kind or nature in the interior of the leased premises in excess of a value of Twenty-Five Thousand and 00/100 Dollars (\$25,000.00) annually, or conduct any remodeling or renovation requiring structural changes or additions, without first obtaining the written permission of the City of La Crosse Board of Public Works, which consent shall not be unreasonably withheld.

9. TENANT INSURANCE OBLITATIONS. Tenant shall, at its sole cost and expense obtain and maintain (a) commercial general liability insurance, including blanket contractual liability coverage, with limits of not less than \$1,000,000.00 per person and \$2,000,000 per occurrence for personal injury and personal property damage and (b) statutory worker's compensation and employer's liability coverage, or qualified self-insurance, with sufficient evidence of such self-insurance as reasonably requested by Landlord. Upon written request, Tenant shall deliver to Landlord a certificate evidencing

such coverages, and naming Landlord as an additional insured, as its interest may appear. Such insurance policies shall provide for no cancellation or material adverse alteration without 30 days' prior written notice to Landlord. Landlord shall be named as an additional insured.

10. LANDLORD'S INSURANCE OBLIGATIONS. Landlord shall obtain and maintain property and casualty insurance through the State of Wisconsin with respect to the building, which currently is insured for \$1,079,635.00. Tenant shall be responsible for reimbursing the Landlord for the premium in connection therewith as previously provided herein. Amount of Insurance coverage cannot be increased more than 10% per year.

11. WAIVER OF SUBROGATION: Per the City's mutual insurance carrier, the City is not permitted to waive its subrogation rights.

12. CASUALTY.

A. In the event (i) the Premises should be totally destroyed by fire, tornado or other casualty (such determination to be completed within 30 days of the date of casualty, except as otherwise provided herein, by an architect (the "Architect") of recognized good reputation selected by Landlord and approved by Tenant, which approval shall not be unreasonably withheld or delayed); (ii) the Premises should be damaged to the extent that rebuilding or repairs cannot be completed within 120 days (as estimated by the Architect) after the date of casualty, or (iii) the building or the Premises is damaged to the extent rendering the Premises and the Building unsuitable, for the use in effect at the Commencement Date, either Landlord or Tenant may terminate this Lease by written notice to the other within

30 days of receipt of the Architect's certificate. If this Lease is terminated, the rent shall be abated during the unexpired Term, or the renewal or extension thereof, effective as of the casualty date, and the Landlord and Tenant shall be released of all further obligations under this Lease except that any indemnity shall survive the termination of the Lease.

B. In the event the Premises should be partially damaged by fire, tornado or other casualty covered by Landlord's insurance and can be rebuilt within 120 days of the casualty date as reflected in the architect's certificate or if the damage is such that neither Landlord nor Tenant elect to terminate this Lease, in either such event, Landlord shall, at its sole cost and expense and without pass through to Tenant, commence to rebuild or repair the Premises and shall proceed with diligence to restore the premises to substantially the same condition it was immediately prior to the casualty, except that Landlord shall not be required to rebuild, repair or replace any Leased Equipment or Owned Equipment and other improvements which may have been placed by Tenant within the Premises (other than replacement of the Tenant Improvements which have been made pursuant to Paragraph 8 of this lease), if applicable. Tenant shall be allowed a proportionate diminution of rent during the time the Premises or any portion thereof is unfit for occupancy and the conduct of its business. Any insurance which may be carried by Landlord or Tenant against loss or damage to the Premises shall be for the sole benefit of the party carrying such insurance and shall be under its sole control.

C. Notwithstanding any provision herein to the contrary, in the event the repair of such damage has not been completed within 150 days of the casualty, Tenant may terminate this Lease by giving written notice to Landlord within 30 days after the expiration of 150 days after the casualty. Notwithstanding the foregoing, in the event such damage or destruction occurs during the last 12 months of the Term, or any renewal or extension term thereof, Tenant shall have the option to terminate this Lease, without penalty.

13. INDEMNIFICATION.

A. Tenant will indemnify Landlord and save it harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon, or at the leased premises, or the occupancy or use by Tenant of the leased premises or any part thereof or occasioned wholly or in part by any negligent act or omission of Tenant, its agents, contractors, employees, servants, assigns, or sub-tenants. Landlord will indemnify Tenant and save it harmless from and against any and all claims, actions, damages, liabilities and expenses in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence occasioned wholly or in part by any negligent act or omission of the Landlord, its agents, contractors, employees, servants, assigns, or subtenants. Each party's duty of indemnification is limited to the extent such loss, injury or damage was occasioned by the party requesting indemnification, its agents, contractors, employees, servants, assigns or subtenant.

B. Unless caused by its negligence or willful act of Landlord, its agents, contractors, employees, servants or assigns, Landlord shall not be liable for any damage to property of Tenant or of others, located on the leased premises, nor for loss of or damage to any property of Tenant or of others by theft or otherwise. Likewise, Landlord shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, sprinkler system, gas, electricity, water, rain or snow leaks from any part of the leased premises or from the pipes, appliances or plumbing works or from the roof, or subsurface or from any other place or by dampness or by any other cause of whatsoever nature, unless caused by the negligence or willful act of Landlord, its agents, contractors, employees, servants or assigns.

14. SUBLETTING. Tenant shall have the right to sublet as provided for in this Lease. It is understood that the building or property is City-owned property and shall not be subject to a mortgage, lien or other encumbrances. If there are any encumbrances put on the property, then Tenant shall be responsible for removing the same.

15. TENANT'S DEFAULT.

A. Upon failure of Tenant to pay rent at the times and in the manner hereinbefore provided, or upon the failure of Tenant to promptly perform any other material covenant or agreement hereunder, or if the leasehold interest of the Tenant shall be taken on execution or other process of law, or if the Tenant shall petition to be or be declared bankrupt or insolvent according to the law, or if the Tenant shall abandon the premises during the term of this Lease, Landlord may, at

its option, terminate this Lease and the term hereof; provided, however, that Landlord shall give Tenant at least thirty (30) days prior written notice of such default and an opportunity to cure the default within sixty (60) days or, if such default is the type that cannot be reasonably cured within the notice period, then Tenant shall have a reasonable period of time to cure the same, provided Tenant proceeds with due diligence. If Tenant fails to cure its default, this Lease shall cease and come to an end and thereupon Tenant shall vacate and surrender the demised premises to Landlord and Landlord may, without further notice, re-enter and repossess the same, discharge of the Lease, and remove all persons or parties there from with or without legal process, and using such force as may be necessary so to do without being guilty of trespass, forcible entry or detainer or other tort, provided that such re-entry and repossession shall not affect Tenant's obligation to pay the rent due hereunder; that in the event of any repossession of the demised premises by Landlord because of the default of Tenant herein, either under the foregoing provisions or in pursuance of any proceedings under the applicable laws or statutes, Landlord may, if it so elects, re-let the premises or any part thereof, on its own account, and for the balance of the term hereof, or for a longer or shorter period in the discretion of Landlord and Tenant agrees to pay to Landlord the Basic Rent and Tenant's share of Operating Expenses hereinbefore reserved on the days when the same becomes due and payable, less the net proceeds of re-letting, if any. In reference to this section, however, it is understood that Landlord will use best efforts to mitigate its damages in case of Tenant's default.

B. In case suit shall be brought for recovering the possession of the leased premises, for the recovery of rent or any other amount due under the provision of this Lease, or because of the breach of any other covenant herein contained on the part of either party to be kept or performed, and a breach shall be established, the breaching party shall pay to the prevailing party all expenses incurred therefore, including reasonable attorneys' fees.

16. FORCE MAJEURE. Neither Landlord nor Tenant shall be deemed to be in default of this lease if such default is due to acts of God, acts of the public enemy, acts of governmental authority or any other circumstances which are not within the respective party's control ("Force Majeure"); provided, that this provision shall not apply to failures by either party to pay their respective monetary obligations to the other under this Lease.

17. SIGNAGE. Tenant shall have the right, at Tenant's sole cost and expense, to install and maintain a sign on the building and the Premises; provided, however, that all such installations shall be in compliance with applicable statutes, regulations and ordinances, shall be placed in such a location and shall be of such size as shall be reasonably approved by Landlord. Tenant agrees to repair any damage caused by the installation, maintenance or removal of such sign. The Tenant shall also have the right to erect a sign on Landlord's property at the corner of Front and King Streets.

18. HOLDING OVER. In the event Tenant remains in possession of the leased premise after the expiration of the tenancy created hereunder, without Landlord's consent, Tenant shall pay to Landlord, as liquidated damages, one and one-half (1 1/2) times the amount of monthly rent then in effect for each month or any part thereof for the time Tenant retains possession of the premises or any part thereof after termination of this

Lease. Landlord's acceptance of any rent after holding over begins, does not constitute a renewal of this Lease nor does this provision waive Landlord's rights to re-entry or any other rights hereunder. There shall be no renewal of any term hereof by operation of law. In the event Tenant remains in possession of the leased premises, with Landlord's consent, Lessee shall be deemed a month-to-month tenant upon the terms and conditions of this Lease.

19. QUIET ENJOYMENT. Tenant shall peaceably and quietly hold and enjoy the Premises for the Term, and any renewal and extensions thereof, without hindrance from Landlord or anyone claiming by, through or under Landlord.

20. NOTICES. Any notice required to be delivered shall be deemed to be delivered on the date when actually received or the date delivery was attempted and refused, after being (i) sent by a recognized, bonded, national, overnight courier service, (ii) deposited in the United States mail, postage prepaid, certified mail, return receipt requested; or (iii) sent by telecommunication ("Fax") during normal business hours which shall be deemed delivered on the day sent provided the original notice is received by the addressee after being sent by a national recognized, overnight courier within one business day of the Fax, addressed to Landlord or Tenant, at their respective addresses specified in Paragraph 1B and 1F above, respectively, or at such other address as specified by written notice by either party to the other party.

21. ENTIRE AGREEMENT. This Lease represents the entire agreement and understanding between the Landlord and Tenant, and there are no representations, understandings, stipulations, agreements or promises not incorporated in writing herein.

22. AMENDMENTS. No amendments or modifications of this Lease shall be effective unless such amendment or modification is in writing and executed and delivered by and between Tenant and Landlord, nor shall any custom, practice or course dealing between the parties be construed to waive the right to require specific performance by the other party in compliance with this Lease.

23. LEGAL REPRESENTATION. This lease shall be governed by, and construed in accordance with the laws of the State of Wisconsin. If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws, then it is the intention of the parties that the remainder of this Lease shall not be affected, and that, in lieu of each affected clause or provision there be added a clause or provision as similar as possible to the affected clause or provision which is legal, valid or enforceable. Words of any gender shall be construed to include any other gender and words in the singular number shall be construed to include the plural unless the context otherwise requires. The headings of the paragraphs have been inserted for convenience only and are not to be considered in any way in the construction or interpretation of the Lease. Except as otherwise herein expressly provided, the terms of this Lease shall apply to, inure to the benefit of, and be binding upon, the parties and their respective assigns, successors and legal representatives. Any suit or venue for any cause of action arising from or relating to this Lease shall be brought in La Crosse County, Wisconsin.

24. AUTHORITY TO ENTER INTO LEASE. If Tenant or Landlord is a corporation or partnership, each individual executing this lease on behalf of the corporation or partnership represents and warrants that he/she is duly authorized to execute and deliver this Lease on behalf of the corporation or partnership, in accordance

with a duly adopted resolution of the board of directors of said corporation or in accordance with the bylaws of said corporation, or in accordance with terms and conditions of the partnership agreement and that this Lease is binding on the corporation and the partnership in accordance with its terms.

25. PARTIES BOUND. The preparation and submission of a draft of this Lease by either party to the other party shall not constitute an offer, nor shall either party be bound to any terms of this Lease or the entirety of this Lease, until both parties have fully executed a final document and an original signature document has been received by both parties. Until such time as described in the previous sentence, either party is free to terminate negotiations without penalty or any further obligation to the other party.

Dated: April 1 2005

TENANT

BY: Donald Smith

Donald B. Smith, President

BY: Toni Asher

Toni Asher, Executive Director

Dated: 4-5-05

CITY OF LA CROSSE

BY: John D. Medinger
John D. Medinger, Mayor

BY: Teri Lehrke
Teri Lehrke, City Clerk