

## LEASE AGREEMENT

**THIS LEASE AGREEMENT** (this “**Lease**”) is dated as of the \_\_\_\_ day of April, 2008, by and between **CITY OF RACINE, WISCONSIN**, a Wisconsin municipal corporation, as landlord (“**Landlord**”), and **E.G. DEVELOPMENTS, L.L.C.**, a Wisconsin limited liability company, as tenant (“**Tenant**”).

### **WITNESSETH:**

**WHEREAS**, simultaneously with the execution of this Lease, Tenant, as seller, and Landlord, as buyer, have consummated the closing on that certain Commercial Offer to Purchase, dated effective as of March \_\_\_\_, 2008 (the “**Purchase Agreement**”), whereby Landlord acquired from Tenant certain real property commonly known as 1425 North Memorial Drive in the City of Racine, Racine County, Wisconsin, which real property is more specifically described on **Exhibit A** attached hereto and made a part hereof (the “**Land**”), together with the buildings and all improvements located thereon (the “**Buildings**”) and all appurtenances, rights, easements and rights of way incident thereto, if any (the “**Appurtenant Rights**”) (the Land, the Buildings and the Appurtenant Rights are collectively referred to herein as the “**Premises**”); and

**WHEREAS**, as contemplated by the Purchase Agreement, Landlord desires to lease to Tenant, and Tenant desires to rent from Landlord, the Premises on and subject to the terms, covenants and conditions hereinafter set forth.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Recitals.** The foregoing recitals are true and are made a part of this Lease.
2. **Demise.** Landlord does hereby lease, let and demise unto Tenant, and Tenant does hereby lease and rent from Landlord, on and subject to the terms, covenants and conditions herein contained, the Premises. Tenant hereby acknowledges and agrees that Landlord has not made, in this Lease or otherwise, any representation or warranty, whatsoever, either express or implied, with respect to the condition of the Premises; and that Tenant, upon taking possession of the Premises, is accepting the Premises in “AS IS, WHERE IS” condition, without any representations or warranties on the part of Landlord as to the condition of the Premises.
3. **Term.** The initial term of this Lease (the “**Initial Term**”) shall commence on the date hereof (the “**Commencement Date**”), and expire at 11:59 p.m. (Wisconsin time) on December 31, 2014, unless earlier terminated as provided herein. Tenant shall have the option to renew the term of this Lease for one (1) additional period of three (3) years (the “**Renewal Term**”) on the same terms and conditions as set forth in this Lease, except that base rent for the Renewal Term shall be as set forth in Paragraph 4.b. below. Tenant may exercise its renewal option by giving written notice to Landlord at least thirty (30) days prior to the expiration of the Initial Term. The Initial Term and the Renewal Term, to the extent exercised, are hereinafter collectively referred to as the “**Term.**”
4. **Rent.** Rent shall be payable in lawful money of the United States to Landlord at the address for notices to Landlord set forth below, or to such other person or at such other address as Landlord may from time to time hereafter designate by notice to Tenant in accordance with the terms of this Lease.

a. Initial Term. Tenant shall pay to Landlord base rent in the amount of One and No/100ths Dollars (\$1.00) per annum, in advance, on or before January 1<sup>st</sup> of each year during the Initial Term. Tenant may, at any time, make a nonrefundable prepayment of base rent in full for the entire Initial Term.

b. Renewal Term. During the Renewal Term, Tenant shall pay to Landlord base rent in the amount of One Hundred Thousand and No/100ths Dollars (\$100,000.00) per annum. Rent shall be payable in successive equal monthly installments of Eight Thousand Three Hundred Thirty-three and 33/100ths Dollars (\$8,333.33), due in advance on or before the first day of each and every month during the Renewal Term. Rent shall be prorated for any partial month(s) occurring during the Renewal Term on the basis of a thirty (30) day month.

5. **Use of the Premises.**

a. Permitted Use. During the Term, the Premises shall be used only for purposes which are permitted by the zoning code of the City of Racine, Racine County, Wisconsin, specifically including, without limitation, for all or any of the uses set forth in the Conditional Use Permit (as such term is defined in the Purchase Agreement).

b. Compliance with Laws and Regulations. Tenant shall at all times maintain and conduct its business in a lawful manner and in compliance with the material provisions of all governmental laws, rules and regulations. Landlord represents and warrants to Tenant that the use of the Premises in a manner consistent with its use immediately prior to the Commencement Date is in compliance with respect to any statute, regulation or other legal authority of any governmental body for which the Landlord has inspection or enforcement responsibility.

6. **Operating Expenses.**

a. Real Property Taxes and Assessments. Landlord represents and warrants to Tenant that the Premises is exempt from real property taxes and special assessments. Notwithstanding the foregoing, in the event the Premises loses its tax-exempt status during the Term, Landlord agrees to pay directly to the appropriate taxing authority when due all real property taxes levied against the Premises. In addition, if, during the Term, any special assessment is levied against the Premises, then Landlord shall be responsible for all payments relating thereto which become due and payable during the Term.

b. Utilities. Tenant agrees to pay, when due, all charges and costs for water, gas, heat, air conditioning, electricity, telephone and any and all other utilities or services from time to time during the Term furnished to or consumed by Tenant in or upon the Premises.

c. Personal Property Taxes. During the Term, Tenant will, at Tenant's cost and expense, bear, pay and discharge, or cause to be borne, paid and discharged, prior to delinquency, all property taxes attributable to Tenant's trade fixtures, equipment and personal property located on the Premises.

7. **Repairs and Maintenance.** Tenant covenants and agrees that it will keep the Premises in a reasonably safe and serviceable condition and shall otherwise perform all necessary repairs, replacements and maintenance to the Premises, except: (a) structural repairs and replacements and repairs, replacements or maintenance to the roofs, exterior walls and foundations of the Buildings; (b) repairs or replacements which are necessitated by the willful or negligent act or omission of Landlord, its

agents, employees, invitees or representatives; (c) repairs or replacements which are not covered by proceeds from the insurance required to be carried by Tenant under this Lease; (d) repairs or replacements which are necessitated by reason of a defect in the condition of the Premises which existed prior to the Commencement Date of this Lease; and (e) repairs or replacements which are necessitated by reason of a breach of any warranty or representation of Landlord contained in this Lease or by reason of Landlord's failure to perform or observe any term, covenant or condition to be performed or observed by Landlord pursuant to this Lease. Landlord agrees to perform, at its sole cost and expense, all repairs, maintenance and replacements of the type enumerated in subparagraphs (b) and (e) of this Paragraph. Tenant acknowledges and agrees, however, that, like Tenant, Landlord shall have no affirmative obligation to Tenant under this Lease to perform any of the repairs, maintenance and replacements of the type enumerated in subparagraphs (a), (c) or (d) of this Paragraph. Rather, it is acknowledged and agreed that Landlord shall have no obligation whatsoever to repair or maintain the Premises or any part thereof during the Term except for repairs, maintenance and replacements of the type enumerated in subparagraphs (b) and (e) of this Paragraph.

8. **Insurance.**

a. **Hazard Insurance.** Tenant shall procure and maintain in force throughout the Term, for the benefit of Landlord and Tenant as their interests appear, extended coverage casualty insurance covering the Premises against loss or damage by fire and other hazards insurable by an extended coverage fire insurance policy. In addition, Tenant shall procure and maintain in force throughout the Term extended coverage casualty insurance covering its property on the Premises against loss or damage by fire and other hazards insurable by an extended coverage fire insurance policy. Tenant waives any right of recovery against Landlord or which it may have against Landlord for any loss covered by insurance which Tenant is required to maintain pursuant to this Paragraph.

b. **Public Liability Insurance.** Tenant shall procure and maintain throughout the Term public liability insurance insuring both Tenant and Landlord against damages because of, or resulting from, any injury to property, person and loss of life sustained or claimed to have been sustained by any person in, about or on any part of the Premises.

c. **Failure to Insure.** If Tenant shall fail to effect or maintain such insurance, Landlord may effect the same, and Tenant agrees to pay on demand any amount properly paid by Landlord for such purposes, and in case of its failure to so pay, the same shall be added to and become part of the installment of rent next due under the terms of this Lease. Landlord shall not be limited in the proof of any damages which Landlord may claim against Tenant arising out of or by reason of Tenant's failure to provide and keep in force insurance policies as aforesaid to the amount of the insurance premium or premiums not paid or incurred by Tenant which would have been payable upon such insurance, but shall also be entitled to recover as damages for such breach the uninsured amount of any loss, liability, damages, claims, costs and expenses of suits, judgments and interests, suffered or incurred by Landlord by reason of any casualty or accident or disaster occurring on the Premises which should have been insured hereunder.

d. **Insurance Requirements.** All policies of insurance procured by Tenant shall be written as primary policies not contributing with and not in excess of coverage that Landlord may carry. All comprehensive general liability insurance procured by Tenant shall contain an endorsement that Landlord, although named as an insured, nevertheless shall be entitled to recover under said policies for any loss or damage occasioned to it, its servants, agents and employees by reason of the negligence of Tenant. All such insurance shall name Landlord as

an additional insured thereunder and shall provide that it will not be subject to cancellation, termination or change, except after at least thirty (30) days prior written notice to Landlord. The aforesaid policies or duly executed certificates thereof (which certificates shall evidence the waiver by each insurer of all rights of subrogation against Landlord and the payment of the subject premiums) shall be deposited with Landlord on or before the date first above written and, upon renewals of such policies, not less than thirty (30) days prior to the expiration of the term of such coverage.

e. **Waiver of Subrogation.** Landlord and Tenant hereby release each other from any and all liability or responsibility to the other or anyone claiming through or under them by way of subrogation or otherwise for any loss or damage to property caused by fire or any of the extended coverage or supplementary contract casualties, even if such fire or other casualty shall have been caused by the fault or negligence of the other party or anyone for whom such party may be responsible. The insurance policies required by this Lease shall contain a clause or endorsement to the effect that any such release shall not adversely affect or impair said policies or prejudice the right of the releasor to recover thereunder.

9. **Alterations.** Tenant shall not make or suffer to be made any additions, alterations, improvements or changes in or to the Premises (“**Alterations**”), without the prior written consent of Landlord. The foregoing notwithstanding, Tenant may, from time to time, without the requirement of obtaining Landlord’s consent, make such Alterations as may be proper or necessary for the conduct of its business, provided that Tenant removes such Alterations at the end of the Term if requested to do so by Landlord in writing at least sixty (60) days prior to the end of the Term. Any Alterations shall be completed promptly, in a good and workmanlike manner. Whether or not Landlord’s consent is required, no Alteration shall be undertaken until Tenant shall have procured and paid for, so far as the same may be required from time to time, all permits and authorizations of all municipal departments and governmental subdivisions having jurisdiction over the Premises. The cost of any Alterations shall be paid in full by Tenant, in cash or its equivalent, so that the Premises shall at all times be free of liens for labor and materials supplied or claimed to have been supplied to or in connection with the Premises at Tenant’s request, and Tenant shall indemnify, defend and hold Landlord harmless from and against any mechanics or other liens or claims relating thereto.

10. **Trade Fixtures of Tenant.** Tenant may furnish, install and maintain on the Premises any and all fixtures, equipment and other personal property useful in connection with Tenant’s operations at the Premises. All fixtures, equipment and other personal property installed or located on the Premises upon the termination of this Lease may be removed by Tenant.

11. **Damage or Destruction.** If, during the Term, the entire Premises, or such portion thereof as shall render the remaining portion thereof unsuitable for the continued conduct of Tenant’s activities thereon, shall be damaged or destroyed by fire or other casualty, Tenant shall have the right, for a period of ninety (90) days thereafter, by giving written notice to Landlord, to terminate this Lease, in which event: (a) Landlord shall be entitled to receive all insurance proceeds payable by reason of and with respect to damage or destruction to the Buildings and (b) Tenant shall be entitled to retain all insurance proceeds payable by reason of and with respect to damage or destruction to the Alterations, if any, owned or constructed by Tenant on the Premises, and all insurance proceeds relating to Tenant’s fixtures, equipment and other personal property. If Tenant does not elect to terminate this Lease, or if the damage or destruction to the Premises does not render the remaining portion thereof unsuitable for the continued conduct of Tenant’s activities thereon, then this Lease shall continue in full force and effect. Tenant shall not have any obligation to cause whatever repairs are necessary to restore the Buildings to the condition such Buildings were in prior to such damage or destruction and shall be entitled to retain all

insurance proceeds received by Tenant by reason of and with respect to any damage or destruction to such Buildings.

12. **Condemnation.**

a. **Total Taking.** If, during the Term, the entire Premises shall be taken by any public or quasi-public authority under its power of condemnation or eminent domain (or is sold under threat thereof), this Lease shall terminate as of the date possession shall be taken by the acquiring authority, and the rent and all other amounts payable by Tenant hereunder shall, if and as necessary, be apportioned and prorated to the date possession is taken by the acquiring authority.

b. **Partial Taking.** If, during the Term, a portion of the Premises shall be taken by any public or quasi-public authority under its power of condemnation or eminent domain (or is sold under threat thereof), then Tenant shall have the right to terminate this Lease effective as of the date possession shall be taken by the acquiring authority by serving notice to that effect upon Landlord no later than thirty (30) days after the date of such possession. If Tenant fails to terminate this Lease as aforesaid, or if Tenant provides earlier written waiver of such termination right to Landlord, this Lease shall continue in full force and effect in accordance with its terms.

c. **Compensation Award.** Any awards or other consideration paid upon such total or partial taking shall belong to and be the property of Landlord, except for awards, if any, relating to Tenant Improvements, if any, loss of business operations at the Premises and Tenant's moving expenses.

13. **Assignment and Subletting.** Subject to the terms of Paragraph 5.a. of this Lease, Tenant may assign this Lease, in whole or in part, and sublease all or any portion of the Premises without Landlord's consent.

14. **Quiet Enjoyment.** Landlord covenants and agrees that, so long as Tenant shall duly and punctually perform and observe its obligations under this Lease, Tenant shall peaceably and quietly have, hold and enjoy the Premises without any hindrance or molestation from Landlord or any other party.

15. **Default; Remedies.**

a. **Default by Tenant.** Tenant shall be in default if (i) default be made in the payment of the rent or any additional sums payable hereunder by Tenant and such default shall continue for fifteen (15) days after receipt of written notice thereof by Tenant or (ii) default be made in the performance or observance by Tenant of any other covenants or conditions herein contained, and such default shall continue for thirty (30) days after written notice thereof shall have been received by Tenant. Notwithstanding the foregoing, Tenant shall not be considered in default if such default is of a type that cannot reasonably be corrected within thirty (30) days, and Tenant commences promptly and in good faith to proceed with due diligence to correct such default. In the event of default, Landlord may elect to suspend this Lease, to reenter the Premises or any part thereof with judicial process and to expel and remove Tenant or any person or persons occupying the same and again to repossess and enjoy the Premises. Tenant shall, however, have the continuing right through the end of the Term to cure such default, and then resume occupancy or sublease all or a portion of the Premises. Landlord shall also have the right, at its option, to cure any default by Tenant and obtain from Tenant the reasonable costs and expenses incurred by Landlord in curing such default. If Landlord acts under this subparagraph

and the Premises is sold or leased by Landlord to a third party prior to the expiration of the Term, Tenant shall be entitled to payment pursuant to Paragraph 18 as though such termination were without cause or default.

b. Default by Landlord. If default be made by Landlord in the performance or observance of any of the covenants or conditions herein contained, or if Landlord breaches any representation or warranty contained herein, and such default or breach shall continue for thirty (30) days after written notice thereof shall have been received by Landlord (or if such default is not of a type that can reasonably be corrected within thirty (30) days, then if Landlord fails to commence promptly and in good faith to proceed with due diligence to correct such default), then Tenant shall have the right, at its option, to immediately terminate this Lease or to cure any default or breach by Landlord. All amounts expended by Tenant in curing Landlord's defaults or breaches, or as a consequence of any claim, shall be paid by Landlord upon demand by Tenant.

c. Remedies Not Exclusive. Any right or remedy conferred on Landlord or Tenant under this Lease shall not be deemed to be exclusive of any other right or remedy which might otherwise be available hereunder or at law or in equity. The rights and remedies hereunder are, however, intended to precede any other right or remedy and shall first be exhausted before the exercise of any other right or remedy.

d. No Waiver of Rights. The failure of Landlord or Tenant to insist upon strict performance of any of the terms, covenants or conditions herein contained shall not be deemed a waiver of any of its rights or remedies and shall not be deemed a waiver of any subsequent breach or default in any of said terms, covenants and conditions.

16. Notices. Whenever in this Lease it shall be required or permitted that notice be given by any party hereto to the other, such notice shall be in writing and shall be delivered (a) in person or by a reputable courier service that provides receipt of delivery, (b) by deposit in the U.S. mail, postage prepaid, by certified or registered mail, return receipt requested, (c) by a nationally recognized overnight courier service, or (d) by electronic mail or facsimile immediately followed by delivery in accordance with subparagraphs (a), (b) or (c) above, in each case addressed to the party concerned at the addresses or facsimile numbers set forth below (or at such other address or facsimile number as a party may specify by written notice pursuant to this paragraph to the other party):

If to Landlord: City of Racine  
730 Washington Avenue  
Racine, Wisconsin 53403  
Attn: \_\_\_\_\_  
Facsimile No. (262) \_\_\_\_\_

With a copy to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_  
Facsimile No. (262) \_\_\_\_\_

If to Tenant: E.G. Developments, LLC  
1000 Apache Court  
Fort Atkinson, Wisconsin 53538  
Attn: Dominic A. Gorniak  
Facsimile No. (608) 833-1244

With a copy to: Foley & Lardner LLP  
777 East Wisconsin Avenue  
Milwaukee, Wisconsin 53202-5306  
Attn: Bruce A. Keyes  
Facsimile No. (414) 297-4900

Communications sent by personal delivery, courier service or electronic or facsimile transmission, as set forth above, shall be effective upon receipt; provided, however, that, with respect to electronic or facsimile transmission, the subsequent delivery is made in accordance with subparagraph (d) above. Communications sent by mail as set forth above shall be effective three (3) days after proper deposit in the U.S. mail. It is further agreed that each party hereto will promptly furnish to the other party hereto a copy of any notice it may receive from any third person which may affect the rights of any party hereunder.

17. **Estoppel Certificates.** Upon request of Landlord or Tenant, the other party, within twenty (20) days of the date of such written request, agrees to execute and deliver to the requesting party, without charge, a written statement (a) ratifying this Lease; (b) certifying that this Lease is in full force and effect, if such is the case, and has not been modified, assigned, supplemented or amended, except as shall be stated; (c) certifying that all conditions and agreements under this Lease to be satisfied and performed have been satisfied and performed, except as shall be stated; (d) reciting the amount of advance rental, if any, paid by Tenant and the date to which rental has been paid; and (e) confirming such other provisions as are reasonably requested by such party.

18. **Early Termination.**

a. **Tenant Termination.** Tenant may terminate this Lease at any time and vacate the Premises by providing Landlord with thirty (30) days written notice of Tenant's intent to vacate. If Tenant so elects, the Note (as such term is defined in the Purchase Agreement) shall become immediately due and payable in the amount of Three Hundred Sixteen Thousand and No/100ths Dollars (\$316,000.00), without premium or penalty.

b. **Option to Purchase.** Landlord hereby grants to Tenant the option to purchase the Premises at the purchase price of Three Hundred Sixteen Thousand and No/100ths Dollars (\$316,000.00) (the "**Repurchase Price**") at any time or times during the Term in the event, but only in the event, Tenant procures one or more unaffiliated third party purchaser(s) for the Premises with an intended use in conformance with the uses permitted by the Racine Steel Castings Industrial Area Redevelopment Plan (a "**Prospective Purchaser**"). Landlord shall accept, at Tenant's option, the release by Tenant of all or a prorata portion of the Note in satisfaction of the payment of the Repurchase Price hereunder.

i. The option herein granted may be exercised by Tenant, upon written notice to Landlord, at any time or times during the Term in which a Prospective Purchaser is procured by Tenant. If the transaction between Tenant and a Prospective Purchaser fails to close, the exercise of Tenant's option to purchase shall automatically be

deemed withdrawn and this Lease shall continue in full force and effect in accordance with its terms.

ii. If the option is to be exercised for anything less than the complete Premises, the Repurchase Price shall be equitably reduced in the proportion that the acreage of the portion of the Premises to be conveyed to a Prospective Purchaser bears to the acreage of the entire Premises, and this Lease shall continue in full force and effect in accordance with its terms for the remainder of the Premises, with no adjustment in rent.

iii. Tenant shall provide Landlord with written notice of Tenant's procurement of a Prospective Purchaser for the Premises or any portion thereof (a "**Sale Notice**"), specifying that portion of the Premises to be conveyed, the identity of the Prospective Purchaser and the Prospective Purchaser's intended use of the Premises. Landlord shall, within ten (10) days of receiving a Sale Notice or revised Sale Notice, as applicable, either (a) approve the Sale Notice in writing, (b) reasonably request in writing additional information to be submitted in a revised Sale Notice, or (c) if the proposed use is not in conformance with the uses permitted by the Racine Steel Castings Industrial Area Redevelopment Plan, deny approval of the Sale Notice in writing, setting forth the reasons why such use is not compliant with zoning.

iv. At the closing with a Prospective Purchaser, Landlord shall, by special warranty deed, convey directly to Prospective Purchaser fee simple title to the Premises (or portion thereof) free and clear of all liens, charges and encumbrances excepting those which Landlord acquired the Premises subject to. Upon such closing, this Lease and all of the obligations hereunder arising from and after the closing shall terminate with respect to the Premises or portion thereof conveyed to a Prospective Purchaser.

c. Landlord Termination. Landlord may terminate this Lease at any time and without cause by providing Tenant with written notice of early termination and a termination date to vacate that shall be no less than one hundred twenty (120) days from Tenant's receipt of such notice (the "**Vacation Date**"), accompanied by payment of the Note in full, plus a prepayment fee in an amount equal to the lesser of (y) (i) the number of full calendar years between the Vacation Date and December 31, 2014, multiplied by One Hundred Thousand and No/100ths Dollars (\$100,000.00), plus (ii) Two Hundred Seventy-four and No/100ths Dollars (\$274.00) multiplied by the number of days in any partial calendar year between the Vacation Date and December 31, 2014 (by way of example only, if the Vacation Date is December 21, 2011, the prepayment fee would be Three Hundred Two Thousand Seven Hundred Forty and No/100ths Dollars (\$302,740.00)), or (z) Six Hundred Fifty-nine Thousand and No/100ths Dollars (\$659,000.00). The taking of the Premises or any portion thereof by condemnation or eminent domain shall be deemed a termination and shall be subject to the provisions for payment under this subparagraph.

Any amounts payable under this Paragraph shall, as applicable, be equitably adjusted in the proportion that the acreage of the portion of the Premises affected bears to the acreage of the entire Premises, without regard to any improvements or encumbrances. The parties shall work together in connection with any future division of the Premises during the Term; provided, however, that Landlord shall not, in any event, leave Tenant with less than **[five (5)]** acres on which to conduct Tenant's operations at the Premises, and Tenant shall not, in any event, seek a division of the Premises in any manner that Landlord reasonably finds to be inconsistent with the Racine Steel Castings Industrial Area



Redevelopment Plan. The parties agree to cooperate in good faith to reasonably accommodate the future sale and redevelopment of the Premises consistent with these provisions.

19. **Miscellaneous.**

a. **Access.** Landlord, its agents and representatives, shall, upon reasonable prior notice, be entitled to enter upon the Premises at reasonable times during Tenant's normal business hours to examine or inspect the condition of the Premises, or to exercise any right or power reserved to Landlord under this Lease; provided, however, such entry shall be done in a manner so as not to unreasonably interfere with the conduct of Tenant's activities thereon, and such entry shall only be made if Landlord is accompanied by a responsible employee of Tenant, 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 Tenant.

b. **Mechanic's Liens.** Neither Tenant nor anyone claiming by, through, or under Tenant shall have the right to file or place any mechanic's lien or other lien of any kind or character whatsoever upon Landlord's interest in the Premises, and notice is hereby given that no contractor, subcontractor or anyone else who may furnish any material, service or labor for any building, improvement, alteration, repair or any part thereof shall, at any time, be or become entitled to any lien thereon. Tenant covenants and agrees to use reasonable efforts to give notice thereof in advance to any and all contractors and subcontractors who may furnish or agree to furnish any such material, service or labor. If any such lien shall at any time be filed against Landlord's interest in the Premises or any part thereof, Tenant shall have the right to dispute and litigate or arbitrate the validity of any mechanic's lien claim provided Tenant shall have provided a bond or security reasonably satisfactory to Landlord. If Tenant does not litigate or arbitrate a mechanic's lien claim it shall, within sixty (60) days after notice of the filing thereof, cause the same to be released and discharged of record or provide reasonable security therefor. Tenant shall promptly notify Landlord in the event Tenant acquires knowledge that any such lien has attached against the Premises.

c. **Force Majeure.** In the event that Landlord or Tenant shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, failure of contractor(s) to perform their agreement(s), inability to procure materials, failure of power, acts of God (including adverse weather conditions), restrictive governmental laws, regulations or actions, riots, insurrection, war, civil commotion, fire or other insured casualty, or other reason not the fault of Landlord or Tenant, as applicable, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

d. **Surrender of Premises.** Upon termination of this Lease, by lapse of time or otherwise (except, however, in connection with the exercise of Tenant's rights pursuant to Paragraph 18 hereof), Tenant agrees peaceably to surrender the Premises to Landlord.

e. **Holding Over.** If Tenant remains in possession of the Premises after the termination of this Lease and without the execution of a new lease, Tenant shall be deemed to be occupying the Premises as a tenant from month-to-month, subject to all the applicable terms, conditions and covenants of this Lease.

f. **Landlord's Lien.** Landlord hereby waives any landlord's or lessor's liens it may have with respect to Tenant's property.

g. Brokerage Commissions. Each party hereby represents and warrants to the other that it has had no dealings with any real estate broker or agent in connection with this Lease who is or might be entitled to a commission in connection herewith. Each party agrees to indemnify, defend and hold the other harmless from and against any and all claims inconsistent with the foregoing representation and warranty for any brokerage or similar fee or commission in connection with this Lease if such claims are based on, or relate to, any act of the indemnifying party which is contrary to the foregoing representation and warranty.

h. Signs. Tenant shall have the right and privilege of attaching, affixing, painting or exhibiting signs on the Premises, provided only that any and all signs shall comply with applicable local ordinances governing the same.

i. Benefit. This Lease and all of the covenants and conditions herein contained shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

j. Landlord/Tenant. Nothing contained herein shall be deemed or construed by the parties hereto or by any third party as creating the relationship of principal and agent or of partnership or of joint venture between Landlord and Tenant or of any relationship other than landlord/tenant.

k. Costs, Expenses and Attorneys' Fees. The prevailing party shall be entitled to all costs, expenses and reasonable attorneys' fees that may be incurred or paid by the prevailing party in enforcing the covenants and agreements in this Lease.

l. Recording; Memorandum of Lease. This Lease shall not be recorded; provided, however, at the request of either party, the parties agree to execute and deliver a memorandum of lease, suitable for recording purposes, specifying the Commencement Date, the Term and Tenant's option to find a purchaser for the Premises, but nothing therein contained shall alter or vary any of the terms of this Lease.

m. Amendment. Neither this Lease nor any of the terms, covenants or conditions hereof may be modified or amended, except by an agreement in writing, duly executed and delivered by the party against whom enforcement of such modification or amendment is sought.

n. Headings. The headings of the paragraphs and subparagraphs of this Lease are for convenience only and shall in no way affect the construction or effect of any of the terms, covenants or conditions hereof.

o. Provisions Severable. If any provision of this Lease shall be held or declared to be invalid, illegal or unenforceable under any law applicable thereto, such provision shall be deemed deleted from this Lease without impairing or prejudicing the validity, legality and enforceability of the remaining provisions hereof.

p. Governing Law. This Lease shall be governed by the laws of the State of Wisconsin.

**IN WITNESS WHEREOF**, the parties hereto have executed this Lease as of the date first set forth above.

**LANDLORD:**

**CITY OF RACINE, WISCONSIN,**  
a Wisconsin municipal corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TENANT:**

**E.G. DEVELOPMENTS, L.L.C.,**  
a Wisconsin limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**

Legal Description of the Premises