

LEASE AGREEMENT

THIS AGREEMENT is made this _____ day of _____, 20____, by and between CITY OF RACINE, a Wisconsin municipal corporation (Lessor), and TEX REYNOLD'S TOYS FOR TOTS, INC., a Wisconsin corporation (Lessee).

WITNESSETH:

WHEREAS, Lessee is in need of space to provide a location for centralized services for its organization; and

WHEREAS, Lessor has agreed to assist Lessee because of the economic benefits to the entire community which will result therefrom.

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

That Lessor does hereby grant permission to Lessee to lease approximately 9,741 square feet of space in the basement of the City Hall Annex, 800 Center Street, Racine, Wisconsin, depicted on the attached Exhibit A and more specifically identified as Rooms 39, 41, 42, 43, 44, 45, 46, 48, the western half of 49, and 50, the former South Wing Ground Floor restroom area adjacent to Room 44, the East portion of the hallway abutting Room 41 along with the North portion of the hallway abutting Room 41, and the 12 ft X 16 ft hallway space abutting Room 46, but no other space, hallway, or area on the following conditions:

- 1) This lease shall be for the period of July 1, 2021 to June 30, 2022. The rental fee for the space shall be \$1.14 per square foot per year, equal to \$11,104.74 for the term of this lease.
- 2) Lessee shall leave the leased premises in as good condition when the lease concludes as when the lease commenced, reasonable wear and tear excepted.
- 3) Lessee shall provide its own janitorial services.

4) Lessee shall ensure a minimum clearance space of four-foot of flooring through all hallways for safety and access to all rooms, and Lessee shall vacate all other spaces. The parties hereto recognize that at certain times of year that some additional hallway space is needed for temporary drop-off and pick-up of the goods serviced by Lessee, however the four-foot clearance space shall be maintained and Lessee will remove/relocate said goods within four calendar days.

5) **INDEMNIFICATION** To the fullest extent permitted by law, Lessee shall defend, indemnify, and hold harmless Lessor and Lessor's officers, elected officials, agents, employees, and authorized volunteers, and each of them from and against any and all negligence, claims, liabilities, damages, costs, or expenses arising either before or after the commencement date of this lease that arise from or are caused by Lessee's use or occupancy of the leased premises, the building in which the leased premises are situated, and the common areas of such building, or from the conduct of Lessee's business, or from any activity, work, or thing done, permitted or suffered by Lessee or Lessee's agents, employees, sublessees, vendors, contractors, invitees, or licensees in or about the premises, the building, or the common areas of such building, or from any default in the performance of any obligation on Lessee's part to be performed under this Lease, or from any act, omission or negligence on the part of Lessee or Lessee's agents, employees, sublessees, vendors, contractors, invitees, or licensees. Lessor may, at its option, require Lessee to assume Lessor's defense in any action covered by this section through counsel reasonably satisfactory to Lessor. Notwithstanding the foregoing, Lessee shall not be obligated to indemnify Lessor against any liability or expense to the extent it is ultimately determined that the same was caused by the sole negligence or willful misconduct of Lessor, its agents, contractors, or employees.

6) **INSURANCE** The Lessee shall not use or occupy the leased premises until proof of insurance required has been provided to Lessor. The insurance required by Lessee is primary coverage and any insurance or self-insurance maintained by Lessor, its officers, elected officials, agents, employees, and authorized volunteers, or any of them, will not contribute to a loss. All insurance shall be in full force prior the

commencement date of this lease, and remain in force until the end of the lease.

1. INSURANCE REQUIREMENTS FOR LESSEE

A. Commercial General Liability coverage at least as broad as Insurance Services Office Commercial General Liability Form including coverage for Premises and Operations liability, Products and Completed Operations, Contractual Liability (including joint negligence coverage), personal injury coverage, and fire damage limits as follows:

1. Each Occurrence limit \$1,000,000
2. Personal and Advertising Injury limit \$1,000,000
3. General aggregate limit (other than Products–Completed Operations) per location \$2,000,000
4. Products–Completed Operations aggregate \$2,000,000
5. Fire Damage limit — any one fire \$250,000
6. Medical Expense limit — any one person \$5,000

B. Workers' Compensation as required by the State of Wisconsin, and Employers Liability insurance with sufficient limits to meet underlying Umbrella Liability insurance requirements.

C. Umbrella Liability providing coverage at least as broad as the underlying Commercial General Liability, Automobile Liability and Employers Liability. Minimum limit of \$1,000,000 each occurrence and \$1,000,000 aggregate, and a maximum self-insured retention of \$10,000. The umbrella must be primary and non-contributory to any insurance or self-insurance carried by Lessor.

D. Property Insurance – Lessee shall maintain personal property insurance on their owned, leased or borrowed personal property (including property of employees) and personal property in the care, custody and control of the Lessee. Lessor shall not be liable for damage/loss/ loss of use/ extra expense to such property including business income or extra expense losses. Perils insured shall be "special perils" or its equivalent. The valuation clause shall be replacement cost. Lessee waives its right to subrogation against Lessor.

2. ADDITIONAL PROVISIONS

A. Primary and Non-contributory requirement – all insurance must be primary and noncontributory to any insurance or self-insurance carried by Lessor.

B. Acceptability of Insurers – Insurance is to be placed with insurers who have an A.M. Best rating of no less than A- and a Financial Size Category of no less than Class VII, and who are authorized as an admitted insurance company in the State of Wisconsin.

C. Additional Insured Requirements – The following must be named as additional insureds on all Liability coverages arising out of the leased premises:

The City of Racine its officers, elected officials, agents, employees, and authorized volunteers, and each of them.

This additional insured liability coverage must include “joint negligence” coverage. The Commercial General Liability must use CG 20 26 07 04 or its equivalent to provide the additional insured coverage. The Commercial General Liability general aggregate limit must apply “per location”. This additional insured requirement does not apply to Worker’s Compensation/Employer liability coverage.

D. Waivers of Subrogation in favor of Lessor must be endorsed onto the Lessee’s Worker’s Compensation, Commercial General Liability, Umbrella Liability coverage, and Property coverages.

E. Deductibles and Self-Insured Retentions – any deductible or self-insured retention must be declared to Lessor.

F. Evidences of Insurance – Prior to using or occupying the leased premises the Lessee shall file with Lessor a certificate of insurance (Acord Form or equivalent for all coverages) signed by the insurer’s authorized representative evidencing the coverage required by this agreement. All additional insured forms must be attached to the certificate of insurance. The Commercial General Liability “per location” form must also be attached to the certificate of insurance or shown on the certificate of insurance.

7) This lease shall not be assigned, subleased or in any way transferred by Lessee to any other corporation, organization or person without the prior written approval of Lessor.

8) This lease may be extended solely upon approval by the Common Council of the City of Racine.

9) This lease may be terminated at any time prior to the end of its term by either party upon 30 days’ written notice to the other party.

10) If the lease is not extended by the Common Council, Lessee's tenancy and right to occupy space shall terminate. Notwithstanding anything else contained herein, in the event Lessee desires to continue in possession of the lease property beyond the period provided herein, Lessor, may, at its sole option, construe such holding over as a month-to-month tenancy under the terms and conditions of this lease in addition to the increased rental amount established by the Common Council, and in such event it is hereby agreed that all covenants herein, excepting the rental amount, shall continue in full force and effect as long as any such tenancy continues.

11) Upon termination or expiration of this lease, Landlord will remove and dispose of any personalty remaining on or within the premises, consistent with the procedures set forth in Wisconsin Statutes section 704.055, and Lessee agrees to pay for the reasonable costs for the removal and/or disposal within 30 days of invoice.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first written above.

CITY OF RACINE, WISCONSIN

By: _____
Cory Mason, Mayor

Approved as to form:

By: _____
Tara Coolidge, City Clerk

Scott R. Letteney
City Attorney

Res. # XXXX-21 of 07/20/2021

TEX REYNOLD'S TOYS FOR TOTS, INC.

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____