

PARKING LOT LEASE

THIS LEASE (the “Lease”) is made effective as of _____, 2021 by and between the CITY OF RACINE, a municipal corporation of the State of Wisconsin, in Racine County (“Landlord”), and THE MAIN ATTRACTION, LLC, a Wisconsin limited liability company (“Tenant”).

1. Premises. Landlord owns the real estate located at 110 Seventh Street and 501 Lake Avenue, Racine, Wisconsin (collectively the “Properties”), and operates parking facilities on the Properties (the “Facilities”).

(a) Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, parking spaces (each a “Stall”) located in the Facilities (the “Premises”). The Premises will provide parking for Tenant’s hotel located at 500 Main Street, Racine, Wisconsin (the “Hotel”). Tenant shall have the use of 100 stalls at 110 Seventh Street 24 hours per day, each day of the week. Tenant shall have the use of any available, otherwise-unused stalls at 501 Lake Avenue 5:00 p.m. to 8:00 a.m., the following day, Monday evenings through Friday mornings, and 5:00 p.m. Fridays through 8:00 a.m. the following Mondays.

(b) The Premises also includes the right of access to the stairwells, drives, and other portions of the Facilities as are commonly used for the purposes of this Lease.

(c) The Stalls making up the Premises are not intended to be exclusive or assigned to Tenant. Rather, Landlord shall maintain access controls to the Facilities and coordinate with Tenant so that at all times, the Premises are available to Tenant’s invitees and Tenant’s invitees may enter the Facilities without cost.

(d) Landlord may use any remaining portions of the Facilities for parking for the general public.

(e) Landlord acknowledges that on occasion Tenant may make a Stall available for uses other than the Hotel, but Tenant will not advertise its Stalls in the Facilities as being available for public use and not permit them to be so used on a regular basis.

2. Term.

(a) The term of this Lease shall commence on the date hereof (the “Commencement Date”), and shall terminate on the tenth anniversary of the date on which the Hotel opens to the public for general use. If Tenant is still operating the Hotel on the stated termination date, then the Lease will automatically renew for one (1) additional ten (10) year period on the same terms as the original term of the Lease, unless Tenant gives written notice to Landlord that Tenant desires to terminate the Lease at least 3 months prior to the stated termination date. If Tenant is still operating the Hotel on the stated termination date of any extension period, then the Lease will automatically renew for an additional ten (10) year period on the same terms as for the original term of the Lease except that the Rent during each extension period will be a fair market rent as determined by the parties in a

commercially reasonable manner, unless Tenant gives written notice to Landlord that Tenant desires to terminate the Lease at least 3 months prior to the then stated termination date.

(b) Notwithstanding anything else contained herein, Landlord and Tenant agree to meet and confer within thirty days following after one year of the Hotel's opening and operations and to consider amending this Lease based on premises' usage. Upon failure of Landlord and Tenant to agree upon an amendment, the term set forth in this Lease remain in effect.

3. Rent. Tenant shall pay rent to Landlord, without setoff, deduction or demand, on or before the 30th day of each calendar quarter, with respect to the prior calendar quarter. Rent during the first year of the initial term shall be equal to Three Dollars (\$3) per day, per Stall actually used in a day. Commencing on the anniversary date of the Commencement Date, and on each anniversary date thereafter, the monthly rent shall be increased by a percentage amount equal to any percentage rate increase implemented for City of Racine-owned parking ramps, for the twelve months preceding the anniversary date. If the Commencement Date occurred on a day other than the first day of the month, rent escalation shall occur on the first day of the month following the anniversary date. In no event shall the rent be decreased. Use shall be determined by gross parking revenues generated by Tenant from the operation of the Premises. With each payment of rent, Tenant will submit to Landlord evidence of how rent for the preceding calendar quarter was calculated. Landlord may audit Tenant's records at Landlord's cost if Landlord disagrees with the amount of usage or rent reported, and if the audit reveals that rent was either overpaid or underpaid by an amount in excess of 5% of the rent paid, then a payment to or by Tenant will be made promptly. If an audit reveals that there was an overpayment or underpayment of less than such 5%, then Landlord may make no further audits for a period of 4 calendar quarters. Rent during any extension period will be at a rate as set forth in Section 2.

4. Use. Tenant may use the Premises only as a parking lot in connection with the Hotel, except as described above, and for no other purpose. Tenant agrees to conduct its activities on the Premises in compliance with all applicable statutes, ordinances, codes, and regulations.

5. Landlord Maintenance Obligations. Landlord, at Landlord's sole expense, shall maintain the Premises in good condition and repair (including, without limitation, crack filling, resurfacing, restriping, and replacing the Premises as reasonably necessary to keep it in good condition and repair), and shall snow plow, salt, and sweep the Premises as the conditions warrant, all in accordance with all applicable laws. Tenant shall notify Landlord in writing to request repair or replacement of the Premises and such repair or maintenance shall be conducted by Landlord within thirty (30) days (or, with respect to snow removal obligations, 24 hours after a snowfall of at least 2 inches). If Landlord fails to fulfill its obligations under this Section, then upon a second notice to Landlord Tenant may take action to cause such matters to be addressed and thereafter deduct the costs from future rent payments.

6. Redevelopment of the Facilities.

(a) Subject to the other subsections below, Landlord will not redevelop the Facilities in such a manner as will cause Tenant to not be able to thereafter use a similar number of Stalls in a redeveloped Facilities, on the same terms as set forth herein.

(b) If Landlord desires to redevelop the Facilities in such a manner that it will not be able to offer Tenant the parking rights described in subsection (a), then Landlord will give Tenant written notice at least 6 months prior to the date on which Landlord intends to commence the redevelopment, and will offer to Tenant substitute parking of at least the same number of Stalls at a location no greater than one-quarter mile from the Hotel's front entrance, and otherwise at the same rent as is charged in this Lease.

(c) If Landlord desires to redevelop the Facilities and close off access to any part of the Premises on a temporary basis during redevelopment, Landlord will offer to Tenant substitute parking of at least the same number of Stalls at a location no greater than one-quarter mile from the Hotel's front entrance, and otherwise at the same rent as is charged in this Lease.

7. Tenant Default.

(a) Each of the following events is an "Event of Default" under this Lease: (1) Tenant fails to pay to Landlord any payments due under this Lease when due and nonpayment continues for five (5) business days after notice from Landlord; (2) Tenant fails to perform any of Tenant's other obligations under this Lease and nonperformance continues for thirty (30) days after notice from Landlord, provided that if the nonperformance cannot reasonably be cured within thirty (30) days, the cure period shall be extended for up to an additional sixty (60) days as long as Tenant is diligently pursuing cure; or (3) Tenant dissolves or becomes the subject of a petition in bankruptcy or insolvency or for liquidation, reorganization or involuntary dissolution or for the appointment of a receiver or trustee of all or any of its property or makes an assignment for the benefit of its creditors or petitions for or enters into an arrangement with its creditors.

(b) If an Event of Default occurs, Landlord may, without notice and in addition to all other rights and remedies available to Landlord by law or other provision of this Lease, exercise any or all of the following remedies: (1) if any obligation is not performed on time, without waiving or releasing Tenant from any obligations, perform the obligation for the account and at the expense of Tenant; (2) restrain by injunction the attempted or threatened violation of this Lease; (3) without legal process or notice to Tenant (except to the extent required by applicable law), immediately re-enter the Premises, and remove all persons and property; and/or (4) terminate this Lease and recover from Tenant all rent and other amounts required to be paid by Tenant under this Lease, with interest at the rate set forth below.

(c) Tenant shall pay Landlord all costs, expenses, and damages Landlord may incur by reason of termination of this Lease including, but not limited to, loss or diminution of rents; costs to secure the Premises; and costs of preparing the Premises for reletting.

(d) Any amounts owing from Tenant to Landlord under this Lease and not paid within any applicable grace period after the date due shall bear interest from the date due until paid at the lesser of (a) 4% over the prime rate of interest published in The Wall Street Journal (Midwest Edition), adjusted from time to time as such prime rate changes; or (b) the highest rate of interest permitted in the State of Wisconsin for similar obligations.

8. Insurance.

(a) Tenant, at Tenant's expense, shall at all times during the Lease term maintain damage and liability insurance, in commercially reasonable amounts, for the Premises and name the Landlord as an additional insured. These insurance provisions shall not limit or modify Tenant's obligations under any provision of this Lease, including Tenant's repair obligations.

(b) Tenant shall deliver to Landlord evidence satisfactory to Landlord that the Tenant has obtained and maintained insurance in commercially reasonable amounts naming the Landlord as an additional insured. Any such coverage shall be deemed primary to any liability coverage secured by Landlord.

(c) Tenant shall indemnify and defend Landlord against any and all damages claimed to be suffered by third parties (including reasonable attorneys' fees and all other costs and liabilities incurred in connection with any action or proceeding brought with respect to such a claim) arising during the term of the Lease or Tenant's use and occupation of the Premises from any (1) default by Tenant under this Lease, (2) condition inconsistent with any representation or warranty made by Tenant under this Lease, (3) act or negligence by Tenant or any of its invitees, or (4) accident, injury or damage in or about the Premises to the extent caused by Tenant or any of its invitees. These indemnification obligations shall survive expiration or earlier termination of this Lease.

(e) All property on the Premises belonging to Tenant shall be at Tenant's sole risk. Landlord shall not be liable for damage, theft or loss affecting this property and Tenant shall defend and indemnify Landlord against claims and liability for injuries to this property.

(f) Landlord will at all times during the Lease term obtain and maintain commercially reasonable insurance on the portions of the Facilities operated and maintained by the Landlord, and commercial general liability insurance with respect to its operations.

(g) Each party hereby expressly releases the other for liability it may have on account of any loss to the Premises or Facilities or contents of either due to fire or any peril included in the coverage of any applicable extended coverage and material damage insurance, however caused, including such losses as may be due to the negligence of the other party, its agents or employees, but only to the extent of any amount recovered by reason of such insurance, and each party hereby waives any right of subrogation which might otherwise exist in or accrue to such party on account thereof, provided that such release of liability and waiver of the right of subrogation shall not be operative in any case where the effect thereof is to invalidate such insurance coverage under applicable state law (or increase the cost thereof, unless the other party reimburses the insured for any cost increase). If

Tenant fails to maintain in force any insurance required by this Lease to be carried by it, then for purposes of this waiver of subrogation it shall be deemed to have been fully insured and to have recovered the entire amount of its loss. Each party to this Lease shall promptly give to its insurance company written notice of the mutual waivers contained in this Paragraph.

9. Hazardous Substances.

(a) For the purposes of this Lease: (a) "Hazardous Material" is used in its broadest sense and means any asbestos, petroleum based products, pesticides, paints and solvents, polychlorinated biphenyl, lead, cyanide, DDT, acids, ammonium compounds and other chemical products and any substance or material defined or designated as a hazardous or toxic substance, material, waste, or other similar term, by any Environmental Law; and (b) "Environmental Law" is used in its broadest sense and means any federal, state, or local statute, ordinance, regulation, or court or administrative order affecting the Facilities presently in effect or promulgated in the future, as amended from time to time, regulating hazardous or toxic substances. Tenant shall not cause or permit any Hazardous Material to be brought on, kept, stored or used in or about the Premises without Landlord's prior written consent, which may be withheld in Landlord's sole discretion. Tenant shall not cause or permit any Hazardous Material to be brought on, kept, stored or used in or about the Premises with or without the permission of Landlord, in violation of any Environmental Laws. Tenant shall promptly notify Landlord of any possible contamination of the Premises that becomes known to Tenant. In addition to Tenant's other obligations under this Lease, if the presence of any Hazardous Material at the Premises caused or permitted by Tenant results in any contamination of the Premises or the violation of law, Tenant shall be responsible for the cost of all actions necessary to return the Premises to the condition existing prior to the introduction of the Hazardous Material or the violation of law. Landlord shall have the option of taking such actions at Tenant's expense or requiring Tenant to do so itself. If Landlord requires Tenant take any such action, any work required on the Premises shall be treated as if it were an alteration to the Premises subject to Section 13, below. Further, Tenant shall on demand pay Landlord the amount, if any, by which the Premises' value has decreased as a result of the contamination or violation. Tenant's obligations under this Paragraph shall survive expiration or earlier termination of this Lease.

(b) Notwithstanding the foregoing, Landlord acknowledges that the use of a parking structure inherently involves use by vehicles that will leak various fluids, and that persons using the structure may dispose of Hazardous Materials without consent. But for the use of the Premises by Tenant, Landlord would have operated the Facilities for the same general purposes with the same risks regarding use by vehicles and their operators. Therefore, the foregoing covenants and indemnities apply only to acts of Tenant that are undertaken willfully or recklessly, and do not apply to acts of Tenant's invitees.

10. Eminent Domain If, at any time the City conveys the Facilities to a private party ("Private Party Landlord") and if at any time after such conveyance, the entire Premises, or portions of the Premises sufficient to render the entire Premises unusable for permitted uses, are permanently taken under power of eminent domain or conveyed in lieu of such a taking, this Lease

shall terminate as of the date title transfers or the date the Premises become unusable, whichever occurs first. If any part of the Premises is permanently taken and Private Party Landlord elects to restore the Premises in a manner that materially alters the Premises, Private Party Landlord may terminate this Lease. If sufficient portions of the Premises are permanently taken so as to materially and adversely interfere with Tenant's use of the Premises for permitted uses, Tenant may terminate this Lease. To terminate this Lease under this Paragraph, a party must notify the other party within 30 days after the date title vests in the condemning authority, specifying the termination date at least 30 but not more than 60 days after the notice date. All damages awarded for any taking of the fee and leasehold interests in the Premises shall belong to Private Party Landlord. Tenant may prove in any proceedings and receive a separate award for any other condemnation awards available under applicable law. If a partial taking of the Premises occurs and this Lease is not terminated pursuant to this Section, rent shall be equitably adjusted based on the remaining size, character, and value of the Premises, and Private Party Landlord shall restore the Premises as nearly as reasonably possible to a complete architectural unit with all due diligence, but only to the extent of available condemnation proceeds.

11. Assignment and Subletting. Tenant may, without Landlord's prior written consent, assign this Lease or any interest under it by voluntary act, operation of law or otherwise to any successor operator or owner of the Hotel including any successor which obtains its rights under this Lease through the exercise of rights and remedies pursuant to a collateral assignment of Tenant's rights hereunder. Otherwise, Tenant may not, without Landlord's prior written consent, which will not be unreasonably withheld, conditioned or delayed: (a) sublet the Premises or any part of it; or (b) permit the use of the Premises by parties other than Tenant.

12. Termination of Lease by Tenant. After the fifth anniversary of the date on which Tenant commences use of the Premises for its Hotel, Tenant shall have the right to terminate this Lease upon twelve months' prior written notice, provided Tenant is not in default of this Lease beyond any applicable cure period at time it terminates the Lease.

13. Mortgagees and Purchasers.

(a) Tenant's rights under this Lease are and shall always be subordinate to any and all mortgages (each a "Mortgage") now or in the future encumbering the Premises or any part of it and to amendments, replacements, renewals and extensions of Mortgages, provided that Tenant's use and occupancy of the Premises shall not be disturbed by any mortgagee under any Mortgage (each a "Mortgagee") as long as no uncured Event of Default exists and this Lease is in full force. This clause shall be self-operative and no further instrument of subordination shall be required, but Tenant shall execute such further assurance, containing such reasonable provisions, as Landlord or any Mortgagee may request. Any Mortgagee may elect that this Lease shall have priority over its Mortgage and on notification of this election by a Mortgagee to Tenant, this Lease shall be deemed to have such priority whether the Lease is dated before or after the date of the Mortgage.

(b) Tenant shall, from time to time on Landlord's written request, execute, acknowledge and deliver to Landlord or its designee a written certification stating: (a) the date this Lease was executed and the date it expires; (b) the date on which the Hotel opened to the

public for operations; (c) the amount of rent and the date to which rent has been paid; (d) that this Lease is unmodified and in full force and effect (or if modified that this Lease as modified is in full force and effect and stating the modifications); (e) that Landlord is not in default under this Lease (or if in default the specific nature of the default); and (f) other matters as may be reasonably requested by Landlord or any Mortgagee or prospective purchaser of the Premises. Tenant shall modify the foregoing certification to reflect accurately the status of this Lease. Any prospective purchaser or Mortgagee may rely on any certification delivered pursuant to this paragraph. If Tenant fails to respond within ten (10) business days after request by Landlord for a certification, Tenant shall be conclusively deemed to have admitted the accuracy of any information Landlord supplies to a prospective purchaser or Mortgagee to the effect that this Lease is in full force and effect, and that there are no uncured defaults in Landlord's performance, unless Landlord has actual knowledge to the contrary.

(c) If Landlord's interest in the Facilities or any part of it is transferred (other than transfers for security purposes only, but including transfers via foreclosure), Landlord shall have no responsibility or liability for Landlord's obligations accruing after the transfer, and the transferee shall have no responsibility or liability for Landlord's obligations accruing before the date of transfer. Tenant shall attorn in writing to the transferee, provided the transferee assumes, in writing, the Landlord's obligations under this Lease arising after the transfer to the transferee.

14. Notices and Consents. All notices and consents required or permitted under this Lease must be in writing served either personally, by registered or certified mail, postage prepaid, or by overnight courier service, and shall be deemed given when personally delivered, postmarked or given to the courier service. The parties' respective addresses for notices, consents, and payments are set forth on this Lease's signature page. Either party may change its address for notices, consents and payments at any time by notice to the other.

15. Attorneys' Fees. Tenant shall pay Landlord's reasonable attorneys' fees and costs in connection with any successful legal action by Landlord to enforce this Lease.

16. Persons Bound. This Lease binds and benefits Landlord and Tenant and their respective permitted successors and assigns.

17. Interpretation. This Lease shall be interpreted according to and governed by the internal laws of the State of Wisconsin. Captions to the Sections of this Lease are not a part of this Lease and shall have no effect on the interpretation of any part of it. The relationship of Landlord and Tenant created by this Lease shall not constitute or be construed as a partnership, principal-agent relationship, joint venture or other cooperative enterprise. If any provision of this Lease is proven to be illegal or unenforceable, it shall be deemed modified to the minimum extent and for the minimum amount of time necessary to eliminate the illegality or unenforceability. If the intent of any provision of this Lease so indicates, the parties' respective obligations under the provision shall survive expiration or earlier termination of the Lease.

18. Entire Agreement. This Lease contains all agreements between Landlord and Tenant relating to its subject matter. Any and all prior agreements or understandings are superseded. Each party acknowledges that neither the other party nor its agents have made any

promises or representations in connection with this Lease except as set forth in this Lease and agrees that no claim or liability shall be asserted for, and neither party shall be liable for, breach of any promise or representation not stated in this Lease.

19. Authority. Each party warrants that it has the power and authority to enter into this Lease, and shall furnish to the other on reasonable demand evidence of this power and authority.

20. Counterparts. This Lease may be executed in two or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same agreement. Signatures delivered by facsimile or email shall be considered original signatures.

21. Amendment. No amendment or addendum to this Lease is effective unless it is in writing, identified as an amendment or addendum to the Lease, and approved and executed by authorized representatives of Landlord and Tenant.

[Signature page follows]

Dated as of the date first written above.

LANDLORD:

CITY OF RACINE

By: _____
Cory Mason, Mayor

By: _____
Tara Coolidge, City Clerk

Provisions have been made to pay the liability that will accrue hereunder.

By: _____
Kathleen Fischer, Finance Director

APPROVED AS TO FORM:

By: _____
Scott R. Letteney, City Attorney

Address for Notices:

730 Washington Avenue
Room 103
Racine, Wisconsin 53403

Dated as of the date first written above.

TENANT:

THE MAIN ATTRACTION, LLC

By: _____

Name: _____

Its: _____

Address for Notices:

EXHIBIT A
DEPICTION OF PREMISES