

GROUND LEASE

THIS GROUND LEASE (the “**Lease**”) is made as of May 1, 2024 (the “**Effective Date**”), by and between the **REDEVELOPMENT AUTHORITY OF THE CITY OF SHEBOYGAN, WISCONSIN**, a public body corporate of the State of Wisconsin (“**Landlord**”), and **INSPIRED HOLDINGS LLC**, a Wisconsin limited liability company (“**Tenant**”).

RECITALS

- A. Landlord is the fee owner of the approximately .771 acres of real property located in the City of Sheboygan, Wisconsin, and legally described on Exhibit A attached to this Lease and incorporated herein by reference (the “**Premises**”), subject to covenants, restrictions, reservations, liens, encumbrances, conditions, encroachments, easements and other matters of title that affect the Premises (“**Permitted Encumbrances**”);
- B. Tenant desires to lease the Premises for the purpose of constructing a residential condominium project containing three (3), four-plex buildings for a total of twelve (12) condominium units (the “**Project**”), on the terms and conditions set forth in this Lease.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant each hereby agrees as follows:

1. GRANT OF LEASE; LEASE TERM; AND TENANT’S ACCEPTANCE OF CONDITION OF PREMISES.

1.1 Grant of Lease. In consideration of rents, terms, covenants and agreements to be performed and observed by Tenant, as hereinafter set forth, Landlord leases to Tenant, and Tenant rents from Landlord the Premises subject to this Lease and the Permitted Encumbrances.

1.2 Term. The term of this Lease shall be for seventy-five (75) Lease Years (as defined below), unless terminated earlier or otherwise extended as expressly provided herein (the “**Term**”). The Term shall commence on the Effective Date (the “**Commencement Date**”). For purposes of this Lease, a “**Lease Year**” means from May 1 of one calendar year to April 30 of the immediately succeeding calendar year.

1.3 Extension of the Term. Provided on the day prior to the end of the then current Term: (a) this Lease is in full force and effect, (b) both Tenant and the Association (as defined below), including, without limitation, all successors and assigns of Tenant and the Association, have performed all of Tenant’s obligations and covenants under this Lease, and (c) there is no uncured default or event of default by Tenant or the Association under this Lease, the Term of this Lease shall automatically extend for a successive five (5) Lease Year period; unless otherwise terminated by the Tenant or the Association on or prior to the November 1 immediately preceding the expiration of the then current Term.

1.4 “AS IS” Condition. The Tenant has inspected the Premises and accepts the Premises “AS IS,” “WHERE IS” and “WITH ALL FAULTS” in its current condition without any express, implied or any other representations or warranties as to the condition of the Premises by

Landlord. Landlord expressly disclaims any warranties or representations regarding the Premises and any and all conditions or entitlements related to the Premises and, further, makes no warranties or representations regarding the suitability of the Premises for the Project or Tenant's use. Tenant warrants and represents that Tenant had adequate time and opportunity to conduct all due diligence Tenant deems necessary on the Premises and that Tenant is relying solely upon Tenant's own judgment in proceeding to enter into this Lease and build the Project on the Premises.

2. **RENT.**

2.1 Rent. Tenant shall pay to Landlord the sum of Ten Thousand Eight Hundred Seventy Dollars (\$10,870.00) annually for each of the first five (5) Lease Years of the Term as rent for use of the Premises under the terms of this Lease (the "**Rent**"). Rent shall be paid without demand therefor and without abatement, deduction, or set-off. Rent for each Lease Year shall be due and payable in two (2) equal installments of the then applicable Rent with the first installment due on June 30 of such Lease Year and the second installment due on January 31 of such Lease Year. For example purposes only, the installments of Rent during the first five (5) Lease Years shall be Five Thousand Four Hundred Thirty-Five Dollars (\$5,435.00) each.

On the fifth (5th) anniversary of the Commencement Date, and on every five-year anniversary thereafter (for the avoidance of any doubt, this means on the tenth (10th) anniversary of the Commencement Date, on the fifteenth (15th) anniversary of the Commencement Date, on the twentieth (20th) anniversary of the Commencement Date and so on) during the Term, Landlord may adjust the Rent to be paid by Tenant under this Lease to an amount that equals 1/20th of the then market value of the land comprising the Premises, as determined by Landlord in its sole discretion. For example purposes only, Landlord estimates the market value of the land comprising the Premises as of the Commencement Date to be Two Hundred Seventeen Thousand Four Hundred Dollars (\$217,400.00), and 1/20th of such amount equals Ten Thousand Eight Hundred Seventy Dollars (\$10,870.00).

Tenant shall have the right to appeal the market value determination as though such appeal were an appeal as to the assessment of such property, which appeal shall be to the Board of Review of the City of Sheboygan, following the Board of Review's normal appeals procedure. In the event the Board of Review declines jurisdiction, the parties may submit the matter to arbitration governed by applicable law or any other procedure otherwise agreed to by the parties.

2.2 Tenant's Obligation to Pay Taxes and all Operating Costs. During the Term, Tenant shall pay all operating expenses of whatever nature that relate to the Premises including, but not limited to, Taxes (as defined below), insurance premiums, operating charges, maintenance charges, construction costs and any other charges, costs and expenses which arise on the Premises or may be contemplated under any provisions of this Lease during the Term.

2.3 Lien Rights. All Rent due and to become due and all other obligations of Tenant to Landlord under this Lease shall as a result of the recording of this Lease, be a first lien on the Premises, the Project and all improvements on the Premises, and all other liens shall be subordinate to the lien of this Lease, except as otherwise required by applicable law.

2.4 Place of Payment. All sums payable to Landlord under the terms of this Lease shall be paid to or upon the order of Landlord at the Landlord's address set forth in this Lease or as otherwise designated in writing by Landlord. Landlord may change its address by notice to Tenant of such change pursuant to the terms of this Lease.

2.5 Past Due Rent. If Tenant fails to timely pay Rent or any other charge due under this Lease, such failure to timely pay shall be a Default (as defined below) under this Lease and the unpaid amount shall, at Landlord's option and without waiving any other right of Landlord, bear interest from the due date to the date of payment at a rate of twelve percent (12%) per annum.

3. REQUIRED INFORMATION FOR PROJECT.

3.1 Required Information. The Landlord shall have the right to terminate this Lease, if the Required Information (as defined below) has not been timely provided by the Tenant to the Landlord and the City of Sheboygan, Wisconsin (the "City"), as applicable, in form and substance reasonably acceptable to the Landlord. On or before May 15, 2024, Tenant shall provide to the Landlord the following required information related to the Project (collectively, the "**Required Information**") and such other documentation as the Landlord or the City may request, both in form and in substance acceptable to the Landlord and the City:

- (a) A schedule for the construction of Tenant Improvements (as defined below) and identifying the following for the Project:
 - (i) Intended commencement and completion date,
 - (ii) Reasonably estimated costs associated with the construction, and
 - (iii) Reasonably estimated value, upon completion, of the intended improvements to be constructed on the Premises.
- (b) An estimated cost breakdown and construction budget summary listing the intended cost of each improvement and construction expense for the Project, including, without limitation, all hard costs and soft costs, and the cost breakdown and budget shall be certified in writing by Tenant and Tenant's general contractor.
- (c) Documentation confirming that Tenant has complied with all necessary federal, state, county, and municipal laws, ordinances, rules, regulations, directives, orders, and requirements necessary to obtain the governmental approvals relating to the Project. Tenant shall also provide copies of all approvals by all applicable government bodies and agencies (including, without limitation, municipal or state issued building permits for the Project).
- (d) A copy of the final construction plans and complete specifications for the intended construction related to the Project that are consistent with the provisions of this Lease (the "**Final Plans**"). The Final Plans must be certified as final and complete and be signed by Tenant, the consulting

engineer, architect and the general contractor (as applicable) and approved by Landlord and the City in writing.

- (e) All documents authorizing the construction and financing of the Project and directing the appropriate officer of Tenant to execute and deliver this Lease and all other agreements, documents and contracts required to be executed by it in connection with the transactions which are the subject of this Lease (including, without limitation, authorizing resolutions of Tenant).
- (f) All of the documents related to the formation and governance of the Condominium (as defined below) and the Association (including, without limitation, the articles of incorporation, Bylaws (as defined below), executive summary and condominium plat).
- (g) [INSERT PERFORMANCE BOND PROVISIONS, IF NECESSARY]

4. **COMMENCEMENT NOTICE; TENANT IMPROVEMENTS.**

4.1 Commencement Notice. Tenant shall provide a written notice to Landlord and the City of Tenant's intention to commence the Project on or before May 15, 2024 (the "**Commencement Notice**"). To be effective, the Commencement Notice shall be accompanied by, or Tenant shall have previously delivered all of the Required Information. If Tenant does not timely provide the Commencement Notice and all of the Required Information to the Landlord and the City, Tenant will be deemed to not be ready to develop the Project and be in Default under this Lease. If Tenant does not cure all outstanding Default(s) within thirty (30) calendar days after written notice of such Default(s), the Landlord may terminate this Lease and pursue all remedies available to it, whether set forth in this Lease, at law, in equity or otherwise.

4.2 Tenant Improvements. Tenant shall undertake, at Tenant's own expense, the following improvements, obligations and work on the Premises consistent with the Final Plans and all applicable laws, regulations and ordinances (collectively, the "**Tenant Improvements**"):

- (a) Tenant shall construct and timely complete the Project. Tenant shall commence construction of: (i) the first phase of the Project (install footings for the first four-plex building of Condominium units on the Premises as depicted in the site plan attached as Exhibit B, the "**First Phase**") on or before May 31, 2024; (ii) the second phase of the Project (install footings for the second four-plex building of Condominium units on the Premises as depicted in the site plan on Exhibit B, the "**Second Phase**") on or before May 31, 2025; and (iii) the third phase of the Project (install footings for the third four-plex building of Condominium units on the Premises as depicted in the site plan on Exhibit B, the "**Third Phase**") on or before May 31, 2026. Upon such commencement, Tenant shall proceed to fully satisfy and complete all of the improvements, obligations and work set forth in this Section 4.2 with due diligence and without unreasonable delay or interruption (with the exception of force majeure events, if any, as defined below). On or before June 1, 2025 (the "**First Phase Completion Date**"),

the First Phase of the Project shall be completed (all four Condominium units in the First Phase building are open and available for occupancy), on or before June 1, 2026 (the “**Second Phase Completion Date**”), the Second Phase of the Project shall be completed (the next four Condominium units in the Second Phase building are open and available for occupancy), and on or before June 1, 2027 (the “**Third Phase Completion Date**”), the Third Phase of the Project shall be completed and on the Third Phase Completion Date all twelve (12) Condominium units of the Project shall be open and available for occupancy.

- (b) Tenant shall promptly pay for all applicable City impact fees and charges related to the Project as and when due.
- (c) Tenant shall be responsible for all landscaping on the Premises, including, without limitation, trees, shrubs, seeding or sod related to the Project.
- (d) Tenant shall install, or have installed, all electric, gas, fiber-optic, telephone and cable services and all improvements for the use and operation of the Project.
- (e) Tenant shall install, or have installed, all sanitary sewer and water laterals on the Premises, as well as connections of such laterals to new or existing sewer and water mains.
- (f) Tenant shall install, or have installed, all storm water drainage systems and facilities on the Premises, including drain tiles, pipes, detention ponds and retention ponds, consistent with all applicable laws, regulations and specifications for such systems and facilities.
- (g) Tenant shall be responsible for all erosion control measures related to Project and the construction of all improvements on the Premises.
- (h) Tenant shall be responsible for all costs related to the work to be performed by Tenant under this Lease, including, but not limited to, all applicable engineering, inspections, materials, labor, permit, impact, license and any and all other fees.

The obligations of Tenant under this Lease shall be deemed covenants running with the land and shall be applicable to Tenant’s successors and assigns and all other persons or entities acquiring any interest in the Premises during the Term of this Lease.

4.3 Progress and Quality of Work. Upon commencement of the Tenant Improvements, Tenant shall proceed to the full completion of the Tenant Improvements with due diligence and without delay or interruption with the exception of force majeure events, if any, as provided below. Subject to the foregoing, completion of each phase of the Project shall occur on or before the applicable completion date set forth in Section 4.2 above. All work to be performed by or on behalf of Tenant related to the Project shall be performed in a good and workmanlike manner, consistent with the prevailing industry standards for such work in the area of the City.

4.4 Compliance Obligations. All of the Tenant Improvements shall be completed in accordance with all applicable laws, regulations, ordinances and building and zoning codes and Tenant shall, at Tenant's cost, obtain and maintain all necessary permits and licenses for the Tenant Improvements.

4.5 Time is of the Essence. Time is of the essence with reference to Tenant's obligation to commence and complete the Tenant Improvements.

5. USE.

5.1 Permitted Use. The Project and Tenant Improvements thereon shall be used solely for residential condominium units, subject to the restrictions set forth herein. Neither Tenant nor any successor or assign of Tenant (including, without limitation, the Association (as defined below) shall use or permit the Tenant Improvements to be used in any manner other than the manner permitted by this Lease.

5.2 Prohibited Uses. **NEITHER TENANT NOR ANY SUCCESSOR OR ASSIGN OF TENANT (INCLUDING, WITHOUT LIMITATION, THE ASSOCIATION) SHALL PERMIT ANY TENANT IMPROVEMENT (INCLUDING, WITHOUT LIMITATION, ANY CONDOMINIUM UNIT ON THE PREMISES) TO BE: (A) SUBJECT TO ANY LEASE, CONTRACT OR AGREEMENT OF ANY KIND (WHETHER WRITTEN OR ORAL) FOR ANY TRANSIENT USE OR OCCUPANCY, INCLUDING, BUT NOT LIMITED TO, "SHORT-TERM RENTALS"; (B) USED FOR ANY TRANSIENT USE OR OCCUPANCY, INCLUDING, BUT NOT LIMITED TO, "SHORT-TERM RENTALS"; OR (C) SUBJECT TO A "SUB-LEASE."**

FOR THE PURPOSES OF THIS LEASE, "SHORT-TERM RENTALS" MEANS THE LEASE OR USE OF ANY TENANT IMPROVEMENT (INCLUDING, WITHOUT LIMITATION, ANY CONDOMINIUM UNIT ON THE PREMISES) FOR A PERIOD SHORTER THAN 365 CALENDAR DAYS (OR 366 CALENDAR DAYS IN A LEAP YEAR), WHETHER SUCH LEASE OR USE IS EVIDENCED BY A LEASE, CONTRACT OR AGREEMENT OF ANY KIND (WHETHER WRITTEN OR ORAL). FOR PURPOSES OF THIS LEASE, A "SUB-LEASE" MEANS A LEASE, CONTRACT OR AGREEMENT OF ANY KIND (WHETHER WRITTEN OR ORAL) ENTERED INTO BY A TENANT OF A TENANT IMPROVEMENT (INCLUDING, WITHOUT LIMITATION, ANY CONDOMINIUM UNIT ON THE PREMISES) WITH A THIRD PARTY REGARDING THE USE, OCCUPANCY OR GRANTING OF ANY RIGHT RELATED TO SUCH TENANT IMPROVEMENT THAT IS ALREADY SUBJECT TO A LEASE BY SUCH TENANT AT SUCH TIME.

NOTWITHSTANDING ANYTHING CONTAINED IN THIS LEASE TO THE CONTRARY, NEITHER TENANT NOR ANY SUCCESSOR OR ASSIGN OF TENANT (INCLUDING, WITHOUT LIMITATION, THE ASSOCIATION) SHALL USE OR PERMIT ANY TENANT IMPROVEMENT TO BE USED IN ANY MANNER WHICH IS CONTRARY TO ANY APPLICABLE STATUTE, RULE, ORDER, ORDINANCE, REQUIREMENT OR REGULATION, VIOLATE ANY CERTIFICATE OF OCCUPANCY AFFECTING THE PROJECT OR THE PREMISES, CAUSE INJURY OR

DAMAGE TO THE PROJECT OR PREMISES, CAUSE THE VALUE OR USEFULNESS OF ALL OR ANY PART OF THE PROJECT OR PREMISES TO DIMINISH (OTHER THAN NORMAL WEAR AND TEAR), CONSTITUTE A PUBLIC OR PRIVATE NUISANCE OR WASTE, OR RENDER THE INSURANCE ON THE PROJECT OR PREMISES VOID OR THE INSURANCE RISK MORE HAZARDOUS OR CREATE ANY DEFENSE TO PAYMENT. TENANT AND ALL SUCCESSORS AND ASSIGNS OF TENANT (INCLUDING, WITHOUT LIMITATION, THE ASSOCIATION) AGREES THAT IT WILL PROMPTLY, UPON DISCOVERY OF ANY SUCH PROHIBITED USE, TAKE ALL NECESSARY STEPS TO COMPEL THE DISCONTINUANCE OF SUCH PROHIBITED USE.

5.3 No Adverse Possession. Neither Tenant nor the Association shall use, suffer or permit all or any portion of the Premises to be used in such manner as might reasonably tend to impair Landlord's title to all or any portion of the Premises, or in such manner as might reasonably make possible a claim of adverse possession or of implied dedication of all or any portion of the Premises.

6. TAXES.

6.1 Taxes. "Taxes" shall mean real estate taxes, assessments (general or special), sewer rents, rates and charges, transit taxes, taxes based upon leases or the receipt of rent, and any other federal, state or local governmental charge, general, special, ordinary or extraordinary which may now or subsequently be levied, assessed or imposed against all or any portion of the Premises and/or the Project, any interest in the Premises or the Project, or any improvements thereon. At its sole cost and expense, Tenant shall pay all Taxes. Notwithstanding anything contained in the foregoing definition to the contrary:

- (a) If at any time the method of taxation then prevailing shall be altered so that all or any part of any new or additional tax, assessment, levy, imposition or charge shall be imposed upon Landlord in place or partly in place of any Taxes or contemplated increase in such Taxes, or in addition to Taxes, and shall be measured by or be based in whole or in part upon the Premises or the Project, the rents or other income from the Premises or the Project or any leases of all or any part of the Premises or the Project, then all or any part of such new taxes, assessments, levies, impositions or charges, shall be included in Taxes levied, assessed or imposed against the Premises or Project and are obligations to be paid by Tenant under this Lease. Tenant shall advance to Landlord, prior to the due date of any such Taxes an amount equal to any Taxes Landlord may be required to pay under this Section 6.1(a).
- (b) Notwithstanding the Lease Year for which any such taxes or assessments are levied, in the case of special taxes or assessments which may be payable in installments, the amount of each installment, plus any interest, payable during any Lease Year shall be considered Taxes assessed and levied for that Lease Year. Except as provided in the preceding sentence, all references to Taxes assessed, levied, confirmed or imposed during a

particular Lease Year shall be deemed to refer to Taxes levied, assessed or otherwise payable during such Lease Year without regard to when such Taxes are imposed.

6.2 Payment. At its sole cost and expense, Tenant shall pay directly, before any fine, penalty, interest or cost is incurred, all Taxes which are assessed, levied, confirmed, imposed or which become a lien upon the Premises or the Project with respect to any period of time within the Term. Taxes shall be prorated for the first and last Lease Year of the Term.

6.3 Contest. Tenant shall have the right at its own expense to contest the amount or validity, in whole or in part, of any Taxes by appropriate proceedings diligently conducted in good faith provided that, prior to contesting the Taxes, the Tenant either (i) pays the tax in full or (ii) deposits 100% of the amount of the Taxes, an irrevocable letter of credit in that amount or a bond in that amount with the Landlord. In connection with any such contest, Tenant shall reimburse Landlord for all attorneys' fees and other costs incurred by Landlord on demand and shall pay when due the Taxes, if any, as finally determined in such proceedings which Tenant had not previously paid, and all costs, fees, including attorneys' fees, interest, penalties, fines and other liabilities relating thereto.

7. INSURANCE.

7.1 Fire and Casualty. Tenant shall continuously maintain in full force and effect during the Term of this Lease a policy or policies of insurance insuring the Project and all Tenant Improvements to their Full Replacement Cost (as hereafter defined) against loss or damage by fire, casualty and extended perils and other perils with replacement cost and agreed amounts endorsements, and such other endorsements as may be reasonably required by the Landlord or, if applicable, Tenant's mortgagee, including, but not limited to, an endorsement to provide coverage against acts of terrorism. For the purposes of this Lease, "**Full Replacement Cost**" shall be interpreted to mean the cost of replacing the Project and all Tenant Improvements impacted by such fire, casualty or other peril to like kind and quality, with all required building code upgrades, as the Project and all such Tenant Improvements were prior to such fire, casualty or other peril and, in addition, a reasonable amount for architectural, engineering, legal, administrative and supervisory fees connected with the restoration or replacement of the Project and such Tenant Improvements as a result of such fire, casualty or other peril.

7.2 Liability. During the Term, Tenant shall continuously maintain in full force and effect the following additional insurance coverages:

- (a) Commercial general liability against any loss, liability or damage on, about or relating to all or any portion of the Project, the Premises and all Tenant Improvements, with limits of not less than \$2,000,000 each occurrence for bodily injury and property damage and \$3,000,000 combined single limit coverage for bodily injury or property damage claims, claims involving contractual liability, and claims for consequential damages arising out of or in connection with Tenant's operations in and maintenance and use of the Project, the Premises and all Tenant Improvements. Such limits may be increased from time to time as reasonably determined by the Landlord to

amounts consistent with prevailing industry standards. Tenant shall carry excess umbrella insurance over the commercial general liability policy with limits of not less than \$2,000,000.

- (b) Appropriate insurance on all of personal property on the Premises and in the Tenant Improvements.
- (c) Workman's compensation insurance in amounts required by applicable law.

7.3 Builder's Risk. Tenant shall purchase and maintain property insurance written on a builder's risk "all-risk" or equivalent policy form in the amount of the "contract sum" contained in its construction contract for all phases of the Project, plus the value of subsequent contract modifications and cost of materials supplied or installed by others, comprising total value for the Tenant Improvements on a Full Replacement Cost basis without optional deductibles. Such property insurance shall be maintained until final payment has been made to the Tenant's contractor or construction manager for construction of the Project and all Tenant Improvements. This property insurance shall be on an "all-risk" or equivalent policy form and shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm, falsework, testing and startup, temporary buildings and debris removal including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for an architect's, contractor's and/or construction manager's services and expenses required as a result of such insured loss. This property insurance shall cover portions of the Project and Tenant Improvements stored off the Premises, and also portions of work in transit.

7.4 Policies. All fire, casualty and property policies of insurance required by this Lease shall provide that the proceeds shall be payable to Tenant and any mortgagee, as their interests may appear. The Landlord shall be named as an additional insured, on a primary and non-contributory basis, on the liability and builder's risk policies. All policies of insurance shall be written by a company or companies reasonably satisfactory to Landlord and licensed in the State of Wisconsin, and with a general policyholder's rating of not less than A and a financial rating of not less than XI in the most current available Best's insurance reports, and on a form acceptable to Landlord. Certificates of insurance reasonably acceptable to Landlord (or a copy of the policy if requested by Landlord's lender) shall be delivered to Landlord endorsed "Premium Paid" by the company or agent issuing the same or accompanied by other evidence satisfactory to Landlord that the premiums have been paid as of the Effective Date; and prior to expiration of such policy, certificates of insurance, plus evidence of premium payment, shall be delivered to Landlord not less than twenty (20) days prior to the expiration of the then current policy term. Each policy shall not be cancelled or coverage decreased without at least thirty (30) days prior written notice to the Landlord given by the Tenant.

7.5 Blanket Policies. Nothing in this Section 7 shall prevent Tenant from taking out insurance of the kind and in the amount provided for under the preceding paragraphs of this Section 7 under a blanket insurance policy or policies which may cover other properties owned or operated by Tenant as well as the Project; provided, however, that any such policy of blanket insurance of the kind provided for shall (a) specify the amounts exclusively allocated to the Project

and all Tenant Improvements or Tenant shall furnish Landlord and any mortgagee with a written statement from the insurers under such policies specifying the amounts of the total insurance exclusively allocated to the Project and all Tenant Improvements, and (b) not contain any clause which would result in the insured being required to carry any insurance with respect to the property covered in an amount not less than any specific percentage of the Full Replacement Cost of such property in order to prevent the named insured from becoming a co-insurer of any loss with the insurer under such policy; and further provided, however, that such policies of blanket insurance shall, as respects the Project and all Tenant Improvements, contain the various provisions required of such an insurance policy by the provisions of this Section 7.

7.6 Tenant's Indemnification. Tenant agrees to indemnify and save Landlord and the City harmless against and from any and all third party claims, damages, losses, liabilities and expenses (including, without limitation, reasonable attorneys' fees), arising out of Tenant's construction of the Project and Tenant Improvements or from any breach or default on the part of Tenant in the performance of any covenant or agreement to be performed pursuant to the terms of this Lease, or from any act or negligence of Tenant, its agents, contractors, servants, employees, sublessees, concessionaires or licensees in or about the Project or the Premises; but excluding any claims, damages, losses, liabilities or expenses to the extent caused by the willful misconduct of Landlord or Landlord's employees, agents, contractors or invitees. In case any action or proceeding is brought against Landlord or the City by reason of any claim covered by Tenant's indemnity, Tenant, upon notice from Landlord or the City, shall defend such action or proceeding that is brought against Landlord or the City by reason of any such claim. Tenant, upon notice from Landlord or the City, covenants to defend such action or proceeding at no cost or expense to Landlord or the City. Landlord reserves its rights as an additional insured on the insurance policies, if any, to approve counsel selected by the insurance company. If the claim is in excess of the insurance limits, Tenant will engage counsel to defend Landlord or the City on the excess claim who is reasonably acceptable to the Landlord.

8. UTILITIES.

8.1 Utility Service. Tenant shall directly pay, when due, all charges of every nature, kind or description for utilities furnished to the Premises, the Project or any Tenant Improvements thereon or otherwise chargeable against the Premises, the Project or Tenant Improvements during the Term, including all charges for water, sewage, heat, gas, light, garbage, electricity, telephone, digital subscriber line, or other public or private utility services. Landlord shall not be liable for the provision of any such services or any interruption or discontinuation of any such services nor shall such interruption or discontinuation constitute grounds for constructive eviction.

8.2 Deposits. In the event that any charge, deposit or fee is required to furnish any utility to the Premises as a condition precedent to furnishing or continuing to furnish such utility, such charge, deposit or fee shall be deemed to be a utility charge payable directly by Tenant.

9. REPAIRS.

9.1 Good Order and Repair. At its sole cost and expense throughout the Term, Tenant shall (a) take good care of the Premises and all Tenant Improvements thereon; (b) keep the

same in good order and condition (ordinary wear and tear and casualty damages not covered by insurance excepted); and (c) make and perform all maintenance and all repairs, interior and exterior, structural and non-structural, of every nature, kind and description in and to the Premises, the Tenant Improvements and the Project as may be necessary or advisable to keep the Premises, the Tenant Improvements and the Project in good working condition. When used in this Lease, "repairs" shall include all necessary replacements, renewals, alterations, additions and betterments. All repairs made by Tenant shall be at least equal in quality to the original work performed in constructing the Project and all such Tenant Improvements and shall be made in a good and workmanlike manner in accordance with all applicable laws, ordinances and regulations.

9.2 Exterior Maintenance. At all times during the Term, Tenant shall take good care of, repair and maintain all driveways, pathways, roadways, sidewalks, curbs, parking areas, loading areas, landscaped areas, entrances and passageways in good order and repair and shall promptly remove all accumulated snow, ice and debris from any and all driveways, pathways, roadways, sidewalks, curbs, parking areas, loading areas, entrances and passageways, and keep all portions of the Project, including appurtenant areas, in a clean and orderly condition free of snow, ice, dirt, rubbish, debris and unlawful obstructions.

9.3 No Landlord Responsibility. Landlord shall not be required to furnish any services or facilities or to make any repairs, replacements or alterations whatsoever in, about or to the Project or the Premises.

10. COMPLIANCE WITH LAWS. Tenant shall at its sole cost and expense promptly comply or cause compliance with or remove or cure or repair any violation of any and all encroachments, any present and future laws, ordinances, orders, rules, regulations and requirements of all federal, state, municipal and other governmental bodies having jurisdiction over the Project or the Premises and the appropriate departments, commissions, boards and their officers; and the orders, rules and regulations of the Board of Fire Underwriters where the Project is situated; or any other body now or subsequently constituted exercising lawful or valid authority over the Project.

11. CONSTRUCTION LIENS AND OTHER LIENS. Tenant shall not suffer or permit any construction lien or other lien to be filed against all or any portion of the Project or the Premises, by reason of work, labor, services, equipment or materials supplied or claimed to have been supplied to the Project or Premises, or any portion of the Project or Premises. If any such construction lien or other lien shall at any time be filed against all or any portion of the Project or Premises, Tenant shall cause the same to be discharged of record within thirty (30) days after notice thereof. If Tenant shall fail to discharge such construction lien or liens or other lien within such period it shall be deemed a Default and then, in addition to any other right or remedy of Landlord, Landlord may, but shall not be obligated to, discharge the same by paying to the claimant the amount claimed to be due or by procuring the discharge of such lien as to the Project or Premises by deposit of a cash sum or a bond or other security, or in such other manner as is now or may in the future be provided by present or future law for the discharge of such lien as a lien against the Project. Any amount paid by Landlord, or the value of any deposit so made by Landlord, together with all costs, fees and expenses (including reasonable attorneys' fees), and interest at the rate of three percent (3%) above the prime rate as published from time to time by the Wall Street Journal or publication of a similar nature if the Wall Street Journal stops publishing

per annum (the “**Default Interest Rate**”), shall be repaid by Tenant to Landlord on demand. Tenant shall indemnify and defend Landlord and its agents and employees and save Landlord, its agents and employees and all or any portion of the Project and Premises, harmless from all losses, costs, damages, expenses, liabilities, suits, penalties, claims, demands and obligations, including, without limitation, attorneys’ fees, resulting from the assertion, filing, foreclosure or other legal proceedings with respect to any such mechanic’s lien or other lien placed on the Premises or against the Tenant.

12. **TENANT’S REPRESENTATIONS, WARRANTIES AND COVENANTS.**

The Tenant hereby represents, warrants and covenants that:

- (a) Tenant is a limited liability company duly formed and validly existing in the State of Wisconsin, has the power and all necessary licenses, permits and franchises to own its assets and properties and to carry on its business, and is in good standing in the State of Wisconsin and all other jurisdictions in which failure to do so would have a material adverse effect on its business or financial condition;
- (b) Tenant has full authority to execute and perform this Lease and has obtained all necessary authorizations (whether by official board resolution or action, unanimous written consent in lieu of a meeting or otherwise) to enter into, execute, perform and deliver this Lease;
- (c) the execution, delivery, and performance of Tenant’s respective obligations pursuant to this Lease will not violate or conflict with (i) Tenant’s articles of organization, operating agreement or any indenture, instrument or agreement by which it is bound, (ii) any other agreement to which Tenant is a party, or (iii) any law applicable to Tenant or the Project;
- (d) this Lease constitutes legal, valid, and binding obligations of Tenant enforceable against Tenant in accordance with their respective terms;
- (e) Tenant will expeditiously complete the development and construction of Tenant Improvements and the Project in a good and workmanlike manner and in accordance with all acceptable statutes, ordinances and regulations, any restrictions of record and the Final Plans provided to the City regarding the Project;
- (f) Tenant will not make or consent to any material modifications to the Final Plans without the prior written consent of the Landlord or City, as applicable;
- (g) Tenant will promptly furnish to the Landlord and City, during the term of this Lease, written notice of any litigation affecting Tenant and any claims or disputes which involve a material risk of litigation against Tenant;
- (h) Tenant will deliver to the Landlord and City revised statements of estimated costs of the construction for Tenant Improvements showing changes in or

variations from the original cost statement provided to the Landlord and City as soon as such changes are known to Tenant;

- (i) Tenant will provide to the Landlord and City, promptly upon the Landlord's request, any information or evidence deemed necessary by the Landlord or the City related to performance of Tenant under this Lease to enable the Landlord or the City to timely and accurately complete any accounting or reporting requirements applicable to the Landlord or the City related to the transactions under this Lease; and
- (j) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Tenant is pending or threatened, and no other event has occurred which may materially adversely affect Tenant's financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by the Landlord and City in writing.

13. **LANDLORD'S RIGHT TO CURE DEFAULT.**

13.1 Right to Cure. If Tenant shall at any time fail to (a) pay any Taxes in accordance with the provisions of this Lease; (b) obtain, pay for, maintain and deliver any of the copies of insurance policies or certificates of insurance provided for in this Lease; (c) make any repair required under the Lease; (d) make any other payment or perform any other act on its part to be made or performed under the Lease, then Landlord, after thirty (30) calendar days prior written notice to Tenant (or without notice in case of emergency or in the case of insurance) or such longer period if such cure cannot reasonably be completed by Tenant in a diligent, continuous, and commercially acceptable manner in such thirty (30) calendar day period provided that such cure longer period shall not exceed one hundred twenty (120) calendar days from the date of notice, and without waiving or releasing Tenant from any obligation of Tenant contained in this Lease or any Default created by Tenant related thereto, may, but shall be under no obligation to, (i) obtain, pay for and maintain any of the insurance policies provided for in this Lease; (ii) make any repair; or (iii) make any other payment or perform any other act on Tenant's part to be paid or performed as provided in this Lease, and Landlord may enter upon the Premises for any such purpose and take all such action in the Premises or on the Premises as may be reasonably necessary. Nothing contained in this Lease shall be deemed as a waiver or release of Tenant from any obligation of Tenant or any Default under this Lease.

13.2 Reimbursement. All sums so paid by Landlord pursuant to Section 13.1 above and all costs and expenses, including reasonable attorneys' fees, incurred by Landlord in connection with the performance of any such payment, together with interest at the Default Interest Rate from the respective dates of Landlord's making of each payment of such cost and expense, shall be paid by Tenant to Landlord within two (2) calendar days on written demand.

14. **DEFAULTS OF TENANT.**

14.1 Events of Default. The occurrence of any one or more of the following events shall constitute a "Default" under this Lease:

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- (a) If default shall be made in the due and punctual payment of any amount to be paid by Tenant under this Lease, when and as the same shall become due and payable and such default shall continue for a period of thirty (30) calendar days after written notice given by Landlord to Tenant;
- (b) If default shall be made by Tenant in keeping, observing or performing any of the terms contained in this Lease, other than matters of an emergency nature and other than those referred to in paragraph (a) of this Section 14.1, and such default shall continue for a period of thirty (30) calendar days after written notice given by Landlord to Tenant or such longer period if such cure cannot reasonably be completed by Tenant or Lender in a diligent, continuous and commercially acceptable manner in such thirty (30) calendar day period provided that such cure longer period shall not exceed ninety (90) calendar days from the date of notice.
- (c) If any representation made by Tenant in this Lease is determined at any time to be materially inaccurate or misleading.
- (d) If (i) Tenant shall make an assignment for the benefit of creditors; (ii) a voluntary petition is filed by Tenant under any law having for its purpose the adjudication of Tenant a bankrupt, or an involuntary petition in bankruptcy is filed against Tenant which is not dismissed within sixty (60) days; (iii) a receiver be appointed for the property of Tenant where possession is not restored to Tenant within thirty (30) days; or (iv) any department of the State of Wisconsin or the federal government, or any officer of such department duly authorized, shall take possession of the business or any material property of Tenant unless (in the case of a petition filed against Tenant) the same is dismissed within sixty (60) days.

14.2 Remedies. If a Default in not timely cured, to the extent any cure is permitted hereunder, Landlord shall have the rights and remedies set forth below, which shall be distinct, separate and cumulative and shall not operate to exclude or deprive Landlord of any other right or remedy allowed it at law or in equity or elsewhere in this Lease:

- (a) To the extent the conditions of Wis. Stats. §704.31 (as that section may be amended, renumbered or recreated from time to time) are met, Landlord may terminate this Lease and the Premises and all improvements thereon (including, without limitation, the Tenant Improvements) shall revert back to the Landlord;
- (b) Landlord may terminate Tenant's rights with regard to the Premises without terminating this Lease by giving written notice to Tenant that all of Tenant's rights to the Premises (including, without limitation, the right of possession) shall end on the date stated in such notice, whereupon Tenant's rights with regard to the Premises shall cease on the date stated in such notice; and

- (c) Landlord may enforce the provisions of this Lease and may enforce and protect the rights of Landlord under this Lease by a suit or suits in equity or at law for the specific performance of any covenant or agreement in this Lease, and for the enforcement of any other appropriate legal or equitable remedy, including, without limitation, injunctive relief and for recovery of all monies due or to become due from Tenant under any of the provisions of this Lease. Landlord shall, to the extent required by law, mitigate Tenant's damages.

14.3 Surrender of Possession. If Landlord exercises either of the remedies provided for in Sections 14.2(a) and 14.2(b) above, Tenant shall surrender possession of and vacate the Premises and all Tenant Improvements and deliver possession of the Premises and Tenant Improvements back to Landlord in accordance with such provisions.

14.4 Additional Rights and Remedies. Notwithstanding anything to the contrary contained in this Lease, in addition to the remedies set forth herein, Landlord may pursue any other remedy now or hereafter available under the laws or judicial decisions of the State of Wisconsin.

14.5 Termination of Lease. In the event of the termination of this Lease by Landlord, Landlord shall be entitled to recover from Tenant all the accrued and unpaid Rent for the period up to and including such termination date as well as all other additional sums payable by Tenant, or for which Tenant is liable or in respect of which Tenant has agreed to indemnify Landlord under any of the provisions of this Lease, which may be then owing and unpaid, and all costs and expenses, including, without limitation, court costs and reasonable attorneys' fees incurred by Landlord in the enforcement of its rights and remedies under this Lease. Notwithstanding the foregoing, all damages shall be subject to the Landlord's obligation to mitigate.

14.6 Personal Property. All property removed from the Project by Landlord pursuant to any provisions of this Lease or by law may be handled, removed or stored by Landlord at the cost and expense of Tenant. Tenant shall pay Landlord for all reasonable expenses incurred by Landlord in such removal and for storage charges for such property as long as the same shall be in Landlord's possession or under Landlord's control. All such property not removed from the Premises or retaken from storage by Tenant after the end of the Term and in accordance with applicable state statute, however terminated, shall, at Landlord's option, be conclusively deemed to have been abandoned. Landlord shall have a lien on all such property located on the Premises to secure the Tenant's obligations hereunder.

14.7 Costs. Tenant shall pay all reasonable costs, charges and expenses, including, without limitation, court costs and reasonable attorneys' fees of Landlord in enforcing the obligations of the Tenant under this Lease.

15. **DESTRUCTION AND RESTORATION.**

15.1 Restoration/Termination. Subject to Section 15.3, in the event the Project shall be damaged or destroyed by fire or otherwise, Tenant shall promptly complete all Restoration (as defined below) of the Project and all affected Tenant Improvements as soon as reasonably

possible to at least the condition that the Project and all Tenant Improvements were in immediately prior to such damage or destruction with such changes or alterations (made in conformity with this Lease) as may be reasonably acceptable to Landlord and required by law. Tenant shall promptly give Landlord written notice of such damage or destruction upon any such occurrence and specify in such notice, in reasonable detail, the extent of such damage or destruction and the timeline for completion of such Restoration. For the purposes of this Lease, "**Restoration**" shall mean the restoration, repairs, replacements, rebuilding, changes and alterations, including the cost of temporary repairs for the protection of all or any portion of the Project and Tenant Improvements pending completion of such work on the Project and all impacted Tenant Improvements). The Restoration shall be carried on and completed in accordance with the provisions and conditions of this Lease. To the extent Landlord receives any insurance proceeds for the reconstruction of the Project and any impacted Tenant Improvements, it shall pay over to Tenant in accordance with Section 15.2 below the net insurance proceeds (after deduction of all costs, expenses and fees related to recovery of the insurance proceeds) received by Landlord in such event for the Restoration. If the total of the net amount of the insurance proceeds (after deduction of all costs, expenses and fees related to recovery of the insurance proceeds) recovered by Tenant and the net insurance proceeds to be paid by Landlord to Tenant hereunder is insufficient to complete the Restoration (as determined by Tenant obtaining a contractor's guaranteed maximum price for the costs of Restoration and Landlord confirming its acceptance of the plan of Restoration) and there is a shortfall, Tenant shall deposit with a title insurance escrow agent the amount of the shortfall necessary to complete the Restoration less the amount of insurance proceeds available therefore.

15.2 Insurance Proceeds. All insurance monies recovered by Tenant or Landlord on account of any damage or destruction, plus the amount of any funds deposited by Tenant with Landlord subject to Section 15.1 above (including, without limitation, Landlord's offsets from insurance proceeds), shall be applied by Tenant to the payment of the costs of the Restoration. Tenant shall enter into an escrow agreement with a title company, who shall issue down-dated title report to the Landlord with each disbursement to pay for the design and construction of the Restoration with a final down-dated endorsement when the Restoration is substantially complete.

15.3 Early Termination. If the Project shall be destroyed or damaged (through no intentional act of Tenant) and if Restoration cannot in the reasonable judgment of Landlord or Tenant be completed within four hundred fifty (450) calendar days after the date of such damage or destruction, or if Tenant is unable to escrow sufficient funds to pay for the Restoration, then either Landlord or Tenant shall have the option, within ninety (90) calendar days after the casualty, to terminate this Lease by notice, in writing, addressed to the other specifying such election. Upon giving of such notice, the insurance proceeds relating to such casualty shall be applied by Tenant first to raze and remove, within sixty (60) calendar days after such notice, any remaining improvements and restore the Premises to the condition the Premises were in prior to construction of the Project. All remaining insurance proceeds thereafter shall then be retained by Tenant. This Lease shall cease and come to an end on a date to be specified in such notice, which date shall not be more than sixty (60) days after the date of delivery of such notice. The Tenant shall pay to Landlord all Rent and other charges payable by Tenant under this Lease, apportioned to the date of such termination. Notwithstanding the foregoing, if the Project shall be destroyed or damaged during the last three years of the Term and if Restoration cannot in the reasonable judgment of Landlord or Tenant be completed within six (6) calendar months after the date of such damage or destruction, then either party shall have the option, within thirty (30) days after the casualty, to

terminate this Lease by notice, in writing, addressed to the other party, specifying such election. Upon giving of such notice, all insurance proceeds relating to such casualty shall be applied by Tenant first to raze and remove, within sixty (60) calendar days after such notice, any remaining improvements and restore the Premises to the condition the Premises were in prior to construction of the Project. All remaining insurance proceeds shall be retained by the Tenant. The Lease shall cease and come to an end on a date to be specified in such notice, which date shall not be more than sixty (60) days after the date of delivery of such notice. Tenant shall pay to Landlord all Rent and other charges payable by Tenant under this Lease, apportioned to the date of such termination.

16. **CONDEMNATION.**

16.1 Taking all or a Material Portion of the Project. For the purposes of this Section 16, a “**Material Portion of the Project or Premises**” means a partial taking of the Project or the Premises that the Tenant reasonably determines to materially interfere with its remaining operations. If the entire Project or Premises or a Material Portion of the Project or Premises shall be taken during the Term as the result of the exercise of the power of eminent domain or conveyed under threat of such power (referred to below as the “**Proceedings**”), this Lease and all right, title and interest of Tenant under this Lease shall terminate on the earlier of taking of possession by the condemning authority or the date of vesting of title pursuant to such Proceedings. Landlord shall be entitled to and shall receive the total award made in such Proceedings attributable to the fee title in the land taken and Tenant shall be entitled to and shall receive the total award made in such proceedings attributable to the improvements, and for the cost of realigning, relocating or removing its personal property or for relocation expenses, and that does not reduce the amount payable to Landlord for the value of the fee taken.

16.2 Taking a Non-Material Portion of the Project. For the purposes of this Section 16, a “**Non-Material Portion of the Project or Premises**” means a partial taking of the Project or Premises that the Tenant reasonably determines does not materially interfere with its remaining operations. If, during the Term, a Non-Material portion of the Project or Premises is taken, this Lease shall, upon the earlier of taking of possession by the condemning authority or vesting of title in the Proceedings, terminate as to the parts so taken but remain valid and binding on all other parts not taken. Tenant and Landlord shall each be entitled to the award as provided in Section 16.1 above. Tenant covenants and agrees, at Tenant’s sole cost and expense (subject to reimbursement to the extent provided below), to promptly complete Restoration of that portion of the Project or Premises not so taken for the use of Tenant. Landlord and Tenant agree in connection with such Restoration to apply the net amount of any award (after deduction of all costs and expenses, including reasonable attorneys’ fees) to the Restoration in the same manner and to the same extent as provided for the Restoration of a casualty in Section 15.1 above.

17. **ASSIGNMENT AND SUBLETTING.**

17.1 Landlord Consent Required. Tenant shall not, without the prior written consent of Landlord, which consent may be withheld, conditioned or delayed in Landlord’s sole discretion and for any reason, (a) assign, transfer, mortgage, or encumber this Lease or any interest under it (except such mortgage or encumbrances related to any loans to the extent the proceeds from such loans pay for the design or construction of the Project, the Tenant Improvements and its appurtenant improvements, collectively, “**Loans**”) (b) allow to exist or occur any transfer of this

Lease or Tenant's interest in this Lease by operation of law (except for the assignment and transfer to the Association as contemplated expressly contemplated in this Lease). In no event shall this Lease be assigned or assignable by voluntary or involuntary bankruptcy proceedings or otherwise, and in no event shall this Lease or any rights or privileges under this Lease be an asset of Tenant under any bankruptcy, insolvency or reorganization proceedings, except as provided by law. Any such assignment shall be a Default under this Lease. Without limiting the generality of the foregoing, this Lease may not be assigned, transferred mortgaged or encumbered to (a) to any parent company, subsidiary, joint venture partner, related corporate entity or other affiliate of Tenant (i.e., any entity controlling, controlled by or under common control with Tenant), (b) to an entity that purchases all or substantially all of the assets of Tenant or any of Tenant's affiliates or any division of Tenant or any of Tenant's affiliates or (c) pursuant to a merger, consolidation or reorganization of Tenant or any affiliate of Tenant. Notwithstanding the foregoing terms of this Section 17.1, the restrictions on transfer shall not apply in the event of a sheriff's sale pursuant to a judgement of foreclosure obtained by the Tenant's lender solely related to the Loans.

17.2 No Release of Tenant. No assignment by Tenant and no consent by Landlord to any assignment shall operate to relieve Tenant from any covenant or obligation under this Lease or be deemed to be a consent to or relieve Tenant from obtaining Landlord's consent to any subsequent assignment by Tenant or anyone claiming by, through or under Tenant. Tenant shall pay all of Landlord's reasonable costs, charges and expenses, including, without limitation, Landlord's reasonable attorneys' fees incurred in connection with any assignment, subletting, use, occupancy, transfer or encumbrance made or requested by Tenant.

17.3 Assumption. If Tenant shall assign this Lease (as permitted in this Lease), the assignee shall expressly assume all of the obligations of Tenant under this Lease in a written instrument reasonably satisfactory to Landlord which shall be furnished to Landlord not later than fifteen (15) calendar days prior to the effective date of such assignment, together with a certified copy of an appropriate resolution authorizing such assumption.

17.4 Subletting Prohibition. No subletting of the Premises, the Project or any Tenant Improvements shall be permitted at any time, except with regard to a lease of a condominium unit located on the Premises that is: (a) entered into by the owner of such condominium unit and a tenant that will reside in such condominium unit for a period of at least three hundred sixty-five (365) calendar days (or three hundred sixty-six (366) calendar days in the event of a leap year), and (b) not otherwise deemed to be a Short-Term Rental (for the avoidance of any doubt, as such term is defined in Section 5.2 above).

18. **CHANGES AND ALTERATIONS.** All alterations to the Project and the Premises desired by Tenant or required by the Landlord under this Lease, after it is constructed, must be made at Tenant's own cost and expense in a good workmanlike manner in accordance with the laws, ordinances and codes relating thereto and free from any valid claim or claims for construction liens and in accordance with plans and specifications therefor first approved in writing by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, interior and non-structural alterations that do not reduce the number or size of the units and are, in the aggregate, less than Twenty Thousand Dollars (\$20,000.00) shall not require Landlord's consent.

19. **HAZARDOUS AND TOXIC MATERIALS.**

19.1 Definitions. For purposes of this Section 19, “**hazardous or toxic material**” shall be defined to include, without limitation, (a) asbestos or any material composed of or containing asbestos in any form and in any type, (b) polychlorinated biphenyl compounds (“**PCB**”) or any material composed of or containing PCB, or (c) any hazardous, toxic or dangerous waste, substance, material, smoke, gas or particulate matter, as from time to time defined by or for purposes of the Comprehensive Environmental Response, Compensation and Liability Act, as amended, and any law commonly referred to, as of the date of this Lease, as “Superfund” or “Superlien,” or any successor to such laws, or any other federal, state or local environmental, health or safety statute, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards concerning or in connection with hazardous, toxic or dangerous wastes, substances, material, smoke, gas or particulate matters as now or subsequently in effect (each an “**Environmental Law**” and, collectively, the “**Environmental Laws**”), or any common law theory based on nuisance or strict liability.

19.2 No Violations. Neither Tenant nor any of the Tenant Responsible Parties (as defined below) shall conduct or authorize the generation, transportation, storage, installation, treatment or disposal at or on the Premises, of any hazardous or toxic material in violation of any Environmental Law, and any such action by Tenant or any of the Tenant Responsible Parties shall constitute a Default.

19.3 No Liens. Tenant and the Tenant Responsible Parties shall keep the Project free of any lien imposed pursuant to any Environmental Laws.

19.4 Payment of Costs. Tenant and the Tenant Responsible Parties shall timely pay when due any and all costs of removal of any hazardous or toxic material located on the Premises (whether stored on, disposed in or otherwise).

19.5 Compliance with Laws. If Tenant or any of the Tenant Responsible Parties generates, transports, stores, treats or disposes of any hazardous or toxic material at or on the Premises:

- (a) Tenant shall, at its own cost and expense, comply with all Environmental Laws relating to clean-up or such hazardous or toxic materials and the restoration of the Premises, the Project and all impacted Tenant Improvements;
- (b) Landlord and Tenant shall promptly provide the other with copies of all communications, permits or agreements with any governmental authority or agency (federal, state or local) or any private entity relating in any way to the presence, release, threat of release, placement on or in the Premises, or the generation, transportation, storage, treatment, or disposal at the Premises, of any hazardous or toxic material;
- (c) Landlord and Landlord’s agents and employees shall have the right (upon giving Tenant any notice required by this Lease) to enter the Premises and/or conduct appropriate tests for the purpose of ascertaining that Tenant

and each of the Tenant Responsible Parties complies with all applicable laws, rules or permits relating in any way to the presence of hazardous or toxic materials on the Premises; and

- (d) In the event Tenant or any of the Tenant Responsible Parties uses, stores, originates hazardous or toxic materials on, in or at the Premises, then upon written request by Landlord, Tenant shall provide Landlord the results of appropriate tests of air, water and soil to demonstrate that Tenant and each of the Tenant Responsible Parties complies with the applicable Environmental Laws and all other applicable laws, rules or permits relating in any way to the presence of hazardous or toxic materials on the Premises.

19.6 Tenant's Duties. If the presence, release, threat of release, placement on or in the Premises, or the generation, transportation, storage, treatment, or disposal at the Premises of any hazardous or toxic material caused by Tenant, its employees, guests, agents, or contractors or any tenant of any condominium unit on the Premises or such tenant's, guests, agents or contractors (collectively, the "**Tenant Responsible Parties**"): (a) gives rise to liability (including, but not limited to, a response action, remedial action, or removal action) under any Environmental Laws or any common law theory based on nuisance or strict liability; (b) causes a significant public health effect; or (c) pollutes or threatens to pollute the environment, Tenant shall promptly take any and all remedial and removal action necessary to clean up the Premises and mitigate exposure to liability arising from the hazardous or toxic material, whether or not required by law.

19.7 Environmental Indemnities by Tenant and Landlord.

- (a) Tenant agrees to indemnify, defend and hold harmless Landlord, Landlord's employees and service providers and any managing agents and leasing agents of the Premises, and all of their respective agents, partners, officers, directors and employees and all mortgagees (collectively, the "**Landlord Indemnitees**") from and against any and all debts, liens, claims, causes of action, administrative orders or notices, costs, personal injuries, losses, damages, liabilities, demands, lost profits, consequential damages, interest, fines, penalties or expenses, including attorneys' fees and expenses, consultants' fees and expenses, court costs and all other out-of-pocket expenses, suffered or incurred by each of the Landlord Indemnitees resulting, directly or indirectly, from hazardous or toxic material brought onto the Premises by Tenant or by anyone for whom Tenant is liable (including, without limitation, the Tenant Responsible Parties) or for the migration of such hazardous or toxic material off the Premises during the Term of this Lease, except to the extent directly caused by the acts of Landlord or Landlord's agents or employees.
- (b) Landlord agrees to indemnify, defend and hold harmless Tenant, its managers, shareholders, partners, trustees, employees and members and their respective agents, partners, officers, directors and employees and all mortgagees and all Tenant Responsible Parties (collectively, the "**Tenant Indemnitees**") from and against any and all debts, liens, claims, causes of

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action, administrative orders or notices, costs, personal injuries, losses, damages, liabilities, demands, lost profits, consequential damages, interest, fines, penalties or expenses, including attorneys' fees and expenses, consultants' fees and expenses, court costs and all other out-of-pocket expenses, suffered or incurred by the Tenant Indemnitees resulting, directly or indirectly, from the hazardous or toxic material existing on the Premises as of the Effective Date, from hazardous or toxic material brought onto the Premises by the Landlord or for the migration of such hazardous or toxic material off the Premises during the Term of this Lease unless caused by or directly related to the acts or omissions of Tenant or any Tenant Responsible Parties. Landlord's obligations under this Section 19.7(b) shall survive the expiration or termination of this Lease.

19.8 Costs. Tenant agrees to indemnify, defend and hold harmless the Landlord Indemnitees from and against any and all damages, costs, losses, expenses (including, but not limited to, actual attorneys' fees and engineering fees) arising from or attributable to any breach by Tenant or any Tenant Responsible Parties of any of Tenants warranties, representations or covenants in this Section 19.

19.9 Survival. All of Tenant's obligations under this Section 19 shall survive the expiration or termination of this Lease.

20. **RESERVATION OF RIGHTS**. Landlord hereby reserves unto itself the right to grant easements to utility providers on any portion of the Premises for the purpose of the installation and maintenance of water, sewer, electric, telecommunications, and all other utilities for any purpose.

21. **CREATION OF CONDOMINIUM; TURNOVER TO CONDOMINIUM ASSOCIATION**.

21.1 Declaration. Tenant, contemporaneously after the execution of this Lease, shall record on the Premises a "Declaration of Condominium Ownership and of Easements, Restrictions, Conditions and Covenants" (the "**Declaration**") thereby creating the [] (the "**Condominium**").

21.2 Association. Tenant shall also file with the Wisconsin Department of Financial Institutions an [articles of incorporation] creating "[]" (the "**Association**"). Both the Declaration and the bylaws of the Association (the "**Bylaws**") shall expressly state:

- (a) that this Lease exists;
- (b) that this Lease is a restrictive covenant affecting the Premises and the provisions of this Lease shall control over any conflict between provisions in this Lease and the Declaration or the Bylaws;

- (c) that the Condominium and the Premises (including, without limitation, any Tenant Improvements thereon) shall not be used in any manner other than as permitted in this Lease, including, without limitation, that:
 - (i) any transient use or occupancy is expressly prohibited, including but not limited to, the lease or use of any Tenant Improvement (including, without limitation, any Condominium unit on the Premises) for a period shorter than 365 calendar days (or 366 calendar days in a leap year), whether such lease or use is evidenced by a lease, contract or agreement of any kind (whether written or oral); and
 - (ii) a Condominium unit may be subject to a lease, provided such lease is in compliance with Paragraph 21.2(c)(i) above, but **in no instance** shall any Condominium unit (or any such lease in compliance with Paragraph 21.2(c)(i) above) permit (or be subject to) an additional lease, contract or agreement of any kind (whether written or oral) as subleasing a Condominium unit is expressly prohibited.

21.3 Turnover of Condominium and Assignment of Lease to Association. Upon completion of all of the Tenant Improvements, Tenant shall:

- (a) turnover control of the Condominium to the Association; and
- (b) execute and deliver an assignment of this Lease to the Association (in form and substance reasonably acceptable to the Landlord, but with the understanding that such assignment will require the Association to become responsible for satisfying all obligations of the Tenant under this Lease).

Tenant shall provide to Landlord no less than sixty (60) calendar days prior written notice of the completion of all of the Tenant Improvements and the exact date the Tenant will turnover control of the Condominium to the Association. Upon the completion of all of the Tenant Improvements, Tenant turning over control of the Condominium to the Association and the assignment of this Lease to the Association, the Association shall become liable for all of Tenant's obligations under this Lease.

21.4 Turnover of Condominium as a Result of a Default. Upon the occurrence of a Default beyond all applicable cure periods, that occurs after the Condominium has been created but before the Condominium has been turned over to the Association, said Default shall automatically trigger Tenant to turnover control of the Condominium to the Association and execute and deliver an assignment of this Lease to the Association (in form and substance reasonably acceptable to the Landlord but in all instances with Tenant and Guarantor remaining responsible and obligated to satisfy all Tenant and Guarantor obligations under this Lease). If such a Default causes a termination of this Lease, Landlord may, but is not obligated to, in Landlord's sole discretion, enter into a new ground lease with the Association (along the same terms as set forth in this Lease) or exercise any and all remedies available to Landlord under this Lease, at law or in equity.

22. **GUARANTY.** On or before the Effective Date, and as a condition precedent to the effectiveness of this Lease, Tenant shall cause Joel A. Pipkorn (the “**Guarantor**”), to execute and deliver to Landlord a “Completion and Rent Payment Guaranty” in form and substance of Exhibit C attached hereto and incorporated herein by reference (the “**Guaranty**”). Tenant hereby acknowledges and agrees that Landlord would not enter into this Lease with Guarantor’s execution and delivery of the Guaranty as required by this Section 22.

23. **OWNERSHIP OF IMPROVEMENTS ON EXPIRATION DATE OR TERMINATION OF LEASE.**

23.1 Subject to the terms hereof, Tenant shall be the owner of the Tenant Improvements on the Premises during the Term of this Lease.

23.2 Upon the expiration of the Term or termination of this Lease and subject to applicable law, the Premises and all Tenant Improvements and all other improvements on the Premises (including, without limitation, the Condominium) shall become the sole property of Landlord free and clear of any and all liens and encumbrances and Tenant shall surrender its interest in the Premises to Landlord, except that all movable trade fixtures and other personal property not affixed to the Premises shall be and remain the property of Tenant. Tenant agrees to execute and deliver to Landlord any reasonable documents requested by Landlord to confirm Landlord’s ownership of the Tenant Improvements and all other improvements on the Premises and to surrender its interest in the Project, the Premises, the Tenant Improvements and all other improvements on the Premises to Landlord.

24. **MISCELLANEOUS PROVISIONS.**

24.1 Inspection. Provided that Landlord has given Tenant reasonable prior notice (twenty-four (24) hours being deemed reasonable, except in case of emergency which then any shorter time period is deemed reasonable), Tenant agrees to permit Landlord and its authorized representatives to enter upon the Premises for the purpose of inspecting the same and to cause Tenant to make any necessary repairs to comply with any laws, ordinances, rules, regulations or requirements of any public body or the Board of Fire Underwriters, or any similar body, or otherwise pursuant to this Lease. Landlord will endeavor to exercise this right to reasonably avoid disruption to Tenant’s operations on the Premises.

24.2 Notices. Any notice given under this Lease shall be deemed effective when: (a) personally delivered in writing; (b) a commercially recognized overnight delivery service provides confirmation of delivery; or (c) the third calendar day after notice is deposited with the United States Postal Service (postage prepaid, certified with return receipt requested) and addressed as follows:

If to Landlord:
Redevelopment Authority of the
City of Sheboygan
Attn: Executive Director
828 Center Avenue, Suite 208
Sheboygan, WI 53081

With copy to:
Brion T. Winters, Esq.
von Briesen & Roper, s.c.
411 E. Wisconsin Ave., Suite 1000
Milwaukee, WI 53202

City of Sheboygan
Attention: City Attorney
828 Center Avenue, Suite 210
Sheboygan, WI 53081

If to Tenant:

Inspired Holdings LLC
Attn: Joel A. Pipkorn
N132W17558 Rockfield Road
Richfield, WI 53076

24.3 Quiet Enjoyment. Landlord covenants and agrees that Tenant, upon paying the Rent, observing and keeping the covenants, agreements and conditions of this Lease on its part to be kept, observed and performed and no Default existing under this Lease, shall lawfully and quietly hold, occupy and enjoy the Premises (subject to the provisions of this Lease) during the Term without hindrance or molestation by Landlord or by any person or persons claiming under Landlord.

24.4 Accord and Satisfaction. No payment received by Landlord of a lesser amount than the Rent or other costs, charges, fees or other amounts due hereunder shall be deemed to be other than on account of the earliest stipulated rent or other charges nor shall any statement on a check or any letter accompanying a payment of rent or other charges be deemed an accord and satisfaction. Landlord may accept payment without prejudice to Landlord's right to recover the balance of Rent or other charges or pursue any remedy in this Lease.

24.5 Estoppel Certificates. Tenant and Landlord (to the extent applicable to Landlord) shall, each without charge at any time and from time to time, within thirty (30) calendar days after written request by the other party, certify by written instrument (to the extent true), duly executed, acknowledged and delivered to any mortgagee, assignee of a mortgagee, proposed mortgagee, or to any purchaser or proposed purchaser, or to any other person dealing with Landlord, Tenant or the Premises:

- (a) That this Lease is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect, as modified, and setting forth the modifications);
- (b) The dates to which the Rent has been paid in advance;
- (c) Whether or not there are then existing any breaches or defaults by such party or the other party known by such party under any of the covenants, conditions, provisions, terms or agreements of this Lease against the enforcement of this Lease and specifying such breach or default, if any and if there are any such breaches or defaults, specify them and the steps needed to cure the same;

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- (d) That Tenant has made no advancements to or on behalf of Landlord for which it has the right to deduct from, or offset against, future Rent payments;
- (e) Tenant has accepted the Premises and is in full and complete possession of the Premises; and
- (f) Such other statements or certificates as any Mortgagee may reasonably request.

It is the intention of the parties hereto that any statement delivered pursuant to this Section 24.5 may be relied upon by any of such parties dealing with Landlord, Tenant or the Premises.

24.6 Partial Invalidity, Governing Law. If any covenant, condition, provision, term or agreement of this Lease shall, to any extent, be held invalid or unenforceable, the remaining covenants, conditions, provisions, terms and agreements of this Lease or the application of such covenant, condition, provision, term or agreement to persons or circumstances other than to which it is held invalid or unenforceable, shall not be affected, but each covenant, condition, provision, term or agreement of this Lease shall be valid and in force to the fullest extent permitted by law. This Lease shall be construed and be enforceable in accordance with the internal laws of the State of Wisconsin without application of conflicts of law.

24.7 Successors. The covenants and agreements contained in this Lease shall bind and inure to the benefit of Landlord, its representatives, successors and assigns, and Tenant and its representatives, permitted successors and assigns (including, without limitation, the Association).

24.8 Captions. The caption of each article of this Lease is for convenience and reference only, and in no way defines, limits or describes the scope or intent of such article or of this Lease.

24.9 No Joint Venture. This Lease does not create the relationship of principal and agent, or of partnership, joint venture, or of any association or relationship between Landlord and Tenant, the sole relationship between Landlord and Tenant being that of landlord and tenant under this Lease.

24.10 Entire Agreement. This Lease contains the entire agreement between the parties and supersedes all prior and contemporaneous representations, covenants, warranties and agreements, if any, made by the Landlord. This Lease shall not be modified or amended in any manner except by an instrument in writing executed by the then current parties to this Lease.

24.11 No Surrender. No surrender by Tenant to Landlord of this Lease or of all or any portion of the Premises, or any interest in the Premises, prior to the expiration of the Term shall be valid or effective unless agreed to and accepted in writing by Landlord and any lender with a lien on Tenant's interests in this Lease or any portion of the Premises, and no act or omission by Landlord or any representative or agent of Landlord, other than such a written acceptance by Landlord and such Tenant lender, as set forth above, shall constitute an acceptance of any such surrender.

24.12 Time. Time is of the essence of this Lease, and all provisions in this Lease relating to this Lease shall be strictly construed.

24.13 Exculpatory Provision. In case of default under this Lease by Landlord, Tenant shall provide Landlord notice of such default and permit Landlord to cure such default within ninety (90) calendar days of the date of such notice. Tenant shall look solely to the interests of Landlord in the Premises and the rents derived from the Premises; and Landlord shall not have any personal liability to pay any indebtedness accruing under this Lease or to perform any covenant, either express or implied, in this Lease contained; and that no personal liability or personal responsibility of any sort is assumed by, nor shall at any time be asserted or enforceable against, Landlord or any of Landlord's officers, agents or employees on account of this Lease or on account of any representation, warranty, covenant, undertaking or agreement of Landlord contained in this Lease, either express or implied, all such personal liability, if any, being expressly waived and released by Tenant and by all persons claiming by, through or under Tenant.

24.14 Immunity. Nothing contained in this Lease constitutes a waiver of any immunity available to the Landlord under applicable law.

24.15 Execution. The submission of this Lease for examination does not constitute an offer to lease, or a reservation of, or option for, the Premises and this Lease becomes effective and binding only upon the execution and delivery hereof by both Landlord and Tenant. Tenant confirms that Landlord has made no representations or promises with respect to the Premises or the making or entry into of this Lease except as are expressly set forth herein, and agrees that no claim or liability shall be asserted by Tenant against Landlord for, and Landlord shall not be liable by reason of, breach of any representations, or promises not expressly stated in this Lease.

24.16 Recording of a Memorandum of this Lease Permitted. On the Commencement Date, Landlord and Tenant, upon the request of either party, shall execute a Memorandum of Lease in a form approved for recording by the laws of the State of Wisconsin. Either party, at its cost, shall be entitled to record the Memorandum of Lease in the Office of the Register of Deeds for Sheboygan County, Wisconsin.

24.17 Force Majeure. If any party is delayed or prevented from timely performing any act required under this Lease by reason of extraordinary and uncommon matters beyond the reasonable control of the party obligated to perform, including (but not limited to) fire, earthquake, war, terrorist act, pandemic, epidemic, flood, riot, strike, lockout, supply shortages, freight embargo, power outages, extreme weather or other similar causes or acts of God, such act shall be excused for the period of such delay, and the time for the performance of any such act shall be extended for a period equivalent to such delay; provided, however, that the time for performance shall not be extended by more than ninety (90) calendar days unless agreed to in writing by the parties hereto.

24.18 Counterparts. This Lease may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Lease by signing any such counterpart.

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24.19 Email and Facsimile Signatures. Signatures received by email or facsimile submission or by DocuSign or any other electronic signature platform shall be deemed to be original signatures.

[Signature page follows]

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IN WITNESS WHEREOF, the parties have executed this Lease as of the Effective Date.

LANDLORD:

REDEVELOPMENT AUTHORITY OF THE CITY OF SHEBOYGAN, WISCONSIN

By: _____
Name:

Attest: _____
Name:

STATE OF WISCONSIN)
)I
SHEBOYGAN COUNTY)

Personally came before me this ____ day of _____, 2024, the above named _____, the _____ of the Redevelopment Authority of the City of Sheboygan, Wisconsin, respectively, to me known to be the persons who executed the foregoing instrument and acknowledged the same.

Notary Public, Wisconsin
My commission _____

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TENANT: INSPIRED HOLDINGS LLC

By: _____
Name: Joel A. Pipkorn, Member

STATE OF WISCONSIN)
)I
_____ COUNTY)

Personally came before me this ____ day of _____, 2024, the above named Joel A. Pipkorn, a member of Inspired Holdings LLC, to me known to be the person who executed the foregoing instrument and acknowledged the same.

Notary Public, Wisconsin
My commission _____

ACKNOWLEDGED AND AGREED TO BY THE UNDERSIGNED GUARANTOR FOR PURPOSES OF THE GUARANTY PROVIDED WITH THIS LEASE AND I AGREE THAT SUCH GUARANTY IS DONE IN THE INTEREST OF MY MARRIAGE AND FAMILY.

GUARANTOR:

Joel A. Pipkorn, an individual

MARITAL PURPOSE STATEMENT AND SPOUSAL CONSENT:

My spouse, Joel A. Pipkorn, has agreed to personally guarantee obligations under this Lease and enter into a Guaranty for the benefit of the Landlord. I consent to this act by my spouse and acknowledge that such act was done in the interests of our marriage and family, but by signing below I am not becoming personally liable as a guarantor.

_____, Spouse of Joel A. Pipkorn

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EXHIBIT A

LEGAL DESCRIPTION OF PREMISES

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EXHIBIT C

GUARANTY

COMPLETION AND RENT PAYMENT GUARANTY

IN CONSIDERATION of and as an inducement for the granting, execution and delivery by the **REDEVELOPMENT AUTHORITY OF THE CITY OF SHEBOYGAN, WISCONSIN**, a public body corporate of the State of Wisconsin (“**Landlord**”), of the Ground Lease dated as of May 1, 2024 (the “**Ground Lease**”), with **INSPIRED HOLDINGS LLC**, a Wisconsin limited liability company (“**Tenant**”), relating to the leasing, improvement, development and use of approximately .771 acres of real property located in Sheboygan, Wisconsin, as more particularly described in the Ground Lease (collectively, the “**Premises**”), the undersigned, Joel A. Pipkom, an individual (“**Guarantor**”), enters into this Completion and Rent Payment Guaranty (the “**Guaranty**”). Guarantor hereby covenants and agrees as follows:

1. Guarantor, jointly and severally with any other undersigned guarantors, unconditionally and irrevocably guarantees to Landlord the full, prompt and unconditional (a) performance of and observance by Tenant of each and every obligation, term, covenant, agreement and condition to be performed or observed by Tenant pursuant to the Ground Lease (including, without limitation, any and all payments due by Tenant under the Lease), (b) completion of the Tenant Improvements (as defined in the Ground Lease) in accordance with the terms and provisions of the Ground Lease and in compliance with all applicable laws, (c) plus any and all costs of collecting such sums or enforcing Landlord’s rights under the Ground Lease or this Guaranty, and (d) any and all other obligations of the Tenant under the Lease or the Guarantor under this Guaranty (each an “**Obligation**” and, collectively, the “**Obligations**”).

2. Guarantor hereby further covenants and agrees to, and with, Landlord that if an event of default under the Lease beyond the expiration of any applicable notice, grace or cure period (“**Default**”) shall at any time be made by Tenant in the payment of any Construction Costs (as defined below), the payment of Rent, or if Tenant should default in the performance and observance of any other Obligation, Guarantor shall, and will, forthwith immediately pay such Construction Costs, all such Rent and and/or any other Obligation. The term “**Construction Costs**” means all hard and soft costs of construction or restoration of the Project and Tenant Improvements together with all compensatory damages (excluding consequential, special and punitive damages of any kind), late charges, interest, actual out of pocket costs or fees, reasonable attorneys’ fees and actual out of pocket expenses incurred or suffered by Landlord as a result of non-payment of such costs, damages and the like. Without limiting the generality of the foregoing, Guarantor agrees that, for purposes of this Guaranty, the Construction Costs shall be equal to either of the following (at Landlord’s sole option): (i) the aggregate amount of such Construction Costs actually incurred by Landlord from time to time to and including the date on which completion of the Project and all Tenant Improvements in accordance with the terms of the Ground Lease occurs, together with interest on such amount from the date incurred until the date repaid, at the highest rate of interest permissible under applicable law, or (ii) (whether or not Landlord completes or intends to complete the Tenant Improvements) the estimated amount of such Construction Costs as determined by, at Landlord’s sole option, either (A) a court of competent jurisdiction or (B) a construction consultant reasonably acceptable to Landlord and Tenant at any time after a Default by Tenant has occurred, in each case less all funds paid by Tenant to Landlord to remedy such Default. Guarantor agrees that any amount estimated by the construction consultant as aforesaid, and any determination by the construction consultant with respect to industry practices, shall be conclusive for purposes of determining Guarantor’s liability hereunder, provided that the construction consultant has made such estimate or determination acting reasonably and in good faith.

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EXHIBIT B
SITE PLAN

3. Guarantor's obligations under this Guaranty shall be binding on Guarantor's successors and assigns. All references in this Guaranty (a) to Landlord and Tenant shall include their successors and assigns; and (b) to Tenant, shall include any successors-in-interest to Tenant (whether or not directly succeeding Tenant) by reason of an Event of Reorganization (as defined in Paragraph 8 below).

4. The provisions of the Ground Lease may be changed by agreement between Landlord and Tenant without the consent of or notice to Guarantor. The provisions of the Ground Lease may be changed by agreement between Landlord and any permitted assignee of Tenant or any subsequent assignee without the consent of or notice to Guarantor. The Ground Lease may be assigned by Landlord or Tenant, all in accordance with the provisions of the Ground Lease, without the consent of or notice to Guarantor. This Guaranty shall guarantee all Obligations whether assigned or not by Tenant.

5. This Guaranty and Guarantor's obligations hereunder shall continue and remain in full force and effect notwithstanding Landlord's failure or delay from time to time to enforce any of its rights or remedies under the Ground Lease or this Guaranty.

6. If there is a Default by Tenant under the Ground Lease relating to the Obligations, including, without limitation, the payment of Rent, Landlord may proceed against either Guarantor or Tenant, or both, or Landlord may enforce against Guarantor or Tenant any rights that Landlord has under the Ground Lease relating to the Obligations, in equity or under applicable law. If the Ground Lease terminates and Landlord has any rights against Tenant after termination relating to the Obligations, Landlord may enforce those rights against Guarantor, without giving previous notice to Tenant or Guarantor. Guarantor hereby agrees that no notice of default need be given to Guarantor, it being specifically agreed and understood that this Guaranty of the undersigned is a continuing guarantee under which Landlord may proceed forthwith and immediately against Tenant or against Guarantor following any breach or default by Tenant.

7. Guarantor hereby expressly and knowingly waives all benefits and defenses under applicable law with respect to the enforcement of this Guaranty, including, without limitation: (a) the right to require Landlord to proceed against Tenant, proceed against or exhaust any security that Landlord holds from Tenant, or pursue any other remedy in Landlord's power; (b) any defense to its obligations hereunder based on the termination of Tenant's liability; (c) all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance of this Guaranty; and (d) all notices of the existence, creation, or incurring of new or additional obligations. Landlord shall have the right to enforce this Guaranty regardless of the acceptance of additional security from Tenant and regardless of the release or discharge of Tenant by Landlord or by others, or by operation of any law.

8. The obligations of Guarantor under this Guaranty shall remain in full force and effect and Guarantor shall not be discharged by any of the following events with respect to Tenant or Guarantor: (a) insolvency, bankruptcy, reorganization arrangement, adjustment, composition, assignment for the benefit of creditors, liquidation, winding up or dissolution; (b) any merger, acquisition, consolidation or change in entity structure, or any sale, lease, transfer, or other disposition of any entity's assets, or any sale or other transfer of interests in the entity (each, an "**Event of Reorganization**"); or (c) any sale, exchange, assignment, hypothecation or other transfer, in whole or in part, of Landlord's interest in the Premises or the Ground Lease. Nothing in this Paragraph 8 shall diminish the effect of any subsequent written agreement between Guarantor and Landlord.

9. Guarantor hereby represents and warrants that it has executed this Guaranty based solely on its independent investigation of Tenant's financial condition. Guarantor hereby assumes responsibility

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for keeping informed of Tenant's financial condition and all other circumstances affecting Tenant's performance of its obligations under the Ground Lease. Absent a written request for such information by Guarantor, Landlord shall have no duty to advise Guarantor of any information known to it regarding such financial condition or circumstances.

10. Guarantor further agrees that it may be joined in any action against Tenant in connection with the said obligations of Tenant and recovery may be had against Guarantor in any such action. Guarantor hereby expressly waives all benefits and defenses under applicable law to the fullest extent permitted by applicable law. Guarantor agrees not to exercise any of its rights of subrogation or reimbursement against Tenant until after all amounts due and owing under the Ground Lease have been fully paid. If the foregoing waiver is determined by a court of competent jurisdiction to be void or voidable, Guarantor agrees to subordinate its rights of subrogation and reimbursement against Tenant to Landlord's rights against Tenant under the Ground Lease.

11. Guarantor hereby represents and warrants that, as of the date of the execution of this Guaranty by Guarantor, there is no action or proceeding pending or, to Guarantor's knowledge after due inquiry, threatened against Guarantor before any court or administrative agency which could adversely affect Guarantor's financial condition in a way which would jeopardize Guarantor's ability to satisfy its obligations under this Guaranty. The foregoing representation and warranty shall survive the execution and delivery of this Guaranty and is expressly made for the benefit and reliance of Landlord, and Landlord's partners, members, trustees, lenders, representatives, successors and assigns.

12. This Guaranty shall be one of payment and performance and not of collection. If there is more than one undersigned Guarantor, the term Guarantor, as used herein, shall include and be binding upon each and every one of the undersigned, and each of the undersigned shall be jointly and severally liable hereunder. If there is more than one undersigned Guarantor, Landlord shall have the right to join one or all of them in any proceeding or to proceed against them in any order.

13. Guarantor shall indemnify, defend (with counsel acceptable to Landlord), protect and hold harmless Landlord, and Landlord's agents, employees, representatives, successors and assigns from and against all liabilities, losses, claims, demands, judgments, penalties, damages, expenses and costs (including all attorneys' fees and costs to enforce any of the terms of this Guaranty or otherwise awarded hereunder) arising from or in any way related to any failure by Tenant or Guarantor to timely perform any of the Obligations.

14. The term "**Ground Lease**" whenever used in this Guaranty shall be deemed, and interpreted so as, to also include any renewals or extensions of the initial or renewal term(s), as the case may be, and any holdover periods thereunder.

15. All demands, notices and other communications under or pursuant to this Guaranty shall be in writing, and shall be deemed to have been duly given when personally delivered, or three (3) days after the date deposited in the United States Postal Service, first-class postage prepaid, certified with return receipt requested, or the delivery date designated for overnight courier services (e.g. Federal Express), or the date delivery is refused, addressed to the party at the address set forth below, or at such other address as may be hereafter designated in writing by either party to the other.

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Landlord:

Redevelopment Authority of the
City of Sheboygan
Attn: Executive Director
828 Center Avenue, Suite 208
Sheboygan, WI 53081

City of Sheboygan
Attention: City Attorney
828 Center Avenue, Suite 210
Sheboygan, WI 53081

With a copy to:

Brion T. Winters, Esq.
von Briesen & Roper, s.c.
411 E. Wisconsin Ave., Suite 1000
Milwaukee, WI 53202

Guarantor:

Joel A. Pipkorn
N132W17558 Rockfield Road
Richfield, WI 53076

16. Guarantor hereby represents and warrants that he may execute and deliver this Guaranty; that this Guaranty is binding on Guarantor in accordance with its terms; that the terms and provisions of this Guaranty are intended to be valid and enforceable in accordance with its terms.

17. Landlord may assign this Guaranty in conjunction with the assignment of all or any portion of Landlord's interest in the Ground Lease, without the necessity of obtaining Guarantor's consent thereto, and any such assignment shall not affect, or otherwise relieve, Guarantor from its obligations or liability hereunder. Guarantor may not assign or otherwise delegate any of its rights or obligations hereunder without first obtaining Landlord's written consent thereto, which consent may be withheld in Landlord's sole discretion. The terms and provisions of this Guaranty shall inure to the benefit of Landlord and Landlord's agents, employees, representatives, successors and assigns. Guarantor hereby acknowledges and agrees that Landlord is relying upon Guarantor's covenants, representations and warranties contained in this Guaranty in entering into the Ground Lease with Tenant, and Guarantor hereby undertakes to perform its obligations hereunder promptly and in good faith.

18. If all or any portion of the obligations guaranteed hereunder are paid or performed and all or any part of such payment or performance is avoided or recovered, directly or indirectly, from Landlord as a preference, fraudulent transfer or otherwise, then Guarantor's obligations hereunder shall continue and remain in full force and effect as to any such avoided or recovered payment or performance.

19. All representations and warranties made by Guarantor herein or made in writing pursuant to this Guaranty are intended to and shall remain true and correct as of the time of execution of this Guaranty, shall be deemed to be material, shall survive the execution and delivery of this Guaranty, and shall be relied upon by Landlord and Landlord's agents, employees, representatives, successors and assigns.

20. This Guaranty shall be enforced, governed by and construed in accordance with the laws of the State of Wisconsin, irrespective of its conflict of law rules. In addition, Guarantor hereby consents to the jurisdiction of any state or federal court located within Sheboygan County and irrevocably agrees that all actions or proceedings arising out of or relating to the Ground Lease and this Guaranty shall be litigated in such courts. Guarantor accepts generally and unconditionally, the nonexclusive jurisdiction of the aforesaid courts and waives any defense of forum non conveniens, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Guaranty. This Guaranty shall be subject to all valid

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applicable laws and official orders, rules and regulations, and, in the event this Guaranty or any portion thereof is found to be inconsistent with or contrary to any such laws or official orders, rules or regulations, the latter shall be deemed to control, and this Guaranty shall be regarded as modified with the inconsistent or contrary provisions removed and shall continue in full force and effect; provided, however, that nothing herein contained shall be construed as a waiver of any right to question or contest any such law, order, rule or regulation in any forum having jurisdiction in the Premises.

21. This Guaranty and any exhibits hereto constitute the entire agreement between the parties with respect to the matters covered herein and supersedes all prior agreements and understandings between the parties hereto relating to the subject matter hereof.

22. In the event Guarantor fails to perform any of its obligations under this Guaranty or in the event a dispute arises concerning the meaning or interpretation of any provision of this Guaranty, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder, including without limitation, court costs, expert fees, and reasonable attorneys' fees.

23. Time is of the essence of this Guaranty.

24. Notwithstanding any provision herein to the contrary, provided:

- (a) no Default exists under this Guaranty,
- (b) no Default (as defined in the Ground Lease) exists under the Ground Lease at such time as the Tenant Improvements are completed in full,
- (c) no Obligations remain outstanding, and
- (d) all provisions of Sections 21.1, 21.2 and 21.3 of the Ground Lease (regarding the creation of the condominium and turnover of the condominium to the Association (as defined in the Ground Lease) have been satisfied,

this Guaranty shall be terminated and Landlord shall release Guarantor from the Obligations.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

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IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the date set forth below.

GUARANTOR:

Joel A. Pipkorn, an individual

I ACKNOWLEDGE AND AGREE THAT I AM ENTERING INTO THIS GUARANTY IN THE INTERESTS OF MY MARRIAGE AND FAMILY.

GUARANTOR:

Joel A. Pipkorn, an individual

MARITAL PURPOSE STATEMENT AND SPOUSAL CONSENT:

My spouse, Joel A. Pipkorn, has agreed to personally guarantee the Obligations under this Guaranty for the benefit of the Landlord. I consent to this act by my spouse and acknowledge that such act was done in the interests of our marriage and family, but by signing below I am not becoming personally liable as a guarantor.

_____, Spouse of Joel A. Pipkorn

