

Document Number

**TALGO  
LEASE AGREEMENT**

Document Title

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**APRIL 1, 2015  
TALGO LEASE AGREEMENT**

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**TALGO  
LEASE AGREEMENT**

This Lease Agreement (the "**Lease**") is made as of **APRIL 1, 2015** (the "**Effective Date**"), and is among CENTURY CITY REDEVELOPMENT CORPORATION ("**CCRC**"), an entity created under Wisconsin's Urban Redevelopment Law (Wis. Stat. 66.130 - 66.1329), as Landlord, and TALGO, INC. ("**Talgo**"), a Washington corporation, as Tenant. The parties agree as follows.

**RECITALS**

A. CCRC owns Lot 2 of Certified Survey Map ("**CSM**") 8363, with a street address of 3533 N. 27<sup>th</sup> Street, Milwaukee, WI and Tax Key No. 269-0442-000 (the "**3533 Parcel**"). The 3533 Parcel is subject to that certain "REDEVELOPMENT PLAN FOR THE W. CAPITOL DRIVE AND N. 35<sup>TH</sup> STREET 'CENTURY CITY' PROJECT AREA" dated June 14, 2005, recorded against title on December 9, 2005 as Document No. 9145406 (the "**Redevelopment Plan**"). Building 36 ("**Bld 36**") is on the 3533 Parcel.

B. Talgo entered into an August 5, 2010 Lease (then "**2010 Lease**") with CCRC's predecessor in title, the REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE ("**RACM**"). That 2010 Lease was recorded with the Milwaukee County Register of Deeds ("**ROD**") on October 26, 2010 as ROD Document No. 09931036. Under the 2010 Lease, Talgo leased part of the 3533 Parcel from RACM, and in particular, Talgo leased space within Building 36 ("**Bld 36**") on the 3533 Parcel.

The 2010 Lease was amended three times (Amendment 1 recorded October 11, 2011 as ROD Document No. 10041476; Amendment 2 recorded October 16, 2012 as ROD Document No. 10172438; and Amendment 3 recorded July 25, 2014 as ROD Document No. 10379862).

RACM deeded the 3533 Parcel to CCRC by Deed recorded February 14, 2012 recorded as ROD Document No. 10082822, and RACM assigned its landlord interest in the 2010 Lease (as amended) to CCRC by Assignment dated as of October 14, 2011 (that Assignment was not recorded).

C. Talgo and CCRC wish to, and they hereby do: **(i)** terminate the 2010 Lease as amended; and **(ii)** and agree that this Agreement is the superceding, restated, Lease between CCRC and Talgo that governs the Landlord-Tenant relationship between CCRC and Talgo.

**WHEREFORE**

**1. Talgo Premises; Rent; Term; Use.**

A. CCRC leases to Talgo, on an EXCLUSIVE BASIS, that part of Bld 36 at the 3533 Parcel containing 25,000 S.F. that is shown on **EXHIBIT A** and referred to therein and herein as the "**Talgo Premises.**"

B. Talgo shall pay base Rent to CCRC for the Talgo Premises at the rate of \$2.50 per s.f.  $\$2.50 \times 25,000 \text{ s.f.} = \$62,500$  divided by 12 months = **\$5,208.33 per month**.

C. The **term** for Talgo's lease of the Talgo Premises (the "**Term**") is **month-to-month** beginning on the Effective Date.

D. Talgo's use of the Talgo Premises shall be for storage of trainset equipment and supplies (but not trainsets, locomotives or train cars) and train-related equipment and supplies.

E. Talgo shall pay CCRC Additional Rent of **\$375 per month** for Talgo use of the **Shared Space** (defined below).

F. Talgo's monthly base Rent and Additional Rent =  $\$5,208.33 + \$375 = \mathbf{\$5,583.33}$ .

2. **Intentionally Omitted.**

3. **Shared Space.**

A. "**Shared Space**" at the 3533 Parcel is comprised of the following, labeled as such on **EXHIBIT A: Bathrooms; Locker Rooms; Cafeteria; Parking Lot** (*but not the "Exterior Dock Area" shown on EXHIBIT A*); and **Access Drives**.

(1) **Inside Bld 36**, Shared Space is: **Bathrooms; Locker Rooms; Cafeteria**. See **EXHIBIT A** "Shared Employee Support Space."

(2) **Outside Bld 36**, Shared Space is: **Parking Lot** northwest of Bld 36 (*but not the "Exterior Dock Area" shown on EXHIBIT A*); and **Access Drives** providing access to the 3533 Parcel from North 27<sup>th</sup> Street (Gate 3) and from W. Townsend Street (Gate 5) to the Parking Lot.

B. **Shared Space**. CCRC leases to Talgo, on a *Non-Exclusive Basis*, and to be shared with CCRC and other tenants of CCRC, the Shared Space.

C. **Security Office Not Shared Space**. The Security Office is not Shared Space. CCRC and its security contractors have exclusive use of the Security Office. See para. 14.

D. **Vehicular Parking**. Parking in the Parking Lot is limited to vehicular parking for CCRC and for CCRC tenants of Bld 36 and the respective employees, representatives, and invitees of CCRC and those tenants.

E. **Access Drives**. The private Access Drives are on the 3533 Parcel and are for vehicular ingress and egress to public right-of-way. There is an Access Drive north of Bld 36 that runs from the curb-cut on N. 27<sup>th</sup> Street, and an Access Drive west of Bld 36 that runs from the curb-cut along Townsend Street. Use of the Access Drives is limited

to vehicular ingress and egress for CCRC and for CCRC tenants of Bld 36 and the respective employees, representatives, and invitees of CCRC and those tenants.

The Access Drives are gated. Given that the Access Drives are shared-use space, on a NON-EXCLUSIVE basis, including CCRC right to use, CCRC shall retain keys and access codes for the gates, but provide tenants with the gate access codes.

4. **Cooperation.** Talgo and CCRC agree to use good faith regarding shared use of the Shared Space. Talgo and CCRC agree to conduct themselves, respectively, in a manner so as to foster sharing and cooperation.

5. **Other Square Footage in Bld 36 Not Leased to Talgo.**

A. **Possible Other Tenants.** As EXHIBIT A shows, there is other space within Bld 36 (“Other Space”) that is not Shared Space and not Talgo Premises. Talgo understands that CCRC is free to lease Other Space to other tenants, and if CCRC does lease same out during the Term, those other tenants shall also have use of the Shared Space.

B. **No Right to Use Other Space.** Talgo has no right to use any Other Space. Other Space is not Shared Space. Other Space is not part of the Talgo Premises.

C. **Pedestrian Access to Shared Space.** Talgo shall, however, be allowed by Benson Industries (“Benson”) a convenient pedestrian way through the premises leased to Benson (the “Benson Premises”) in order to access from the Talgo Premises the Shared Space.

D. **Overhead Doors.** By lease between CCRC and Benson (a copy of which CCRC provided to Talgo), Talgo shall also be allowed by Benson periodic use of overhead doors at the Benson Premises, upon reasonably prior notice by Talgo to Benson, and at times reasonably acceptable to Benson, for the purpose of Talgo receiving and delivering shipments requiring use of those doors.

6. **Payment of Rent.** Talgo shall pay rent to CCRC (the Base Rent + the Additional Rent) (“Rent”), in good funds, on a monthly basis, in advance, so that CCRC receives the monthly Rent prior to the first day of the month for which the Rent payment is being made, with the checks being made payable to CENTURY CITY REDEVELOPMENT CORPORATION, and with the checks being sent to or hand-delivered to the following address:

Dave Misky  
President, CCRC  
809 N. Broadway, 2d Floor  
Milwaukee, WI 53202

Any Rent payment not paid when due shall be subject to a one-time late charge of 4% and shall bear interest at 1% per month.

7. **AS IS.** CCRC leases the Talgo Premises to Talgo, and the Shared Space, on an AS IS WHERE IS basis, but subject to the provisions hereof.

8. **Tenant Improvement/Alteration.** Talgo may NOT make physical additions, alterations or improvements to the 3533 Parcel or Bld 36 or Talgo Premises or Shared Space (“**Tenant Improvements**”) without CCRC’s prior written consent. Any such consent shall specify who is responsible for payment for the Tenant Improvements, and any such Tenant Improvements must be completed in accordance with Talgo and CCRC-approved plans and specifications (agreement not to be unreasonably withheld, conditioned or delayed), applicable federal, state, and local laws (including zoning), the Redevelopment Plan, and **Governmental Approvals** (defined below). Upon completion of same, Talgo: shall have the right to use the Tenant Improvements as a Tenant per the conditions hereof; shall only have a leasehold interest in same (CCRC shall own the Tenant Improvements); and shall provide CCRC with a copy of as-built plans and blueprints, together with lien-waivers from contractors and others who otherwise may assert lienable rights against the 3533 Parcel.

9. **Intentionally Omitted.**

10. **Talgo Signage.** Talgo has already installed Talgo signage on Bld 36. Upon expiration or termination of this Lease, Talgo must, at its expense, pay to have Talgo-installed signage removed.

11. **Rail Access Not Allowed Without CCRC Consent; Spur Contract.**

A. While the 3533 Parcel has rail access to a rail line owned by Soo Line Railroad Company, a Minnesota Corporation doing business as Canadian Pacific (“**CP Rail**”) (contact person, David Drach, 612-904-6139, [david\\_drach@cpr.ca](mailto:david_drach@cpr.ca)) and leased to Wisconsin Southern Railroad (“**WI Southern**”), Talgo may not use that access, or any rail spur track on the 3533 Parcel, without CCRC’s prior written consent and on terms and conditions acceptable to CCRC. Talgo does not anticipate need to use the rail access.

B. Notwithstanding the foregoing, the “Agreement for Private Siding” dated August 5, 2010 among CP Rail, CCRC (as successor to RACM) and Talgo (the “**Spur Contract**”) remains in place. Talgo shall remain responsible for its duties under the Spur Contract, including, but not limited to, maintenance, insurance, and paying CP Rail the annual Private Siding License Fee.

CCRC indemnifies Talgo and holds Talgo harmless from and against claims, expenses, and losses, asserted by CP Rail against Talgo for which CCRC or RACM is responsible under the Spur Contract. This duty survives any expiration or termination of this Agreement and any expiration or termination of the Spur Contract.

Talgo indemnifies CCRC and RACM and holds CCRC and RACM harmless from and against claims, expenses, and losses, asserted by CP Rail against CCRC or RACM for which Talgo is responsible under the Spur Contract. This duty survives any expiration or termination of this Agreement and any expiration or termination of the Spur Contract.

## 12. Maintenance, Repair, & Inspections.

A. **CCRC, Structural & HVAC.** CCRC shall be responsible for (i) all structural repairs to Bld 36 (even if caused by third-party vandals) (including its roof, the building structure and walls, structural components of windows (CCRC is not responsible for glass), structural components of doors, structural elements of plumbing and electrical, structural elements of integrated fire suppression systems and of HVAC systems, structural components of grounds surrounding Bld 36 at the 3533 Parcel, and sewer and stormwater structural elements); and (ii) repair of the paved surface of the Access Drives and Parking Lot (including pothole repair); and (iii) repair and maintenance of HVAC serving Bld 36 (but CCRC is not responsible for maintenance or repair of the air compressors or the compressed air distribution system).

However, if the need for the foregoing is attributable to the respective negligent or intentional acts of a particular Tenant, or those using or claiming by, through or under that Tenant, then that Tenant shall be responsible for the particular repair.

Talgo shall provide CCRC with as prompt notice as possible of items of which Talgo is aware that require CCRC repair hereunder.

B. **Tenant/Talgo.** Talgo shall (even if caused by third-party vandals) be responsible at its expense (i) for all maintenance and other repair within or at the Talgo Premises, (ii) for maintenance and repair of its own respective improvements, personalty, equipment, and fixtures, (iii) for maintenance and repair of security cameras and monitoring systems, consumable interior items such as light bulbs, for maintenance and repair of glass (including the glass or transparent elements of windows) at or serving its Talgo Premises, (iv) for any of its own installed gates, locks, fire extinguishers, fire extinguisher inspections, smoke alarms and fire-suppression systems, if any, (v) for maintenance and repair of air compressors and the compressed air distribution system, and work stations within the Talgo Premises, and, (vi) without relieving CCRC of its obligations in the foregoing paragraph, for normal tenant husbandry and maintenance associated with electrical and plumbing systems (including cleaning, unclogging, fixing leaks, and changing fuses) at or serving the Talgo Premises.

Talgo shall keep the Talgo Premises and the area around Bld 36 (including the Access Drive and the Parking Lot) in good and clean condition, and free from litter, normal wear and tear excepted.

Per the lease between CCRC and Benson, **Benson** is responsible at its expense for maintenance of the air compressors within the “**Mechanical Space**” (shown on **Exhibit A**).

C. **Talgo Garbage Removal, Pest, Janitorial.** Talgo is responsible at its expense for private waste removal for garbage, scrap, waste, and refuse from the Talgo Premises, for pest and rodent control services at the Talgo Premises, and for janitorial service at the Talgo Premises.



D. **CCRC Janitorial, Shared Space Inside Bld 36.** For the Shared Space inside Bld 36 (i.e. **Bathrooms; Locker Rooms; Cafeteria**), CCRC, at its expense, shall be responsible for garbage removal, pest and rodent services, and janitorial service.

The janitorial service and garbage removal in the Shared Space inside Bld 36 will be done twice per week.

E. **CCRC Snow/Ice Removal & Grass/Landscaping & Cost Sharing.** CCRC shall at its expense, be responsible for necessary snow and ice removal at the 3533 Parcel – including walkways, the Access Drives and the Parking Lot, and the public sidewalks along 27<sup>th</sup> Street and Townsend Street – and for lawn mowing and weed pulling at the 3533 Parcel. The foregoing are herein called “**Snow/Lawn Costs.**” Notwithstanding the foregoing, after CCRC payment of Snow/Lawn Costs, CCRC shall email to Talgo, notice of payment of same, including amount paid, and Talgo shall, within 5 business days of CCRC sending of such email, reimburse CCRC in good funds for **20%** of CCRC’s Snow/Lawn Costs.

13. **Utilities.** Bld 36 is heated as a whole for the entire Bld 36 and without separate meters for natural gas for separate Tenant space. Water/Sewer Treatment/City Charges are provided to the entire Bld 36 as a whole without separate meters for separate Tenant space. Electricity is provided to the entire Bld 36 as a whole without separate meters for electricity for separate Tenant space.

A. **Other Utility Installation.** Talgo is responsible for the installation (in accordance with plans and specifications approved by CCRC) (see “Tenant Improvement” section in this Lease, above) of any additional or special utilities or utility-related improvements needed for Talgo’s use, occupancy and operation at the Talgo Premises.

B. **Utility Expenses & Cost Sharing.** With the exception of items covered by sub A and by sub C in this section, CCRC shall be responsible for the payment of all expenses and bills for all natural gas, electricity, sewer and sewer treatment, water, and stormwater fees required or used at Bld 36. The foregoing are herein called “**Bld 36 Utility Costs.**” Notwithstanding the foregoing, after CCRC payment of Bld 36 Utility Costs, CCRC shall email to Talgo, notice of payment of same, including amount paid, and Talgo shall, within 5 business days of CCRC sending of such email, reimburse CCRC in good funds for **20%** of CCRC’s Bld 36 Utility Costs.

C. **Individual Tenant Phone, Computer, Internet Access Expenses.** Talgo is responsible for its own phone, computer and internet access expenses.

14. **CCRC Private Security; CCRC Security Office.** CCRC, in its discretion (without obligation to do so), has hired an independent private security company to provide security services to adjacent parcels within the Century City Business Park adjacent to the 3533 Parcel and Bld 36. CCRC has no duty to provide security to the adjacent parcels, or to the 3533 Parcel or Bld 36. CCRC may terminate the private security at any time for any reason. CCRC and its private security company have exclusive use of the Security Office within Bld 36. If Talgo wishes private security for its own Premises or Shared Space or Bld 36, Talgo must arrange for

such, and pay for such on its own; and if Talgo hires private security, Talgo must inform CCRC and CCRC's security.

15. **Landlord's Rules and Regulations.** For any Shared Space (non-exclusive space) at the 3533 Parcel or in Bld 36, including the Access Drive and Parking Lot, CCRC may impose reasonable rules and regulations upon 30 days advance written notice to Tenants so long as they do not interfere with respective Tenant conduct of business at the respective Tenant Premises.

16. **Insurance.**

- A. **CCRC Insurance.** CCRC will obtain and maintain insurance covering damage to the 3533 Parcel and Bld 36. See CCRC insurance certificate attached as **EXHIBIT B.**
- B. **Talgo Insurance.** Talgo shall maintain, at its expense, during the term of this Lease, insurance, covering its own property (including personal property, trade fixtures and equipment), and other insurance meeting the minimum requirements in **EXHIBIT C** attached, or such other requirements as CCRC may approve in writing.
- C. **Waiver of Subrogation.** Each party releases the other party for liability it may have for any loss covered by insurance required hereunder, or carried by a party hereunder, no matter how caused, but only to the extent of any amount actually recovered by the releasing party by reason of such insurance, and each party hereby waives the right of subrogation that might otherwise exist with respect thereto, provided however that such release and waiver shall not be operative in any case where the effect thereof is to invalidate or prevent the insurance coverage. Any shortfall between the liability or loss and insurance coverage actually received is not hereby waived or released.
- D. **If Inadequate Insurance.** If the 3533 Parcel or Bld 36 or any part thereof is damaged by act, omission, default or negligence of Talgo, or anyone claiming by, through, or under Talgo (including its agents, employees, or contractors), to the extent repair, expense, or cost associated with such damage is not covered by the insurance required hereunder, Talgo shall be fully responsible for repair or restoration at Talgo's cost and expense, and Talgo shall indemnify and hold CCRC harmless from and against claims and losses asserted against CCRC attributable thereto or arising therefrom.

17. **Condemnation or Damage of Property.**

- A. **Condemnation or Damage That Terminates Lease.** Notwithstanding anything to the contrary contained herein, in the event that the 3533 Parcel (or a significant portion thereof) or Bld 36 (or a significant portion thereof), is at any time during the term hereof condemned by any public authority with the power of eminent domain (or is voluntarily transferred in lieu of, or under threat of, condemnation), or if the 3533 Parcel (or a

significant portion thereof), or Bld 36 (or a significant portion thereof), is damaged by fire or tornado or some other cause so as to render - in CCRC's reasonable opinion (which shall be reached by CCRC within 50 days of the condemnation, transfer, or damage) - all or any significant portion of the 3533 Parcel or Bld 36 or the Talgo Premises untenable or unfit for the continued use and purpose of Talgo, and for the carrying out of Talgo's operations and business at the 3533 Parcel, this Lease shall be deemed terminated as of the date of the condemnation or transfer or loss. In such event, the proceeds from any condemnation award or insurance shall be payable to CCRC, providing, however, that Talgo shall be entitled to any respective award or insurance directly relating to Talgo's personal property, equipment and trade fixtures, to Talgo's leasehold interest, and/or to any tenant-relocation award or benefit that the condemning authority or insurer may award or pay to Talgo.

**B. Condemnation or Damage That Doesn't Necessarily Terminate Lease.**

Notwithstanding anything to the contrary contained herein, if, in CCRC's reasonable opinion (which shall be reached by CCRC within 50 days of the condemnation, transfer, or damage), CCRC determines that the 3533 Parcel and Bld 36 and Talgo Premises may be practicably restored after any partial condemnation (or transfer in lieu of, or under threat of, or condemnation of part of the same), or after damage, then any condemnation or insurance proceeds shall be applied first toward repairing, rebuilding, or restoring the improvements on the 3533 Parcel and Bld 36 to the extent reasonably practicable to allow Talgo's continued use and occupancy of the 3533 Parcel and Bld 36 and the Talgo Premises with any balance remaining then being paid to CCRC, providing, however, that Talgo shall be entitled to any award or insurance directly relating to Talgo's personal property, equipment and trade fixtures, to Talgo's leasehold interest, and/or to any tenant-relocation award or benefit that the condemning authority or insurer may award or pay to Talgo.

If, however, in CCRC's reasonable opinion (which shall be reached by CCRC within 50 days of the condemnation, transfer, or damage), CCRC reasonably determines that it is not practicable or possible to restore the 3533 Parcel and Bld 36 and Talgo Premises, notwithstanding anything to the contrary contained herein, CCRC may terminate this Lease. In the event of termination of the Lease pursuant to the foregoing, Talgo shall be entitled to share in insurance or condemnation proceeds to the same extent as if termination occurred under sub A above.

**18. Governmental Approvals; Compliance with Law.** Talgo and CCRC shall, respectively, at their respective expense, (i) comply with applicable federal, state, and local, and (ii) obtain and comply with permits, licenses and approvals and applicable federal, state and local laws (the foregoing (i) and (ii) are collectively called "**Governmental Approvals**") regarding their respective obligations hereunder. Talgo shall, at its expense, comply with Governmental Approvals in order for it to occupy, use and operate at the 3533 Parcel and Bld 36 and Talgo Premises, and to conduct its business thereat and to make any improvements thereto.

**19. Subleases; Assignment.** Talgo may not assign, sell, transfer, convey, or sublet this Lease, or any portion of any space in Bld 36, the 3533 Parcel, or Talgo's interest in the 3533 Parcel and

Bld 36 or under this Lease, and Talgo may not grant to any creditor any mortgage, or any collateral interest, in or to any part of the 3533 Parcel, or in and to this Lease, without CCRC prior written consent, and on terms and conditions meeting CCRC's approval.

20. **Property Taxes; No Liens; Special Charges and Special Assessments.** The 3533 Parcel, under CCRC ownership, is property-tax exempt.

Talgo shall pay any personal property taxes levied against its personalty or equipment or trade fixtures.

Talgo shall not allow any liens or encumbrances (including construction liens or material supplier liens) to be asserted against the 3533 Parcel or Bld 36 as a result of (i) Talgo acts or failures to act, or (ii) Talgo operations or activities at the 3533 Parcel or Bld 36.

Special charges or special assessments levied against the 3533 Parcel or Bld 36 shall be paid by CCRC, unless the basis for such is a result of Talgo's respective failure to act in accordance with federal, state or local law, or as a result of Talgo's acts or omissions at the 3533 Parcel or Bld 36, in which case Talgo shall pay, when due, the special assessment or special charge.

21. **Landlord Access.** CCRC reserves to itself (i) the right to enter any part of the Talgo Premises, upon 24-hours advance written notice to Talgo to inspect the Talgo Premises, and its interior and components and systems, and carry out Landlord duties hereunder, (ii) the right to enter other portions of the 3533 Parcel and Bld 36 not exclusively leased to any Tenant (including Shared Space) at any time without prior notice, and (iii) the right to enter Talgo Premises at any time in the case of emergency or threat to human health and safety.

CCRC entry shall be conducted, to the greatest extent practical, to minimize interruption to Talgo operations and business. Talgo shall provide CCRC with such keys and access codes necessary (that CCRC shall safeguard) to allow CCRC entry. This includes CCRC having keys and access codes for the Alley and to access and enter Bld 36. Talgo acknowledges rights of City personnel to enter the 3533 Parcel and Bld 36 under law to carry out their duties (including, but not limited to, fire and police personnel, plumbing and electrical inspectors).

22. **Termination; and Default.**

A. **28 Days Termination by Talgo or CCRC of Talgo's Month-to-Month Tenancy.** Either Talgo or CCRC may terminate Talgo's tenancy, for any reason including no reason, by providing the other with at least 28 days prior written notice so that the notice recipients receive it at least 28 days prior to the end of the month that will be the last month of Talgo's tenancy.

B. **Termination for Breach (CCRC or Tenant).** In addition to the above termination rights, if Talgo or CCRC fails to perform any of its respective material obligations under this Lease, and if such default continues for more than 30 days after written notice by the non-defaulting party to the defaulting party of the existence and nature of the default (or if the nature of the cure cannot reasonably be accomplished within said 30 days and if the

defaulting party is, in such event, not diligently pursuing cure during and after the expiration of such 30 days), then the non-defaulting party may (i) terminate this Lease, and/or (ii) pursue other remedies as allowed by law, including injunctive relief (including specific performance) and/or a suit for damages, all as allowed by a Court of competent jurisdiction. CCRC's remedies include eviction. Nothing contained herein is deemed a waiver of any right CCRC has under Wis. Stat. 893.80.

**C. Other CCRC Termination Rights.** In addition to the above termination rights, CCRC also has the right to terminate Talgo's Lease if Talgo abandons or vacates the Talgo Premises, if Talgo assigns this Lease or subleases without CCRC approval as required hereunder, or if Talgo is adjudicated bankrupt or has a Court-appointed receiver administer Talgo's affairs, makes an assignment for the benefit of creditors, or becomes insolvent.

**D. Nonpayment.** Any nonpayment by Talgo to CCRC of base Rent or Additional Rent, and nonpayment by Talgo to CCRC of Snow/Lawn Costs or Bld 36 Utility Costs as required hereby, is a material breach allowing CCRC the right to terminate and/or pursue its other remedies as per above and allowed by law.

23. **Hazardous Materials and Environmental Issues.** CCRC has provided, or offered to provide, to Talgo copies of, or right to inspect, environmental test results and data CCRC has regarding the 3533 Parcel (including Bld 36), and shall continue to promptly provide any such environmental information as may become known to CCRC after the date of this Lease.

CCRC is responsible for, and shall hold harmless, Talgo against any claims, losses or damages arising from any State, City or Federal enforcement of environmental laws or regulations concerning any **pre-existing** (i.e. existing prior to occupancy by Talgo, including occupancy under the 2010 Lease) hazardous material, or pre-existing environmental contamination at or affecting any part of the 3533 Parcel.

CCRC is responsible for such environmental remediation, capping, containment, treatment, or removal, of pre-existing conditions as the State of Wisconsin Department of Natural Resources ("DNR"), US EPA or any other regulatory agency, tribunal or court with proper jurisdiction may require.

Talgo shall be responsible for, and shall hold harmless, CCRC against, any claims, losses or damages regarding any release of hazardous material or substance, or environmental contamination, at or affecting the 3533 Parcel caused by Talgo (or those claiming by, through, or under Talgo, including Talgo's agents, employees and contractors), and shall remediate same, at Talgo's expense, as may be required by the State, including its DNR, the Federal government (including the US EPA) or the City.

24. **Removal of Personalty at Lease End; Surrender.** Upon or prior to any termination or expiration of this Lease, Talgo must deliver the Talgo Premises to CCRC in the condition existing as of the Commencement Date (except for post-Commencement Date improvements or changes made or approved by CCRC and further except for normal wear and tear) and must

remove itself, its equipment and personalty, from the 3533 Parcel and Bld 36, at Talgo's expense, and repair any material damage to the 3533 Parcel and Bld 36 caused or attributable to such removal. Notwithstanding anything to the contrary contained herein, **(i)** fixtures shall not be removed or taken by Talgo unless otherwise consented to in writing by CCRC (but any Talgo-installed signage must be removed by Talgo), and **(ii)** Talgo shall continue to pay rent (notwithstanding expiration or termination) through the last day of the month in which any of Talgo's equipment or personalty exists at the 3533 Parcel or Bld 36 (paying rent does not continue Talgo's occupancy rights or tenancy, and Talgo must make suitable arrangements for entry to remove equipment or personalty). If Talgo leaves any personalty or equipment on the 3533 Parcel or in Bld 36 for more than 30 days after the termination or expiration of the Lease, that personalty and equipment shall be deemed abandoned, and CCRC shall have the absolute right, in its sole discretion, to dispose of said property in any manner CCRC determines without liability to or any claim for reimbursement by CCRC.

25. **Wisconsin Law.** This Lease shall be governed and interpreted under the laws of the State of Wisconsin.

26. **Notices.** All notices permitted or required hereunder shall be considered given **(i)** upon receipt if hand-delivered by commercial courier or otherwise personally delivered, **(ii)** if sent by facsimile or e-mail, then the notice must be sent during business hours (i.e. 8:30 A.M to 4:30 P.M., Monday through Friday) on days that the City of Milwaukee's City Hall is open for business, and the notice shall be deemed given when sent as per the following and so long as the notice is successfully sent (i.e. the sender does not receive any error or "busy" or "inability to send" notification), or **(iii)** within two business days of depositing same in the U.S. mail, postage-paid, addressed by name and address to the party intended as follows:

<p><b>If to CCRC:</b>            David Misky            President            CCRC            809 North Broadway, 2<sup>nd</sup> Floor            Milwaukee, WI 53202</p> <p>Fax: 414-286-0395            Phone: 414-286-8682            dmisky@milwaukee.gov</p> <p><b><u>With a copy to:</u></b>            Benji Timm            RACM            809 North Broadway, 2<sup>nd</sup> Floor            Milwaukee, WI 53202</p> <p>Fax: 414-286-0395            Phone: 414-286-5756            btimm@milwaukee.gov</p>	<p><b>If to Talgo:</b>            TALGO, INC            Antonio Perez            President and CEO            505 5<sup>th</sup> Ave. South            Seattle, WA 98104</p> <p>Fax: 206-748-6147            Phone: 206-748-6140            aperez@talgo-inc.com</p> <p><b><u>With a copy to:</u></b>            Talgo, Inc.            Ferran Canals            Capital Projects Division            Manager            505 5<sup>th</sup> Ave. South            Seattle, WA 98104</p> <p>Fax: 206-748-6147</p>
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<p><b><u>With a further copy to:</u></b>  Gregg Hagopian  City Attorney's Office  841 N. Broadway, 7<sup>th</sup> Floor  Milwaukee, WI 53202</p> <p>Fax: 414-286-8550  Phone: 414-286-2620  <a href="mailto:ghagop@milwaukee.gov">ghagop@milwaukee.gov</a></p>	<p>Phone: 206-748-6140  <a href="mailto:fcanals@talgo-inc.com">fcanals@talgo-inc.com</a></p>
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Notice recipient data may be changed by any party by providing notice of such to the other parties.

27. **Successors.** This Lease binds the successors and assigns of the parties hereto. Nothing contained herein, however, alters para. 19 above, or effects, in any way, the restrictions and limitations herein on Talgo's ability to sublease, assign, or otherwise convey any interest in this Lease or the premises leased hereunder.

28. **Non-Waiver of Rights and Remedies.** The respective rights and remedies of parties under this Lease shall be cumulative and the exercise of any of them shall not be exclusive of any other right or remedy provided by this Lease or allowed by law, and the waiver of any breach of any provision of this Lease shall be limited to such particular instance and shall not operate or be deemed to be a waiver of any future breach of the same or any other provision on the same or any other occasion.

29. **Severable.** If any term or provision herein shall be declared to be invalid or unenforceable by a court of competent jurisdiction, the remaining terms and provisions of this Lease or the application of such to persons or circumstances other than those to which it is declared invalid or unenforceable shall not be affected thereby, and shall remain in full force and effect and shall be valid and enforceable to the fullest extent permitted by law.

30. **Paragraph Headings.** The section or paragraph headings contained herein are for convenience only.

31. **Entire Agreement.** This Lease contains all agreements and understandings between CCRC and Talgo, and any verbal or oral agreements, promises, or understandings are of no force or effect, and will not be binding upon either CCRC or Talgo in any dispute, controversy, or proceeding at law. Any addition, variation, amendment, or modification to this Lease must be in writing and signed by CCRC as Landlord and by Talgo.

32. **Recording This Lease.** This Lease (or at CCRC's option, a Memorandum of this Lease) may be recorded in the Register of Deeds Office at CCRC's expense.

33. **Counterparts.** This Lease may be executed in one or more counterparts which, when taken together, shall constitute one and the same document and agreement.

34. **Commissioner; President.** Unless otherwise provided for herein, approvals or consents required to be obtained from CCRC hereunder, as Landlord, shall be obtained from CCRC's President, or his or her designee, and all approvals or consents required to be obtained from Talgo hereunder shall be obtained from that Talgo's President, or his or her designee.

35. **Force Majeure.** If a party shall be delayed or hindered or prevented from the performance of any act required hereunder because of strike, lockout, unavoidable inability to procure materials, riot, insurrection, severe weather, war, terrorist act, act of God, failure of power, beyond the reasonable control of that party and despite that party's good faith efforts, the time for performance of the act shall be excused for the period of delay, and the period for performance shall be extended for a period equivalent to the period of delay.

36. **Open Records.** This Lease, and certain documents relating hereto are, or may be, subject to Wisconsin's Open Records Law (see Wis. Stat. Ch. 19, Subch. II.). Talgo agrees to cooperate with CCRC in the event CCRC receives a request under Wisconsin's Open Records Law for this Lease or for any record relating to, or produced or collected under, this Lease, including Talgo records regarding the Lease, the 3533 Parcel and/or Bld 36.

37. **Good Faith.** In performing their respective duties and exercising their respective rights under this Lease, CCRC and Talgo shall comply with the duty of good faith and fair dealing.

38. **Talgo Wheelsets.** As EXHIBIT A shows, within the Benson Premises, at the west end of the north bay, is a 20' by 35' area (the "Wheelset Area"). By lease between CCRC and Benson, Benson allows Talgo (i) the right to store Talgo's two train wheelsets in the Wheelset Area, and (ii) the right, upon reasonable prior notice from Talgo to Benson, and at times reasonably acceptable to Benson, to use the overhead cranes to move the wheelsets. These rights are: at no cost to Talgo; with no rent setoff to Rent due CCRC hereunder; allowed AS IS, with Talgo exercising same at Talgo's sole risk. CCRC provided a copy of the Benson lease to Talgo.

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

<b>CCRC:</b> CENTURY CITY REDEVELOPMENT CORPORATION  By: _____ Dave Misky, President  And By: _____ Martin Matson, Secretary/Treasurer	<b>TALGO:</b> TALGO, INC.  By: _____ Antonio Perez, President and CEO  And By: _____  Name Printed: _____  Title: _____
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**AUTHENTICATION OF CCRC SIGNATURES**

Gregg C. Hagopian, as a member in good standing of the State Bar of Wisconsin, hereby approves the signatures of the CCRC representatives above, and also authenticates the signatures of each of the CCRC signatories per Wis. Stat. § 706.06 so this document may be recorded per Wis. Stat. § 706.05 (2)(b).

By: \_\_\_\_\_  
GREGG C. HAGOPIAN  
Assistant City Attorney  
State Bar No. 1007373

Date: \_\_\_\_\_

CCRC Board approval \_\_\_\_\_.

Common Council approval by File No. \_\_\_\_\_.

**NOTARY OF TALGO SIGNATURES**

STATE OF WASHINGTON )  
 )s.  
COUNTY OF \_\_\_\_\_)

Personally appeared before me the above-named, Antonio Perez, President and CEO of TALGO, INC., to me known to be such person and officer, who executed this document on behalf of and with authority of TALGO.

By: \_\_\_\_\_  
Name Printed: \_\_\_\_\_  
Date: \_\_\_\_\_  
Notary Public, State of Washington.  
My Commission expires: \_\_\_\_\_.

STATE OF WASHINGTON)  
 )s.  
COUNTY OF \_\_\_\_\_)

Personally appeared before me the above-named, \_\_\_\_\_, the \_\_\_\_\_ of Talgo, to me known to be such person and officer, who executed this document on behalf of and with authority of Talgo.

By: \_\_\_\_\_  
Name Printed: \_\_\_\_\_  
Date: \_\_\_\_\_  
Notary Public, State of Washington  
My Commission expires: \_\_\_\_\_.



# EXHIBIT B

STATE OF WISCONSIN / OFFICE OF THE COMMISSIONER OF INSURANCE  
**LOCAL GOVERNMENT PROPERTY INSURANCE FUND**  
559 D'Onofrio Drive, Suite 10, Madison, Wisconsin 53719-2805 -- (877) 229-0009

## NEW POLICY

CCRC  
INSURANCE

Policy #: 180810

Term: 12:01am 10/12/2014 to 10/12/2015

Transaction Effective: 10/12/2014

Named Century City Redevelopment Corporation (CCRC)

Phone 4142865727

Insured Scott Stange  
809 North Broadway  
Milwaukee, WI 53202

### Valuation Policy

Form	Coverage	Aggregate	Deductible	Coverage	Rate	Annual Premium
41-080	Buildings, Personal Property & Property in the Open	Y	100,000	30,000,000	0.026	7,800
41-108	Business Income Schedule Attached	Y	100,000	64,750	0.015	10

### Additional forms and endorsements made part of this policy at time of issue

Form	Description	Form	Description
41-075 R 07/11:	Statement Of Values	41-076 R 07/11:	Property In The Open Detail
41-002 R 05/87:	Joint Loss Agreement Endorsement.	IL 09 85 0108:	Disclosure Pursuant To Terrorism Risk Ins Act
41-923 R 03/2012:	Cap On Losses From Certified Acts Of Terrorism	41-928 C 03/14:	Losses Excluded

B-1

STATE OF WISCONSIN / OFFICE OF THE COMMISSIONER OF INSURANCE  
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Transaction Effective: 10/12/2014

Named Century City Redevelopment Corporation (CCRC)

Phone 4142865727

Insured Scott Stange  
809 North Broadway  
Milwaukee, WI 53202

**Business Income**

Details to be provided later

64,750

64,750

B-2

# EXHIBIT C

## EXHIBIT C TENANT INSURANCE REQUIREMENTS

**Commercial general liability insurance** of at least \$1,000,000 against any claims for bodily injury, property damage, personal injury or advertising injury arising at or relating to the Property<sup>1</sup>, or arising from Tenant's use of, occupancy at, or operations at the Property, and customary coverage maintained by employers (including workers compensation and employers liability).

Commercial General Liability	\$1 million each occurrence
General Aggregate	\$2 million aggregate
Personal & Advertising Injury Limit	\$1 million each occurrence
Products – Completed Operations Aggregate	\$2 million aggregate
Medical Expense	\$5 thousand each person

**Umbrella coverage** of at least \$5,000,000 providing excess of Employer's liability, Commercial General Liability and Auto Liability coverages.

**Automobile.** If Tenant owns or leases vehicles, coverage must be for Any Auto (Symbol 1). If there are no owned or leased vehicles then coverage must be for Hired and Non-Owned Autos (Symbols 8 and 9).

Combined single limit	\$1 million each accident
Uninsured/underinsured	\$1 million each accident
Medical Expense	\$5 thousand each person

### **Workers Compensation & Employer's Liability.**

Worker's Compensation	Statutory coverage
Bodily injury by accident	\$100 thousand each accident
Bodily injury by disease	\$500 thousand policy limit, and \$100 thousand each employee

**Certificate.** Tenant shall furnish CCRC with a Certificate of Insurance as evidence thereof naming CCRC as an additional insured loss payee (on coverage other than workers compensation) and providing for a 30-day notice to CCRC prior to change, termination or cancellation.

**Insurers.** Insurance companies must be reasonably acceptable to CCRC and have a current A.M. Best rating of A- VIII or better. All policies shall be written on an occurrence form.

**Tenant Personalty.** Tenant is responsible for providing insurance covering its own property (including personal property, trade fixtures and equipment).

<sup>1</sup> I.e. 3533 Parcel and Bld 36 and Tenant's Leased Premises thereat.