

Document Number

**TALGO  
LEASE AGREEMENT**

Document Title

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**TALGO LEASE AGREEMENT**

**CAO DOCUMENT NO. 240774**  
GH Version: 8/07/2017 @ 9AM

**DRAFT**

Recording Area

Name and Return Address

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269-0442-000  
Part of 269-0453-000  
Part of 285-1724-120

Parcel Identification Number (PIN)

**TALGO  
LEASE AGREEMENT**

This Lease Agreement (the “**Lease**”) is made as of **October 1, 2017** (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 the REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE (“**RACM**”), a Wis. Stat. 66.1333 entity, as Landlord, and TALGO, INC. (“**Talgo**”), a Washington corporation, as Tenant. The parties agree as follows.

**RECITALS**

A. **CCRC owns 3533 Parcel.** 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**”). Building 36 (“**Bld 36**”) is on the 3533 Parcel.

B. **RACM owns Parking Lots.** RACM owns 3025 W. Hopkins Street, Milwaukee, WI (Tax Key No. 269-0453-000) (the “**Hopkins Parcel**”) and 3424 N. 27<sup>th</sup> Street, Milwaukee, WI (Tax Key No. 285-1724-120) (the “**27<sup>th</sup> Street Parcel**”). Talgo wishes to lease from RACM a portion of the Hopkins Parcel (about 8,000 s.f.) as shown on **EXHIBIT A** and a portion of the 27<sup>th</sup> Street Parcel (about 21,000 s.f.) also as shown on **EXHIBIT A** for parking purposes and over-size truck turning (those portions of those parcels are herein collectively called the “**Parking Lots**”).

C. **RACM plan.** The 3533 Parcel, the Hopkins Parcel and the 27<sup>th</sup> Street Parcel are 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**”).

D. **Prior leases.** Talgo entered into an August 5, 2010 Lease (the “**2010 Lease**”) with CCRC’s predecessor in title, 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 **Bld 36**.

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). Subsequently, the 2010 Lease, as amended, was then restated by an April 1, 2015 “Talgo Lease Agreement” that was recorded April 17, 2015 as ROD Document No. 10452634 (the “**2015 Lease**”).

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).

E. **Superceding lease.** By this Lease, Talgo and CCRC wish to, and they hereby do supercede and replace all prior leases and amendments, including the 2015 Lease. Talgo, CCRC and RACM hereby agree that this Lease is the Lease among CCRC and RACM (together herein called “**Landlord**”) and Talgo, as Tenant, that governs the Landlord-Tenant relationship.

## WHEREFORE

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

A. CCRC leases to Talgo the exterior (outside) portions of the **3533 Parcel** and the 139,850 s.f. of the inside of Bld 36 shown on **EXHIBIT A**. RACM leases to Talgo the Parking Lots. The 3533 Parcel portion that CCRC leases to Talgo is herein called the **3533 Parcel**, and the portion of the Parking Lots that RACM leases to Talgo, are shown on **EXHIBIT A** and are together herein called the “**Premises.**”

B. Talgo shall pay Rent to CCRC for the 3533 Parcel at the rate of **\$29,135.42** per month (i.e., \$2.50 per s.f. x 139,850 s.f.<sup>1</sup> = \$349,625 divided by 12 months = \$29,135.42)

C. Talgo shall pay Rent to RACM for the Parking Lots at the rate of **\$1,000** per month.

D. In addition, Talgo shall pay for maintenance, repairs, inspections, cleaning, snow removal, grass cutting, pest control, utilities, and security associated with the 3533 Parcel and Parking Lots as provided in Sections 8, 9 and 10 below.

E. The **term** of this Lease (the “**Term**”) is **4 years** beginning **October 1, 2017** and ending **September 30, 2021**. So long as (i) Talgo is not in default during the months of July, August, or September, 2021, and (ii) Talgo provides written notice to Landlord by **June 30, 2021** of Talgo’s desire to extend the Term beyond September 30, 2021, the Term shall automatically extend from month-to-month thereafter for up to, but for no longer than, an additional 12 months unless sooner terminated by Talgo by giving at least one month’s prior written notice to Landlord.

Landlord has allowed Talgo to continue its occupancy under the 2015 Lease (and has also informally allowed Talgo to take early occupancy of the rest of the Premises) during the period from June 1, 2017 to September 30, 2017.

F. Talgo’s use of the 3533 Parcel portion of the Premises shall be for the assembly, overhauling, repair, refurbishment, and storage of trainset equipment and supplies. Talgo’s use of the Parking Lots is for vehicular parking to serve Talgo’s operations at the 3533 Parcel.

### 2. Possible Other Tenants.

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<sup>1</sup> This square foot amount represents useable square feet in Bld 36 per the occupancy permits issued by the City to Talgo.

A. CCRC may wish to lease portions of the 3533 Parcel (including portions of Bld 36) to other tenants. With the exception of renting to **Possible Other Tenant** per subsection B below, CCRC must obtain Talgo's prior written consent before CCRC leases any portion of the 3533 Parcel to any other tenant. CCRC and Talgo agree that an amendment to this Lease will be needed for CCRC to lease to another, and Talgo reserves to itself the right to review and approve (in Talgo's sole discretion) the terms and conditions upon which CCRC may wish to lease to another.

B. Notwithstanding the foregoing, CCRC may lease the 5,000 s.f. portion of Bld 36 shown on **EXHIBIT A** (herein called the "**Possible Other Tenant Space**") to the Possible Other Tenant (or an entity owned, managed and controlled by the Possible Other Tenant), in which case:

(1) Talgo's monthly rent for the 3533 Parcel shall decrease by \$12,500, and the Possible Other Tenant shall pay CCRC that \$12,500 for monthly rent for the Possible Other Tenant Space (5,000 s.f. x \$2.50 = \$12,500).

(2) Talgo shall bill Possible Other Tenant for 4% of Talgo's utility, security, janitorial, garbage removal, snow removal, and landscaping expense for the 3533 Parcel and Possible Other Tenant shall pay same directly to Talgo. 5,000 s.f. divided by 139,850 s.f. = .03575 so 4% is used.

(3) Possible Other Tenant shall be required to maintain insurance to the same extent as Talgo is required hereunder.

(4) Possible Other Tenant shall be allowed to use, as "**Shared Support Space:**" bathrooms, locker rooms and the cafeteria within Bld 36; the access drives and walks for vehicular and pedestrian ingress and egress to Bld 36; a portion of the parking lot at the 3533 Parcel northwest of Bld 36 for a maximum number of vehicles to be determined by the amendment referred to in subsection (5) below.

(5) Talgo, Landlord and Possible Other Tenant shall enter into an amendment to this Lease to reflect the above provisions and to govern the relationship among Landlord, Talgo and Possible Other Tenant. Talgo's review, approval and entry into such amendment shall not be unreasonably withheld, conditioned or delayed.

### 3. **Payment of Rent.**

A. **Rent during Term.** Talgo shall pay Rent to Landlord ("**Rent**"), in good funds, on a monthly basis, in advance, so that CCRC and RACM, respectively, receive the monthly Rent prior to the first day of the month for which the Rent payment is due and being made, with the checks for CCRC being made payable to CENTURY CITY REDEVELOPMENT CORPORATION, and with the checks for RACM being made payable to REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE, and with the checks being sent to or hand-delivered to the following address:

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

**B. Retroactive rent.** Prior to the 1<sup>st</sup> day of the Term, Talgo shall pay CCRC retroactive rent of **\$94,208.36** (in addition to the rent to be paid under the 2015 Lease) to cover Talgo's use of the additional portions of the Premises not under the 2015 Lease for the period from June 1 through September 30, 2017.

**C. Late fee.** Any Rent payment not paid within 10 days of the date when due shall be subject to a one-time late charge of 4% and shall bear interest at an annual rate of 12%.

4. **AS IS.** Landlord leases the Premises to Talgo on an AS IS WHERE IS basis, subject to the provisions hereof.

5. **Tenant Improvement/Alteration.** Talgo may NOT make physical additions, alterations or improvements to the Premises ("**Tenant Improvements**") without CCRC's prior written consent regarding the 3533 Parcel and without RACM's prior written consent regarding the Parking Lots. 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 respective Landlord-approved plans and specifications (such approval 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 (unless Tenant and Landlord agree otherwise in writing), 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 (respective Landlord shall own the Tenant Improvements); and shall provide respective Landlord 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 Premises. If Talgo desires to install any Tenant Improvements that Talgo plans on removing from the Premises at or before the end of the Term, Talgo must disclose that to Landlord at the time Talgo asks for Landlord consent to install. If Landlord consents to such removal by Talgo, Talgo must repair and restore any damage to the Premises caused by removal.

6. **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. Talgo must obtain respective Landlord consent prior to installing additional signage.

7. **Rail Access; Spur Contract.**

A. **CP railway line & spur.** The 3533 Parcel has an existing rail spur and rail access to a rail line owned by Soo Line Railroad Company, a Minnesota Corporation doing business as Canadian Pacific ("**CP Rail**") and leased to Wisconsin Southern Railroad ("**WI Southern**").

B. **Spur Contract.** There is an “Agreement for Private Siding” dated August 5, 2010, effective September 1, 2010, among CP Rail, CCRC (as successor to RACM) and Talgo (the “**Spur Contract**”) which was consented to by WI Southern.

C. **Applicant.** In accordance with the second “whereas” clause, with Article I, Section 1.1, and with Article 12, of the Spur Contract, the word “Applicant” as used in the Spur Contract is Talgo when Talgo has a lease in effect for the 3533 Parcel with RACM (now CCRC as current owner of the 3533 Parcel). Talgo, RACM and CCRC agree that this subject Lease causes Talgo to be “**Applicant**” under the Spur Contract while this Lease is in effect. Talgo acknowledges that, as Applicant, it has duties under the Spur Contract including insurance (Article 8) and annual fees (Article 9). RACM shall provide a fully-signed copy of this Lease to each of CP Rail and WI Southern promptly – and within 15 days - after execution. The “notice” section of this Lease shall constitute notice of owner and tenant of the 3533 Parcel for purposes of Spur Contract Article 12.

D. Talgo shall have the right to continue to use the rail spur (private siding) on the 3533 Parcel and to use the rail access under the Spur Contract provided that Talgo continues to perform its duties under the Spur Contract, including, but not limited to, maintenance, insurance, and paying CP Rail the annual Private Siding License Fee.

E. 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 Lease and any expiration or termination of the Spur Contract.

F. 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 Lease and any expiration or termination of the Spur Contract.

8. **Maintenance, Repair, & Inspections.** Except as otherwise expressly provided herein, Talgo is responsible for all inspections, repairs, maintenance, and replacements associated with or required at the Premises, including, without limitation, the HVAC, electrical, and plumbing systems, fixtures, windows, walls, fire suppression systems and fire extinguishers, filters, overhead cranes, air compressor systems, dock and ramps, overhead doors, fences and gates, phone and computer networks, lighting, security systems, sewer and stormwater systems, doors, grounds, snow-removal, weed-pulling, lawn-mowing, litter and rubbish pickup, graffiti removal, pest and rodent control, private garbage removal, janitorial.

Landlord, however, shall (except to the extent the need for repair is caused by Talgo) be responsible for general roof maintenance and roof repair, the Bld 36 foundation, and structural soundness of the exterior walls of Bld 36.

Landlord shall replace the concrete apron (depicted in **EXHIBIT A** as “**Driveway Improvements**”). The apron provides vehicular ingress and egress to the alley from N. 27<sup>th</sup> Street.

Without altering Talgo's duties, Talgo shall provide Landlord with written notice of (i) repair or replacement matters anticipated to cost over \$5,000, and (ii) significant issues that a reasonable landlord and property owner would wish to be kept apprised of.

Talgo shall keep the Premises in the same condition as they were in when delivered to Talgo at the commencement of this Term, normal wear and tear excepted.

9. **Utilities.** Talgo is responsible for all utilities serving the Premises, including, but not limited to, electricity, sewer, water, gas, heat, internet, phone, alarm monitoring. Landlord shall cooperate with Talgo as reasonably necessary for Talgo to obtain utility billing for the Premises. Bld 36 is heated as a whole, and Talgo must keep all of Bld 36 adequately heated to preserve and protect the fire suppression system.

10. **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 Premises. CCRC has no duty to provide security to those adjacent parcels, or to the Premises. CCRC may terminate the private security at any time for any reason. CCRC and its private security company have access to outside space at the Premises, and Talgo shall allow CCRC security access to Bld 36 bathroom facilities (at CCRC's sole risk).

If Talgo wishes private security for the Premises, Talgo must arrange for such, and pay for such on its own; and if Talgo hires private security, Talgo must inform Landlord and CCRC's security.

11. **Landlord's Rules and Regulations.** Landlord may impose reasonable rules and regulations upon 30 days advance written notice to Talgo so long as they do not unreasonably interfere with Talgo lawful conduct of business at the Premises.

12. **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 damage or 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 (i.e., even if

the damage or loss is caused in whole or in part by the ordinary negligence or strict liability of the released party), 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. The party incurring the damage or loss covered by insurance it is required to maintain hereunder will be responsible for any deductible or self-insured retention under its property insurance (unless the damage or loss was caused by the other party in which case the causing party shall be responsible). Each party shall notify the issuing property insurance companies of the release set forth in this paragraph and will have the property insurance policies endorsed, if necessary, to prevent invalidation of coverage. Any shortfall between the damage or loss and insurance coverage actually received is not hereby waived or released.

- D. **If Inadequate Insurance.** If the Premises or any part thereof is damaged by willful or negligent act or omission 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 or carried hereunder, Talgo shall be fully responsible for such uncovered repair or restoration at Talgo's cost and expense, and Talgo shall indemnify and hold Landlord harmless from and against claims and losses asserted against Landlord attributable thereto or arising therefrom.

13. **Condemnation or Damage of Property.**

A. **Condemnation or Damage That Terminates Lease.** Notwithstanding anything to the contrary contained herein, in the event that the Premises (including without limitation 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 Premises (including without limitation Bld 36) or a significant portion thereof is damaged by fire or tornado or some other cause so as to render - in Landlord's reasonable opinion (which shall be reached by Landlord within 50 days of the condemnation, transfer, or damage) - all or any significant portion of the Premises (including without limitation Bld 36) untenable or unfit for the continued use and purpose of Talgo, and for the carrying out of Talgo's operations and business at the Premises, 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 Landlord, 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 Landlord's reasonable opinion (which shall be reached by Landlord within 50 days of the condemnation,



transfer, or damage), Landlord determines that the Premises (including without limitation Bld 36) may be practicably restored within 120 days 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 Premises (including without limitation Bld 36) to the extent reasonably practicable to allow Talgo's continued use and occupancy of the Premises (including without limitation Bld 36) with any balance remaining then being paid to Landlord, 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 Landlord's reasonable opinion (which shall be reached by Landlord within 50 days of the condemnation, transfer, or damage), Landlord reasonably determines that it is not practicable or possible to restore the Premises (including without limitation Bld 36) within 120 days, notwithstanding anything to the contrary contained herein, Landlord 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 subparagraph A above.

14. **Governmental Approvals; Compliance with Law.** Talgo and Landlord shall, respectively, at their respective expense, (i) comply with applicable federal, state, and local laws, 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, maintain, repair the Premises and Bld 36, and to conduct its business thereat and to make any improvements thereto.

15. **Subleases; Assignment.** Talgo may not assign, sell, transfer, convey, or sublet this Lease, or any portion of the Premises, or Talgo's interest in this Lease, and Talgo may not grant to any creditor any mortgage, or any collateral interest, in or to any part of the Premises, or in and to this Lease, without Landlord's prior written consent, and on terms and conditions meeting Landlord's approval.

16. **Property Taxes; No Liens; Special Charges and Special Assessments.** The Premises under Landlord 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 Premises as a result of (i) Talgo acts or failures to act, or (ii) Talgo operations or activities at the Premises.

Special charges or special assessments levied against the Premises shall be paid by Landlord, 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 Premises or hereunder, in which case Talgo shall pay, when due, the special assessment or special charge.

17. **Landlord Access & Landlord Use.**

A. **General.** Landlord reserves to itself: (i) the right to enter any part of the Premises, upon 24-hours advance written notice to Talgo to inspect the Premises, and its interior and components and systems, and carry out Landlord duties hereunder; and (ii) the right to enter the Premises at any time in the case of emergency or threat to human health and safety.

Landlord 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 Premises (including Bld 36) under law to carry out their duties (including, but not limited to, fire and police personnel, plumbing and electrical inspectors).

B. **Meetings, conferences & events.** Landlord reserves to itself, on a cost-free basis, the right to use the portion of Bld 36 identified on **EXHIBIT A** as the "**Lunch Room**" for meetings, conferences and events. Landlord shall provide Talgo with advance written notice of times and dates and coordinate with Talgo regarding such use. Landlord shall be allowed to use the Parking Lots on a cost-free basis for such meetings, conferences and events.

C. **Environmental.** Landlord reserves to itself, on a cost-free basis, the right to enter the Premises for environmental testing and monitoring. Landlord shall provide Talgo with advance written notice of times and dates and coordinate with Talgo regarding such use. Landlord shall be allowed to use the Parking Lot on a cost-free basis for these entries.

D. **Storage.** Landlord reserves to itself, on a cost-free basis, the right to store equipment, materials and files in Bld 36 at the space shown in **EXHIBIT A** as "**36N.**" Landlord shall have access to Bld 36 regarding this storage.

18. **Termination; Default.**

A. **Termination for Breach.** If Talgo or Landlord fails to perform any of its duties under this Lease, and if such default continues for more than 30 days after written notice from the other party regarding 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 other 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 and consistent with Landlord rights under Wis. Stat. 893.80. Landlord's remedies include

eviction. Nothing contained herein is deemed a waiver of any right CCRC or RACM has under Wis. Stat. 893.80.

**B. Other CCRC Termination Rights.** In addition to the above termination rights, Landlord also has the right to terminate Talgo's Lease if Talgo abandons or vacates the Premises, if Talgo assigns this Lease or subleases without Landlord 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.

**C. Nonpayment.** Any nonpayment by Talgo to Landlord of Rent and any nonpayment by Talgo of utilities for heat, electricity, sewer, water as required hereby is a material breach allowing Landlord all rights hereunder, and at law and in equity.

19. **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, Landlord against, any claims, losses or damages regarding any release of hazardous material or substance, or environmental contamination, at or affecting the Premises 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.

20. **Removal of Personalty at Lease End; Surrender.** Upon or prior to any termination or expiration of this Lease, Talgo must deliver the Premises to Landlord in the condition existing as of the commencement date of the Term (except for post-commencement date improvements or changes made or approved by Landlord and further except for normal wear and tear) and must remove itself, its equipment and personalty, from the Premises, at Talgo's expense, and repair any material damage to the Premises caused or attributable to such removal. Notwithstanding anything to the contrary contained herein, (i) fixtures shall not be removed or taken by Talgo unless Talgo informs Landlord in writing prior to installing the same that it plans to remove them (and Landlord approves that arrangement prior to Talgo installation) or unless otherwise

consented to in writing by Landlord, and any Talgo-installed signage must be removed by Talgo (Talgo must repair any damage to the Premises resulting from removal), 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 Premises prior to that equipment or personalty becoming abandoned (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 Premises for more than 30 days after the termination or expiration of the Lease, however, that personalty and equipment shall be deemed abandoned, and Landlord shall have the absolute right, in its sole discretion, to dispose of said property in any manner Landlord determines without liability to or any claim for reimbursement by Landlord.

21. **Wisconsin Law.** This Lease shall be governed and interpreted under the laws of the State of Wisconsin. Per Wis. Stat. 66.1333 (9), Talgo agrees to use and conduct operations at the Premises in accordance with the RACM Plan.

22. **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 e-mail, then 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 “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 or RACM:</b>  David Misky  809 North Broadway, 2<sup>nd</sup> Floor  Milwaukee, WI 53202    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    Phone: 414-286-5756  btimm@milwaukee.gov</p> <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>If to Talgo:  TALGO, INC  Antonio Perez  President and CEO  PO Box 84008  Seattle, WA 98124  Phone: 206-748-6140  aperez@talgo.com</p> <p>With a copy to:  Talgo, Inc.  Ferran Canals  Capital Projects Division  Manager  PO Box 84008  Seattle, WA 98124  Phone: 206-748-6140  fcanals@talgo.com</p>
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Phone: 414-286-2620 <a href="mailto:ghagop@milwaukee.gov">ghagop@milwaukee.gov</a>	
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Notice recipient data may be changed by any party by providing notice of such to the other parties.

23. **Successors.** This Lease binds the successors and assigns of the parties hereto. Nothing contained herein, however, alters paragraph 15 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.

24. **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.

25. **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.

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

27. **Entire Agreement.** This Lease contains all agreements and understandings between Landlord and Talgo, and any verbal or oral agreements, promises, or understandings are of no force or effect, and will not be binding upon either Landlord 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 RACM, CCRC and Talgo.

28. **Recording This Lease.** This Lease (or at Landlord’s option, a Memorandum of this Lease) shall be recorded in the Register of Deeds Office at Talgo’s expense.

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

30. **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; from RACM hereunder, as Landlord, shall be obtained from RACM’s Executive Director, or his or her designee; and from Talgo hereunder shall be obtained from Talgo’s President, or his or her designee.

31. **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.

32. **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 Landlord in the event Landlord 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 and/or the Premises.

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

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

<p><b>CCRC: CENTURY CITY REDEVELOPMENT CORPORATION</b></p> <p>By: _____ Dave Misky, President</p> <p>And By: _____ Martin Matson, Secretary/Treasurer</p> <p><b>RACM: REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE</b></p> <p>By: _____ Rocky Marcoux, Executive Director</p> <p>And By: _____ Lois Smith, Board Chair</p>	<p><b>TALGO: TALGO, INC.</b></p> <p>By: _____ Antonio Perez, President and CEO</p> <p>And By: _____</p> <p>Name Printed: _____</p> <p>Title: _____</p>
<p><b>AUTHENTICATION OF CCRC &amp; RACM SIGNATURES</b></p> <p>Gregg Hagopian, as a member in good standing of the State Bar of Wisconsin, hereby authenticates the signatures of the CCRC and RACM representatives/signatories herein per Wis. Stat. 706.06 so this document may be recorded per Wis. Stat. 706.05 (2)(b).</p>	<p><b>NOTARY OF TALGO SIGNATURES</b></p> <p>STATE OF WASHINGTON )  )s. COUNTY OF _____)</p> <p>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.</p>

<p>By: _____  <b>GREGG C. HAGOPIAN</b>  Assistant City Attorney  State Bar No. 1007373</p> <p>Date: _____</p> <p>CCRC Board approval _____.</p> <p>Common Council approval by File No. _____  Wis. Stat. 66.1333 (9)  and 66.1305 (1)(e).</p> <p>RACM Resolution No. _____.</p>	<p>By: _____  Name Printed: _____  Date: _____  Notary Public, State of Washington.  My Commission expires: _____.</p> <p>STATE OF WASHINGTON)  )S.  COUNTY OF _____)</p> <p>Personally appeared before me the above-named,  _____, the _____ of  Talgo, Inc., to me known to be such person and officer,  who executed this document on behalf of and with  authority of Talgo.</p> <p>By: _____  Name Printed: _____  Date: _____  Notary Public, State of Washington  My Commission expires: _____.</p>
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