
**1900 West Fiebrantz Avenue
Milwaukee, Wisconsin 53209**

COMMERCIAL LEASE AGREEMENT

BETWEEN

MKE Northside LLC,
a Wisconsin limited liability company

("LANDLORD")

AND

City of Milwaukee Fire Department
a Wisconsin public organization

("TENANT")

COMMERCIAL LEASE AGREEMENT

18 THIS COMMERCIAL LEASE AGREEMENT (the "Lease") is made and entered into as of the day of September 2024, (the "Effective Date") by and between MKE NORTHSIDE LLC, a Wisconsin limited liability company ("Landlord") and CITY OF MILWAUKEE FIRE DEPARTMENT, a Wisconsin public organization ("Tenant"). The following exhibits and attachments are incorporated into and made a part of the Lease: **Exhibit A** (Outline and Location of Premises) and **Exhibit B** (Tenant Workletter).

1. Basic Lease Information.

1.01 "Building" shall mean the building located at 1900 West Fiebrantz Avenue, Milwaukee, Wisconsin 53209.

1.02 "Premises" shall mean the area shown on **Exhibit A**, attached hereto. The Premises is the Building and outside area delineated on Exhibit A.

1.03 "Rentable Square Footage of the Premises" is deemed to be approximately 90,000 square feet.

1.04 "Lease Year" means a period of twelve (12) consecutive full calendar months, the first Lease Year ending upon the last day of the twelfth (12th) consecutive *full* calendar month following the Commencement Date. The second Lease Year shall commence on the day immediately following the last day of the first Lease Year and each succeeding Lease Year, if any, shall commence upon the anniversary date of the commencement of the second Lease Year.

1.05 "Term": A period of four (4) Lease Years. The Term shall commence on the date set forth in Landlord's "Possession Notice", in accordance with Section 3.03 (the "Commencement Date") and, unless terminated early in accordance with this Lease, end on the last day of the third month of the fourth (4th) Lease Year (the "Expiration Date").

1.06 "Renewal Option": Following expiration of the Term, upon timely notice to and consent of Landlord, Tenant shall have the option to extend for one (1) year terms, in accordance with Sections 3.05 and 3.06 below.

1.07 "Base Rent":

Lease Year	Monthly Base Rent	Annual Base Rent
1	\$31,875.00	\$382,500.00
2	\$32,671.88	\$392,062.50
3	\$33,488.67	\$401,864.06
4	\$34,325.89	\$411,910.66
5	\$35,184.04	\$422,208.43

1.08 "Commencement Date": March 1, 2025

1.09 "Tenant's Pro Rata Share (Taxes)": 100%

1.10 "Tenant's Pro Rata Share (Insurance)": 100%

1.11 Intentionally Omitted.

1.12 **"Permitted Use"**: The operation of a fire department and the performance of all duties allowed in association therewith under Wisconsin law, and for no other use or purpose whatsoever.

1.13 **"Notice Addresses"**:

Landlord:
MKE Northside, LLC
Attn: Thomas Daugherty
4997 N 33rd Street
Milwaukee, WI 53209

Tenant:
Milwaukee Fire Department
Attn: Aaron Lipski, Chief
711 W. Wells Street
Milwaukee, WI 53233

A copy of any notices to: (a) Landlord shall be sent to: Lorium Law, 401 N. Michigan Ave., Ste 1200, Chicago, Illinois 60611, Attn: Jennifer L. Gordon; (b) Tenant shall be sent to: Milwaukee City Attorney's Office, 841 N. Broadway, 7th Floor, Milwaukee, WI 53202, Attn: Alex Carson.

1.14 **"Business Days"** are Monday through Friday of each week, exclusive of New Year's Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

1.15 **"Property"** means the Building and the parcel(s) of land on which it is located and, at Landlord's discretion, the parking facilities and other improvements, if any, serving the Building and the parcel(s) of land on which they are located.

1.16 **"Trade Name"** means "Milwaukee Fire Department"

2. Lease Grant. The Premises are hereby leased to Tenant from Landlord, subject to and with the benefit of the terms, covenants and conditions of this Lease, and of rights, agreements, easements and restrictions of record applicable to the Premises, all of which Tenant shall perform and observe insofar as the same are applicable to the Premises. As appurtenant to the Premises, but subject to the succeeding terms and conditions of this section 2 of this Lease, Tenant shall have the right to the exclusive use of all portions of the Property at and above grade level, but Tenant shall not have any right of access, control over or other ability to use any portion of the Property below grade level. Notwithstanding anything to the contrary set forth elsewhere in this Lease, Landlord shall have the right to use the roof of the Building and any and all portions thereof at any time or times during the Term for the installation and/or operation of solar equipment, antennae and other communication equipment, water collection facilities, and/or such other equipment as Landlord shall deem necessary or appropriate.

3. Landlord's Work; Tenant's Work; Possession; Term.

3.01 Tenant's taking possession of the Premises shall be conclusive evidence that Tenant has inspected the Premises and accepts the same "AS IS" without any agreements, representations, understandings or obligations on the part of Landlord to perform any alterations, repairs or improvements, or to provide any allowance for same and that the Premises are in good and satisfactory condition at the time of such possession without any representations or warranties by Landlord. Tenant acknowledges that it has inspected the Premises and, except as set forth in this section, accepts the same in AS IS condition, it being expressly agreed that neither Landlord nor any person acting under Landlord has made or implied any representations or warranties concerning this Lease, the Premises, or their condition or suitability for Tenant's use or otherwise, or as to the quality of the materials or workmanship therein, or the existence of any defects, latent or patent, it being agreed that all such risks are borne by Tenant. To the extent permitted by applicable law, Tenant waives any right or remedy otherwise accruing to Tenant on account of the condition or suitability of the Premises, or title to the

Premises, and Tenant agrees that it takes the Premises "AS IS" with all faults and without any such representation or warranty, including any implied warranties.

3.02 Tenant, at its sole cost and expense, shall perform or cause to be performed certain work in the Premises (the "**Tenant Work**"), all in strict accordance with the Tenant Workletter, attached hereto as **Exhibit B**.

3.03 The term of this Lease shall be for a period of four (4) Lease Years (the "**Initial Term**"), commencing on the Commencement Date, as more particularly described below and expiring on the Expiration Date specified in Section 1.05, unless earlier terminated or extended as provided herein (the "**Term**").

3.04 Tenant, by written notice to Landlord given no later than twelve (12) months prior to the expiration date of the Initial Term, or the expiration of any subsequent extension as provided herein, shall have the option to renew this Lease for additional one (1) year terms (the "**Renewal Option**") commencing on the expiration of the Initial Term, or expiration of subsequent one-year Renewal Options, pursuant to all of the terms, covenants, and conditions of this Lease except that Base Rent for the First Renewal Option shall be such year-5 rent as provided in Section 1.07 and subsequent Renewal Option rent shall increase annually at a rate of 2.5%. Tenant's exercise of its Renewal Option shall be contingent upon Landlord consent, such consent not to be unreasonably withheld, conditioned, or delayed. Tenant's option to renew as set forth in this Section 3.04 is also expressly contingent upon: (x) Tenant's strict adherence to the foregoing timing regarding delivery of its renewal notice, and (y) at the time the notice hereinabove referred to is given and at the time the Renewal Option commences, and at all times in between, Tenant is not in default hereunder.

3.05 If Tenant takes possession of the Premises before the Commencement Date, such possession shall be subject to the terms and conditions of this Lease and Tenant shall pay Rent (as defined in Article 4) to Landlord for each day of possession before the Commencement Date.

4. Rent.

4.01 Subject to the immediately following sentence, commencing on the Commencement Date, Tenant shall pay to Landlord, at the address stated in Section 1.15, or at such other place as Landlord shall designate in writing to Tenant, Monthly Base Rent in the amounts set forth in Section 1.07 and Additional Rent (as defined below). The Monthly Base Rent shall be due on the first day of each calendar month, in advance, in legal tender of the United States of America, without abatement, demand, deduction or offset whatsoever, except as may be expressly provided in this Lease. Any Base Rent payable for a partial month shall be paid on a pro rata basis based on the number of days in such partial month. Notwithstanding anything to the contrary contained herein, in the event that, subsequent to the Commencement Date, Tenant is in Default beyond the applicable cure period, Tenant's obligation to pay Rent shall immediately commence on the date that such cure period expires.

4.02 Tenant shall pay, as additional rent, all other sums due from Tenant under this Lease. All charges, costs and sums required to be paid by Tenant to Landlord under this Lease in addition to Base Rent, including but not limited to the Water Bill (as defined below), Operating Expenses, Tenant's Pro Rata Share (Taxes) of Taxes and Tenant's Pro Rata Share (Insurance) of Insurance (the "**Additional Rent**"), and Base Rent and Additional Rent shall hereinafter be collectively called "**Rent**".

4.03 Tenant shall pay Landlord an administration fee equal to five percent (5%) of all past due Rent. In addition, past due Rent shall accrue interest at twelve percent (12%) per annum. Landlord's acceptance of less than the correct amount of Rent shall be considered a payment on account of the earliest Rent due and Landlord may accept such payment without prejudice to its right to recover the balance due or to pursue any other remedy available to Landlord. Furthermore, no endorsement or

statement on a check or letter accompanying payment shall be considered an accord and satisfaction and Landlord may accept such payment without prejudice to its right to recover the balance due or to pursue any other remedy available to Landlord. Tenant's covenant to pay Rent is independent of every other covenant in this Lease.

4.04 Landlord may keep books and records showing the Operating Expenses, Taxes and Insurance, and, if so, Landlord shall deliver to Tenant upon written request a statement ("**Landlord's Statement**") containing the amount of the Operating Expenses, Taxes and Insurance for such calendar year. If Landlord's Statement indicates that Tenant has paid to Landlord an amount in excess of the amount that Tenant paid for such Additional Rent in such calendar year, Landlord shall provide a credit to Tenant in such amount against the next Rent payment due and owing from. If Landlord's Statement indicates that Tenant has paid to Landlord less than the amount that Tenant paid for such Additional Rent in such calendar year, Tenant shall pay to Landlord any such deficiency within thirty (30) days after Tenant receives Landlord's Statement. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

4.05 During each month of the term of this Lease, Tenant shall make a monthly payment to the Landlord equal to 1/12th of Operating Expenses, Tenant's Pro Rata Share (Taxes) of Taxes and Tenant's Pro Rata Share (Insurance) which will be due and payable for that particular year. Each such payment shall be due and payable at the same time and in the same manner as the payment of Base Rent as provided herein. The amount of the initial monthly payments of the foregoing shall be based on Landlord's good faith estimate of same. The foregoing Additional Rent payments shall be reconciled annually. If the Tenant's total payments are less than Tenant's actual of such expense, Tenant shall pay to Landlord, upon demand, the difference; if Tenant's total payments of Tenant are more than Tenant's actual share of such expenses, Landlord shall retain such excess and credit it to Tenant's next Rent payment. Notwithstanding the end of the term hereof, Tenant shall continue to be liable to Landlord for all such expenses incurred by Landlord for the period of Tenant's occupancy, and Tenant shall promptly remit to Landlord any amount due to Landlord upon notice from Landlord to Tenant.

4.06 As used herein "**Operating Expenses**" shall mean the total costs of the following incurred by Landlord or for Landlord's account (i) operation, management (which may include fees paid by Landlord to an outside management company), maintenance, repairs and replacements of or to any Common Areas or portions or elements thereof, including, without limitation, all costs and expenses with respect to lighting, heating, ventilating, air conditioning, cleaning, sweeping, personal property taxes, licensing, providing traffic control, policing, gardening, landscaping, securing, painting, redecorating, renovating, waterproofing, removing snow, ice and rubbish, providing holiday and seasonal decorations, patching potholes and striping, the cost of personnel to implement such services (including, without limitation, salaries, wages, employee fringe benefits, payroll taxes, and workmen's compensation insurance premiums but only to the extent directly related to provision of such services); (ii) maintenance, repair and depreciation of and on equipment used in connection with the maintenance, cleaning, lighting and operation of the Common Areas of the Property; (iii) structural and other repairs to the buildings on the Property (but not including fire or casualty damage covered by any insurance maintained by Landlord and not including replacement of any roofs); (iv) repairs, alterations and improvements (whether capital or otherwise) necessary to comply with present and future laws, rules, orders, ordinances, directions, regulations and requirements of federal, state, county and municipal government authorities; (v) any amounts paid or incurred by Landlord on account of any claims, actions, loss, damages, liability or expenses arising out of or in connection with any bodily injury, personal injury, or property damage for which no insurance proceeds are collectible by Landlord; (vi) the costs incurred by Landlord for liability, personal injury, property damage, fire, casualty, extended coverage and other insurance premiums and costs relating to all buildings and Common Areas on the Property; and (vii) any professional fees which may be incurred with respect to the collection or recovery of damages which are incurred or sustained in connection with the Common Areas, provided that any amounts so recovered or collected shall be offset against Operating Expenses. With respect only to any capital improvement(s), renovation(s),

modernization(s) or replacement(s) made to the Property, such capital improvement(s), renovation(s), modernization(s) or replacement(s) shall be deemed amortized over a period of five (5) years from the date of completion or installation thereof, and the Operating Expenses for each year from and after the date of completion of installation of the same shall include such portion of the cost of any such capital improvement(s), renovation(s), modernization(s) or replacement(s) equal to 1/5 of the total cost thereof (including, without limitation, all permit fees, architectural and engineering fees, attorneys' fees and other such costs and expenses in connection therewith), until such cost shall be fully amortized.

4.07 **Net Lease.** Except as set forth herein this Lease is an absolutely triple net lease to Landlord. It is the intent of the parties hereto that the Rent payable under this Lease shall be an absolute net return to Landlord and that Tenant shall pay all costs and expenses relating to the Property except as otherwise expressly set forth in this Lease. Without limiting the generality of the preceding sentence, Tenant shall at its sole cost and expense (which expense shall be deemed Additional Rent hereunder) be responsible for payment of all Taxes, all electricity, telecommunication service, gas, water, sewer, power, telephone, refuse disposal, and other charges for utilities and services supplied to the Property, insurance costs, amounts due under any Title Document (defined below) and all costs of cleaning, maintaining and repairing the Property, Building and Premises, in accordance with the terms of this Lease. Any amount or obligation herein relating to the Property, Building and Premises that is not expressly declared to be that of Landlord shall be deemed to be an obligation of Tenant to be performed by Tenant at Tenant's expense and Tenant shall indemnify Landlord against, and hold Landlord harmless from, the same, and Tenant's liability for the payment of any of the same which shall become payable during the Term is hereby expressly provided to survive the Term. Base Rent, Additional Rent, Rent, and all other sums payable hereunder by Tenant, shall be paid without notice or demand, and without set off, counterclaim, recoupment, abatement, suspension, deduction, or defense (other than payment) whatsoever, so that this Lease shall yield net to Landlord the Rent under all circumstances and conditions whether now or hereinafter existing and whether or not within the contemplation of Landlord and Tenant. Except as otherwise expressly set forth in this Lease with respect to certain events of casualty or condemnation, Tenant shall in no event have any right to terminate this Lease. It is the intention of Landlord and Tenant that the obligations of Tenant hereunder shall be separate and independent covenants and agreements, that the Base Rent, Additional Rent, and all other sums payable by Tenant hereunder shall continue to be payable in all events, and that the obligations of Tenant hereunder shall continue unaffected, unless the requirement to pay or perform the same shall have been terminated pursuant to an express provision of this Lease. As used herein, the term "Title Documents" means any and all easements, covenants, conditions, and restrictions, industrial park association agreements, and other agreements, encumbrances, and restrictions of record affecting all or part of the Premises, as the same may now exist, or as the same may hereinafter be created or amended without materially expanding the obligations of Tenant without Tenant's approval (which approval shall not be unreasonably withheld), but excluding any mortgage.

4.08 As used herein, "**Taxes**" shall mean real estate taxes, assessments, sewer rents, rates and charges, transit taxes, taxes based upon the receipt of rent and any other federal, state or local governmental charge, general, special, ordinary or extraordinary (but not including general income or franchise taxes or any other taxes imposed upon or measured by income or profits, unless the same shall be imposed in lieu of Taxes as herein defined or unless same shall be specifically imposed upon income derived from rents), which may now or hereafter be levied or assessed against the Premises as a part of Milwaukee County Property Index Numbers 2449998100 (Parcel A) and 2440508100 (Parcel B) or any portion thereof which are payable in any calendar year during the Term. For purposes of determining Real Estate Taxes with respect to a particular calendar year, Taxes shall mean those payable in such calendar year occurring during the Term regardless of the period for which such Taxes are assessed or levied. In case of special taxes or assessments which may be payable in installments, only the amount of each installment and interest due during a calendar year shall be included in Taxes for that year based upon the longest payment period. Taxes shall also include any personal property taxes (attributable to the year in which paid) imposed upon the furniture, fixtures, machinery, equipment,

apparatus, systems and appurtenances used in connection with the operation of the Building. However, Taxes shall not include Landlord's costs and expenses (including attorney's fees) in contesting or attempting to reduce any taxes. Taxes shall be reduced by any recovery or refund received of Taxes previously paid by Landlord, provided such refund relates to Taxes paid during the Term. Notwithstanding anything set forth above to the contrary, if at any time the method of taxation then prevailing shall be altered so that any new or additional tax, assessment, levy, imposition or charge or any part thereof shall be imposed upon Landlord in place or partly in place of any Taxes or contemplated increase therein, or in addition to Taxes, and shall be measured by or be based in whole or in part upon the Building, the rents or other income therefrom or any leases of any part thereof, then all such new taxes, assessments, levies, impositions or charges or part thereof, to the extent that they are so measured or based, shall be included in Taxes. Taxes shall not include interest and penalties for Landlord's late payment of Taxes. Tenant acknowledges and agrees that Landlord has made no representations or agreements of any kind as to the total dollar amount of any Taxes to be paid by Tenant and has only provided an estimate of Tenant's share thereof.

5. Compliance with Laws; Use. The Premises shall be used for the Permitted Use and for no other use whatsoever. Tenant shall comply with all statutes, codes, ordinances, orders, rules and regulations of any municipal or governmental entity whether in effect now or later, including the Americans with Disabilities Act ("**Law(s)**"), regarding the Tenant's operation and the use, condition, configuration and occupancy of the Premises. In addition, Tenant shall, at its sole cost and expense, promptly comply with any Laws that relate to the "**Base Building**" (defined below), but only to the extent such obligations are triggered by Tenant's use of the Premises or Alterations or improvements in the Premises performed or requested by Tenant. "**Base Building**" shall include the structural portions of the Building, the public restrooms and the Building mechanical, electrical and plumbing systems and equipment located in the internal core of the Building on the floor or floors on which the Premises are located. Tenant shall promptly provide Landlord with copies of any notices it receives regarding an alleged violation of Law. Tenant agrees to use good faith efforts to prevent offensive odors from the Premises and any dumpsters serving the Premises from emanating outside of the Premises, and Tenant shall not allow objectionable noise or vibrations (in Landlord's reasonable opinion based on the nature of Tenant's operations) to emanate from the Premises.

6. Intentionally Omitted.

7. Building Services.

7.01 Landlord shall not be liable in any way to Tenant or to any other party occupying any part of the Premises for any failure or defect of any utility service furnished to the Premises (whether furnished by Landlord or others) by reason of any act or omission of the public utility company or other service supplying the Premises with electricity, gas, water or other utility service or because of necessary repair or improvements.

7.02 Tenant is responsible for storage and removal of its trash, refuse and garbage which must be in sealed bags and containers. Tenant shall, at its sole cost and expense, contract for scavenger service, dumpster service and waste removal from the Premises. Any dumpsters used by Tenant shall be maintained in a location acceptable to Landlord. Tenant shall repair and pay for any damage to walls or other parts of the Premises caused in transporting garbage and must immediately clean up any spilled refuse. Tenant shall not dispose of the following items in sinks or commodes: plastic products (plastic bags, straws, boxes, etc.); sanitary napkins; tea bags; cooking fats; cooking oils; any meat scraps or cutting residue; petroleum products (thinners, etc.); paper towels; non-biodegradable products; or any other items which the same are not designed to receive.

8. Leasehold Improvements.

8.01 All permanent fixtures (including without limitation, lighting and light fixtures, wall or window coverings, and carpets or other floor coverings), machinery, equipment, improvements and appurtenances permanently attached to, or built into, the Premises at the commencement of, or during the Term, whether or not placed there by or at the expense of Tenant, will, at Landlord's option, and only to the extent the same are owned free and clear of any claim by a third-party, become and remain a part of the Premises and will be considered the property of Landlord (the "**Landlord's Property**"), without compensation or credit to Tenant whereby this Lease shall be deemed a "bill of sale" and convey any ownership rights Tenant may have in such items to Landlord; and may not be removed by Tenant unless Landlord requests their removal, in which case Tenant shall remove same prior to the expiration of termination of this Lease and repair any damage caused thereby.

8.02 All personal property, including trade fixtures, owned by Tenant and located in the Premises (other than Landlord's Property as specified above), to the extent not attached to, or built into, the Premises, which can be removed without structural damage to the Premises, will remain the property of Tenant and may be removed by Tenant at any time during the Term, provided Tenant repairs or pays the cost of repairing any damage to the Premises resulting from the installation, removal, or both, thereof.

9. Repairs and Alterations.

9.01 Tenant shall, at its sole cost and expense, perform all maintenance and repairs to the Premises, and keep the Premises in good order condition and repair, reasonable wear and tear excepted. Without limiting the generality of the foregoing, Tenant shall be solely responsible, at its sole cost and expense, for the repair and maintenance of all partitions, windows and window frames and moldings, signs, glass, doors, door openers, fixtures, equipment and appurtenances thereof (including lighting, heating, electrical, plumbing, ventilating and air conditioning fixtures and systems and other mechanical equipment and appurtenances). Tenant shall reimburse Landlord for the cost of repairing damage to the Building caused by the acts of Tenant, Tenant Related Parties and their respective contractors and vendors. If Tenant fails to make any repairs to the Premises for more than fifteen (15) days after notice from Landlord (although notice shall not be required in an emergency), Landlord may make the repairs, and Tenant shall pay the reasonable cost of the repairs, together with an administrative charge in an amount equal to ten percent (10%) of the cost of the repairs. Any repairs or replacements required to be made by Tenant to the mechanical, electrical, sanitary, HVAC, or other systems servicing the Premises shall be performed by appropriately licensed contractors approved by Landlord, which approval shall not be unreasonably withheld. All such repairs or replacements shall be subject to the supervision and control of Landlord, and all repairs and replacements shall be made with materials of equal or better quality than the items being repaired or replaced. In the event that HVAC system is damaged beyond repair and the damages are not covered by any insurance policies in place, replacement shall be Tenant's responsibility only if the damage was due to Tenant's negligence or intentional act. The requirements of Tenant expressed in 9.01 do not apply to damage to the Building which is insured under Landlord's required All-Risk "Special Form" property insurance insuring the Building, such property insurance as required to be maintained by Landlord pursuant to Section 14 herein.

9.02 Except as expressly set forth herein, Landlord shall have no obligation to repair or maintain the Building or the Premises. Tenant hereby waives the benefit of any present or future law that provides Tenant the right to repair the Premises or the Building at Landlord's expense or to terminate this Lease because of the condition of the building or the Premises. Notwithstanding anything to the contrary in this Section 9.02, Tenant shall be solely responsible for the cost of (a) any repair or capital replacement arising from an overburdening of any Building system or component or any other act or omission of Tenant, its employees, agents, contractors, or invitees or from a failure by Tenant to perform

its maintenance and repair obligations under this Lease, and (b) any alterations, additions, improvements, repairs, or replacements that are performed by or on behalf of Tenant.

9.03 Tenant shall not make alterations, repairs, additions or improvements or install any Cable (collectively referred to as "**Alterations**") without first obtaining the written consent of Landlord in each instance, which consent shall not be unreasonably withheld or delayed. However, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria (a "**Cosmetic Alteration**"): (a) is of a cosmetic nature such as painting, wallpapering, hanging pictures and installing carpeting; (b) is not visible from the exterior of the Premises or Building; (c) will not affect the Building; and (d) does not require work to be performed inside the walls or above the ceiling of the Premises. Cosmetic Alterations shall be subject to all the other provisions of this Section 9.03. Prior to commencing Alterations, Tenant shall furnish Landlord with plans and specifications; names of contractors reasonably acceptable to Landlord (provided that Landlord may designate specific contractors with respect to Building); required permits and approvals; evidence of contractor's and subcontractor's insurance in amounts reasonably required by Landlord and naming Landlord as an additional insured; and any security for performance in amounts reasonably required by Landlord. Changes to the plans and specifications must also be submitted to Landlord for its approval. Alterations shall be constructed in a good and workmanlike manner using materials of a quality reasonably approved by Landlord. Tenant shall reimburse Landlord for any sums paid by Landlord for third party examination of Tenant's plans for non-Cosmetic Alterations. Upon completion, Tenant shall furnish "as-built" plans for non-Cosmetic Alterations, completion affidavits and full and final waivers of lien. Landlord's approval of an Alteration shall not be deemed a representation by Landlord that the Alteration complies with Law.

10. Entry by Landlord. Upon reasonable notice to Tenant, Landlord may enter the Premises to inspect, show or clean the Premises or to perform or facilitate the performance of repairs, alterations or additions to the Premises or any portion of the Building. Except in emergencies or to provide Building services, Landlord shall provide Tenant with reasonable prior verbal notice of entry and shall use reasonable efforts to minimize any interference with Tenant's use of the Premises. If reasonably necessary, Landlord may temporarily close all or a portion of the Premises to perform repairs, alterations and additions. However, except in emergencies, Landlord will not close the Premises if the work can reasonably be completed on weekends and after Building Service Hours. Entry by Landlord shall not constitute a constructive eviction or entitle Tenant to an abatement or reduction of Rent.

11. Assignment and Subletting.

11.01 Tenant may not assign, sublet or transfer (each of the foregoing, a "**Transfer**") all or any portion of the Premises without obtaining Landlord's prior written consent, which consent may be freely withheld by Landlord. Tenant shall provide Landlord with financial statements for any proposed transferee, a fully executed copy of the proposed assignment, sublease or other transfer documentation and such other information as Landlord may reasonably request. Within fifteen (15) Business Days after receipt of the required information and documentation, Landlord shall either: (a) consent to the proposed Transfer by execution of a consent agreement in a form reasonably designated by Landlord; or (b) refuse to consent to such proposed Transfer. Whether or not Landlord shall grant such consent, Tenant shall pay \$1,500 to Landlord towards Landlord's review and processing expenses within thirty (30) days after Landlord's written request for such payment.

11.02 Except in the case in which Landlord consents to a change in ownership of Tenant, for which change the Tenant shall not be obligated to pay to Landlord any excess Rent, in the event that Landlord consents to a Transfer, Tenant shall pay Landlord fifty percent (50%) of all rent and other consideration which Tenant receives as a result of such Transfer that is in excess of the Rent payable to Landlord for the portion of the Premises and Term covered by such Transfer. Tenant shall pay Landlord for Landlord's share of the excess within thirty (30) days after Tenant's receipt of the excess. Tenant may deduct from the excess, on a straight-line basis, all reasonable and customary expenses directly

incurred by Tenant attributable to the Transfer. If Tenant is in Default, Landlord may require that all payments by the transferee be made directly to Landlord, in which case Tenant shall receive a credit against Rent in the amount of Tenant's share of payments received by Landlord.

11.03 In no event shall any Transfer consented to by Landlord release or relieve Tenant from any obligation under this Lease.

12. Liens. Tenant shall not permit mechanics' or other liens to be placed upon the Property, Premises or Tenant's leasehold interest in connection with any work or service done or purportedly done by or for the benefit of Tenant or its transferees. Tenant shall give Landlord notice at least fifteen (15) days prior to the commencement of any work in the Premises to afford Landlord the opportunity, where applicable, to post and record notices of non-responsibility. Tenant, within ten (10) days of notice from Landlord, shall fully discharge any lien by settlement, by bonding or by insuring over the lien in the manner prescribed by the applicable lien Law. If Tenant fails to do so, Landlord may bond, insure over or otherwise discharge the lien. Tenant shall reimburse Landlord for any amount paid by Landlord, including, without limitation, reasonable attorneys' fees.

13. Indemnity and Waiver of Claims.

13.01 Tenant hereby waives all claims against and releases Landlord and its trustees, members, principals, beneficiaries, partners, officers, directors, employees, Mortgagees (defined in Section 23) and agents (the "**Landlord Related Parties**") from all claims for any injury to or death of persons, damage to property or business loss in any manner related to (a) Force Majeure, (b) acts of third parties, (c) the bursting or leaking of any tank, water closet, drain or other pipe, (d) the inadequacy or failure of any security services, personnel or equipment, or (e) any matter not within the reasonable control of Landlord. Except to the extent caused by the negligence or willful misconduct of Landlord or any Landlord Related Parties, Tenant shall indemnify, defend and hold Landlord and Landlord Related Parties harmless against and from all liabilities, obligations, damages, penalties, claims, actions, costs, charges and expenses, including, without limitation, reasonable attorneys' fees and other professional fees (if and to the extent permitted by Law) (collectively referred to as "**Losses**"), which may be imposed upon, incurred by or asserted against Landlord or any of the Landlord Related Parties by any third party and arising out of or in connection with any damage or injury occurring in the Premises or any acts or omissions (including violations of Law) of Tenant, the Tenant Related Parties or any of Tenant's transferees, contractors or licensees. Notwithstanding the foregoing, at Landlord's election, in its sole and absolute discretion, Landlord may elect to conduct its own defense. Except to the extent caused by the negligence or willful misconduct of Tenant or any Tenant Related Parties, Landlord shall indemnify, defend and hold Tenant, its trustees, members, principals, beneficiaries, partners, officers, directors, employees and agents ("**Tenant Related Parties**") harmless against and from all Losses which may be imposed upon, incurred by or asserted against Tenant or any of the Tenant Related Parties by any third party and arising out of or in connection with the acts or omissions (including violations of Law) of Landlord or the Landlord Related Parties.

13.02 All of Tenant's trade fixtures, merchandise, inventory, special fire protection equipment, telecommunication and computer equipment, supplemental air conditioning equipment, kitchen equipment, salon related products and all other personal property in or about the Premises, which is deemed to include the trade fixtures, merchandise, inventory and personal property of others located in or about the Premises at the invitation, direction or acquiescence (express or implied) of Tenant (all of which property shall be referred to herein, collectively, as "**Tenant's Property**"), shall be and remain at Tenant's sole risk. Landlord shall not be liable to Tenant or to any other person for, and Tenant hereby releases Landlord (and its affiliates, property managers and mortgagees) from any and all liability for theft or damage to Tenant's Property. This Section 13.02 shall survive the expiration or earlier termination of this Lease.

14. Insurance. Landlord acknowledges Tenant is "self-insured" for purposes of liability. Tenant shall provide notice of its self-insured status to Landlord upon request. Tenant shall maintain the following insurance ("**Tenant's Insurance**"): Property Insurance written on an All Risk or Special Perils form, with coverage for broad form water damage including earthquake sprinkler leakage, at replacement cost value and with a replacement cost endorsement covering all of Tenant's business and trade fixtures, equipment, movable partitions, furniture, merchandise and other personal property within the Premises ("**Tenant's Property**") and any Leasehold improvements performed by or for the benefit of Tenant. Tenant shall provide Landlord with a certificate of insurance evidencing Tenant's Insurance pursuant to Landlord's written request. Landlord shall maintain so called All Risk property insurance on the Building at replacement cost value. Notwithstanding anything to the contrary herein, both Landlord and Tenant shall be responsible for their respective property insurance policies' deductibles. If either party fails to maintain property insurance as required, any such inadequacy or non-existence of required property insurance does not relieve that party of its obligation to maintain All Risk "Special Form" property insurance, and such party shall be responsible as though it was such party's property insurer.

15. Subrogation. Landlord and Tenant hereby waive and shall cause their respective insurance carriers to waive any and all rights of recovery, claims, actions or causes of action against the other for any loss or damage with respect to Tenant's Property, Leasehold Improvements, the Building, the Premises, or any contents thereof, including rights, claims, actions and causes of action based on

negligence, which loss or damage is (or would have been, had the insurance required by this Lease been carried) covered by insurance.

16. Casualty Damage.

16.01 If all or any portion of the Premises becomes untenable by fire or other casualty to the Premises (collectively a "**Casualty**"), Landlord, with reasonable promptness, shall cause a general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required using standard working methods to Substantially Complete the repair and restoration of the Premises ("**Completion Estimate**"). If the Completion Estimate indicates that the Premises cannot be made tenantable within two hundred seventy (270) days from the date the repair is started, then either party shall have the right to terminate this Lease upon written notice to the other within ten (10) days after receipt of the Completion Estimate. Tenant, however, shall not have the right to terminate this Lease if the Casualty was caused by the negligence or intentional misconduct of Tenant or any Tenant Related Parties. In addition, Landlord, by notice to Tenant within ninety (90) days after the date of the Casualty, shall have the right to terminate this Lease if: (1) the Premises have been materially damaged and there is less than two (2) years of the Term remaining on the date of the Casualty; (2) any Mortgagee requires that the insurance proceeds be applied to the payment of the mortgage debt; or (3) a material uninsured loss to the Building occurs.

16.02 If this Lease is not terminated, Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Landlord's reasonable control, restore the Premises. Such restoration shall be to substantially the same condition that existed prior to the Casualty, except for modifications required by Law. Upon notice from Landlord, Tenant shall assign to Landlord (or to any party designated by Landlord) all property insurance proceeds payable to Tenant under Tenant's Insurance with respect to any Leasehold Improvements performed by or for the benefit of Tenant; provided if the estimated cost to repair such Leasehold Improvements exceeds the amount of insurance proceeds received by Landlord from Tenant's insurance carrier, the excess cost of such repairs shall be paid by Tenant to Landlord prior to Landlord's commencement of repairs. Within fifteen (15) days of demand, Tenant shall also pay Landlord for any additional excess costs that are determined during the performance of the repairs. Landlord shall not be liable for any inconvenience to Tenant, or injury to Tenant's business resulting in any way from the Casualty or the repair thereof. Provided that Tenant is not in Default, during any period of time that all or a material portion of the Premises is rendered untenable as a result of a Casualty, the Rent shall abate for the portion of the Premises that is untenable and not used by Tenant.

17. **Condemnation.** Either party may terminate this Lease if any material part of the Premises is taken or condemned for any public or quasi-public use under Law, by eminent domain or private purchase in lieu thereof (a "**Taking**"). Landlord shall also have the right to terminate this Lease if there is a Taking of any portion of the Building or Property which would have a material adverse effect on Landlord's ability to profitably operate the remainder of the Building. The terminating party shall provide written notice of termination to the other party within forty-five (45) days after it first receives notice of the Taking. The termination shall be effective on the date the physical taking occurs. If this Lease is not terminated, Base Rent shall be appropriately adjusted to account for any reduction in the square footage of the Building or Premises. All compensation awarded for a Taking shall be the property of Landlord. The right to receive compensation or proceeds are expressly waived by Tenant, however, Tenant may file a separate claim for Tenant's Property and Tenant's reasonable relocation expenses, provided the filing of the claim does not diminish the amount of Landlord's award. If only a part of the Premises is subject to a Taking and this Lease is not terminated, Landlord, with reasonable diligence, will restore the remaining portion of the Premises as nearly as practicable to the condition immediately prior to the Taking.

18. **Events of Default.** Each of the following occurrences shall be a "**Default**": (a) Tenant's failure to pay any portion of Rent when due, if the failure continues for five (5) days after written notice to Tenant (or, if Landlord has previously sent Tenant two (2) such written notices during the Term, then if any monthly installment of Rent is not received by Landlord on the day such payment is due) ("**Monetary**

Default"); (b) Tenant's failure (other than a Monetary Default) to comply with any term, provision, condition or covenant of this Lease, and except for Tenant's failure to satisfy its obligations under Section 23, below, for which failure there shall be no cure period such failure, if the failure is not cured within ten (10) days after written notice to Tenant provided, however, if Tenant's failure to comply cannot reasonably be cured within ten (10) days, Tenant shall be allowed additional time (not to exceed sixty (60) days) as is reasonably necessary to cure the failure so long as Tenant begins the cure within ten (10) days and diligently pursues the cure to completion; (c) Tenant or any Guarantor becomes insolvent, makes a transfer in fraud of creditors, makes an assignment for the benefit of creditors, admits in writing its inability to pay its debts when due or forfeits or loses its right to conduct business; (d) the leasehold estate is taken by process or operation of Law; (e) in the case of any ground floor or retail Tenant, Tenant does not take possession of or abandons or vacates all or any portion of the Premises; or (f) Tenant is in default beyond any notice and cure period under any other lease or agreement with Landlord at the Building or Property. If Landlord provides Tenant with notice of Tenant's failure to comply with any specific provision of this Lease on two (2) separate occasions during any twelve (12) month period, Tenant's subsequent violation of such provision shall, at Landlord's option, be an incurable Default by Tenant. All notices sent under this Section shall be in satisfaction of, and not in addition to, notice required by Law.

19. Remedies.

19.01 Upon Default, Landlord shall have the right to pursue any one or more of the following remedies:

19.01.1 Terminate this Lease, in which case Tenant shall immediately surrender the Premises to Landlord. If Tenant fails to surrender the Premises, Landlord, in compliance with Law, may enter upon and take possession of the Premises and remove Tenant, Tenant's Property and any party occupying the Premises. Tenant shall pay Landlord, on demand, all past due Rent and other losses and damages Landlord suffers as a result of Tenant's Default, including, without limitation, all Costs of Reletting (defined below) and any deficiency that may arise from reletting or the failure to relet the Premises. "**Costs of Reletting**" shall include all reasonable costs and expenses incurred by Landlord in reletting or attempting to relet the Premises, including, without limitation, legal fees, brokerage commissions, the cost of alterations and the value of other concessions or allowances granted to a new tenant.

19.01.2 Terminate Tenant's right to possession of the Premises and, in compliance with Law, remove Tenant, Tenant's Property and any parties occupying the Premises. In compliance with state law, Landlord shall attempt to mitigate its damages by reletting all or any part of the Premises, without notice to Tenant, for such period of time and on such terms and conditions (which may include concessions, free rent and work allowances) as Landlord in its absolute discretion shall determine. Landlord may collect and receive all rents and other income from the reletting. Tenant shall pay Landlord on demand all past due Rent, all Costs of Reletting and any deficiency arising from the reletting or failure to relet the Premises. The re-entry or taking of possession of the Premises shall not be construed as an election by Landlord to terminate this Lease.

19.02 In lieu of calculating damages under Section 19.01, Landlord may elect to receive as damages the sum of (a) all Rent accrued through the date of termination of this Lease or Tenant's right to possession, and (b) an amount equal to the total Rent that Tenant would have been required to pay for the remainder of the Term discounted to present value, minus the then present fair rental value of the Premises for the remainder of the Term, similarly discounted, after deducting all anticipated Costs of Reletting. If Tenant is in Default of any of its non-monetary obligations under the Lease, Landlord shall have the right to perform such obligations. Tenant shall reimburse Landlord for the cost of such performance upon demand together with an administrative charge equal to ten percent (10%) of the cost

of the work performed by Landlord. The repossession or re-entering of all or any part of the Premises shall not relieve Tenant of its liabilities and obligations under this Lease. No right or remedy of Landlord shall be exclusive of any other right or remedy. Each right and remedy shall be cumulative and in addition to any other right and remedy now or subsequently available to Landlord at Law or in equity.

20. Landlord Exculpation. If Landlord shall fail to perform any covenant, term or condition of this Lease upon Landlord's part to be performed and, as a consequence of such default, Tenant shall recover a money judgment against Landlord, such judgment shall be satisfied only out of the proceeds of sale received upon the execution of such judgment and levy thereon against the right, title and interest of Landlord in the Premises and out of rents or other income from the Premises receivable by Landlord or out of the consideration received by Landlord from the sale or other disposition of all or any part of Landlord's right, title and interest in the Premises. Neither Landlord nor any of the members comprising Landlord shall be personally liable for any deficiency.

21. Vacating or Abandonment. In the event Tenant vacates or abandons the Premises, Tenant shall not be in Default under the terms of this Lease so long as Tenant continues to maintain the Premises in the condition required hereunder, maintains all insurance required hereunder and otherwise pays and performs all obligations under this Lease on the part of Tenant. In the event Tenant does vacate or abandon the Premises for a period of more than sixty (60) days, and Tenant's vacation or abandonment is not due to (a) a cessation of operations as a result of the sickness, injury or death of the manager responsible for the day-to-day operations of Tenant's business in the Premises, (b) condemnation or casualty, or (c) a period not to exceed forty-five (45) days for remodeling, renovating or reconstructing the Premises, Landlord shall have the option to terminate this Lease upon sixty (60) days' prior written notice to Tenant whereupon each party shall be released and relieved of any and all further obligations under this Lease, except for obligations which have accrued prior to such termination and which remain unpaid as of the date of such termination.

22. Holding Over. If Tenant fails to surrender all or any part of the Premises at the termination of this Lease, occupancy of the Premises after termination shall be that of a tenancy at sufferance. Tenant's occupancy shall be subject to all the terms and provisions of this Lease, and Tenant shall pay an amount (on a per month basis without reduction for partial months during the holdover) equal to two hundred percent (200%) of the sum of the Base Rent and Additional Rent due for the period immediately preceding the holdover. No holdover by Tenant or payment by Tenant after the termination of this Lease shall be construed to extend the Term or prevent Landlord from immediate recovery of possession of the Premises by summary proceedings or otherwise. In no event shall Tenant be liable to Landlord or any third party for any damages, costs or expenses of any nature as a result of Tenant's remaining in possession of the Premises after the expiration or termination of the Term unless such retention of possession continues for fifteen (15) days after Tenant's receipt of written notice from Landlord advising Tenant that it must vacate the Premises within fifteen (15) days of such notice or be liable for such damages.

23. Subordination to Mortgages; Estoppel Certificate. Tenant accepts this Lease subject and subordinate to any mortgage(s), deed(s) of trust, ground lease(s) or other lien(s) now or subsequently arising upon the Premises, the Building or the Property, and to renewals, modifications, refinancings and extensions thereof (collectively referred to as a "Mortgage"). The party having the benefit of a Mortgage shall be referred to as a "Mortgagee". This clause shall be self-operative, but upon request from a Mortgagee, Tenant shall execute a commercially reasonable subordination agreement in favor of the Mortgagee. As an alternative, a Mortgagee shall have the right at any time to subordinate its Mortgage to this Lease. Upon request, Tenant, without charge, shall attorn to any successor to Landlord's interest in this Lease. Within ten (10) days following receipt of a written request from Landlord, Tenant shall execute and deliver to Landlord, without cost to Landlord, an estoppel certificate in such form as Landlord may reasonably request certifying (a) that this Lease is in full force and effect and unmodified or stating the nature of any modification, (b) the date to which rent has been paid, (c) that there are not, to

Tenant's knowledge, any uncured defaults or specifying such defaults if any are claimed, and (d) any other matters or state of facts reasonably required respecting the Lease. Tenant's failure to deliver such statement within such ten (10) day period shall be conclusive upon Tenant that this Lease is in full force and effect and unmodified, and that there are no uncured defaults in Landlord's performance hereunder.

24. Notice. Any notice which is required or permitted to be given by either party under this Lease shall be in writing and must be given only by certified mail, return receipt requested, by hand delivery, or by nationally recognized overnight courier service at the party's respective Notice Address(es) set forth in Section 1. Any such notice shall be deemed given on the date of actual receipt thereof, provided that refusal to accept delivery or inability to accomplish delivery because the party can no longer be found at the then current notice address, shall be deemed receipt. Either party may change its notice address by notice to the other party in accordance with the terms of this Section 24.

25. Surrender of Premises. At the termination of this Lease or Tenant's right of possession, Tenant shall remove Tenant's Property from the Premises, and quit and surrender the Premises to Landlord, broom clean, and in good order, condition and repair, ordinary wear and tear and damage which Landlord is obligated to repair hereunder excepted. If Tenant fails to remove any of Tenant's Property within two (2) days after termination of this Lease or Tenant's right to possession, Landlord, at Tenant's sole cost and expense, shall be entitled (but not obligated) to remove and store Tenant's Property. Landlord shall not be responsible for the value, preservation or safekeeping of Tenant's Property. Tenant shall pay Landlord, upon demand, the expenses and storage charges incurred. If Tenant fails to remove Tenant's Property from the Premises or storage, within thirty (30) days after notice, Landlord may deem all or any part of Tenant's Property to be abandoned and title to Tenant's Property shall vest in Landlord.

26. Hazardous Substances.

26.01 For purposes of this Section 26, "**Hazardous Substance**" means any substance or matter regulated or listed under the Resources Conservation Recovery Act ("**RCRA**"), 42 U.S.C. Section 6901 et seq., the Comprehensive Environmental Response, Compensation and Liability Act ("**CERCLA**"), 52 U.S.C. Section 9601 et seq., any applicable federal, state or local law relating to the protection of human health or conservation of the environment, or any substance or matter giving rise to any liability under common law theory based on nuisance or strict liability (the preceding laws being referred to in this Lease as "**Environmental Laws**"). For purposes of this Section 26, "**Landlord's Environmental Liability**" means: any and all losses, liabilities, obligations, penalties, claims, fines, lost profits, demands, litigation, defenses, costs, judgments, suits, proceedings, damages (including consequential, punitive and exemplary damages), disbursements or expenses of any kind or nature whatsoever (including attorneys' fees at trial and appellate levels and experts' fees and disbursements and expenses incurred in investigating, defending against, settling or prosecuting any suit, litigation, claim or proceeding) which may at any time be either directly or indirectly imposed upon, incurred by or asserted or awarded against Landlord or any of Landlord's parent and subsidiary corporations and their affiliates, shareholders, directors, officers, employees, and agents in connection with or arising from: (i) any hazardous substance used, exposed, emitted, released, discharged, generated, manufactured, sold, transported, handled, stored, treated, reused, presented, disposed of or recycled on, in or under all or any portion of the Premises, or any surrounding areas; (ii) any misrepresentation, inaccuracy or breach of any warranty, covenant or agreement contained or referred to in this Section 26; (iii) any violation, liability or claim of violation or liability under any Environmental Laws; or (iv) the imposition of any lien for damages caused by, or the recovery of any costs incurred for the cleanup of, any release or threatened release of Hazardous Substance. For the avoidance of doubt, Tenant shall not be liable for nor indemnify Landlord for any Landlord Environmental Liability that was not directly or indirectly caused by Tenant or Tenant's use of the Property.

26.02 Tenant or any of its subtenants, assignees, licensees, or their parties, directors, officers or agents shall not conduct or authorize the generation, transportation, storage, use, treatment or disposal

on or in the Premises of any Hazardous Substance without prior written authorization by Landlord, which authorization may be given or withheld in Landlord's sole and absolute discretion, and Tenant's failure to comply with the provisions of this Section 26.02 shall constitute an event of Default under this Lease.

26.03 If Landlord expressly authorizes Tenant, in writing, to generate, transport, store, treat or dispose of any Hazardous Substance on the Premises: (i) Tenant shall, at its own cost, comply with all Environmental Laws (federal, state or local) relating to Hazardous Substance, including, but not limited to, RCRA and CERCLA and any and all applicable environmental permits; (ii) Tenant shall promptly provide Landlord 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, use, treatment, or disposal at the Premises, of any Hazardous Substance; (iii) Landlord and its agents and employees shall have the right to enter the Premises and/or conduct appropriate tests for the purposes of ascertaining Tenant's compliance with all applicable laws, rules or permits relating in any way to the presence of Hazardous Substances on the Premises; and (iv) upon written request by Landlord, Tenant shall provide Landlord with the results of appropriate tests of air, water or soil to demonstrate that Tenant's compliance with all applicable laws, rules or permits relating in any way to the presence of Hazardous Substances on the Premises or any portion thereof.

26.04 If, due solely to Tenant's breach of this Section 26 and not due to instances where Tenant is not responsible for Landlord's Environment Liability as set forth in Section 26.05, the presence, release, threat of release, placement on or in the Premises or any portion thereof, or the generation, transportation, storage, use, treatment, or disposal at the Premises or any portion thereof of any Hazardous Substance: (i) gives rise to any form of liability (including, but not limited to, a response action, remedial action, or removal action) under RCRA, CERCLA, applicable state or local law, an environmental permit or any common law theory based on nuisance or strict liability, (ii) causes an adverse public health effect, or (iii) pollutes, or threatens to pollute, the environment, Tenant, at its sole cost and expense, shall promptly take any and all remedial and removal action necessary to clean up and/or remediate the Premises or any portion thereof to the satisfaction of Landlord, in its sole and absolute discretion, and mitigate exposure to liability arising from the Hazardous Substance, regardless whether required by law.

26.05 Tenant shall and does hereby protect, indemnify, defend (at trial and appellate levels and with counsel, experts and consultants acceptable to Landlord and at Tenant's sole cost) and hold Landlord and its Affiliates free and harmless from and against any Landlord's Environment Liability or other loss, cost or expense incurred by Landlord and resulting wholly or in part from Tenant's breach of its obligations under this Section 26 (collectively, "**Tenant's Indemnification Obligations**"). Tenant's Indemnification Obligations shall survive in perpetuity. Tenant and its successors and assigns hereby waive, release and agree not to make any claim or bring any cost recovery action against Landlord under or with respect to any Environmental Laws. Tenant's obligation to Landlord under this indemnity shall likewise be without regard to fault on the part of Tenant or Landlord with respect to the violation or condition which results in liability to Landlord. The preceding indemnity and Tenant's other obligations under this Section 26 shall survive the expiration or termination of this Lease for any reason.

Intentionally Omitted.

27.

28. Signage. Tenant may, at its sole cost and expense, install and maintain on the exterior or interior of the windows of the Premises and on the exterior façade of the Building only such Tenant company signage which has been approved in advance and in writing by Landlord, which approval will not be unreasonably withheld. All of such signage must be professionally designed and prepared and must comply with all applicable statutes, laws, ordinances, codes, rules, regulations and/or requirements of all applicable governmental and quasi-governmental authorities. Upon the expiration or earlier termination of the Term, Tenant shall remove all of its signage from the Premises and/or the Building and

repair any damage to the Premises and/or the Building caused by such removal, all at Tenant's sole cost and expense.

29. Miscellaneous.

29.01 This Lease shall be interpreted and enforced in accordance with the Laws of the State of Wisconsin, without reference to any conflict provisions and Tenant hereby irrevocably consent to the jurisdiction and proper venue within Milwaukee County, Wisconsin. If any term or provision of this Lease shall to any extent be void or unenforceable, the remainder of this Lease shall not be affected. If there is more than one Tenant or if Tenant is comprised of more than one party or entity, the obligations imposed upon Tenant shall be joint and several obligations of all the parties and entities, and requests or demands from any one person or entity comprising Tenant shall be deemed to have been made by all such persons or entities. Landlord and Tenant acknowledge that this Lease was negotiated at arms' length with the benefit of legal counsel for each party, and shall be construed without regard to any presumption or other rule requiring construction against the party causing this Lease to be drafted. Notices to any one person or entity shall be deemed to have been given to all persons and entities. Tenant represents and warrants to Landlord that each individual executing this Lease on behalf of Tenant is authorized to do so on behalf of Tenant and that Tenant is not, and the entities or individuals constituting Tenant, or which may own or control Tenant or which may be owned or controlled by Tenant are not, among the individuals or entities identified on any list compiled pursuant to Executive Order 13224 for the purpose of identifying suspected terrorists.

29.02 If either party institutes a suit against the other for violation of or to enforce any covenant, term or condition of this Lease, the prevailing party shall be entitled to all of its costs and expenses, including, without limitation, reasonable attorneys' fees. Landlord and Tenant hereby waive any right to trial by jury in any proceeding based upon a breach of this Lease. Either party's failure to declare a default immediately upon its occurrence, or delay in taking action for a default, shall not constitute a waiver of the default, nor shall it constitute an estoppel.

29.03 Whenever a period of time is prescribed for the taking of an action by Landlord or Tenant (other than the payment of the Security Deposit or Rent), the period of time for the performance of such action shall be extended by the number of days that the performance is actually delayed due to strikes, acts of God, shortages of labor or materials, war, terrorist acts, civil disturbances and other causes beyond the reasonable control of the performing party ("**Force Majeure**").

29.04 Landlord shall have the right to transfer and assign, in whole or in part, all of its rights and obligations under this Lease and in the Building and Property. Upon transfer Landlord shall be released from any further obligations hereunder and Tenant agrees to look solely to the successor in interest of Landlord for the performance of such obligations, provided that, any successor pursuant to a voluntary, third party transfer (but not as part of an involuntary transfer resulting from a foreclosure or deed in lieu thereof) shall have assumed Landlord's obligations under this Lease.

29.05 Landlord has delivered a copy of this Lease to Tenant for Tenant's review only and the delivery of it does not constitute an offer to Tenant or an option.

29.06 Landlord and Tenant each represent to the other that it has dealt directly with and only with the Broker in connection with this Lease. Landlord shall pay a commission to Broker pursuant to a separate agreement. Tenant shall indemnify and hold Landlord and the Landlord Related Parties harmless from all claims of any other brokers claiming to have represented Tenant in connection with this Lease. Landlord shall indemnify and hold Tenant and the Tenant Related Parties harmless from all claims of any other brokers claiming to have represented Landlord in connection with this Lease.

29.07 Time is of the essence with respect to Tenant's exercise of any expansion, renewal or extension rights granted to Tenant. The expiration of the Term, whether by lapse of time, termination or otherwise, shall not relieve either party of any obligations which accrued prior to or which may continue to accrue after the expiration or termination of this Lease.

29.08 Tenant may peacefully have, hold and enjoy the Premises, subject to the terms of this Lease, provided Tenant pays the Rent and fully performs all of its covenants and agreements. This covenant shall be binding upon Landlord and its successors only during its or their respective periods of ownership of the Building.

29.09 This Lease does not grant any rights to light or air over or about the Building. Landlord excepts and reserves exclusively to itself any and all rights not specifically granted to Tenant under this Lease. This Lease constitutes the entire agreement between the parties and supersedes all prior agreements and understandings related to the Premises, including all lease proposals, letters of intent and other documents. Neither party is relying upon any warranty, statement or representation not contained in this Lease. This Lease may be modified only by a written agreement signed by an authorized representative of Landlord and Tenant.

29.10 This Lease may be executed by facsimile, portable document format (.pdf) or other electronic means, and in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

29.11 At any time during the Term of this Lease, Tenant shall, upon ten (10) days prior written notice from Landlord, provide Landlord with a current financial statement reflecting Tenant's then current financial condition which statement shall include but not be limited to balance sheets and profit and losses statement covering no less than the three (3) previous years.

29.12 The failure of either party to insist, in any one or more instances, upon the strict performance of any one or more of the obligations of this Lease, or to exercise any election in this Lease contained, shall not be construed as a waiver or relinquishment for the future of the performance of such one or more obligations of this Lease or of the right to exercise such election, but the Lease shall continue and remain in full force and effect with respect to any subsequent breach, act or omission. The receipt and acceptance by Landlord of Rent with knowledge of breach by Tenant of any obligation of this Lease shall not be deemed a waiver of such breach.

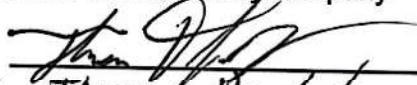
29.13 Landlord understands that Tenant is bound by the Wisconsin Public Records Law, and as such, all of the terms of this Agreement are subject to and conditioned on the provisions of Wis. Stat. sec. 19.21 *et. sec.* Landlord acknowledges that it is obligated to assist Tenant in retaining and producing records that are subject to the Wisconsin Public Records Law, including but not limited to those records produced or collected by Landlord under this Agreement pursuant to Wis. Stat. sec. 19.36(3) and that the failure to do so shall constitute a material breach of this Agreement, and that Landlord must defend and hold Tenant harmless from liability due to its fault under that law. Except as otherwise authorized, those records shall be maintained for a period of seven years after receipt of the final payment under this Agreement.

[Signature Page Follows.]

Landlord and Tenant have executed this Lease as of the day and year first above written.

LANDLORD:

MKE NORTHSIDE LLC
A Wisconsin limited liability company

By: 
Name: Thomas Daugherty
Its: Member

TENANT:

MILWAUKEE FIRE DEPARTMENT

By: _____
Name: _____
Its: _____

Tenant's Tax ID Number (SSN or FEIN):

EXHIBIT A

OUTLINE AND LOCATION OF PREMISES

(See Attached)

EXHIBIT B

(TENANT WORKLETTER)

Landlord and Tenant agree that their respective rights and obligations with respect to the construction of the Premises shall be as provided in the Lease and in this Workletter. All of the terms used herein which are defined in the Lease shall have the same meanings as provided in the Lease unless otherwise stated herein.

1. Tenant Work. Tenant, at its sole cost and expense, shall perform or cause to be performed the work (the "Tenant Work") in the Premises provided for in the Plans (as defined in paragraph 2 hereof) submitted to and approved by Landlord. The Tenant Work shall be constructed in a good and workmanlike fashion, in accordance with the requirements set forth herein and in compliance with all applicable laws, ordinances, rules and other governmental requirements. Tenant shall diligently proceed with all such construction. Tenant shall coordinate the Tenant Work so as to avoid interference with any other work being performed by or on behalf of Landlord and other tenants at the Building and to minimize any disturbance to the occupants of the residential units above the Premises.

2. Preconstruction Activities.

(a) Tenant shall provide Landlord with a detailed plan (the "Space Plan") including a fully dimensioned floor plan and drawn to scale, showing: (i) demising walls, interior walls and other partitions, including type of wall or partition and height, and any demolition or relocation of walls, and details of space occupancy and density, (ii) doors and other openings in such walls or partitions, including type of door and hardware, (iii) electrical and computer outlets, circuits and anticipated usage therefor, (iv) any special purpose rooms, any sinks or other plumbing facilities, heavy items, and any other special electrical, HVAC or other facilities or requirements, including all special loading and related calculations, (v) any space planning considerations to comply with fire or other codes or other governmental or legal requirements, (vi) finish selections, and (vii) any other details or features reasonably required, in order for the Space Plan to serve as a basis for Tenant to contract and obtain permits for the Tenant Work, or for the Space Plan to serve as a basis for preparing Construction Drawings. If Landlord disapproves of the Space Plan, Tenant shall modify and submit to Landlord a revised Space Plan, taking into account the reasons given by Landlord for disapproval. Such revised Space Plan shall be deemed to be the Space Plan hereunder. Tenant shall utilize the Space Plan to create the Plans (as defined below).

(b) Not later than forty-five (45) days prior to the date that Tenant intends to commence the Tenant Work, Tenant shall submit the following information and items to Landlord for Landlord's review and approval:

(i) a detailed construction schedule containing the major components of the Tenant Work and the time required for each, including the scheduled commencement date of construction of the Tenant Work, milestone dates and the estimated date of completion of construction;

(ii) an itemized statement of the estimated construction cost, including permits and architectural and engineering fees;

(iii) the names and addresses of Tenant's contractors (and the contractors' subcontractors) to be engaged by Tenant for the Tenant Work ("Tenant's Contractors");

(iv) certified copies of insurance policies or certificates of insurance as hereinafter described. Tenant shall not permit Tenant's Contractors to commence work until the required

insurance has been obtained and certified copies of policies or certificates have been delivered to Landlord; and

(v) the Plans for the Tenant Work, which Plans shall be subject to Landlord's approval in accordance with paragraph 2(c) below.

Tenant will update such information and items by notice to Landlord of any changes.

(c) As used herein, the term "Plans" shall mean full and detailed architectural and engineering plans and specifications covering the Tenant Work (including, without limitation, architectural, mechanical, electrical, plumbing and life safety working drawings for the Tenant Work). The Plans shall be subject to Landlord's approval and the approval of all local governmental authorities requiring approval, if any. Landlord shall give its approval or disapproval (giving general reasons in case of disapproval) of the Plans within seven (7) days after receipt thereof by Landlord. Landlord agrees not to unreasonably withhold its approval of said Plans; provided, however, that Landlord shall not be deemed to have acted unreasonably if it withholds its consent because, in Landlord's opinion: (i) the Tenant Work is likely to affect adversely Building systems, the structure of the Building or the safety of the Building and its occupants; (ii) the Tenant Work would increase Landlord's ability to furnish services to Tenant or other tenants; (iii) the Tenant Work would increase the cost of operating the Building; (iv) the Tenant Work would violate any governmental laws, rules or ordinances; (v) the Tenant Work contains or uses hazardous or toxic materials; (vi) the Tenant Work would adversely affect the appearance of the Building; (vii) the Tenant Work would adversely affect another tenant's premises; or (viii) the Tenant Work is prohibited by any mortgage on the Building. The foregoing reasons, however, shall not be exclusive of the reasons for which Landlord may withhold consent, whether or not such other reasons are similar to or dissimilar from the foregoing. Landlord shall cooperate with Tenant by discussing or reviewing preliminary plans and specifications, at Tenant's request prior to completion of the full, final detailed Plans, in order to expedite preparation of the final Plans and the approval process. If Landlord notifies Tenant that changes are required to the final Plans submitted by Tenant, Tenant shall, within ten (10) days thereafter, submit to Landlord for its approval the Plans as amended in accordance with the changes so required. The Plans shall also be revised, and the Tenant Work shall be changed, to incorporate any work required in the Premises by any local governmental field inspector. Landlord's approval of the Plans shall in no way be deemed to be acceptance or approval of any element therein contained which is in violation of any applicable laws, ordinances, regulations or other governmental requirements.

(d) No Tenant Work shall be undertaken or commenced by Tenant in the Premises until:

(i) the Plans have been submitted to and approved by Landlord;

(ii) all necessary building permits have been obtained by Tenant;

(iii) all required insurance coverages have been obtained by Tenant. (Failure of Landlord to receive evidence of such coverage upon commencement of the Tenant Work shall not waive Tenant's obligations to obtain such coverages.);

(iv) items required to be submitted to Landlord prior to commencement of construction of the Tenant Work have been so submitted and have been approved, where required; and

(v) Landlord has given written notice that the Tenant Work can proceed, subject to such reasonable conditions as Landlord may impose.

3. Intentionally Deleted.

4. Intentionally Deleted.

5. Change Orders. All changes to the final Plans requested by Tenant must be approved by Landlord in advance of the implementation of such changes as part of the Tenant Work. All delays caused by Tenant-initiated change orders, including, without limitation, any stoppage of work during the change order review process, are solely the responsibility of Tenant and shall cause no delay in the rental and other obligations set forth in the Lease.

6. Standards of Design and Construction and Conditions of Tenant's Work.

All work done in or upon the Premises by Tenant shall be done according to the standards set forth in this paragraph 6, except as the same may be modified in the Plans approved by or on behalf of Landlord and Tenant.

(a) Tenant's Plans and all design and construction of the Tenant Work shall comply with all applicable statutes, ordinances, regulations, laws, codes and industry standards, including but not limited to requirements of Landlord's fire insurance underwriters. Approval by Landlord of the Plans shall not constitute a waiver of this requirement or assumption by Landlord of responsibility for compliance. Where several sets of the foregoing laws, codes and standards must be met, the strictest shall apply where not prohibited by another law, code or standard.

(b) Tenant shall obtain, at its own cost and expense, all required building permits and, when construction has been completed, shall obtain, at its own cost and expense, an occupancy permit for the Premises, which permit shall be delivered to Landlord. Tenant's failure to obtain such permits shall not cause a delay in the the rental and other obligations set forth in the Lease.

(c) Tenant's Contractors shall be licensed contractors, possessing good labor relations, capable of performing quality workmanship and working in harmony with Landlord's contractors and subcontractors and with other contractors and subcontractors in the Building. All work shall be coordinated with any other construction or other work in the Building in order not to affect adversely construction work being performed by or for Landlord or its tenants, it being understood that, in the event of any conflict, Landlord and its contractors and subcontractors shall have priority over Tenant and Tenant's Contractors.

(d) Landlord shall have the right, but not the obligation, to perform on behalf of and for the account of Tenant, subject to reimbursement by Tenant, any work (i) which Landlord deems to be necessary on an emergency basis, (ii) which pertains to structural components, building systems or the general utility systems for the Building, (iii) which pertains to the erection of temporary safety barricades or signs during construction, or (iv) which pertains to patching of the Tenant Work and other work in the Building.

(e) Tenant shall use only new, first-class materials in the Tenant Work, except where explicitly shown otherwise in the Plans approved by Landlord and Tenant. Tenant shall obtain warranties of at least one (1) year's duration from the completion of the Tenant Work against defects in workmanship and materials on all work performed and equipment installed in the Premises as part of the Tenant Work.

(f) Tenant and Tenant's Contractors, in performing work, shall not interfere with other tenants and occupants of the Building. Tenant and Tenant's Contractors shall make all efforts and take all steps appropriate to construction activities undertaken in a fully occupied, first-class residential/commercial building so as not to interfere with the operation of the Building or the use and enjoyment of the residents thereof and shall, in any event, comply with all reasonable rules

and regulations existing from time to time at the Building. Tenant and Tenant's Contractors shall take all precautionary steps to minimize dust, noise and construction traffic and to protect their facilities and the facilities of others affected by the Tenant Work and to properly police same. Construction equipment and materials are to be kept within the Premises, and delivery and loading of equipment and materials shall be done at such locations and at such time as Landlord shall direct so as not to burden the construction or operation of the Building.

(g) Landlord shall have the right to order Tenant or any of Tenant's Contractors who violate the requirements imposed on Tenant or Tenant's Contractors in performing work to cease work and remove its equipment and employees from the Building. No such action by Landlord shall delay the commencement of the Lease or the rental and other obligations therein set forth.

(h) Utility costs or charges for any service (including HVAC, hoisting or freight elevator and the like) to the Premises shall be the responsibility of Tenant from the date Tenant is obligated to commence or commences the Tenant Work and shall be paid for by Tenant. Tenant shall pay for all support services provided by Landlord's contractors. All use of freight elevators is subject to scheduling by Landlord. Tenant shall arrange and pay for removal of construction debris and shall not place debris in the Building's waste containers.

(i) Tenant shall permit access to the Premises, and the Tenant Work shall be subject to inspection, by Landlord and Landlord's architects, engineers, contractors and other representatives at all times during the period in which the Tenant Work is being constructed and installed and following completion of the Tenant Work.

(j) Tenant shall notify Landlord upon completion of the Tenant Work and shall furnish Landlord and, if applicable, Landlord's title insurance company with such further documentation as may be necessary under paragraphs 7 and 8 below.

(k) Tenant shall have no authority to deviate from the Plans in performance of the Tenant Work, except as authorized by Landlord and its designated representative in writing. Tenant shall furnish to Landlord "as-built" drawings of the Tenant Work within thirty (30) days after completion of the Tenant Work.

(l) Landlord shall have the right to run utility lines, pipes, conduits, duct work and component parts of all mechanical, electrical and life safety systems where necessary or desirable through the Premises, to repair, alter, replace or remove the same, and to require Tenant to install and maintain proper access panels thereto.

(m) Tenant shall impose on and enforce all applicable terms of this Workletter against Tenant's architect and Tenant's Contractors.

7. Insurance and Indemnification.

(a) In addition to any insurance which may be required under the Lease, Tenant shall secure, pay for and maintain or cause Tenant's Contractors to secure, pay for and maintain during the continuance of construction and fixturing work within the Building or Premises, insurance in the following minimum coverages and limits of liability:

(i) workers' compensation and employers' liability insurance with limits of not less than \$500,000.00, or such higher amounts as may be required from time to time by any employee benefit acts or other statutes applicable where the work is to be performed, and in any event sufficient to protect Tenant's Contractors from liability under the aforementioned acts;

(ii) comprehensive or commercial general liability insurance (including contractors' protective liability) in an amount not less than \$2,000,000.00 per occurrence, whether involving bodily injury liability (or death resulting therefrom) or property damage liability or a combination thereof with a minimum aggregate limit of \$2,000,000.00, and with umbrella coverage with limits not less than \$10,000,000.00. Such insurance shall provide for explosion and collapse, completed operations coverage and broad form blanket contractual liability coverage and shall insure Tenant's Contractors against any and all claims for bodily injury, including death resulting therefrom, and damage to the property of others and arising from its operations under the contracts whether such operations are performed by Tenant's Contractors or by anyone directly or indirectly employed by any of them;

(iii) comprehensive automobile liability insurance, including the ownership, maintenance and operation of any automotive equipment, owned, hired or nonowned, in an amount not less than \$500,000.00 for each person in one accident and \$1,000,000.00 for injuries sustained by two or more persons in any one accident, and property damage liability in an amount not less than \$1,000,000.00 for each accident. Such insurance shall insure Tenant's Contractors against any and all claims for bodily injury, including death resulting therefrom, and damage to the property of others arising from its operations under the contracts, whether such operations are performed by Tenant's Contractors or by anyone directly or indirectly employed by any of them;

(iv) "all risk" builder's risk insurance upon the entire Tenant Work to the full insurable value thereof. This insurance shall include the interests of Landlord and Tenant (and their respective contractors and subcontractors of any tier to the extent of any insurable interest therein) in the Tenant Work and shall insure against the perils of fire and extended coverage and shall include "all risk" builder's risk insurance for physical loss or damage including, without duplication of coverage, theft, vandalism and malicious mischief. If portions of the Tenant Work are stored off the site of the Building or in transit to said site are not covered under said "all risk" builder's risk insurance, then Tenant shall effect and maintain similar property insurance on such portions of the Tenant Work. Any loss insured under said "all risk" builder's risk insurance is to be adjusted with Landlord and Tenant and made payable to Landlord as agent for the insureds, as their interests may appear.

All policies (except the workers' compensation policy) shall be endorsed to include as additional insured parties Landlord, its managers, members, their partners, directors, officers, employees and agents, Landlord's contractors, Landlord's architects, and such additional persons as Landlord may designate. The waiver of subrogation provisions contained in the Lease shall apply to all insurance policies (except the workers' compensation policy) to be obtained by Tenant pursuant to this paragraph 7. The insurance policy endorsements shall also provide that all additional insured parties shall be given not less than thirty (30) days' prior written notice of any reduction, cancellation or nonrenewal of coverage and shall provide that the insurance coverage afforded to the additional insured parties thereunder shall be primary to any insurance carried independently by said additional insured parties. Additionally, where applicable each policy shall contain a cross-liability and severability of interest clause.

(b) Without limitation of the indemnification provisions contained in the Lease, to the fullest extent permitted by law Tenant agrees to indemnify, protect, defend and hold Landlord, Landlord's managers, members, contractors and Landlord's architects and their partners, directors, officers, employees and agents harmless from and against all claims, liabilities, losses, damages, costs and expenses of whatever nature arising out of or in connection with the Tenant Work or the entry of Tenant or Tenant's Contractors into the Building and the Premises, including,

without limitation, mechanics' liens or the cost of any repairs to the Premises or the Building necessitated by activities of Tenant or Tenant's Contractors and bodily injury to persons or damage to the property of Tenant, its employees, agents, invitees or licensees or others. It is understood and agreed that the foregoing indemnity shall be in addition to the insurance requirements set forth above and shall not be in discharge of or in substitution for the same or any other indemnity or insurance provision of the Lease.

8. Miscellaneous.

(a) Except as expressly set forth herein, Landlord has no other agreement with Tenant to improve the Premises and has no other obligation to do any other work or pay any amounts with respect to the Premises. Any other work in the Premises which may be permitted by Landlord pursuant to the terms and conditions of the Lease or this Workletter shall be done at Tenant's sole cost and expense and in accordance with the terms and conditions of the Lease.

(b) This Workletter shall not be deemed applicable to any additional space added to the Premises at any time or from time to time, whether by any options under the Lease or otherwise, or to any portion of the original Premises or any additions thereto if the initial term of the Lease is renewed or extended, whether by any options under the Lease or otherwise, unless expressly so provided in the Lease or any amendment or supplement thereto.

(c) In the event of a conflict between the Lease and this Workletter, the terms of this Workletter shall govern.