LEASEBACK ADDENDUM TO
AMENDMENT AND
EXTENSION OF REAL ESTATE LEASE

Agreement made by and between the City of Stoughton ("the City"), and Stoughton Electric Utility ("the Utility"), as a further amendment to the parties' Real Estate Lease, which was effective January 1, 1995, and as an addendum to the parties' Amendment and Extension of Real Estate Lease, as follows:

WHEREAS, The City is the owner of that certain real estate commonly known as the "Stoughton Municipal Utility Building", located at 600 South Fourth Street, Stoughton, Wisconsin 53589 ("the Utility Building").

WHEREAS, The Utility is the Lessee of the entirety of the Utility Building under the parties' Real Estate Lease ("the Lease"), effective January 1, 1995. By agreement of the parties, the Utility has entered into several subleases of portions of the Utility Building to Uniroyal Engineered Products and Stoughton Area School District.

WHEREAS, The City desires to lease from the Utility certain space in the Utility Building described herein; the City has made certain improvements to the space to be rented by the City from the Utility; and the City and the Utility desire to enter into this Leaseback Addendum to Amendment and Extension of Real Estate Lease or "Leaseback Agreement" for the purpose of memorializing the terms and conditions of their agreement.

NOW, THEREFORE, in consideration of the above premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the Utility hereby leases to the City, and the City hereby leases from the Utility, the portion of the Utility Building described in Section 2 below, for a period, at the rental and upon the terms and conditions hereinafter specifically set forth:

1. TRIPLE NET LEASE. This Leaseback is a triple net lease. For purposes of this Leaseback, the term "triple net lease" means the City shall pay the base rent (as defined in Section 5) and all of the expenses related to the Leaseback Premises (as defined in Section 2) including, but not limited to, all taxes (if any), utilities, and contents insurance, and the City shall be responsible for its proportionate share of the maintenance and other operating expenses of the Leaseback Premises, either through the Base Rent (See, 5.A.) or through direct payment by the City for maintenance and services. The City has paid for the construction costs of the leasehold improvements in the Leaseback Premises (defined in Section 3).

2. DESCRIPTION OF LEASEBACK PREMISES. The portion of the Utility Building which is hereby leased to the City shall hereinafter be referred to as the "Leaseback Premises". The precise location of the Leaseback Premises is set forth on Exhibit A which is attached hereto and made a part hereof. The Leaseback Premises shall consist of an area within the Utility Building, in the northeast quadrant, of approximately 11,625 square feet. The City shall also have the right to use of the adjacent parking lot ("parking spaces").

3. PRE-LEASEBACK IMPROVEMENTS. The City and the Utility acknowledge that the City has undertaken and completed a build-out of the Leaseback Premises ("the Leaseback Improvements"). Certain improvements have been undertaken and completed by the Utility since the City's purchase of the property and the parties' entry into the Lease, effective and prior to construction of the Leaseback Improvements ("Pre-Leaseback Improvements"). Additional improvements were necessary to the Leaseback Premises for the City's occupancy and use of the Leaseback Premises ("the Leaseback Improvements").

A. ACCOUNTING FOR PRE-LEASEBACK IMPROVEMENTS. The Utility has accounted to the City for Pre-Leaseback Improvements in and affecting the Leaseback Premises, and the City and the Utility have worked out terms and conditions of the City's payment to the Utility for such Pre-Leaseback Improvements.

The City shall pay for Pre-Leaseback Improvements within the Leaseback Premises during the term of this Leaseback Agreement. The cost of the Pre-Leaseback Improvements shall be paid by the City to the Utility by amortizing a proportionate share of the Pre-Leaseback Improvements cost over the term of the Leaseback Agreement. This Pre-Leaseback Improvements payment shall be converted to a per square foot amount, which shall be added to the base rent. The Pre-Leaseback Improvements cost shall be fully paid during the 20 year extension term, at the end of which time the monthly Pre-Leaseback Improvements cost amount shall be terminated. The City may, at anytime, at its sole option, pay the Utility the remaining balance due for Pre-Leaseback Improvements. This would satisfy in full and extinguish this element of monthly rent (under Section. 5.C., below).

B. LEASEBACK IMPROVEMENTS. The City's Leaseback Improvements consist generally of partitions, flooring, carpeting, plumbing, doors, windows, HVAC equipment, electrical equipment and facilities, and all related improvements which the City may require for the Leaseback Premises. Exhibit A includes a layout of the Leaseback Premises showing the general configuration of the Leaseback Improvements which have been agreed to by the City and the Utility.

C. CONSTRUCTION AND FINANCING COSTS. It is anticipated that the City will obtain a loan from a financial institution to finance the Leaseback Improvements and will pay the entire project cost, including architectural services, fixtures and furnishings costs, and other related items. The City will also be responsible for all financing costs related to its costs for the project.

4. TERM.

A. LEASEBACK TERM. The initial term of the Leaseback term shall be twenty (20) years (the "Initial Term") commencing on March 1, 1998, and expiring February 28, 2018.

B. THE CITY'S RIGHT TO RENEW. The City shall have the right, to be exercised as hereinafter provided, to renew the term of this Lease for two (2) consecutive periods of five (5) years each (each such period shall hereinafter be referred to as a "Renewal Period").

(a) SAME TERMS. Except for the changes in the calculation of Base Rent and the City's portion of Operating Expenses (as described in Section 5.A. and B.), and except as otherwise stated herein or agreed by amendment, each Renewal Period shall be on the same terms, covenants, and conditions as provided in this Leaseback. This Leaseback Agreement may be extended beyond the second Renewal Period upon the written agreement of the parties hereto.

(b) MANNER OF RENEWAL. The City shall exercise its rights to renew in the following manner.

(i) At least three (3) months prior to the expiration of the Initial Term of this Leaseback, or the first Renewal Period, the City shall notify the Utility as provided in this Leaseback Agreement of its election to exercise its option to renew the term of this Leaseback for the first or second Renewal period, as the case may be.

(ii) On the giving of such notice of election to renew as provided in (i) above, this Leaseback, subject to the terms of this provision, shall be deemed to be renewed for the applicable Renewal Period, without any further lease or instrument.

5. RENTAL.

A. BASE RENT. The City shall pay to the Utility Leaseback payments of $1,540.31 per month in advance, on the first day of each consecutive month, until February 28, 2001, the period of the first subterm (two or three year periods within the extension) ("Base Rent"). The twenty (20) year Leaseback Term and the Renewal Period(s) shall be broken down into three-year and two-year subterms, with the two-year subterm, in each instance, coming in the final two years of the term or period. This Base Rent for the final subterm equals $1.59 per square foot per year. The Base Rent shall be adjusted for each subterm using the same methodology as is used in the City of Stoughton – Stoughton Electric Utility Real Estate Lease (using the CPI-U for the Madison area for the prior three years or three percent per year, whichever method results in a larger rate increase), so the Base Rent adjustment under this Leaseback Agreement and the Utility's rent adjustment under the Lease shall be the same at all times and subterms.

B. CITY'S OPERATING EXPENSES. The City shall pay to the Utility, in addition to the Base Rent, the City's proportionate share of Operating Expenses (defined in Section 5.B.(a) below) paid or accrued during the particular Leaseback month in question.

(a) THE CITY'S PROPORTIONATE SHARE. As used herein, the City's proportionate share of Operating Expenses shall be as set forth on the attached Exhibit B

(totaling $0.087 per square foot per year currently), for the expenses shown on that exhibit. The City's proportionate share of operating expenses shall be calculated annually using the same methodology set forth in Exhibit B. On or before January 1st of each succeeding lease year the City and Utility shall agree to the City's proportionate share of operating expenses for the coming calendar year.

(b) PAYMENT OF OPERATING EXPENSES. The City shall pay to the Utility, on the first day of each calendar month during the entire term and any renewal(s) of this Leaseback Agreement, an amount equal to 1/12th of the City's proportionate share of Operating Expenses, currently calculated at $84.28 per month.

C. PRE-LEASEBACK IMPROVEMENTS RENT. The City shall also pay to the Utility on a monthly basis, on the first day of each consecutive month, at the same place that the Base Rent is to be paid, in addition to the Base Rent and the City's proportionate share of Operating Expenses, the Pre-Leaseback Improvements rent ("Improvements Rent") during the initial term of this lease, with each monthly payment of Improvements Rent to be in the amount of $697.50 ($0.72 per square foot per year), in equal monthly payments, without provision for change or increase. This payment shall cease at the end of the Initial Term of this Leaseback Agreement. This rent amount may also be terminated by the City, by its prepayment of the balance due, as mentioned in Section 3.A., above (see also, Exhibit D, which contains a calculation of the initial balance due).

6. OTHER OPERATING EXPENSES. All costs and expenses for maintaining, resurfacing, repairing and replacing, cleaning, snow and ice removal, repair and replacement of exterior lighting fixtures, line painting and landscaping of all vehicle parking areas and other outdoor common areas for the Utility Building shall be the responsibility of the Utility. The Leaseback Premises have natural gas and electric services which are metered separately from the balance of the Utility Building, and all costs of such service shall be paid directly by the City to the applicable utility company. The City's expenses of occupying a portion of the Utility Building shall not include costs and expenses related to the maintenance, upkeep, or repair of lease space within the Utility Building occupied by other tenants, or occupied by the Utility itself.

7. ASSIGNMENTS AND SUBLETTING. The City shall be permitted to assign this Lease to anyone without the prior written approval of the Utility. The City shall have the right to sublease portions of the Leaseback Premises to subtenants, with each such sublease to be made expressly subject to all the terms, conditions and provisions of this Lease.

8. SIGNS. The City shall have the right at its own cost and expense, to erect and maintain a sign or signs advertising the business and/or services to be provided in the Utility Building (including any and all interior or exterior directories) and such sign(s) may be displayed and placed either in the interior of the Utility Building or on the exterior of the Utility Building.

9. ALTERATIONS, FURNISHINGS, AND REMOVAL OF IMPROVEMENTS.

A. ALTERATIONS. The City may without the Utility's prior written consent, make any alterations, additions or utility installations upon the Leaseback Premises portion of the Utility Building. The term "utility installations," as used herein, shall include, without limitation, power sources and panels, space heaters, fluorescent fixtures, conduits and wiring.

B. FIXTURES, FURNISHINGS AND PERSONAL PROPERTY. It is the City's responsibility, at its expense, to equip the Utility Building with all trade fixtures, furniture, furnishings, special equipment, movable partitions, shelving and other items of personal property necessary for the use of the Leaseback Premises by the City and the proper and efficient operation of the City's businesses.

C. REMOVAL OF IMPROVEMENTS. The City shall own the Leaseback Improvements. The Leaseback Improvements, or any part thereof, may be removed from the Leaseback Premises by the City. All trade fixtures, furniture, furnishings and signs installed in the Leaseback Premises by the City and paid for by the City shall remain the property of the City and may be removed upon the expiration or termination of this Leaseback.

10. MAINTENANCE.

A. THE UTILITY'S OBLIGATIONS. It shall be the Utility's responsibility to keep and maintain the parking lot and driveways in good, sightly and reasonably attractive condition; properly illuminated, in accordance with sound safety principles; and reasonably free of snow and ice, debris and other obstructions, and the Utility shall further be responsible for maintaining all landscaping. Further, it shall remain the Utility's obligation and responsibility to, as the parties agreed in the Lease, to maintain the Utility Building and the Pre-Leaseback Improvements in good repair (see, Real Estate Lease, attached as Exhibit C, "MAINTENANCE" Section, pages 1-2).

B. OBLIGATIONS REGARDING LEASEBACK PREMISES. The City shall keep in good condition and repair, these Leaseback Improvements constructed by the City in the Leaseback Premises, including, but not limited to, the heating, air conditioning, ventilating, electrical, lighting, plumbing and sewer systems, interior doors, window frames, interior and any nonstructural wall, partitions, and carpeting, and shall make any replacements thereof and of all broken and cracked glass which may become necessary during the initial term of this Leaseback or any Renewal Period.

11. OBLIGATIONS OF THE CITY.

A. PAYMENT OF RENTS. The City shall pay to the Utility at the time and in the manner heretofore specified the Base Rent and Operating Expenses herein required.

B. THE UTILITY'S ACCESS. The management and control of the Leaseback Premises shall be the responsibility of the City. The Utility shall only have access to the Leaseback Premises under the limited conditions established in this subsection. Upon 24 hours notice or in the event of an emergency, the Utility may access the Leaseback Premises

for the purpose of examining those Premises or to make any necessary repairs or alterations to the Utility Building or the Pre-Leaseback Improvements. In the event of such access, the Utility may make repairs or alternations to the Leaseback Improvements only in the case of an emergency.

12. INSURANCE AND INDEMNITIES. The City shall obtain, at the City's expense, beginning on January 1, 1998, and shall maintain through the expiration or termination of this Lease, the following insurance coverages regarding the Leaseback Improvements and Premises:

A. PROPERTY. A policy of comprehensive fire, extended coverage, vandalism, malicious mischief and other endorsements deemed advisable by the Utility insuring the entire Utility Building, including the Leaseback Premises and all appurtenances thereto.

B. PUBLIC LIABILITY. A policy of commercial general liability insurance insuring against injury to property, person or loss of life arising out of the use, occupancy or maintenance of the Leaseback Premises with limits of general liability not less than $5,000,000 in the aggregate.

C. OTHER. It shall be the City's responsibility to insure any and all of its personal property, fixtures, furnishings, equipment and any other such items kept on or about the Leaseback Premises.

13. GENERAL PROVISIONS.

A. SEVERABILITY. The invalidity of any provision of this Leaseback Agreement, or of its application to any person or circumstances as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof and each term, covenant, condition and provision of this Leaseback shall be valid and be enforced to the fullest extent permitted by Law.

B. TIME OF ESSENCE. Time is of the essence as to all matters set forth in this Lease.

C. CAPTIONS. Section captions are not a part of this Leaseback Agreement and are only for the convenience of the parties.

D. INCORPORATION OF PRIOR AGREEMENTS. This Leaseback Agreement and the attached exhibits set forth all the agreements, terms, covenants and conditions between the Utility and the City concerning the Leaseback Premises and there are no agreements, terms, or covenants, oral or written, between them other than those herein contained. No amendment, change or addition to this Lease shall be binding upon the Utility and the City unless it is in writing and signed by each party.

E. BINDING EFFECT; CHOICE OF LAW. This Leaseback Agreement shall bind the parties, as well as their respective successors and assigns. This Leaseback shall be governed by and be construed and interpreted in accordance with the laws of the State of Wisconsin.

CITY OF STOUGHTON:

Dated: 10/28/98

Robert A Barnett
By: Robert E. Barnett, Mayor

Dated: 10/28/98

Judy A Kinning
By: Judy A. Kinning, City Clerk

STOUGHTON ELECTRIC UTILITY:

Dated: 10-28-98

Robert P. Kardasz
By: Robert P. Kardasz, Utilities Director

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LEASEBACK ADDENDUM TO
AMENDMENT AND
EXTENSION OF REAL ESTATE LEASE

Agreement made by and between the City of Stoughton ("the City"), and Stoughton Electric Utility ("the Utility"), as a further amendment to the parties' Real Estate Lease, which was effective January 1, 1995, and as an addendum to the parties' Amendment and Extension of Real Estate Lease, as follows:

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WHEREAS, The Utility is the Lessee of the entirety of the Utility Building under the parties' Real Estate Lease ("the Lease"), effective January 1, 1995. By agreement of the parties, the Utility has entered into several subleases of portions of the Utility Building to Uniroyal Engineered Products and Stoughton Area School District.

WHEREAS, The City desires to lease from the Utility certain space in the Utility Building described herein; the City has made certain improvements to the space to be rented by the City from the Utility; and the City and the Utility desire to enter into this Leaseback Addendum to Amendment and Extension of Real Estate Lease or "Leaseback Agreement" for the purpose of memorializing the terms and conditions of their agreement.

NOW, THEREFORE, in consideration of the above premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the Utility hereby leases to the City, and the City hereby leases from the Utility, the portion of the Utility Building described in Section 2 below, for a period, at the rental and upon the terms and conditions hereinafter specifically set forth:

I. TRIPLE NET LEASE. This Leaseback is a triple net lease. For purposes of this Leaseback, the term "triple net lease" means the City shall pay the base rent (as defined in Section 5) and all of the expenses related to the Leaseback Premises (as defined in Section 2) including, but not limited to, all taxes (if any), utilities, and contents insurance, and the City shall be responsible for its proportionate share of the maintenance and other operating expenses of the Leaseback Premises, either through the Base Rent (See, 5.A.) or through direct payment by the City for maintenance and services. The City has paid for the construction costs of the leasehold improvements in the Leaseback Premises (defined in Section 3).

2. DESCRIPTION OF LEASEBACK PREMISES. The portion of the Utility Building which is hereby leased to the City shall hereinafter be referred to as the "Leaseback Premises". The precise location of the Leaseback Premises is set forth on Exhibit A which is attached hereto and made a part hereof. The Leaseback Premises shall consist of an area within the Utility Building, in the northeast quadrant, of approximately 11,625 square feet. The City shall also have the right to use of the adjacent parking lot ("parking spaces").

3. PRE-LEASEBACK IMPROVEMENTS. The City and the Utility acknowledge that the City has undertaken and completed a build-out of the Leaseback Premises ("the Leaseback Improvements"). Certain improvements have been undertaken and completed by the Utility since the City's purchase of the property and the parties' entry into the Lease, effective and prior to construction of the Leaseback Improvements ("Pre-Leaseback Improvements"). Additional improvements were necessary to the Leaseback Premises for the City's occupancy and use of the Leaseback Premises ("the Leaseback Improvements").

A. ACCOUNTING FOR PRE-LEASEBACK IMPROVEMENTS. The Utility has accounted to the City for Pre-Leaseback Improvements in and affecting the Leaseback Premises, and the City and the Utility have worked out terms and conditions of the City's payment to the Utility for such Pre-Leaseback Improvements.

The City shall pay for Pre-Leaseback Improvements within the Leaseback Premises during the term of this Leaseback Agreement. The cost of the Pre-Leaseback Improvements shall be paid by the City to the Utility by amortizing a proportionate share of the Pre-Leaseback Improvements cost over the term of the Leaseback Agreement. This Pre-Leaseback Improvements payment shall be converted to a per square foot amount, which shall be added to the base rent. The Pre-Leaseback Improvements cost shall be fully paid during the 20 year extension term, at the end of which time the monthly Pre-Leaseback Improvements cost amount shall be terminated. The City may, at anytime, at its sole option, pay the Utility the remaining balance due for Pre-Leaseback Improvements. This would satisfy in full and extinguish this element of monthly rent (under Section. 5.C., below).

B. LEASEBACK IMPROVEMENTS. The City's Leaseback Improvements consist generally of partitions, flooring, carpeting, plumbing, doors, windows, HVAC equipment, electrical equipment and facilities, and all related improvements which the City may require for the Leaseback Premises. Exhibit A includes a layout of the Leaseback Premises showing the general configuration of the Leaseback Improvements which have been agreed to by the City and the Utility.

C. CONSTRUCTION AND FINANCING COSTS. It is anticipated that the City will obtain a loan from a financial institution to finance the Leaseback Improvements and will pay the entire project cost, including architectural services, fixtures and furnishings costs, and other related items. The City will also be responsible for all financing costs related to its costs for the project.

4. TERM.

A. LEASEBACK TERM. The initial term of the Leaseback term shall be twenty (20) years (the "Initial Term") commencing on March 1, 1998, and expiring February 28, 2018.

B. THE CITY'S RIGHT TO RENEW. The City shall have the right, to be exercised as hereinafter provided, to renew the term of this Lease for two (2) consecutive periods of five (5) years each (each such period shall hereinafter be referred to as a "Renewal Period").

(a) SAME TERMS. Except for the changes in the calculation of Base Rent and the City's portion of Operating Expenses (as described in Section 5.A. and B.), and except as otherwise stated herein or agreed by amendment, each Renewal Period shall be on the same terms, covenants, and conditions as provided in this Leaseback. This Leaseback Agreement may be extended beyond the second Renewal Period upon the written agreement of the parties hereto.

(b) MANNER OF RENEWAL. The City shall exercise its rights to renew in the following manner.

(i) At least three (3) months prior to the expiration of the Initial Term of this Leaseback, or the first Renewal Period, the City shall notify the Utility as provided in this Leaseback Agreement of its election to exercise its option to renew the term of this Leaseback for the first or second Renewal period, as the case may be.

(ii) On the giving of such notice of election to renew as provided in (i) above, this Leaseback, subject to the terms of this provision, shall be deemed to be renewed for the applicable Renewal Period, without any further lease or instrument.

5. RENTAL.

A. BASE RENT. The City shall pay to the Utility Leaseback payments of $1,540.31 per month in advance, on the first day of each consecutive month, until February 28, 2001, the period of the first subterm (two or three year periods within the extension) ("Base Rent"). The twenty (20) year Leaseback Term and the Renewal Period(s) shall be broken down into three-year and two-year subterms, with the two-year subterm, in each instance, coming in the final two years of the term or period. This Base Rent for the final subterm equals $1.59 per square foot per year. The Base Rent shall be adjusted for each subterm using the same methodology as is used in the City of Stoughton — Stoughton Electric Utility Real Estate Lease (using the CPI-U for the Madison area for the prior three years or three percent per year, whichever method results in a larger rate increase), so the Base Rent adjustment under this Leaseback Agreement and the Utility's rent adjustment under the Lease shall be the same at all times and subterms.

B. CITY'S OPERATING EXPENSES. The City shall pay to the Utility, in addition to the Base Rent, the City's proportionate share of Operating Expenses (defined in Section 5.B.(a) below) paid or accrued during the particular Leaseback month in question.

(a) THE CITY'S PROPORTIONATE SHARE. As used herein, the City's proportionate share of Operating Expenses shall be as set forth on the attached Exhibit B

(totaling $0.087 per square foot per year currently), for the expenses shown on that exhibit. The City's proportionate share of operating expenses shall be calculated annually using the same methodology set forth in Exhibit B. On or before January 1st of each succeeding lease year the City and Utility shall agree to the City's proportionate share of operating expenses for the coming calendar year.

(b) PAYMENT OF OPERATING EXPENSES. The City shall pay to the Utility, on the first day of each calendar month during the entire term and any renewal(s) of this Leaseback Agreement, an amount equal to 1112th of the City's proportionate share of Operating Expenses, currently calculated at $84.28 per month.

C. PRE-LEASEBACK IMPROVEMENTS RENT. The City shall also pay to the Utility on a monthly basis, on the first day of each consecutive month, at the same place that the Base Rent is to be paid, in addition to the Base Rent and the City's proportionate share of Operating Expenses, the Pre-Leaseback Improvements rent ("Improvements Rent") during the initial term of this lease, with each monthly payment of Improvements Rent to be in the amount of $697.50 ($0.72 per square foot per year), in equal monthly payments, without provision for change or increase. This payment shall cease at the end of the Initial Term of this Leaseback Agreement. This rent amount may also be terminated by the City, by its prepayment of the balance due, as mentioned in Section IA., above (see also, Exhibit I), which contains a calculation of the initial balance due).

6. OTHER OPERATING EXPENSES. All costs and expenses for maintaining, resurfacing, repairing and replacing, cleaning, snow and ice removal, repair and replacement of exterior lighting fixtures, line painting and landscaping of all vehicle parking areas and other outdoor common areas for the Utility Building shall be the responsibility of the Utility. The Leaseback Premises have natural gas and electric services which are metered separately from the balance of the Utility Building, and all costs of such service shall be paid directly by the City to the applicable utility company. The City's expenses of occupying a portion of the Utility Building shall not include costs and expenses related to the maintenance, upkeep, or repair of lease space within the Utility Building occupied by other tenants, or occupied by the Utility itself.

7. ASSIGNMENTS AND SUBLETTING. The City shall be permitted to assign this Lease to anyone without the prior written approval of the Utility. The City shall have the right to sublease portions of the Leaseback Premises to subtenants, with each such sublease to be made expressly subject to all the terms, conditions and provisions of this Lease.

8. SIGNS. The City shall have the right at its own cost and expense, to erect and maintain a sign or signs advertising the business and/or services to be provided in the Utility Building (including any and all interior or exterior directories) and such sign(s) may be displayed and placed either in the interior of the Utility Building or on the exterior of the Utility Building.

9, ALTERATIONS, FURNISHINGS, AND REMOVAL OF IMPROVEMENTS.

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B. FIXTURES, FURNISHINGS AND PERSONAL PROPERTY. It is the City's responsibility, at its expense, to equip the Utility Building with all trade fixtures, furniture, furnishings, special equipment, movable partitions, shelving and other items of personal property necessary for the use of the Leaseback Premises by the City and the proper and efficient operation of the City's businesses.

C. REMOVAL OF IMPROVEMENTS. The City shall own the Leaseback Improvements. The Leaseback Improvements, or any part thereof, may be removed from the Leaseback Premises by the City. All trade fixtures, furniture, furnishings and signs installed in the Leaseback Premises by the City and paid for by the City shall remain the property of the City and may be removed upon the expiration or termination of this Leaseback.

10. MAINTENANCE.

A. THE UTILITY'S OBLIGATIONS. It shall be the Utility's responsibility to keep and maintain the parking lot and driveways in good, sightly and reasonably attractive condition; properly illuminated, in accordance with sound safety principles; and reasonably free of snow and ice, debris and other obstructions, and the Utility shall further be responsible for maintaining all landscaping. Further, it shall remain the Utility's obligation and responsibility to, as the parties agreed in the Lease, to maintain the Utility Building and the Pre-Leaseback Improvements in good repair (see, Real Estate Lease, attached as Exhibit C, "MAINTENANCE" Section, pages 1-2).

B. OBLIGATIONS REGARDING LEASEBACK PREMISES. The City shall keep in good condition and repair, these Leaseback Improvements constructed by the City in the Leaseback Premises, including, but not limited to, the heating, air conditioning, ventilating, electrical, lighting, plumbing and sewer systems, interior doors, window frames, interior and any nonstructural wall, partitions, and carpeting, and shall make any replacements thereof and of all broken and cracked glass which may become necessary during the initial term of this Leaseback or any Renewal Period.

11. OBLIGATIONS OF THE CITY.

A. PAYMENT OF RENTS. The City shall pay to the Utility at the time and in the manner heretofore specified the Base Rent and Operating Expenses herein required.

B. THE UTILITY'S ACCESS. The management and control of the Leaseback Premises shall be the responsibility of the City. The Utility shall only have access to the Leaseback Premises under the limited conditions established in this subsection. Upon 24 hours notice or in the event of an emergency, the Utility may access the Leaseback Premises

for the purpose of examining those Premises or to make any necessary repairs or alterations to the Utility Building or the Pre-Leaseback Improvements. In the event of such access, the Utility may make repairs or alternations to the Leaseback Improvements only in the case of an emergency,

12. INSURANCE AND INDEMNITIES. The City shall obtain, at the City's expense, beginning on January 1, 1998, and shall maintain through the expiration or termination of this Lease, the following insurance coverages regarding the Leaseback Improvements and Premises:

A. PROPERTY. A policy of comprehensive fire, extended coverage, vandalism, malicious mischief and other endorsements deemed advisable by the Utility insuring the entire Utility Building, including the Leaseback Premises and all appurtenances thereto.

B. PUBLIC LIABILITY. A policy of commercial general liability insurance insuring against injury to property, person or loss of life arising out of the use, occupancy or maintenance of the Leaseback Premises with limits of general liability not less than $5,000,000 in the aggregate.

C. OTHER. It shall be the City's responsibility to insure any and all of its personal property, fixtures, furnishings, equipment and any other such items kept on or about the Leaseback Premises.

13. **GENERAL PROVISIONS.**

A. SEVERABILITY. The invalidity of any provision of this Leaseback Agreement, or of its application to any person or circumstances as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof and each term, covenant, condition and provision of this Leaseback shall be valid and be enforced to the fullest extent permitted by Law.

B. TIME OF ESSENCE. Time is of the essence as to all matters set forth in this Lease.

C. CAPTIONS. Section captions are not a part of this Leaseback Agreement and are only for the convenience of the parties.

D. INCORPORATION OF PRIOR AGREEMENTS. This Leaseback Agreement and the attached exhibits set forth all the agreements, terms, covenants and conditions between the Utility and the City concerning the Leaseback Premises and there are no agreements, terms, or covenants, oral or written, between them other than those herein contained. No amendment, change or addition to this Lease shall be binding upon the Utility and the City unless it is in writing and signed by each party.

E. BINDING EFFECT; CHOICE OF LAW. This Leaseback Agreement shall bind the parties, as well as their respective successors and assigns. This Leaseback shall be governed by and be construed and interpreted in accordance with the laws of the State of Wisconsin.

CITY OF STOUGHTON:

Dated: _____ _____

By: Robert E. Barnett, Mayor

Dated: _____ _____

By: Judy A. Kinning, City Clerk

STOUGHTON ELECTRIC UTILITY:

Dated: _____ _____

By: Robert P. Kardasz, Utilities Director