

**RESOLUTION
ROCK COUNTY BOARD OF SUPERVISORS**

Public Works Committee
INITIATED BY

Public Works Committee
SUBMITTED BY



Greg Cullen, Interim
Airport Manager
DRAFTED BY

February 13, 2018
DATE DRAFTED

**APPROVAL OF RESTAURANT LEASE AGREEMENT AT SOUTHERN
WISCONSIN REGIONAL AIRPORT**

1 **WHEREAS**, the Southern Wisconsin Regional Airport (SWRA) has requested proposals for a restaurant
2 and has received a proposal from Geronimo Hospitality Group; and,
3
4 **WHEREAS**, the Southern Wisconsin Regional Airport (SWRA) has been without restaurant service since
5 the spring of 2013; and,
6
7 **WHEREAS**, a lease agreement has been developed that includes:
8 A. Length: Initial Five- Year term with a 2nd five-year renewal;
9 B. Payment: 7% of the adjusted gross sales above \$800,000.
10
11 **NOW, THEREFORE, BE IT RESOLVED** by the Rock County Board of Supervisors duly assembled
12 this 22nd day of February, 2018 approves the lease agreement with Geronimo
13 Hospitality Group for the purpose of operating a restaurant at the Southern Wisconsin Regional Airport
14 covering the period February 16, 2018 through February 15, 2023.

Respectfully Submitted,

PUBLIC WORKS COMMITTEE

Betty Jo Bussie
Betty Jo Bussie, Chair

Brent Fox, Vice Chair

Eva Arnold

Abstain
Brenton Driscoll

Rick Richard
~~Rick Richard~~

FISCAL NOTE:

Revenue from restaurant lease will help fund airport operations.

Sherry Oja

Sherry Oja
Finance Director

LEGAL NOTE:

The County Board is authorized to take this action pursuant to Wis. Stat. § 59.52(6).

ADMINISTRATIVE NOTE:

Recommended.

Josh Smith

Josh Smith
County Administrator

Richard Greenlee
Richard Greenlee
Corporation Counsel

18-2B-456

-EXECUTIVE SUMMARY-

APPROVAL OF RESTAURANT LEASE AGREEMENT AT SOUTHERN
WISCONSIN REGIONAL AIRPORT

The purpose of this resolution is to approve a lease agreement with _____ for operating a restaurant in the Southern Wisconsin Regional Airport terminal building.

The major items contained in the lease are:

1. Length – initial five-year term with a five-year renewal.
2. Payment: 7% of adjusted gross sales over \$800,000.

It is recommended that the Lease Agreement be approved.

Respectfully submitted,

Greg Cullen
Interim Airport Manager

**Restaurant Operator's
Lease Agreement
Between
Southern Wisconsin
Regional Airport
And
Geronimo Hospitality Group,
LLC**

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Southern Wisconsin Regional Airport Restaurant Operator's Lease Agreement

This Restaurant Operator's Lease Agreement (hereinafter "Lease") is made as of the _____ day of _____, 2018, between the County of Rock, a municipality organized under Chapter 59 of the Wisconsin Statutes (hereinafter referred to as LESSOR), and Geronimo Hospitality Group, a Wisconsin Limited Liability Company, (hereinafter referred to as LESSEE)

WHEREAS, LESSOR is the owner of certain real estate in Rock County, Wisconsin, known as the Southern Wisconsin Regional Airport (hereinafter "the Airport"), which includes certain buildings and certain other facilities used in connection with its operation of the Airport; and

WHEREAS, LESSOR desires to lease a certain part of the Airport to LESSEE, to grant LESSEE the right to use the Airport in common with others, and to grant to LESSEE the other rights herein set forth, upon the terms and conditions herein stated; and

In consideration of the terms, conditions, promises, and obligations herein set forth;

IT IS HEREBY AGREED, by and between LESSOR and LESSEE, that:

ARTICLE 1 – PREMISES

LESSOR does hereby lease, demise and let to LESSEE a certain area located within the main terminal building of the Southern Wisconsin Regional Airport for the purpose of operating a restaurant. The specific allocation and determination of said area is shown on Exhibit "A" attached hereto and incorporated by this reference and is agreed to contain 3,695 (+/-) square feet.

ARTICLE 2 – TERM

The term of this Lease shall be five (5) years commencing on the _____ of _____, 20__ ("Commencement Date"). If the Lease is terminated or cancelled, as provided in Article 16, the term of this lease shall be defined to end accordingly. LESSEE may request the renewal of this Lease, subject to approval of the Rock County Public Works Committee, for one renewal term of five (5) years, commencing on the first day following the expiration of the original term, subject to the terms and conditions set forth herein. LESSEE may request renewal of this Lease by giving LESSOR written notice of such renewal request not less than six months prior to the expiration of the term. Nothing herein shall prohibit LESSOR from considering LESSEE's renewal request if such consideration is in the LESSORS best interests as determined at LESSORS sole discretion.

ARTICLE 3 – CONSIDERATION

LESSEE agrees to pay the LESSOR for the use of leased premises for restaurant purposes and limited concessions rights, the following:

3.1 Rent:

- a. Gross Rent shall be in the amount of One and 00/100 Dollars (\$1.00).
- b. Percentage Rent: For each year of this Lease that LESSEE has Adjusted Gross Sales in excess of \$800,000, LESSEE shall make a payment of seven percent (7%) of LESSEE's Adjusted Gross Sales to LESSOR. "Adjusted Gross Sales" means the sum of the gross receipts of LESSEE from all business conducted upon or from the Premises, but shall not include (1) the amount of actual cash refunds, credit given, or discounts and allowances granted or exchanges made (2) exchanges of merchandise between stores of LESSEE where such exchanges are made solely for the operation of LESSEE's business and not with intent to consummate a sale which would have been made at, in, on, or from the Demised Premises, or with intent to deprive LESSOR of the benefit of such sale which otherwise would have been made at, in, on, or from the Demised Premises, (3) returns to shippers and manufacturers for credit, (4) sales of trade fixtures or store operating equipment after use thereof in the conduct of LESSEE's business in the Demised Premises, (5) all sums and credits received in settlement of claims for loss or damage to merchandise, (6) the amount of any excise, use or gross receipts tax, or sales tax levied upon retail sales and payable to the appropriate governmental authority, provided that specific record is made at the time of each sale of the amount of excise, use or gross receipts tax, or sales tax, and the amount thereof is expressly charged to the customer; (7) the amount of any employee discounts; and (8) the amount of any merchandise or services provided complimentary or for promotional purposes.
- c. Security Deposit: None.

3.2 Manner of Payment: During the Term, LESSEE shall pay Rent to LESSOR at 51 S. Main Street, Janesville, Wisconsin, or at such other address as LESSOR may designate in writing at any time or from time to time, in installments as set forth herein (the "Rent"). Such installments shall be due and payable as follows:

- a. Gross Rent shall be payable in advance on or before the Commencement Date as set forth in Article 2) and thereafter on or before the anniversary of the Commencement Date for the remainder of the Term.
- b. The Percentage Rent shall be due and payable ninety (90) days after the last day of each calendar year with respect to the Adjusted Gross Sales during such period.

3.3 Financial Statements:

- a. No later than thirty (30) days after the end of each respective quarter during the Lease Term, LESSEE, shall submit to LESSOR an accurate, unaudited, written statement showing the amount of Adjusted Gross Sales during the previous calendar quarter.
- b. No later than ninety (90) after the end of each respective calendar year during the Lease Term, commencing with the first calendar year following the Commencement Date, LESSEE shall submit to LESSOR a statement showing the full amount of Adjusted Gross Sales during the immediately preceding calendar year and the amount of Percentage Rent, if any, due for such calendar year agreement covering any.

ARTICLE 4 – SIGNS

LESSEE shall have the right to install, equip, operate and maintain at its own expense at the Southern Wisconsin Regional Airport premises described herein, advertising signs with which to identify its business. LESSEE shall have the right to install, at a minimum, two interior and two exterior signs. The exterior signage may consist of an elevated, illuminated sign at the intersection of Highway 51 and Airport Road, with another monument type sign near the General Aviation terminal building. It is anticipated that the monument sign will also identify the Southern Wisconsin Regional Airport in addition to the restaurant.

Within the terminal building, the interior sign locations shall coincide with the existing entry points into the leased premises. Any costs associated with the creation, installation, maintenance, repair and/or replacement of said signage will be the LESSEE's sole responsibility. All signs are required to be preapproved by Lessor and shall comply with the Rock County sign ordinance applicable to the Southern Wisconsin Regional Airport.

ARTICLE 5 – USE

During the Term of this Lease (as defined in Article 2), LESSEE shall have the right and privilege of engaging in and operating a restaurant on the premises owned by the County of Rock, known as the Southern Wisconsin Regional Airport (Airport), under the terms and conditions as set forth herein, provided; however, that this Lease shall not be construed in any manner to grant LESSEE the exclusive right to the use of the premises and facilities of the Airport, other than those premises leased exclusively to LESSEE hereunder. The Premises shall consist of the use of the space at the Airport (as referenced in Article 1 and Exhibit A and common use of certain adjoining parking and drive areas shown on the attached Exhibit A Site Plan, and the right to continuous access to all adjoining public streets, subject to City controls on access during construction periods.

During the Term of this Lease (as defined in Article 2), LESSOR grants to LESSEE the right of first refusal for any and all requests for catering of any event scheduled in the Airport conference rooms by any entity. Additionally, LESSOR grants to LESSEE priority use of the conference rooms at the Airport for the scheduling of catering events. Such scheduling shall be done pursuant to the requirements of the Airport policy related to the use of its conference rooms.

5.1 Possession of Premises: LESSEE agrees to take possession of the Premises in "AS IS" condition on the LESSEE Possession Date

5.2 Maintenance and Repairs by LESSEE: LESSEE, at its sole cost and expense, during the Term shall keep the interior and exterior of the Premises in a clean and orderly condition and, shall perform: (i) any maintenance repairs, and replacements to the Premises occasioned by the negligence or misconduct of LESSEE or its invitees and licensees; and (ii) all cleaning and trash removal; and (iii) maintenance, regular pumping and upkeep of all grease traps; and (iii) all routine maintenance and repairs to all interior leased space and building systems, including plumbing fixtures, heating and air conditioning attributable to the premises described in this lease, doors, wall and ceiling areas, lighting and any necessary purchase of light bulbs or ballasts; and (iv) all information technology maintenance, service and repairs; and (v) all other maintenance and repairs not the express responsibility of LESSOR hereunder, which LESSOR reasonably deems necessary. With regard to trash removal, LESSEE agrees to remove all trash and garbage in a safe and sanitary manner from the premises on a regular basis. At no time will trash, garbage, or other debris be allowed to be placed anywhere other than an approved storage bin/dumpster. LESSEE agrees that there will be no outside storage of equipment, materials or supplies unless previously approved by LESSOR or provided for herein. If LESSEE fails to perform its maintenance and repair obligations within fifteen (15) days after LESSOR's delivery to LESSEE of written notice of the need for any such maintenance and repairs, LESSOR shall have the right to enter the Premises and perform any or all of such maintenance and repairs at the sole cost and expense of LESSEE, LESSEE shall reimburse LESSOR for such costs and expenses within thirty (30) days after LESSOR's delivery to LESSEE of an invoice therefor. The foregoing notwithstanding, LESSEE shall not be obligated to perform any maintenance or repairs to the extent covered by any warranty of LESSOR or LESSOR's contractors.

5.3 Maintenance and Repairs by LESSOR:

- a. General Requirements: LESSOR, at its sole cost and expense, shall perform during the Term all necessary maintenance and repairs with respect to all of the following portions of the Premises in accordance with the standards set forth in Article 18.1(a): the structure and the exterior of LESSOR's building, including the roof, exterior walls, foundations, common areas and all major building mechanical systems. LESSOR agrees to maintain common areas which shall include cleaning of common areas as discussed in Article 5.7, exterior upkeep, landscaping and snow plowing.
- b. Timely Performance: In the event of an emergency (defined as any condition other than damage or destruction described in Article 16 which impairs LESSEE's ability to use and occupy the Premises for the conduct of its business operations and LESSOR's failure to perform promptly any of LESSOR's maintenance and repair obligations as described in Article 5, or in the event of no emergency and LESSOR's failure to perform such maintenance and repair obligations within fifteen (15) days after LESSEE's delivery to LESSOR of written notice of the need for any such maintenance or repairs, LESSEE shall have the rights and remedies to which LESSEE may be entitled under Article 17, which section shall be applied in the event of emergency without the further notice and cure provisions set forth therein.

5.4 It is agreed that decorating and redecorating of the leased Premises may be done by LESSEE at its sole cost. Any and all remodeling or any other improvement to leased premises shall be the responsibility of LESSEE, at its sole cost, provided written consent is obtained from LESSOR before any such remodeling or improvement occurs.

5.5 LESSEE agrees to keep the restaurant open for business on such days and for such hours as are mutually agreed between the LESSEE and the LESSOR. The LESSEE shall give the Airport Manager no less than a 48-hour notice of time, date and reason if the restaurant will be closed for business, unless an emergency situation occurs beyond LESSEE's control, in which case notice shall be given as quickly as possible. On the following days said restaurant may be open within the discretion of the LESSEE: January 1; Easter Sunday, Memorial Day, July 4; Labor Day; Thanksgiving Day; December 24, and 25; and during special events.

5.6 It is agreed that LESSEE shall attach no personal property on the premises without the written consent of LESSOR. All personal property owned by LESSEE and attached to said premises pursuant to the written consent of LESSOR shall remain the personal property of LESSEE, provided that at such time as LESSEE may remove such property, the premises shall be restored to its original condition by LESSEE, unless waived by LESSOR.

5.7 Common Area Maintenance

LESSEE shall have the non-exclusive and non-revocable right, together with other patrons of the Airport, to use the entryway, lobby area, bathrooms, sidewalks, parking lot and other common areas appurtenant to the premises for purposes of ingress and egress, and parking for employees and restaurant customers.

The cost of maintaining the bathrooms, entryway and lobby area shall be shared by LESSOR and LESSEE. During restaurant operating hours, LESSEE shall be solely responsible for maintaining the bathrooms, entryway and the lobby area in a clean, orderly and sanitary fashion. LESSOR will maintain its existing contract for cleaning services for the Airport, which will include cleaning of the bathroom, entryway and lobby area in the evening. The cost of toiletries (ie: toilet paper, paper towels and soap) shall be shared proportionately by LESSOR and LESSEE, with LESSOR paying for 20% of those costs and LESSEE paying for 80% of those costs. LESSOR shall provide toiletries and cleaning supplies for mutual use of the parties and will quarterly submit a statement to LESSEE for reimbursement of the costs of said supplies. LESSEE shall be granted access to the storage area at the Airport where toilet paper, paper towels and soap are kept.

5.8 LESSEE shall provide appropriate climate control and keep the Premises clean, which will include but not limited to:

- a. Cleaning and dusting the Premises on a regular basis and to remove visible moisture accumulation on windows, walls, and other surfaces as soon as such accumulation becomes reasonably apparent;

- b. Immediately notifying the LESSOR of any evidence of a water leak or excessive moisture or standing water inside the Premises;
- c. Immediately notifying the LESSOR of the presence of mold, mildew, or similar growth in the Premises that persists after LESSEE has attempted to remove it through the application of common cleaning solutions or anti-microbial products;
- d. Immediately notifying the LESSOR of any malfunction of any part of the heating, ventilation, air conditioning, plumbing, or laundry systems present on the Premises;
- e. Immediately notifying the LESSOR of any inoperable doors or windows in the Premises.

5.9 LESSEE, in making improvements upon PREMISES, shall not grant permission for or permit any liens for labor or materials to attach thereto without the prior, written consent of COUNTY, nor allow any condition to exist or situation to develop whereby any party would be entitled, as a matter of law, to a lien against PREMISES. In the event any involuntary lien attaches to PREMISES, LESSEE shall take such steps as shall cause the discharge of such lien within sixty (60) days after the filing thereof, or deposit a like amount in escrow until the lien is discharged. Nothing contained herein shall prohibit LESSEE from financing improvements subject to a security lien thereon. However, LESSEE shall not permit any security lien to attach to the real estate upon which improvements are situated.

ARTICLE 6 – NON-DISCRIMINATION

The LESSEE for himself/herself, his/her personal representative, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that:

- a. No person on the grounds of race, color, sex, creed or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities;
- b. That in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, sex, creed, or national original shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination;
- c. That the LESSEE shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation-effectuation of Title VI of the Civil Rights Act of 1964, and as said discrimination covenants, the LESSOR shall have the right to terminate the Contract and to re-enter and repossess said land and the facilities thereon, and hold same as if said Contract had never been made or issued.

Article 7 – AFFIRMATIVE ACTION

The LESSEE assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The LESSEE assures that no person shall be excluded in these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The LESSEE assures that it will require that its covered sub-organizations provide assurances to the LESSEE that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

ARTICLE 8 – JUST SERVICE

LESSEE in the conduct of its authorized restaurant business activities on said demised premises and on said Airport, shall furnish good, prompt, and efficient service adequate to meet the demands for its service at the Airport, and shall furnish such services on a fair, equal and not unjustly discriminatory basis to all users thereof, and shall charge fair, reasonable, and not unjustly discriminatory prices for each unit of sale or service, provided, however, that LESSEE shall be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

ARTICLE 9 – NON-EXCLUSIVE RIGHTS

LESSEE shall have the right and privilege of engaging in and conducting a restaurant on the premises of the Southern Wisconsin Regional Airport under the terms and conditions as set forth hereinafter, provided, however, that this Agreement shall not be construed in any manner to grant LESSEE or those claiming under it the exclusive right to the use of the premises and facilities of said Airport other than those premises leased exclusively to LESSEE hereunder.

ARTICLE 10- ACCESS TO PREMISES

LESSOR's Right of Entry: LESSEE agrees to and shall permit LESSOR, the State of Wisconsin and/or the United States Government to send their representatives and employees onto the premises, for the purpose of an inspection thereof. Following reasonable notice to LESSEE, LESSOR may enter upon the premises as often as LESSOR may deem necessary for the purposes of performing such maintenance and repairs as LESSOR reasonably may deem necessary or lawfully may be required to perform, inspecting the Premises, offering the Premises for lease (but only during the period which commences six (6) months prior to the expiration of the Term) or offering the Premises for sale. The foregoing shall not be deemed to require any additional notice from LESSOR in the case of a failure of LESSEE to perform its repair and maintenance obligations under Article 5 of this Lease if LESSOR has already provided the fifteen (15)-day notice to LESSEE required under Article 5. In such case, LESSOR may enter the Premises and perform any or all of such repairs and maintenance following such fifteen (15)-day notice. During the last six (6) months of the Term, LESSOR shall have the right to display "For Sale" and "For Lease"

signs on the Premises. Except in the case of an Event of Default by LESSEE, LESSOR's right of entry shall be exercised in a manner and during reasonable hours at times such that there shall be no unreasonable or material interference with the use and occupancy of the Premises by LESSEE for the conduct of its business operations.

ARTICLE 11 – SPECIAL EVENTS

This Lease is subject to current and future agreements with third parties for the conduct of special events on the Airport, (any such agreement hereinafter referred to as “Special Events Agreement”) and all rights (exclusive rights and other rights) and authority granted thereunder, including but not limited to rights related to use of the Airport. Without limiting the generality of the foregoing, the LESSEE acknowledges and agrees that:

- a. The Premises and LESSEE’s business operations will be impacted by Special Events and other activities that will occur before, during and after the Special Events (e.g., construction, set-up and tear down activities).
- b. The Premises will be closed to the general public for certain periods of time in connection with Special Events although ticket holders for Special Events may have access to the Premises. In the event of a conflict or ambiguity between this Lease and any Special Events Agreement, the Special Events Agreement shall prevail.
- c. In the absence of a written agreement between the LESSEE and Special Events event promoter which specifically provides otherwise, the LESSEE shall comply with the following regulations pertaining to the Premises during Special Events:
 - 1) temporary outdoor uses are prohibited;
 - 2) all uses, including but not limited to retail and food uses, operating from temporary or portable structures or vehicles such as semi-trailers, step vans, recreational or other vehicles with cooking facilities, are prohibited;
 - 3) sale or distribution of food or any other item outside the Interior Premises is prohibited.
 - 4) temporary structures, including tents, shall not be erected and are prohibited;
 - 5) temporary signs, including signs on vehicles and buildings, visible from a street right-of-way and/or the Special Event Area are prohibited. Any sign erected shall be a permanent sign that has received the required permits;
 - 6) streamers, pennants, banners and inflatables, located within the Premises, which are visible from any street right-of-way and/or the Special Event area are prohibited.

ARTICLE 12 – SUBLEASE

LESSEE shall not assign this Lease nor sublet all or any portion of the Premises, without the written consent of LESSOR, which consent shall not be unreasonably withheld or delayed. Absent the written agreement of LESSOR, no assignment of this Lease or subletting of all or any portion of the Premises shall relieve LESSEE of any of the terms, conditions, covenants and obligations of this Lease on the part of LESSEE to be performed.

ARTICLE 13 – UTILITIES

13.1 Utilities: During the Term, LESSEE shall be responsible for and shall pay for all utility services associated with LESSEE's use of the Premises, including without limitation gas, electricity, air conditioning, sanitary and storm sewer, grease removal and disposal, and water, as well as any telephone, television and internet connections. LESSEE shall make its own billing and payment arrangements with the utility providers and any other service providers.

13.2 LESSEE shall be at all times subject to and shall fully and timely abide by any and all water, sewerage, wastewater, utility and other applicable Federal, State, County and City Statutes, ordinances, codes, regulations, rules, promulgations, mandates, edicts, orders and other lawful requirements of whatsoever kind or nature, as from time to time amended (hereinafter collectively referred to as Laws).

13.3 In the event that LESSEE fails to act in accord with any Laws, LESSEE shall be fully responsible for any and all costs of any City and/or County remedial activities necessary and/or desirable to abate the non-conformity and/or violation and effectuate compliance. This responsibility specifically includes repayment to the County of any costs or remedial activities the County is initially required to pay pursuant to an Agreement between the City of Janesville and the County for LESSEE's failure to act in accord with said Laws.

13.4 LESSEE acknowledges and concurs that the City of Janesville has the right, without the necessity for prior or subsequent notice to any person, to suspend, terminate, block, discontinue, re-route and otherwise interfere with or affect their water and sewerage mains and related appurtenances in order to timely comply with any and all lawful orders and directive of agencies (including City's) pertaining to said mains, appurtenances, and/or water and/or wastewater utilities. In the event the City of Janesville must take such action, LESSEE acknowledges that the County/Lessor shall not be liable to LESSEE for any damages resulting from said action.

ARTICLE 14 – TAXES

14.1 Real Estate Taxes and Assessments: During the Term, LESSOR shall pay all real estate taxes and assessments, general and special, levied against the Premises.

14.2 Rental Taxes. During the Term, LESSEE shall pay any and all rental taxes levied by the city, county or other governmental entity against the Premises.

14.3 Personal Property Taxes. During the Term, LESSEE shall be solely responsible for and shall pay for any taxes associated with its personal property

ARTICLE 15 - GOVERNMENTAL REQUIREMENTS

LESSEE agrees to comply with the requirements of every applicable federal, state and county law, rule and regulation, and with every lawful direction and order given by any public officer pursuant thereto.

In accordance with Rock County Resolution 11-10A-481 adopted October 13, 2011, LESSEE agrees that it will ban the open carrying of firearms and the carrying of concealed weapons in buildings and property leased from lessor and will place at its expense signs in proper number and in conformity with sec. 943.13(2)(bm), Wis. Stats. within 10 days of the start date of this lease.

ARTICLE 16 – INSURANCE

16.1 Property and Casualty Insurance: At all times during the Term, the LESSOR, at its sole cost and expense, shall cause the Premises to be fully and adequately insured with a customary policy of fire and extended coverage insurance (including flooding if available and legally required, vandalism, malicious mischief and special extended perils or all-risk) in an amount not less than the full replacement cost of the Premises, with a standard inflation guard endorsement.

16.2 Public Liability Insurance: During the Term, the LESSEE shall maintain in full force and effect a public liability insurance policy for the Premises as follows:

- a. Amount: \$1,000,000 Per Occurrence/\$5,000,000 Combined Aggregate
- b. Property damage: \$1,000,000

Such insurance policy shall name the LESSOR, the Public Works Committee, and LESSOR'S its officers, agents, employees and volunteers as additional insureds, under its policies and must be endorsed to the policy.

16.3 Damage or Destruction

- a. In the event that the Premises shall be damaged or destroyed by fire, explosion, or other casualty, or by any risk required to be insured against, Lessee shall promptly deliver to Lessor notice thereof. Unless terminated pursuant to the terms contained herein, this Lease shall remain in full force and effect, and, LESSOR, shall exercise good faith and diligent efforts promptly to repair the damage or destruction and restore the Premises to substantially that condition existing immediately prior to such damage or destruction. If LESSEE remains in occupancy of the Premises, LESSOR shall exercise such repair and restoration efforts in a manner so as not to interfere unreasonably with the use and occupancy of the Premises by LESSEE for the conduct of its business operations. Until the completion of LESSOR's repair

and restoration pursuant to this Section, LESSEE's obligation to pay rent and other amounts payable by LESSEE hereunder shall be abated as of the date of the damage or destruction in proportion to the extent of the value of the Premises for the use and occupancy thereof by LESSEE for the conduct of its business operations shall be reduced, as the parties shall agree.

b. Rights of Termination: LESSOR's and LESSEE's respective rights to terminate this Lease upon the occurrence of certain damage or destruction shall be governed as follows:

- 1) If the Premises shall be damaged or destroyed to the extent of more than sixty percent (60%) of the full replacement cost thereof, then either LESSOR or LESSEE may elect to terminate this Lease by delivery of notice to the other within thirty (30) days after the date LESSOR or LESSEE first learned of such damage or destruction; or
- 2) If repair and restoration of any such damage or destruction cannot reasonably be completed within one hundred (100) days after the date of notice to the LESSOR of the damage or destruction then LESSEE may elect to terminate this Lease by delivery of notice to LESSOR within thirty (30) days after the date of such damage or destruction; and
- 3) Upon delivery of any notice pursuant to Article 16.3(a) or 16.3(b), and the payment or assignment to LESSOR of insurance proceeds to the extent of LESSOR's interest therein, this Lease shall terminate as of the date of the damage or destruction unless otherwise provided in such notice, and LESSEE's shall have no further liabilities or obligations hereunder other than to pay Rent accrued hereunder through the date of such termination.

c. Damage to Lessee Improvements

- 1) Should any improvements on Premises, insurable or uninsurable, be damaged to the extent that they are not usable or destroyed, LESSEE shall have the election of repairing or reconstructing the improvements substantially as they existed immediately prior to such casualty, or in a new or modified design, approved by the Public Works Committee or not to reconstruct the improvement. LESSEE shall notify LESSOR of its election within sixty (60) days after the occurrence of the casualty or the adjustment of the claim, whichever is later. In the event of damage or destruction on the Premises, LESSOR shall have no obligation to repair, replace, or rebuild the improvements or any fixtures, equipment or other personal property installed by LESSEE on Premises pursuant to this Lease. Nothing contained herein shall be deemed to release LESSEE from any of its repair, maintenance, or building obligations under this Lease. In the event LESSEE elects to repair, replace or rebuild as aforesaid, during the period of time thereof, rental fees provided for in this lease shall be proportionately abated from the date of loss until the same

is repaired, restored, or rebuilt, provided LESSEE does not use said damaged Premises or the location thereof for any purpose other than repairing, replacing, or rebuilding. The proportional amount of abatement will be determined by LESSOR. LESSEE agrees to commence such work promptly and to completion with due diligence, except for delays beyond LESSEE's control.

- 2) If LESSEE does not elect to repair, replace, or rebuild the damaged improvements, LESSEE shall at its own cost and expense, remove all debris resulting from the damage, including foundations, pavements, etc., to a depth of one (1) foot below the grade thereof and restore the surface to a level condition at its original elevation. Upon completion of such debris removal and restoration, this Lease shall terminate and LESSEE's and LESSOR's un-accrued obligations hereunder shall cease. If LESSEE does not elect to repair, replace or rebuild the damaged improvements within the before referenced sixty (60) day period of time, LESSEE shall have been deemed to elect not to repair, replace or rebuild the damaged improvements, LESSOR may elect to restore Premises to its original condition at the cost and expense of LESSEE and this Lease shall be deemed terminated.

16.4 LESSEE's Personal Property Coverage: LESSEE shall be fully responsible for insuring all personal property on the Premises, including, but not limited to equipment and materials being stored within the Premises.

16.5 LESSEE's Worker's Compensation Insurance: LESSEE will at all times during the term of this Lease keep in force and effect Worker's Compensation insurance in the amount required by the State of Wisconsin.

16.6 Certificates: LESSEE shall provide LESSOR with a certificate of the required insurance prior to the commencement of this lease. - The certificate(s) shall contain an agreement by the insurer that such insurance coverage shall not be modified or canceled without delivery of at least thirty (30) days' written notice to the insured party.

16.7 Mutual Waiver of Subrogation: Nothing in this Lease shall be construed so as to authorize or permit any insurer of LESSOR or LESSEE to be subrogated to any right of LESSOR or LESSEE against the other party arising under this Lease. LESSOR and LESSEE each hereby release the other to the extent of insurance coverage for any loss or damage caused by any such casualty, even if such incidents shall be brought about by the fault or negligence of either party. All insurance policies to be provided under Article 16 by either LESSOR or LESSEE shall contain a provision that they are not invalidated by the foregoing waiver.

ARTICLE 17 – DEFAULT BY LESSEE OR LESSOR

17.1 LESSEE's Default: The following events shall be deemed to be events of default by LESSEE under this Lease:

- a. LESSEE shall fail to pay any installment of the Rent herein reserved when due, or

any other payment or reimbursement to LESSOR required herein when due, and such failure shall continue for a period of five (5) days from the date such payment was due following written notice thereof by LESSOR to LESSEE.

- b. LESSEE shall fail to file with LESSOR required financial statements as described in section 3.2(b.) and such failure shall continue for a period of thirty (30) days from the date such statement was due following written notice thereof by LESSOR to LESSEE.
- b. LESSEE shall become insolvent, or shall make a transfer in fraud of creditors, or shall make an assignment for the benefit of creditors.
- c. LESSEE shall file a petition under any section or chapter of the National Bankruptcy Code, as amended, or under any similar law or statute of the United States or any state thereof; or an order for relief shall be entered against LESSEE in any proceedings filed against LESSEE thereunder.
- d. A receiver or trustee shall be appointed for all or substantially all of the assets of LESSEE.
- e. LESSEE shall fail to discharge any lien placed upon the Premises in violation of this lease within thirty (30) days after any such lien or encumbrance is filed against the Premises.
- f. LESSEE shall fail to perform any of its maintenance and repair obligations under Article 5 within fifteen (15) days after LESSOR's delivery to LESSEE of written notice of the need for such maintenance and repairs.
- g. LESSEE shall fail to comply with any term, provision or covenant of this Lease and shall not cure such failure within thirty (30) days after written notice thereof to LESSEE.

17.2 LESSOR's Remedies:

- a. Upon the occurrence of any Event of Default described in Article 17 hereof, LESSOR shall have the option to pursue any one or more of the following remedies after five (5) days written notice to LESSEE:
 - 1) Terminate this Lease, in which event LESSEE shall immediately surrender the Premises to LESSOR and if LESSEE fails so to do, LESSOR may, without prejudice to any other remedy which it may have for possession or arrearage in Rent, enter upon and take possession of the Premises and expel or remove LESSEE and any other person who may be occupying such Premises or any party thereof without being liable for prosecution or any claim for damages therefor.
 - 2) Enter upon and take possession of Premises as permitted under law and expel or

remove LESSEE and any other person who may be occupying such Premises or any part hereof without being liable for prosecution or any claim for damages therefor, and relet the Premises and receive the rent therefor, provided that such expulsion or removal is pursuant to law, all without terminating the Lease.

- 3) Alter all locks and other security devices at the Premises without terminating this Lease.
- b. Failure or delay by LESSOR in exercising any of the remedies in this section shall not waive LESSOR's right to exercise any such remedy, or any other remedy or action available at law or equity available to LESSOR to enforce its rights.
 - c. No acceptance by LESSOR of rents, fees, charges, or any other payments or waiver by LESSOR of any other Event of Default on the part of LESSEE in the performance hereunder shall act as a waiver of LESSOR or any subsequent default or of any right granted under this Lease.

17.3 LESSOR's Default and LESSEE's Remedies: LESSOR shall be in default of this Lease if LESSOR fails to perform any term, condition, covenant or obligation of this Lease on the part of LESSOR to be performed within thirty (30) days after the date on which LESSOR receives from LESSEE notice by certified or registered mail specifically describing such failure.

ARTICLE 18 – WARRANTIES AND REPRESENTATION

18.1 Compliance with Laws

- (a) LESSOR covenants for the benefit of Tenant that the improvements located within the Premises or within the building housing a portion of the Premises as well as Lessor's maintenance and repairs under Article 5 shall be done in a good and workmanlike manner and substantially comply with all laws, ordinances and requirements, including without limitation the procuring of all building and other permits, licenses, approvals, and certificates of occupancy and the observance of applicable building, zoning, and other code requirements, of governmental authorities with competent jurisdiction, and notwithstanding any other provision of this Lease to the contrary, if any improvements, alterations or renovations to the Premises shall be required by any law, ordinance, or requirement of any governmental authority with competent jurisdiction, then LESSOR, at its sole cost and expense, shall perform such improvements, alterations, or renovations in a timely manner (unless caused by LESSEE's use of the Premises); provided, however, no alleged violation by LESSOR of any such law, ordinance, or requirement shall be deemed to constitute a LESSOR default, so long as LESSOR shall contest in good faith, the validity of such law, ordinance or requirement or the existence of the alleged violation thereof.
- (b) LESSEE assumes full responsibility for and covenants for the benefit of LESSOR that LESSEE's improvement work, its maintenance and repairs and its use and occupancy of the Premises for the conduct of its business operations shall comply

with all applicable laws, ordinances, and requirements of governmental authorities with competent jurisdiction; provided, however, that (i) no alleged violation by LESSEE of any such law, ordinance or requirement shall be deemed to constitute a LESSEE default so long as LESSEE shall contest, in good faith, the validity of such law, ordinance or requirement or the existence of the alleged violation thereof; and (ii) LESSEE shall not be obligated to incur costs or expenses for improvements, alterations or renovations to the Premises required at any time or from time to time by any applicable law, ordinance or requirement of a governmental authority with competent jurisdiction, unless such improvements, alterations, or renovations specifically relate to LESSEE's use.

18.2 Hazardous and Toxic Conditions

- (a) To the best of LESSOR's knowledge and belief, LESSOR represents for the benefit of LESSEE that the Premises does not now, and at the LESSEE possession date will not contain any material classified as toxic or hazardous under applicable federal, state, and local laws, ordinances, and requirements of governmental authorities with competent jurisdiction (collectively, a "Hazardous Substance"). If a Hazardous Substance is discovered on the Premises to the extent such condition existed prior to or on the LESSEE possession date or is caused by LESSOR or any party other than LESSEE, then LESSOR shall promptly give LESSEE written notice of such condition and promptly cause such Hazardous Substance to be addressed and the Premises brought into compliance with applicable laws, ordinances, and requirements of governmental authorities with competent jurisdiction. LESSOR's sole responsibility to LESSEE shall be to remediate or to cause the responsible party to remediate such Hazardous Substance in a prompt and reasonable manner. Prompt Action shall mean to act in a commercially reasonable manner by timely retaining professionals who are tasked with the responsibility outlined above ("Prompt Action"). If LESSOR fails to take Prompt Action, LESSEE shall be free to do so and bill the full cost thereof to LESSOR, which LESSOR shall be obligated to pay within thirty (30) days of invoicing. The authorization to LESSEE hereunder shall be limited to performing the approved remediation plan as approved by the governing municipal body. In addition, in the event there is an existing Hazardous Substance that is later exasperated by LESSEE's use, or a new Hazardous Substance caused by LESSEE, then LESSEE shall be solely responsible for remediating such Hazardous Substance. For example, and for avoidance of doubt, in the event that there is asbestos in tile and by virtue of LESSEE's use that asbestos material is exposed, then in that event LESSEE shall be solely responsible for remediating that exasperated Hazardous Substance.
- (b) LESSEE agrees that, except for *de minimus* amounts of Hazardous Substances brought onto the Premises as necessary to service LESSEE's vehicles or by LESSEE's employees in the form of fluid for cigarette lighters and other personal items and Hazardous Substances in the form of products for sale which are handled by LESSEE in accordance with all legal requirements, it shall not bring Hazardous Substances onto the Premises nor allow LESSEE's employees or business invitees to bring Hazardous Substances onto the Premises. LESSEE agrees to indemnify

LESSOR pursuant to the provision of Article 18 hereof against any losses incurred by LESSOR arising out of any Hazardous Substance created by LESSEE on the Premises or out of any Hazardous Substances brought onto the Premises by LESSEE, its employees or business invitees. LESSEE shall have the right at any time during the Term, to make soil, environmental and other tests on the Premises, repairing all damages caused by such tests, with written consent from LESSOR, which consent shall not be unreasonably withheld.

ARTICLE 19 – INDEMNIFICATION

19.1 LESSEE Indemnification. LESSEE agrees that the Airport premises shall be used for the purposes set forth in this Lease and no other purpose. LESSEE agrees to indemnify and hold LESSOR, its officers, agents and employees, harmless from and against any and all losses, damages, claims, suits, actions, judgments, liabilities and expenses of any kind, including without limitation reasonable attorneys' fees (collectively, "Losses"), arising out of, or with respect to: (a) any breach of any warranty or representation or any covenant or agreement of LESSEE, under this Lease; or (b) any injury to, or death of, persons and/or any damage to, or destruction of, property, on or about the Premises and attributable to the negligence or misconduct of LESSEE, or LESSEE's officers, employees, agents, contractors or invitees, except for the negligence or misconduct of LESSOR, or any of LESSOR's officers, employees, agents, contractors or invitees, or as otherwise specifically provided in this Lease.

19.2 LESSOR Indemnification. LESSOR agrees to indemnify and hold LESSEE, its officers, agents and employees, harmless from and against any and all losses, damages, claims, suits, actions, judgments, liabilities and expenses of any kind, including without limitation reasonable attorneys' fees (collectively, "Losses"), arising out of, or with respect to: (a) any breach of any warranty or representation or any covenant or agreement of LESSOR, under this Lease; or (b) any injury to, or death of, persons and/or any damage to, or destruction of, property, on or about the Premises and attributable to the negligence or misconduct of LESSOR, or LESSOR's officers, employees, agents, contractors or invitees, except for the negligence or misconduct of LESSEE, or any of LESSEE's officers, employees, agents, contractors or invitees, or as otherwise specifically provided in this Lease.

- a. LESSOR shall not be responsible or liable to LESSEE for any damage to either person or property that may be occasioned by or through the acts or omissions of third parties.
- b. LESSOR shall not be responsible or liable to LESSEE for the failure of any public or private utility in supplying utilities to the Premises.
- c. LESSOR shall not be responsible or liable to LESSEE for any damage to any person or property of LESSEE or other person caused by or resulting from burst, broken, or leaking pipes or by or from, steam or the running, backing up, seepage or overflow of water or sewage in any part of the Premises or for any damage caused by or resulting from acts of God or the elements.

19.3 Conditions; Survival. The indemnification obligations created by this Section 19 shall be expressly conditioned upon the party seeking indemnification (i) delivering to the other party prompt notice of any event giving rise to such indemnification obligation and (ii) providing such other party the opportunity to defend itself from and against any Losses. The indemnification obligations under this Lease shall survive the expiration of the Lease Term (or earlier termination of this Lease).

ARTICLE 20 - SUSPENSION OF AIRPORT OPERATIONS

In the event that the United States Government or any of its agencies shall occupy the Airport or any substantial part thereof to such an extent as to materially interfere with LESSEE's operations for a period in excess of thirty (30) days, then in that event, LESSEE shall have the right upon written notice to LESSOR to terminate this Lease, or at its option to suspend this Lease for the period or periods of such interference in which event the rents shall not be paid or payable from the effective date of such notice until normal operations shall have been restored. LESSOR shall return to LESSEE a pro rata portion of any rents which may have been paid in advance for a month or proration thereof which falls within the period of interference. Such a suspension shall not toll the Term so as to extend the Term or any renewal thereof beyond the existing Term or Renewal Term then in effect.

ARTICLE 21 – AIRPORT PROTECTION

It shall be a condition of this Lease, that the LESSOR reserves unto itself, its successors and assigns, for the use and benefit of the public:

21.1 The right of flight for the passage of aircraft in the airspace above the surface of the Airport, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the said airspace and for use of said airspace for landing on, taking off from or operating on the airport.

21.2 The right to take any action it considers necessary to protect the airspace and approaches of the Airport against obstruction, together with the right to prevent LESSEE from erecting, or permitting to be erected, or locating any building, object structure on the Premises adjacent to the Airport, which, in the opinion of the LESSOR, would limit the usefulness of the Airport or constitute a hazard.

21.3 The right to further develop or improve the Airport as it may determine in its sole discretion. LESSOR shall make every effort to minimize the disruption of LESSEE's Airport usage during periods of repair or further Airport development.

21.4 The right to lease the landing area or any part thereof to the United States Government for uses, including but not limited to military or naval uses, and if such lease is executed, the provisions of this instrument insofar as they are inconsistent with the provisions of this Lease to the Government, shall be suspended. Such a suspension shall not toll the Term so as to extend the Term or any renewal thereof beyond the existing Term or Renewal Term, then in effect.

21.5 This Lease is intended to be an agreement solely between the Parties hereto and for their benefit only. No part of this Agreement shall be construed to add to, supplement, amend, abridge, or repeal existing duties, rights, benefits, or privileges of any third party or parties, including but not limited to employees of either of the parties.

ARTICLE 22 – INTEGRATION

This document is fully integrated embodying the entire agreement between the parties.

22.1 Entire Agreement; Amendments: This Lease contains the entire agreement between the parties, and no promise, representation, warranty, covenant, agreement or understanding not specifically set forth in this Lease shall be binding upon, or inure to the benefit of, either party. This Lease may not be amended, altered, modified or supplemented in any manner except by an instrument in writing duly executed by the parties.

22.2 Counterparts: This Lease may be executed in two (2) or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Lease to be duly executed by each of their respective authorized representatives as of the day and year first above written.

LESSOR's Seal

LESSOR

ROCK COUNTY, WISCONSIN

BY: _____
J. Russell Podzilni, County Board Chair

BY: _____
Lisa Tollefson, County Clerk

LESSEE's Seal

LESSEE

GERONIMO HOSPITALITY GROUP, LLC

BY: _____

Exhibit A

