

DOOR COUNTY BUSINESS DEVELOPMENT CENTER

LEASE

This AGREEMENT is made this ___ day of _____ 200_, between the Door County Economic Development Corporation (Landlord) and ___ (Tenant).

1. Lease of Premises: In consideration of the rent to be paid by the Tenant, Landlord leases to Tenant the space (Premises) located at 185 East Walnut, Sturgeon Bay, Wisconsin 54235, consisting of approximately ___ square feet and identified by the Landlord as area(s) _____ including the use of Common Areas as described in Article 2. Landlord agrees to supply the following services:

A. Services at no additional cost:

- (I) Use of forklift and other material handling equipment
- (II) Mail services
- (III) Central receptionist during business hours
- (IV) Use of audio-visual and other equipment on a reservation basis, if available
- (V) Business Plan counseling and review
- (VI) Fund sourcing and assistance with loan applications

B. Services on a limited or fee basis:

- (I) Photocopying
- (II) Fax services
- (III) Secretarial services
- (IV) Management consulting services
- (V) Telephone answering service during business hours providing that the landlord shall have no liability to the Tenant for the completeness or accuracy of any telephone message.
- (VI) Business Plan writing
- (VII) Personal computers and various business software
- (VIII) Furniture Rental

A certain level of some services for which fees may be charged are available to Tenant at no cost. Refer to "Service Price List for Development Center Tenants" for pricing and free service levels included in lease cost. Door County Business Development Center reserves the right to change the price of services or modify, add to, or discontinue any of the Services presently available during the term of this lease.

2. Common Areas: The following Common Areas will be for the use of all Tenants:

- (I) Central Reception and Waiting Area
- (II) Conference Room(s)
- (III) Lunchroom/Vending Area
- (IV) Loading Docks
- (V) Corridors
- (VI) Outside Grounds
- (VII) Restrooms
- (VIII) Fax/copy room

These areas will be maintained by Landlord for the benefit of all the Tenants. Conference Room usage will be on a reservation basis, if available. Landlord may make such rules to restrict, limit, or place conditions on the usage of these Common Areas by Tenant as necessary to insure the benefits of these Common Areas to all tenants.

3. Repairs: The Landlord shall, at its own cost, repair, replace and maintain in good condition the common areas and essential structure of the incubator facility, including all necessary repairs to the roof, exterior walls, floors, footings, foundations, heating, electrical and plumbing systems other than those specifically made the responsibility of the Tenant. Landlord shall keep in good repair the parking area, driveways and sidewalks. Landlord shall provide for the care of the lawn and landscaping and snow removal from parking areas, driveways, and exterior walkways to or around the Building, the cost of which will be shared by tenants as described in 9.B.

The Tenant shall, at its own cost, repair, replace and maintain in good condition, the leased area, including the ceilings, light fixtures, interior surfaces of the walls and floors, as well as any special interior ventilation systems specifically installed for the Tenant's purposes. Any damage to the building exterior or common areas caused by the Tenant or Tenant's employees is the responsibility of the Tenant and must be corrected immediately.

4. Parking: Parking shall be available to Tenant, Tenant's employees, and Tenant's customers. Rules governing the parking or storage of company owned vehicles/trailers will apply to all tenants. Long term storage of personal vehicles/trailers will not be allowed on the property.

5. Term: Tenant shall lease the premises for a term commencing and ending on . Landlord shall not be liable for failure to deliver the premises to Tenant on the beginning date of this lease for reasons beyond Landlord's control.

6. Rent: Tenant agrees to pay to Landlord rent for the following space:

<u>TYPE</u>	<u>ANNUAL RATE</u>	<u>SQUARE FOOTAGE</u>	<u>TOTAL COST</u>
Office	\$		
Industrial			
Additional Storage (as available)			
TOTAL			

in equal monthly installments of \$_____ in advance on the first working day of each month for the term of this lease. In the event that the term agreed to does not begin on the first day of the month or end on the last day of the month, the first and/or last monthly rental payment shall be prorated.

A fee schedule is attached to this lease identifying rental rates and other fees. These fees are comparable to other such facilities in the community.

Failure to pay rent when due will place Tenant in default and breach of the terms of this Lease, Landlord having any and all rights to terminate said Lease pursuant to Chapter 704 of the Wisconsin Statutes and any successor statutes that may apply. Forbearance on the part of the Landlord for a default in payment of the monthly installment of rent in any given month shall not constitute a waiver of any of Landlord's rights or remedies under this Lease or laws of the State of Wisconsin.

7. Use of Premises: The premises shall be used only for

Tenant shall provide safe, code compliant storage for any potentially hazardous materials used, kept, or sold by Tenant and will exercise reasonable care in the handling of such materials. Tenant shall provide Landlord and any other interested party with Material Product Safety Data regarding any hazardous materials. Tenant will provide for code compliant disposal of any hazardous waste generated by the Tenant, such disposal will be provided at Tenant's expense.

Tenant shall observe all local, state, and federal laws and regulations in all activities within the facility. This specifically includes all rules and regulations regarding environmental policy including EPA, OSHA, and Wisconsin Department of Natural Resources rules for environment discharges into the air, water, waste water treatment system, or noise, odors or other irritants. The tenant shall comply with all EDA requirements, including but not limited to, non-discrimination and environmental requirements.

Tenant shall immediately notify Landlord of any of the following:

A. Any correspondence or communication from any governmental entity regarding the application of Environmental laws and regulations to the property or Tenant's operation on the property.

B. Any change in Tenant's operation on the property that will change or has the potential to change Tenant's or Landlord's obligations or liabilities under the Environmental law and regulations.

The Door County Business Development Center (DCBDC) is a small business incubator. The goals and purposes of the DCBDC include the long term delivery of incubator services and quality space to tenants. Tenant shall not carry out activities which jeopardize the long term success of the DCBDC in any manner or the ability of the DCBDC to carry out its goals and purposes. Tenant shall not carry out activities which are deemed as being either a nuisance to the DCBDC or to other tenants of the DCBDC, or use or allow the premises to be used for any unlawful purpose. Tenants who, in the sole judgement of the Landlord, carry out activities which jeopardize the long term success or the ability of the DCBDC to carry out its goals and purpose, will be considered in breach of this Lease.

No pets or animals are allowed on the premises without prior permission or special agreement with the Landlord.

8. Security Deposit: Tenant agrees that a security deposit in an amount equal to one month's rent shall be paid to Landlord as a deposit for the faithful performance by Tenant of all of its obligations under this lease as well as any extensions or renewals thereof. Landlord shall hold all such funds in an account provided solely for that purpose. No interest shall be paid on Tenant's security deposit.

If Tenant fails to keep and perform any of the terms, covenants and conditions of this lease to be kept and performed by Tenant, including condition of the Premises, then Landlord at its option may apply said deposit, or so much thereof as may be necessary, to compensate Landlord for loss or damage sustained or suffered by Landlord due to such breach on the part of Tenant. Should the entire deposit, or any portion thereof, be so applied by Landlord, then Tenant shall, upon Landlord's demand, forthwith remit to Landlord a sufficient sum to restore said security to the original sum deposited, and Tenant's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this lease. Should the tenant comply with all of said terms, covenants and conditions and promptly pay all of the rents herein provided for as they fall due, and all other sums payable by Tenant to Landlord hereunder, said deposit shall be returned in full to Tenant at the end of the term of this lease, upon the Tenant furnishing the Landlord with written demand for said security deposit, which demand shall include the Tenant's new address. Any damage caused to the Premises by Tenant or by any person while the Premises are under the control of the Tenant, except for normal wear and tear, will be legitimate charges against the security deposit. Loss or damage in excess of the security deposit will be borne by the Tenant. Any non-payment of rent shall be a legitimate charge against the security deposit, shall not be used as the payment of any month's rent. Rent includes all shared costs and charges set forth under paragraph 9 of this lease.

9. Shared Costs as Additional Rent:

A. Office Tenants: Lease rate includes heat, lights, air conditioning, property tax, maintenance of grounds, routine building maintenance and rubbish removal. Tenant shall be responsible for payment of all personal property tax and taxes incurred in the operation of a business upon the premises.

B. Industrial Tenants: Landlord will be responsible for maintaining the following services and paying certain taxes, the cost of which will be shared by all Tenants.

1. Utilities: Separate metering of electrical service is provided for areas of the building. Should Tenant occupy an entire area metered separately, Tenant will be responsible for the metered electrical cost for that area. Where Tenant shares a metered area with other tenants, a distribution formula will be agreed on prior to occupancy. Tenant will also be responsible for its pro-rata share of other utilities including common Electrical, Gas, Water and Sewage charges.

2. Other Common Costs: Rubbish Removal, Snow Removal, Care of Grounds and Janitorial Service for Common Areas will be contracted for by Landlord and Tenant will pay its pro-rata share for these services. Should Tenant create a situation which requires special services, including, but not limited to, additional rubbish pick-ups or clean up of Common Areas, Tenant will be responsible for the total cost of such additional or special services.

3. Taxes: All Taxes (with the exception of Sales, Use or Taxes on Income), specifically including Property Taxes, will be shared by all Tenants on a pro-rata basis. Tenant's prorated costs will be determined by dividing the total square footage leased by Tenant by the total taxed square footage (certain areas of the building may be exempted from Property Tax) of the building.

4. Pro-Ration: Tenant's share of utilities and other common costs will be determined by dividing the total square footage leased by Tenant by the total leasable space in the facility, except Sewer, Water, Janitorial Service, and Rubbish Removal costs which will be determined by dividing the Tenant area by the total leased spaced in the facility.

C. Optional Development Center Services: Tenant will be charged for optional services provided by the Development Center on a fee basis. Such charges will be considered additional rent under the terms of this Lease. Such charges include, but are not limited to, clerical fees, photocopier usage, furniture rental and fax usage.

D. Payment: Landlord will invoice the Tenant monthly for Tenant's share of Shared Costs incurred during the previous month. Each Tenant shall be supplied with a complete accounting of actual Shared Costs. Such invoices will be considered Rent under the terms of

this Lease and be payable by the end of the month invoiced.

10. Signs: Tenant shall not use any part of the premises for advertising purposes, nor shall the Tenant install signs upon the exterior of the premises. Tenant shall provide to Landlord a proper business name and Landlord will secure the sign per Landlord's specifications. Subject to space availability, tenant's business name will be placed on the facility's exterior directory in equal proportion to the other tenants. Tenant's interior signs, design and placement along the common corridors must be approved by the Landlord. The interior sign must be directly related to the official business name and not as advertising unrelated to the official business name. All costs associated with interior and exterior signs are the obligation of the Tenant.

11. Care of Premises: Tenant agrees to comply with all applicable laws, orders, ordinances, and regulations of all government authorities and also with any direction made pursuant to law by any public officer or officers with respect to the use of the Premises or to any abatement of nuisance or the imposition of any duty upon the Landlord or Tenant arising from Tenant's use of the Premises or from conditions which have been created by or at the instance of Tenant or by reason of a breach of any of the Tenant's covenants or agreements under this Lease. The Tenant shall observe such rules and regulations as the Landlord shall deem proper for the general comfort, safety and convenience of the Landlord, occupants and tenants of the building of which the Premises are a part. Any failure by the Landlord to enact or enforce such rules and regulations against the Tenant or any other tenant shall not constitute a waiver of the Landlord's authority under this section.

Tenant must abide by all rules and procedures applicable to all tenants of the Incubator facility, including the "Operating Policies and Procedures", and shall maintain its business operation in such a manner not to unreasonably interfere with the operations of the Incubator facility itself or the right of quiet enjoyment granted to any other tenant. Moreover, all reasonable rules, regulations and policy expressions by the Landlord relating to the security of the building shall be scrupulously observed by Tenant, and the failure to follow such rules shall be deemed a breach of this lease. Tenant is subject to any reasonable operating rules and procedures developed by the Landlord, and any modification to them, provided the Landlord gives written notification to the Tenant of such change, addition or deletion.

Tenant shall be responsible for keeping the leased premises in a clean, neat, orderly and tenantable condition at all times. Tenant moreover shall place no debris or rubbish outside the premises except at locations and in containers so provided, and to permit no such placement of debris and rubbish by employees or guests. All trash shall be placed in Rubbish Removal containers supplied by Landlord. Should Tenant require special waste disposal procedures or equipment, Landlord shall provide a location for containers in a defined area outside the Incubator facility. Tenant is responsible for contracting the waste removal services and for all costs associated with it. In no shape, manner or form shall the Tenant place, store or permit manufacturing waste or Tenant rubbish in any other location other than the Landlord defined area. Should the Tenant fail to exercise good housekeeping of the area defined, the Landlord will issue written notice indicating that the Landlord will have the

problem corrected at the Tenant's expense and is subject to invalidating the lease and could result in receiving legal notice to immediately vacate the premises.

Raw, in-process or finished inventory is not permitted to be stored on the outside of the building.

All isles and exits must be kept free of materials at all times.

12. Indemnification by Tenant: Landlord shall not be liable to Tenant, or to any other person, for any damage to any person or property caused by act, omission or neglect of Tenant. Tenant agrees to indemnify and hold Landlord harmless from any such liability. In addition, Tenant shall, during the terms of this lease or any extension or renewal thereof, maintain the following insurance coverages: Workman's Compensation Insurance for all employees; Fire and Property Insurance against special perils for all contents, equipment, fixtures and inventory located in the leased premises; Comprehensive Public Liability Insurance, with limits of not less than \$500,000.00 combined single limit of bodily injury, death and property damage protecting Landlord and Tenant against liability for any accident, injury or damage on the premises or the property; as well as Fire Legal Liability with limits not less than \$100,000.00. Policies shall be issued by reputable insurance companies licensed to transact business in the State of Wisconsin. For all insurance required to be maintained by this article, Tenant shall deliver to Landlord evidence of the coverage. Each insurance policy shall contain an agreement that the policy shall not be canceled without the prior written consent of the landlord. Tenant shall provide an updated memorandum of insurance to Landlord annually.

Tenant shall indemnify and hold harmless Landlord, its employees and agents from and against any and all loss, damage and expense (including but not limited to, reasonable investigation and legal fees and expenses) including, but not limited to, any claim or action for injury, liability or damage to persons or property, and any and all claims or actions brought by any person, firm, governmental body, or other entity, alleging or resulting from or arising from or in connection with contamination of or adverse effects on the environment, or violation of any Environmental Law or other statute, ordinance, rule, regulation, judgement or order of any government or judicial entity, and from and against any damages, liabilities, costs and penalties assessed as a result of any activity or operation on leased premises or the building or surrounding land of which the leased premises form a part. Tenant's obligations and liabilities under this paragraph shall continue so long as Landlord bears any liability or responsibility under the Environmental law and regulations and Tenant's actions shall be restrainable by injunction.

13. Tenant Alterations, Installations, and Changes in Premises:

A. Tenant may, at its expense, make alterations and install fixtures to the premises only with Landlord's prior written approval of the alterations and the contractor, if any. Any alteration

or fixture shall not impair the safety or the appearance of the premises and the property and

shall be made according to all applicable laws, ordinances, regulations, and rules set forth by Landlord.

B. All alterations made or fixtures installed on the premises by Tenant under Article 13 A above shall be the property of Landlord and shall be surrendered with the premises at the end of this Lease without compensation to Tenant. If, at the termination of this Lease, Landlord directs by written notice to Tenant, Tenant shall, at its own expense, promptly remove all alterations and fixtures designated by Landlord and repair any damage to the premises caused by the removal.

C. Tenant agrees to promptly pay all sums allegedly due and payable by Tenant for any labor or services performed or materials supplied to the premises. Tenant shall indemnify and hold Landlord harmless for any and all claims, liens, or costs (including attorney fees) which arise from Tenant's alterations.

D. Tenant shall have the responsibility to acquire and install all window coverings that Tenant may desire (if any) which must comply with colors and standards adopted from time to time by Landlord. Upon termination of the Lease, all such window coverings may be removed by the Tenant within five (5) days or if not, they shall remain and become the property of Landlord.

E. Tenant may during the term of this lease install such equipment and appliances as may be reasonably necessary for Tenant's use of the leased Premises ("Trade Fixtures"). Tenant shall receive the prior written approval of the Landlord for the installation of any Trade Fixtures that attach to or penetrate the building, premises or surrounding land. Tenant agrees that it will not create, incur or impose or suffer or cause others to create incur or impose any lien or obligation against the leased Premises, Tenant's interest in the leased Premises, the building or land of which the leased Premises are part, or against Landlord by reason of the installation authorized herein. Tenant agrees to hold Landlord harmless of and from any and all claims and demands of third persons in any manner relating to or arising out of any such installation.

The Trade Fixtures may be affixed to the leased Premises and Tenant may remove the same at will, and shall remove the same at the termination of this Lease if so requested by Landlord. All damages incurred to the leased Premises as a result of any affixation or removal shall be promptly repaired to the Landlords' satisfaction by and at the sole cost and expense of Tenant. Any Trade Fixtures not removed as herein permitted or required shall, at the option of the Landlord, be deemed abandoned by Tenant, to be disposed of by Landlord in accordance with this Lease.

14. Default: As set forth in Article 6, failure to pay rent when due will be considered a breach and default of the Lease. In addition to such abandonment of the premises, violation of any provision of this lease or the DCBDC policies and procedures which have the effect of having the potential to cause injury to the DCBDC and its occupants, the appointment of a receiver to possession of the assets of the Tenant, a general assignment for the benefit of the creditors of the Tenant, any action taken or allowed to be taken by the Tenant under a bankruptcy act or the failure of the Tenant to comply with each and every term or condition of this Lease in addition to payment of the rent in a timely fashion shall constitute a breach of this lease.

For a breach resulting from failure to pay rent, the Tenant shall have five (5) days to cure default after which the Landlord may exercise its option to terminate this Lease pursuant to the provisions of Chapter 704 of the Wisconsin Statutes or successor statutes that may apply.

For any breach other than nonpayment of rent, the Tenant shall have ten (10) days from the receipt of written notice from the Landlord of the breach to correct the conditions specified in the notice, or if corrections cannot be made within the ten (10) day period, Tenant shall have the right to request a reasonable time to correct the default if the Tenant within two (2) days after the receipt of the notice makes the Landlord aware of the need for additional time to correct the default. Should such breach present a possible hazard to other occupants of the facility, Tenant shall immediately cease the activity which creates the hazard regardless with no waiting period allowed. The foregoing notwithstanding, nothing in this paragraph should be construed to obligate the Landlord to extend the time for curing default for breach other than nonpayment of rent beyond the ten (10) day period.

15. Landlords Rights and Remedies: If a Tenant default occurs, Landlord shall be entitled to recover from Tenant all unpaid rent and additional rent up to the end of the Lease term, as well as any additional sums provided for by law (including attorney's fees) or as otherwise provided in this Lease for which Tenant is liable or for which Tenant has agreed to indemnify Landlord under the provisions of this Lease. If Landlord terminates this Lease as provided above, Landlord may reenter the premises at its discretion. Tenant agrees, following notice of Tenant's being in default, to deliver to Landlord all keys to the premises, security entry cards if any and any other personal property supplied by the Landlord not owned by Tenant.

16. Lien for Rent: Tenant hereby grants to Landlord a lien of Tenant's interest in all improvements, fixtures or personal property on the premises. In the event Tenant fails to cure a default under this Lease, Tenant authorizes Landlord to take possession of the property free and clear of Tenant's interest therein.

17. Damage: If all or any part of the Door County Business Development Center shall be damaged or destroyed by fire or other casualty, the Landlord shall repair and/or rebuild the same with reasonable diligence, but Landlord's obligation hereunder shall be limited to the rebuilding of the premises to the same extent as the premises were immediately prior to the commencement of the lease term. In the event that such fire or casualty renders the leased premises either partially or

totally untenable, there shall be an equitable abatement of the rental until the leased premises are again rendered fully tenantable, provided that Tenant shall not be relieved of its obligation to pay that portion of the rental which is denominated as payment for taxes, and to keep the premises insured. If the premises shall be damaged or destroyed by fire or other casualty so as to be totally untenable, then in case the premises shall not be repaired within sixty (60) days thereafter, this lease may be canceled at the option of either party.

18. Subordination: Tenant agrees that this Lease and Tenant's interest in this Lease shall, at Landlord's option, be secondary to any mortgage, deed of trust or other method of financing or refinancing now or hereafter placed on the premises, the property and land underlying the premises and/or the building of which the premises is a part. Tenant further agrees that it will execute and deliver any and all documents necessary to show that Tenant's rights under this Lease are secondary.

19. Holding Over: Should Tenant hold over after the term of this Lease expires, with Landlord's written approval, Tenant shall become a Tenant on a month to month basis upon all the terms and conditions specified in this Lease.

20. Assignment and Subletting: Tenant shall not assign or sublet its interest in the Lease without the prior written consent of the Landlord. Any assignment or sublease shall not relieve Tenant of its obligations under this Lease.

21. Miscellaneous:

A. Entry by Landlord: Landlord shall have the right to examine the premises at all reasonable times for all reasonable purposes. Except in the case of emergencies, Landlord shall give reasonable notice to Tenant of intent to enter premises.

B. End of Term: Tenant shall surrender the premises at the end of the Lease in good order and condition, except for reasonable wear and tear, and return to Landlord all tangible personal property supplied by Landlord to Tenant, other than personal property purchased by Tenant from Landlord. Tenant shall also return all keys to the premises as well as all security entrance cards, if any.

C. Relationship of Landlord and Tenant: Tenant shall not use any trademark, service mark or trade name of Landlord, nor shall Tenant hold itself out as having any business affiliation with Landlord without having specific written agreement from Landlord.

D. Estoppel Certificate: Tenant will execute, acknowledge and deliver to Landlord, or any proposed mortgagee or purchaser a certificate by Tenant which confirms the terms and conditions of this Lease within five (5) days of a written request by Landlord.

E. Certificate of Nonrelocation: Tenant will execute, and deliver to Landlord a US Department of Commerce "Employer's Certificate of Nonrelocation" (Form Ed-540).

F. No Waiver or Breach: Any failure or neglect by Landlord to assert or enforce any rights or remedies because of any breach or default by Tenant under this Lease shall not (except as to those specific instances when express time limits are provided for taking action) prejudice Landlord's rights or remedies with respect to any existing or subsequent breaches or defaults. Acceptance of any partial payment from Tenant will not waive Landlord's right to pursue Tenant for any remaining balance, nor shall any endorsement or statement on any check or any letter which acknowledges a check or payment as rent be deemed as an accord and satisfaction.

G. Landlord's Right to Show Premises: Landlord may show the premises to prospective tenants during the four (4) months prior to the termination of this Lease, during hours reasonably acceptable to Tenant and upon reasonable notice.

H. Survival of Covenants: Should any provision of this Lease be found unenforceable by court of law or other tribunal having jurisdiction, such unenforceability or invalidity shall not affect the remainder of the provision of this Lease and all other provisions shall survive.

I. Financial Statements: Tenant shall furnish quarterly financial statements on a timely basis along with any other information required by the Landlord in order to fulfil the goals and purposes of the Development Center or required to report to agencies whose funding is used to finance the Development Center. All information will be handled on a strictly confidential basis.

22. Burden, Benefit, and Applicable Law: This Lease shall be binding upon and shall insure to the benefit of the respective successors and assigns of the Landlord and Tenant. This Lease shall be construed according to the laws of the State of Wisconsin. This Lease contains all the agreements and understanding made between the parties and may be modified only by a writing signed by the parties or their respective successors in interest.

23. Notices: Whenever any payment, notice, consent or request is given or made under this Lease, it shall be in writing and delivered to the person or mailed by certified mail. Communication and payments to the Tenant shall be addressed to:

or to any other address as may have been specified by prior written notice to Landlord.

Communication and payments to Landlord shall be addressed to:

Door County Economic Development Corporation
185 East Walnut
Sturgeon Bay, WI 54235

24. Rider to Lease: Rider(s) None attached to this Lease are hereby made a part of this Lease.

IN WITNESS WHEREOF, the parties have caused this Lease to be executed as of the day and year first above written.

Door County Economic Development Corporation .

By: _____
Authorized Signature

William D. Chadoir
Executive Director

By: _____
Authorized Signature

