



STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor  
Joel Brennan, Secretary  
Naomi De Mers, Division Administrator

**By E-Mail**

July 2, 2019

Wisconsin State Legislature  
Office of the Wisconsin State Assembly Chief Clerk  
17 West Main Street, Room 401  
Madison, Wisconsin 53703

Attn: Patrick E. Fuller (patrick.fuller@legis.wisconsin.gov)

RE: Notification Under Wis. Stat. Section 16.84(5)(a) of Intent to Enter into a 10-Year Real Estate Lease with an Annual Rent in Excess of \$500,000, for use by the Department of Corrections in Madison, WI (Lease #410-700)

Dear Chief Clerk Fuller:

This letter, together with the accompanying copy of the above captioned lease, serves as the official submission by the Department of Administration of the proposed lease to the Chief Clerk of the Wisconsin State Assembly, as required under the above captioned statute.

The State Building Commission approved this lease on June 24, 2019. The DOA Secretary's Office has approved the required submittal to the Assembly Chief Clerk on July 1, 2019.

**Summary of Proposed Lease**

A new lease containing an Initial Lease Term of 10 years and two 5-year renewal options, for the Department of Corrections at 3099 E. Washington Avenue in Madison, Wisconsin.

Please direct any questions in connection with the proposed lease to Paula Veltum, Deputy Division Administrator, Department of Administration, Division of Facilities Development & Management, [paula.veltum@wisconsin.gov](mailto:paula.veltum@wisconsin.gov) or 608-266-3086.

Sincerely,

Paula Veltum  
Deputy Division Administrator  
Department of Administration  
Division of Facilities Development & Management

cc: DOA Secretary's Office

## GROSS LEASE

**THIS LEASE**, made and entered into this      day of                      , 20      , by and between, 3099 EAST WASHINGTON, LLC (the "Lessor"), whose address is 3001 W. Beltline Highway, Suite 202, Madison, WI and the STATE OF WISCONSIN, DEPARTMENT OF ADMINISTRATION (the "Lessee");

**WITNESSETH**, the parties hereto for the considerations hereinafter mentioned covenant and agree as follows:

1. **PREMISES.** Lessor hereby leases to Lessee and Lessee leases from Lessor the following (the "Premises"):

The real property located at 3099 E. Washington Avenue in the City of Madison, Wisconsin and all improvements thereto, including without limitation, a building, in its entirety, comprised of approximately 255,680 gross square feet of space and with approximately 235,772 rentable square feet of office space (the "Building") and parking lot, which Premises are further described in Exhibits A (Site Plan) & B (Floor Plan) attached.

2. **USE OF PREMISES.** Except as otherwise authorized in writing by Lessor, Lessee shall use the Premises as office space for the Department of Corrections or such other State of Wisconsin agency that may be designated by Lessee ("Permitted Agency") provided however, the Permitted Agency shall only use the Premises for general office and all related agency purposes, including all current uses and may not use any portion of the Premises for other uses or purposes unless approved by Lessor in writing. Notwithstanding any election by Lessee to permit use and occupancy of the Premises by a Permitted Agency, Lessee shall remain fully bound by, and responsible for, all obligations under this Lease.

3. **TERM.** The initial term of this Lease shall be ten (10) years and shall begin on July 1, 2019 ("Commencement Date") and end on June 30, 2029 ("Initial Term"). In addition, the Lease includes two 5-year renewal options as provided in Section 5 below. Note: Lease Number 410-702 shall terminate upon the Commencement Date of this Lease, subject to Section 28 (a) below.

4. **INITIAL TERM RENTAL.** Throughout the Initial Term, the Lessee shall pay the Lessor annual rent for the Premises in equal monthly installments in accordance with the following schedule.

Initial Term Rental Rate Schedule			
Begin Date	End Date	Annual Rent	Monthly Rent
July 1, 2019	June 30, 2020	\$ 3,701,620.40	\$ 308,468.37
July 1, 2020	June 30, 2021	\$ 3,784,906.86	\$ 315,408.90
July 1, 2021	June 30, 2022	\$ 3,870,067.26	\$ 322,505.61
July 1, 2022	June 30, 2023	\$ 3,957,143.78	\$ 329,761.98
July 1, 2023	June 30, 2024	\$ 4,046,179.51	\$ 337,181.63
July 1, 2024	June 30, 2025	\$ 4,137,218.55	\$ 344,768.21
July 1, 2025	June 30, 2026	\$ 4,230,305.97	\$ 352,525.50
July 1, 2026	June 30, 2027	\$ 4,325,487.85	\$ 360,457.32
July 1, 2027	June 30, 2028	\$ 4,422,811.33	\$ 368,567.61
July 1, 2028	June 30, 2029	\$ 4,522,324.58	\$ 376,860.38
<b>Note: Refer to Section 21, Construction of Improvements for the cost of possible Tenant Improvements</b>			

The annual rent throughout the entire lease term, including optional extensions, shall be payable in advance in monthly installments as shown above on the first day of each month, except for the month of July during which the monthly installment is not due until the 15<sup>th</sup> day. Said rental payments shall be made to Lessor at the address for notices hereinafter set forth. If Lessee fails to pay rent or any other amount due under this Lease within ten (10) business days of when it is due, such amount (whether fully unpaid, or unpaid in part) shall accrue daily interest as calculated based upon 12% per annum.

- RENEWAL RENT.** Provided that the Lessee is not then in default, this Lease may, at the option of the Lessee, be extended two (2) successive five 5-year periods from and after July 1, 2029 subject to the availability of funds for the payment of rent (per Section 14 below), upon the same terms and conditions herein specified, provided written notice of Lessee's decision to exercise such option(s) is given to Lessor at least 270 days before the Lease would otherwise expire. The annual rent for the first and then each subsequent year of the extension terms, if exercised, shall be in accordance with the following schedule.

First Extension Term Rental Rate Schedule			
Begin Date	End Date	Annual Rent	Monthly Rent
July 1, 2029	June 30, 2030	\$ 4,296,208.35	\$ 358,017.36
July 1, 2030	June 30, 2031	\$ 4,392,873.04	\$ 366,072.75
July 1, 2031	June 30, 2032	\$ 4,491,712.69	\$ 374,309.39
July 1, 2032	June 30, 2033	\$ 4,592,776.22	\$ 382,731.35
July 1, 2033	June 30, 2034	\$ 4,696,113.69	\$ 391,342.81

Second Extension Term Rental Rate Schedule			
Begin Date	End Date	Annual Rent	Monthly Rent
July 1, 2034	June 30, 2035	\$ 4,461,308.00	\$ 371,775.67
July 1, 2035	June 30, 2036	\$ 4,561,687.43	\$ 380,140.62
July 1, 2036	June 30, 2037	\$ 4,664,325.40	\$ 388,693.78
July 1, 2037	June 30, 2038	\$ 4,769,272.72	\$ 397,439.39
July 1, 2038	June 30, 2039	\$ 4,876,581.36	\$ 406,381.78

6. **ASSIGNMENTS, SUBLETTING.** Except for Lessee's right to permit use of the Premises by a Permitted Agency, Lessee shall not assign, transfer, mortgage or sublet this Lease or any portion of the Premises, or permit use or occupancy of the Premises, without Lessor's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. If Lessee desires to assign this Lease or sublet all or a portion of the Premises, Lessee shall first notify Lessor in writing including the name of the proposed assignee or sublessee and the proposed use of the Premises and shall also provide such financial information as Lessor may require regarding the proposed assignee or sublessee. Lessee shall also accompany such notice with a copy of the proposed assignment or sublease document and any other agreements to be entered into concurrently with the assignment or sublease. This Lease shall not be assignable by Lessee by operation of law. Lessee agrees to pay Lessor's attorney's fees incurred in reviewing any proposed assignment or sublease upon receipt of an invoice, not to exceed \$1,500. Any assignment or sublease approved by Lessor, shall not relieve Lessee of its obligations under this Lease. In connection with any subletting of all or any

portion of the Premises, Lessee shall pay to Lessor an amount equal to fifty percent (50%) of any rent or other amounts payable by the sublessee under the sublease (or other agreement) in excess of the rent payable by Lessee hereunder. All sums payable hereunder by Lessee shall be paid to Lessor, as additional rent, within thirty (30) business days after receipt by Lessee.

**7. COVENANTS OF LESSOR.** Lessor hereby covenants and agrees with Lessee as follows:

- a) Lessor warrants that Lessee shall have quiet use and enjoyment of the Premises; that Lessor has complete interest, right in and title to the Premises so as to enable Lessor to enter into this Lease; and that the Premises is not encumbered in any way so as to hinder or obstruct Lessee's permitted uses thereof, as general offices, including no material encumbrance or obstruction due to existing easements, zoning ordinances or building restrictions. Lessor obtained a certificate of occupancy and all necessary authorizations required by local ordinances and regulations prior to Lessee's occupancy pursuant to the prior lease #410-702. Other than as expressly set forth above in this subsection 7(a), Lessee acknowledges it currently occupies the Premises pursuant to the prior lease and the Lessor has no obligation to pursue other approvals, permits, or authorizations that may be required under local ordinances and regulations for Lessee's continued occupancy and use of the Premises under this Lease, except and to the extent as may be required due to any improvements required to be completed by the Lessor under the terms of this Lease.
- b) The Lessor shall duly carry out the various obligations and duties imposed upon it at the time and in the manner called for by this Lease.
- c) Lessor shall furnish during the term of this Lease the goods, services and other items listed on Schedule I attached hereto and incorporated by reference.
- d) Lessor shall maintain, at Lessor's expense, the Premises so as, to comply with all federal, state and local codes applicable to the Premises except to the extent that the Premises is considered lawful non-conforming (i.e., "grandfathered") and exempt from compliance with current federal, State, or Local laws, regulations, ordinances and building and zoning standards provided, however, any alterations, improvements or additions which are required by the Americans with Disabilities Act beyond the scope of the Tenant Improvements under Section 21 below in order to make reasonable accommodations for any

of Lessee's employees or invitees, or which are required as a result of the Tenant Improvements (whether included or contemplated under Section 21 below) or other alterations or additions to the Premises by Lessee or at Lessee's request then Lessee shall be solely responsible for the cost of making such alterations improvements or additions.

- e) Lessor agrees to complete, at Lessee's sole cost and expense, any reasonable improvements to the Premises which the Lessee requests to improve the health, safety and security of the Premises, which are in excess, of code requirements and not required by Schedule I and/or II.
- f) In connection, with the performance of work under this Lease, the Lessor agrees not to discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in Wisconsin Statutes s. 51.01(5), sexual orientation, or national origin. This provision shall include, but not be limited to, the following; employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation and selection for training, including apprenticeship. The Lessor further agrees to take affirmative action to ensure equal employment opportunities. The Lessor agrees to post in conspicuous places, available for employees and applicants for employment, notices to be provided by the Lessee, setting forth the provisions of the non-discrimination clause.
- g) Pursuant to 2019 Wisconsin Executive Order 1, Lessor agrees it will hire only on the basis of merit and will not discriminate against any persons performing under a contract, subcontract or grant because of military or veteran status, gender identity or expression, marital or familial status, genetic information or political affiliation.
- h) Lessor is required to provide a written Affirmative Action Plan acceptable under Wisconsin Statutes and Administrative Code if the rent is fifty thousand dollars (\$50,000) or more per year and the Lessor employs fifty (50) or more employees. The Lessor must have a plan on file or submit a plan for approval, within fifteen (15) working days after the execution of this Lease, to the Department of Administration, Division of Enterprise Operations, whose address and phone number are listed at the bottom of the enclosed Form DOA-3269. Instructions and technical assistance in preparing the plan are available from the Department of Administration, Division of Enterprise Operations and will be forwarded to the Lessor

upon presentation of State of Wisconsin Form DOA-3269 attached hereto. Failure to comply with the conditions of this Item may result in the Lease being declared "Null and Void," the Lessor being declared "ineligible," or the withholding of rental payment until such time, as the above cited plan is accepted.

- i) The Lessor as part of this Lease certifies that to the best of its knowledge the Building does not contain any asbestos bearing material which is unsafe or which is not encapsulated. If during the Lessee's occupancy of the Premises such asbestos bearing material is found, and the Lessor has been notified by the Lessee that such asbestos bearing material exists, the Lessor shall within fourteen (14) days after receipt of such notice, be required to initiate such action as may be necessary to ultimately encapsulate or remove the asbestos bearing material and pursue such action to completion in a reasonable timeframe. Upon determination that unsafe or un-encapsulated asbestos bearing material exists, the Lessee may at its option vacate only the portion of the Premises affected by such material and only until such time as the material has been encapsulated or removed in accordance with the applicable laws. If the Lessee vacates the Premises during the encapsulation or removal process, the Lessor shall reimburse the Lessee for all reasonable and typical move related costs and the rent and any other obligations of Lessee payable hereunder shall abate proportionally by the ratio that the vacated area bears to the total area of the Premises. In the event the Lessor fails to initiate work encapsulate or remove the asbestos bearing material within the time specified, this Lease may be cancelled by the Lessee and the Lessor shall thereafter not have any claim against the Lessee on account, of the cancellation of this Lease.
- j) The Lessor attests that space covered by this Lease is not owned by a state public official or state employee as defined in section 19.45, Wisconsin Statutes and Chapter ER-MRS 24 of the Wisconsin Administrative Code, nor is the Lessor a business in which a state public official or state employee has any ownership, monetary or fiduciary interest.
- k) For the purposes of this Lease, "Hazardous Materials, Substances, or Air Pollutants" shall include, but not be limited to any, and all substances, materials, waste, or air pollutants determined currently or in the future as hazardous or capable of posing a risk of injury to health, safety, or property by any Federal, State, or local statute, law, ordinance, code, rule, regulation, order, or decree. The Lessor attests that to Lessor's actual knowledge, the Premises are free of any regulated quantities of hazardous materials,

substances, or air pollutants as defined above that are in violation of applicable law, and the Lessor will now and forever after the termination of this Lease, hold Lessee harmless and indemnify the Lessee from and against any, and all claims, liability, damages or costs to the extent arising from or due to the presence of any regulated quantities of hazardous materials, substances, or air pollutants as defined above, that are placed upon the Premises by Lessor in violation of applicable law. If an applicable Federal, State or local law, ordinance, code, rule, regulation, order or decree related to a particular Hazardous Material, Substance, or Air Pollutant does not specifically identify quantities of said Hazardous Material, Substance, or Air Pollutant to be regulated, Lessor's attestation in the paragraph (h) shall apply to any quantities of such Hazardous Material, Substance, or Air Pollutant present on or at the Premises.

If during the Lessee's occupancy of the Premises regulated quantities of Hazardous Materials, Substances, or Air Pollutants are found upon the Premises, the Lessor shall as soon as possible after receipt of written notice take such action as may be necessary to remove such Hazardous Materials, Substances, or Air Pollutants from the Premises such that any remaining quantities of such Hazardous Materials, Substances, or Air Pollutants are below the amounts regulated by the applicable law.

Upon reasonable and objective determination by a qualified third-party engineer consultant that regulated quantities of Hazardous Materials, Substances, or Air Pollutants affecting the Lessee's quiet enjoyment of the Premises exist, the Lessee may vacate the portion of the Premises so affected until such time, as the hazardous materials, substances, or air pollutants have been repaired or remediated to the reasonable satisfaction of the Lessee, as provided in this paragraph (k). If the Lessee vacates affected portion of the Premises during the repair or remediation process, the Lessor shall reimburse the Lessee for all reasonable relocation costs and the rent and any other obligations of the Lessee payable hereunder shall abate proportionally by the ratio that the vacated area bears to the total area of the Premises, unless Lessee is responsible for the presence (in which case there shall be no rent abatement. Lessor shall not be responsible for any of Lessee's cost and Lessee shall be responsible for removal as set forth in the previous paragraph). In such a situation, Lessor agrees to immediately and in good faith commence work on any needed remediation as defined above and to use all commercially reasonable available expedited measures to remediate the hazardous materials, substances, or air pollutants. In the event the Lessor



fails to immediately initiate work to repair or remediate the hazardous materials, substances, or air pollutants within fourteen (14) days, or in the event Lessor fails to complete repair or remediate the hazardous materials, substances, or air pollutants as quickly as reasonably possible under the circumstances after receipt of written notice, the Lease may by written notice to the Lessor be cancelled by the Lessee and the Lessor shall thereafter not have any claim against the Lessee due to the cancellation of this Lease.

Lessor will immediately advise Lessee in writing of any actions or claims relating to any Hazardous Materials, Substances, or Air Pollutants on the Premises. If the Lessor has conducted or conducts any testing for Hazardous Materials, Substances, or Air Pollutants on the Premises before or during the term of the Lease, then the Lessor shall provide a copy of any test results to the Lessee. The Lessee, at its own expense, may also conduct such testing as it deems appropriate on the Premises.

- l) Nothing in this section shall allow Lessee to bring on to, cause or create the existence of Hazardous Materials, Substances, or Air Pollutants on or within any portion of the Premises. If and to the extent Lessee or its employees, vendors, guests, or invitees, whether knowingly or unknowingly, are responsible for any Hazardous Materials, Substances, or Air Pollutants on or about the Premises, Lessee being solely and fully responsible and liable for Lessor's cost of removal (and remediation, as may be necessary) of such Hazardous Materials, Substances, or Air Pollutants and, notwithstanding anything to the contrary herein, Lessee shall not be entitled to any abatement of rent or the right to terminate the Lease.
  
- m) In the event of any water damage to the Lessee-occupied interior of the Building, Lessor agrees to begin the process of addressing the damage within twenty-four (24) hours of Lessor's discovery or receipt of notification, and shall use all good faith and reasonable efforts to cause any water damaged (saturated, water spotted and/or dirty) materials to be dry within seventy-two (72) hours of the time of discovery of such damage. If such materials are not completely dry by the end of the 72-hour period, the Lessee may require that the saturated materials (i.e. carpet, drywall, ceiling tiles, etc.) shall be removed from the Premises and replaced as soon as commercially and reasonably possible with new materials of identical quality, if such materials are immediately available; otherwise replacement shall be with new materials that are currently available, of equivalent quality and finish.

- n) Lessor agrees to upon Lessee's request provide prior notification and provision of Safety Data Sheets (SDS) if applicable to the Lessee's on-site staff when any construction, renovation, maintenance, repairs, remodeling or cleaning work will be done within the Building by the Lessor, contractors or other representative of the Lessor. The project notification and SDS documents should be provided to the on-site staff no less than five (5) workdays before the anticipated start of the actual work.
- o) The default by Lessor of any covenant or agreement contained in any paragraph or provision of this Lease, shall constitute a material default of the Lease, and shall entitle the Lessee to terminate this lease, PROVIDED, that prior to such termination, the Lessee shall notify the Lessor in writing of the nature of the default and shall grant the Lessor a period of thirty (30) days from the date of service of such notice to remedy or cease such act of default, and upon such remedy or cessation by the Lessor within said thirty (30) days, the Lessee shall waive the right to terminate for such default. In the event the act of default is such that it cannot be remedied within said thirty (30) day period, the Lessee shall waive the right to terminate for such default if corrective actions are commenced within such period and diligently pursued to completion by the Lessor.
- p) Lessor shall be responsible for paying to taxing authority the real estate taxes and any assessments on the Premises.
- q) Lessee shall retain all vending rights within the Building.
- r) Lessee is currently in occupancy in the Building. Lessee retains the right to keep any and all existing equipment, furniture, antennas and all other personal property in its current location.

8. **COVENANTS OF LESSEE.** Lessee hereby covenants and agrees with Lessor as follows:

- a) Lessee does hereby covenant, promise, and agree to pay the rent in the manner hereinbefore specified, and to duly comply with all other provisions of this Lease at the time and in the manner herein provided.
- b) At the expiration of this Lease or any renewal thereof, the Lessee will return the Premises to the Lessor in as good condition as they were at the time the Lessee went into possession, ordinary wear, damage by the elements and insured and covered fire-related casualty excepted. It is mutually agreed, in consideration of the rent to be paid and other conditions of this Lease, that the Lessee shall not be

responsible for damage to the Premises by casualty, unless the direct causation of such damage or casualty was due to the negligent or willful conduct of Lessee, its employees, invitees or agents.

- c) Lessee will not make or permit anyone to make any alterations, improvements or additions in or to the Premises, without the prior written consent of the Lessor.
- d) The default by Lessee: If Lessee shall be late in the payment of any rent or any other sum of money payable by Lessee to Lessor and if Lessee shall fail to cure said late payment within fifteen (15) days after receipt of notice of said late payment from Lessor, or if Lessee shall be late in the performance or observance of any other agreement or condition in the Lease to be performed or observed and if Lessee shall fail to cure said late performance or observance within thirty (30) days after receipt of notice from Lessor of said late performance or observance (unless Lessee commences to cure said late performance or observance within (30) days after receipt of notice thereof and expedite the curing of the same to completion with due diligence), then, in any of said cases and without waiving any claims for breach of agreement, Lessor may send written notice to Lessee of the termination of the term of this Lease, and, on the fifth (5<sup>th</sup>) day next following the date of the sending of the notice, the term of this Lease shall terminate, Lessee hereby waiving all rights of redemption.
- e) Lessee agrees that any Improvements to the Premises made or approved by Lessor for the benefit of Lessee or otherwise made by Lessee shall be the property of Lessor. Such improvements exclude any of Lessee's system furniture, conventional furniture and all other Lessee personal property. At Lessee's discretion, any or all systems furniture, however procured, may be removed from the Premises upon vacating the Premises at the expiration or earlier termination of this Lease, and Lessee shall repair all damage to the Premises caused by the removal.

9. **INSURANCE.** Lessor agrees to procure and maintain, during the term of this lease, property and casualty insurance for the Building. Lessor also agrees to procure and maintain, during the term of this lease, commercial general liability insurance in the amount of not less than **\$1.0 million each occurrence and \$2.0 million general aggregate**. Under all conditions noted above, general aggregate limits are to apply on a per location basis. In addition, Lessor shall provide upon signing of the Lease and thereafter annually, a certificate of insurance to Lessee evidencing such coverage. When coverage requirements are \$2.0 million or greater,

Lessee shall also be named as additional insured. The State of Wisconsin Self-Funded Liability and Property Programs protect the Lessee. Wisconsin Statutes provide funds to pay property and liability claims.

**10. HOLD HARMLESS.** Lessor agrees to protect, indemnify and save the State of Wisconsin harmless from and against any, and all claims, and against any and all loss, cost, damage or expense, including without limitation reasonable attorneys' fees, arising solely as a result of any negligent acts of Lessor its invitees or agents, or any knowing failure of Lessor in any material respect to comply with and perform the substantive requirements and provisions of this Lease.

The Lessee shall provide liability protection for its officers, employees and agents while acting within the scope of their employment. The Lessee further agrees to indemnify and hold harmless the Lessor for any, and all liability, including claims, demands, losses, costs, or damages to persons or property arising out of, or in connection with, or connection with the Lease, where such liability is founded upon or grows out of acts or omissions of any of the Lessee's officers, employees or agents while acting within the scope of their employment, where protection is afforded by ss. 893.82 and 895.46(1), Wis. Stats.

The obligations of the parties under this section shall survive the expiration or earlier termination of this Lease.

**11. MAINTENANCE.** The Lessor shall maintain the Premises as set forth in Schedule I, to keep the Premises in at least as good and tenantable condition as existed on the Commencement Date, and as required by s. 704.07, Wis. Stats., throughout the term of the Lease, except in case of damage arising from acts or omissions of the Lessee's agents, employees or invitees (which shall be repaired by Lessor at Lessee's sole cost and expense or except to the extent otherwise expressly set forth in the other provisions of this Lease. Lessee agrees to implement and enforce reasonable rules and regulations for its employees and invitees within the Premises to minimize unnecessary maintenance, for example but not by way of limitation, (a) no flushing of materials down toilets other than reasonable and ordinary amounts of toilet paper, and (b) not permit eating or storage of food anywhere in the Premises except for designated kitchen areas so as to prevent spills and rodent and insect infestations (and in the event of such infestations as a result of such

actions by Lessee's employees, Lessee shall be solely responsible for Lessor's costs of eliminating the rodent infestation). For the purpose, of so maintaining the Premises, the Lessor reserves the right at reasonable times to enter and inspect the Premises and to make any necessary maintenance and repairs thereto.

**12. DAMAGE OR DESTRUCTION.** In the event the Premises are partially damaged or destroyed by fire or other casualty or happening such that Lessee may continue to use a part of the Premises, Lessor shall promptly repair such damage and restore the Premises to its condition immediately prior to said damage or destruction with reasonable promptness, subject to reasonable delays for insurance adjustment and delays caused by matters beyond Lessor's reasonable control.

In the event all or a substantial portion of the Premises are damaged or destroyed such that Lessee is unable to occupy the Premises (untenantable) without undue hardship and/or disruption of its business, Lessor shall, with reasonable promptness after the occurrence of such damage and in good faith, estimate the length of time that will be required to substantially complete the repair and restoration of such damage and shall provide written notice to Lessee of such estimate. If it is so estimated that the amount of time required to substantially complete such repair and restoration will exceed two hundred seventy (270) days from the date such damage occurred, then either Lessor or Lessee shall have the right to terminate this Lease as of the date of such damage upon giving notice to the other at any time within twenty (20) days after Lessor gives Lessee the notice containing said estimate (it being understood that Lessor may, if it elects to do so, also give such notice of termination together with the notice containing said estimate). Unless this Lease is terminated as provided in the preceding sentence, Lessor shall proceed with reasonable promptness and all due diligence to repair and restore the Premises within the estimated period, subject to reasonable delays for insurance adjustments and delays caused by matters beyond Lessor's reasonable control, and also subject to zoning laws and building codes then in effect. Lessor shall have no liability to Lessee, and Lessee shall not be entitled to terminate this Lease (except as hereinafter provided) if such repairs and restoration are not in fact completed within the time period estimated by Lessor, as aforesaid, or within said two hundred seventy (270) days, so long as Lessor shall proceed with reasonable promptness and due diligence provided, however, if such repairs and restoration are not substantially completed within one (1) year after the date of

the casualty, then Lessee shall have the right to terminate this Lease upon thirty (30) days written notice to Lessor.

In the event any fire or casualty damage not caused by the intentional or negligent act of Lessee, its agents or employees, renders all or any portion of the Premises untenable and Lessee is not occupying the Premises and if this Lease shall not be terminated pursuant to the foregoing provisions of this Section 12 by reason of such damage, then rent shall abate during the period beginning with the date of such damage and ending with the date when Lessor substantially completes its repair and restoration work. Such abatement shall be in an amount bearing the same ratio to the total amount of rent for such period as the portion of the Premises being repaired and restored by Lessor bears to the entire Premises. In the event of termination of this Lease pursuant to this Section 12, rent shall be apportioned on a per diem basis and be paid to the date of such fire or other casualty.

Notwithstanding anything to the contrary set forth elsewhere in this Section 12:

- a) if any such damage rendering all or a substantial portion of the Building untenable shall occur during the last year of the Term, then Lessor shall have the option to terminate this Lease by written notice to Lessee within thirty (30) days after the date such damage occurred, and if such option is so exercised, this Lease shall terminate as of the date of such damage;
- b) Lessee shall not have the right to terminate this Lease pursuant to this Section 12 if the damage or destruction was caused by the intentional or negligent act of Lessee, at agents, employees or invitees; and
- c) Lessor shall not be obligated to expend for such repairs an amount in excess of the insurance proceeds available to the Lessor for such rebuilding provided Lessor is carrying the casualty insurance required under Section 9 above.

**13. NOTICES.** Notice in writing referred to herein shall not be construed to mean personal notice, but such notice shall be given in writing, by mail, by depositing the same in the post office or letter-box, certified mail return receipt requested, and such notice shall be deemed to be given two (2) business days after mailing. Such notices provided hereunder shall be addressed as follows:

If to Lessor: Chief Financial Officer  
3099 East Washington LLC  
3001 W. Beltline Highway  
Suite 202  
Madison, WI 53713

Rent sent to: Same as above

If to Lessee: State Leasing Officer  
Wisconsin Department of Administration  
101 E. Wilson Street, 7<sup>th</sup> Floor  
P.O. Box 7866  
Madison, WI 53707-7866

**14. FUNDING.** The payment of rents under this Lease is subject to the availability of funds that may lawfully be used for such payment. As a result, the Lease does not constitute the contracting of public debt under Article VIII, Section 4 of the Wisconsin Constitution. The continuation of this Lease beyond the limits of the funds already available is contingent upon the future availability of funds to support the payment of rent for the programs housed in the facility covered by this Lease. In the event, such funding is not made available to the program or programs involved, the Lessee may at its option and upon sixty (60) days prior written notice to the Lessor, terminate this Lease. Use beyond the limits of the funds already available is contingent upon the future availability of funds.

**15. INTENTIONALLY LEFT BLANK**

**16. BROKERS.** Lessor and Lessee represent and warrant to each other that they have had no dealings with any broker or agent in connection with this Lease and Lessor agrees to pay and hold Lessee harmless from any claims made by anyone for any compensation, commissions and charges claimed with respect to this Lease or the negotiations thereof.

**17. HOLDING OVER.** If Lessee holds over after the Term with or without the written consent of Lessor, such tenancy shall be deemed to be a month-to-month tenancy only, with no renewal hereof or an extension for

any further term, and in such case monthly rent, shall be equal to the last month's rent of the last year of the Lease, (excluding any amortization of Tenant Improvement cost pursuant to Section 21(a) below), increased at the following holdover rates during the applicable holdover period:

- a) First Month of Holdover – 5% (i.e., 105% of the last month's rent of the last year of the Lease;
- b) Second and Third Month of Holdover – 10%
- c) Fourth through Sixth Month of Holdover – 15%
- d) Seventh through Twelfth Month of Holdover – 20%
- e) Subsequent to the Twelfth Month of Holdover – 25%

Any period of Holdover shall be subject to every other term, covenant and agreement contained herein. Such month-to-month holdover tenancy may be terminated by either party upon thirty (30) days' notice to the other. If Lessee shall remain in possession of all or any part of the Premises after the expiration or termination of this Lease or during any holdover period, after having received at least thirty (30) days' written notice from Lessor, then Lessor may seek any and all remedies provided by law or in equity.

**18. SUBORDINATION.** This Lease shall be subordinate to any and all mortgages now existing or hereafter placed against the Premises by Lessor, provided that any such mortgage (or a separate written agreement, in recordable form, from the mortgagee in favor of and delivered to the Lessee) contains provisions to the effect that, so long as this Lease shall remain in force, in any action to foreclose the mortgage, Lessee will not be made a party defendant, that Lessee's possession of the Premises will not be disturbed and that Lessee's Leasehold estate will not be affected, impaired, or terminated by any such action or proceeding or by any judgement, order, sale or conveyance made or rendered therein or pursuant thereto, so long as (at the time of commencement of such action or foreclosure proceeding or during the pendency thereof) Lessee is not in default under the terms, covenants, and conditions of this Lease beyond any grace period provided in this Lease for curing same.

**19. FORCE MAJEURE.** Except for the payment of rent, in the event either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, riots, insurrection, war, acts of God, inclement



weather, or other reason beyond that party's reasonable control, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

**20. EMINENT DOMAIN.** In the event the entire Premises shall be appropriated or taken under the power of eminent domain by any public or quasi-public authority, this Lease shall terminate and expire as of the date of such taking, and Lessee shall then be released from any liability thereafter accruing under this Lease.

In the event a portion of the Premises shall be so appropriated or taken and the remainder of the property shall not be suitable for the use then being made of the property by the Lessee, or if the remainder of the property is not one undivided parcel of property, Lessee shall have the right to terminate this Lease as of the date of the taking on giving to Lessor written notice of termination within thirty (30) days after Lessor has notified Lessee in writing that the property has been so appropriated or taken.

In the event of the termination of this Lease by reason, of the total or partial taking of the Premises by eminent domain, then in any such condemnation proceedings, Lessor and Lessee shall be free to make claim against the condemning or taking authority for the amount of any damage done to them, respectively, as a result of the condemning or taking.

**21. CONSTRUCTION OF IMPROVEMENTS.**

- a. Tenant Improvements Defined –Lessee shall have a one-time option (the "TI Option") to have Lessor make improvements to the Premises at a cost not to exceed \$2,325,000 ("TI Cap"), which improvements are generally set forth in Exhibit C (Tenant Improvements) attached hereto and incorporated by reference ("Tenant Improvements"). Lessee may elect to exercise the TI Option by delivering written notice to Lessor (the "TI Notice") specifying the desired Tenant Improvements, which notice shall be delivered no later than December 31, 2019. If Lessee fails to deliver the TI Notice by the deadline in the previous sentence, Lessee's TI Option shall be waived and of no further force and effect.
- b. Plans and Specifications. Within fifteen (15) days following delivery of the TI Notice, Lessee and Lessor shall mutually agree upon the selection of an architect if and to the extent an architect's services are

required under applicable laws and regulations based upon the nature of the proposed Tenant Improvements. All costs and expenses of the architect shall be paid by Lessee as part of the Tenant Improvements. For a period of sixty (60) days after the selection of the architect, Lessee and Lessor shall work together cooperatively in good faith to develop and approve a final scope of work of the Tenant Improvements with the architect, including consultation with and advice from the architect as to whether construction of the Tenant Improvements would result in the Premises no longer being considered lawful non-conforming (i.e., "grandfathered") and exempt from compliance with current federal, State or Local laws, regulations, ordinances and building and zoning standards as described in Section 7(d). If the architect advises construction of the Tenant Improvements would result in the Premises no longer being considered lawful non-conforming (i.e., "grandfathered") and exempt from compliance with current federal, State, or Local laws, regulations, ordinances and building and zoning standards and will require additional alterations, improvements, or additions to ensure compliance, Lessor shall obtain an estimate of the additional costs for such alterations, improvements or additions to bring the Premises in compliance with current federal, State, or Local laws, regulations, ordinances and building and zoning standards. Lessee shall, within fifteen (15) days of receipt of such estimate, provide a written response directing Lessor to either proceed with the Tenant Improvements, with Lessee being solely responsible for any and all costs for all alterations, improvements or additions necessary to bring the Premises in compliance with current federal, State, or Local laws, regulations, ordinances and building and zoning standards, or directing Lessor not to proceed with the Tenant Improvements (in which event Lessor shall have no obligation to bid, contract for or complete any Tenant Improvements, and Lessee's reimbursement obligation under Section 21(f) below shall be limited to the costs and expenses of the architect.

- c. Lessor shall solicit bids for the design and construction of the Tenant Improvements within thirty (30) days after the final approval for the scope of work for the Tenant Improvements or Lessee's approval of the estimate of the costs for all alterations, improvements or additions necessary to bring the Premises in compliance with current federal, State or Local laws, regulations, ordinances and building and zoning standards, as applicable under subparagraph 21(b). Within thirty (30) days of receipt of all bids, Lessor and Lessee shall review said bids and mutually select a contractor to construct the Tenant

Improvements. Within forty-five (45) days thereafter, Lessor shall enter into a contract for completion of the Tenant Improvements within one hundred eighty (180) days after the signing of such construction contract. In the event Lessor fails to complete the Tenant Improvements within one hundred eighty (180) days, or an alternate date mutually agreed to by both parties to the Lease, then the Lessee may notify Lessor of its intent to contract directly for this work if Lessor is unable to substantially complete the Tenant Improvements within 30 days of receipt of Lessee's notice and if Lessor thereafter fails to substantially complete the Tenant Improvements within the 30-day period, Lessee may elect to complete the Tenant Improvements and deduct the reasonable and actual cost of this work from the next, and any subsequent as needed, month's rent payment. Except as provided in subparagraph 21(b). In no event will Lessor be required to contract for or complete Tenant Improvements in excess of the TI Cap.

Notwithstanding the foregoing, in the event any part or component of the Tenant Improvements shall involve a long-lead time part or material or otherwise need reasonably more than 180 days to complete, Lessor shall have such additional time as reasonably necessary to complete such parts or components.

- d. Completion of Tenant Improvements – Lessor shall be responsible for the timely completion of the Tenant Improvements as set forth in the previous paragraph, provided, however, Lessor shall not be required to expend in excess of the TI Cap, except as provided in subparagraphs 21(b). Promptly upon completion of the Tenant Improvements, Lessor shall deliver to Lessee a certification of the actual cost of the Tenant Improvements (the "Actual TI Cost"), and to the extent the TI Improvements exceed the TI Cap pursuant to subparagraph 21(b) or properly authorized change orders, Lessee shall pay to Lessor the amount of the excess with its reimbursement to Lessor under subparagraph 21(f) below..,
- e. Tenant Improvement Costs in Excess of the TI Cap - If the Actual TI Cost exceeds the TI Cap due to the willful acts or omissions of Lessor, its employees or agents, then Lessor shall be solely responsible for the amount of the Actual TI Cost in excess of the TI cap but only to the extent solely attributable to such willful act or omissions.
- f. Tenant Improvements Reimbursement – Lessee agrees to reimburse Lessor for the cost of the Tenant Improvements, as outlined in this Section 21, plus any related reasonable and customary financing fees and costs incurred by the Lessor, within thirty (30) days of the completion of the Tenant Improvements and Lessor's written request for reimbursement.

g. Ownership of Workplace Furniture purchased with Tenant Improvement Funds. Any furniture (including systems furniture) or other personal property purchased by or on behalf of Lessee or Tenant in connection with this Lease (including, without limitation, as part of the TI Option), shall be the property of Lessee, and may be removed by Lessee on or before the date that Lessee vacates the Premises and surrenders same to Lessor. Any furniture not so removed shall be deemed the property of the Lessor, and the continued presence of such furniture in the Premises shall not constitute holding over under this lease after the date of such vacating and surrender.

h. Lessor's Work. Lessor intends to complete, at Lessor's cost, the following projects ("Lessor's Work"): (i) convert interior building lighting to LED lighting; (ii) upgrade main electrical switch; and (iii) update the parking lot, including filling potholes, crack sealing, sealcoating, parking stall striping and curb repairs in accordance with the parking lot configuration set forth on the attached Exhibit D. Lessor and Lessee agree to work cooperatively to prepare a detailed schedule for the Lessor's Work. Lessor's Work shall not commence until Lessor and Lessee have approved the proposed schedule in writing. The Lessor's Work is anticipated to be completed by June 30, 2022 and to the extent any of Lessor's Work may impact the Tenant Improvements, Lessor will use best efforts to coordinate with the completion of such Tenant Improvements. Lessor shall use commercially reasonable efforts to minimize disruption to Lessee's use of the Premises in completing Lessor's Work and Lessee agrees to reasonably accommodate Lessor's schedule for completing the Lessor's Work to ensure efficient and timely completion.

**22. LESSEE COSTS.** Lessee shall be responsible for the monthly phone and data costs for the Premises, for the cost of creation and installation or removal of any Tenant requested signage in or about the Premises or Property, and for any fuel, repairs or maintenance required for Lessee's generator(s), UPS or any other costs associated with Lessee's personal property. In addition, if the nature of Lessee's use of the Premises results in excessive electricity use beyond the typical use that Lessee has historically consumed at the Premises, or if Lessee installs or begins using high-electricity/power/energy installations, machinery or equipment, Lessee shall be solely responsible for the excess costs attributable to the excessive electricity use, payable to Lessor within thirty (30) days of receipt of an invoice. An increase of usage of electricity/power/energy hereunder shall be determined based on year-over-year increases in KW hours (or comparable metric) usage, with the

baseline for such a calculation as to the use of KW hours (or comparable metric) usage initially based upon the second lease year of this Lease, and any increase in any subsequent year (third lease year or thereafter) which is more than 5% over the prior year's usage shall be deemed an increase which is subject to this provision and for which Lessee is responsible to pay the costs of for any amount over 105% of the prior year's usage.

23. **CAPTIONS.** The item captions contained herein are for convenience only and do not define, limit, or construe the contents of such items, paragraphs, or sections.
24. **AUTHORIZATION, BINDING EFFECT.** This Lease, together with all amending instructions subsequent thereto (collectively, the "Lease"), is not valid or effective for any purpose until approved by the Governor or his delegate, the Secretary of the Department of Administration, and no work is authorized until the Lease is fully executed.
25. **WAIVER.** The rights and remedies of either party under this Lease, as well as those provided or accorded by law, shall be cumulative, and none shall be exclusive of any other rights or remedies hereunder or allowed by law. A waiver by either party of any breach or breaches, default or defaults, of the other party hereunder shall not be deemed or construed to be a continuing waiver of such breach or default nor as a waiver of or permission, expressed or implied, for any subsequent breach or default.
26. **CHOICE OF LAW.** This Lease shall be governed by and construed and interpreted in accordance with the laws of the State of Wisconsin.
27. **EXECUTED LEASE.** This Lease when fully executed shall be binding upon the respective heirs, executors, administrators, successors, and assigns of the parties hereto.

**28. MISCELLANEOUS PROVISIONS**

- a) State Building Commission (SBC) and Joint Committee on Finance (JCF) Approval – Lessor and Lessee acknowledge that Lessee lacks the authority to enter into this Lease agreement without the approval of both the SBC and JCF. Therefore, this Lease shall be contingent upon the Lessee receiving both SBC and JCF written approval to execute this Lease. In the event either SBC or JCF fail to approve this Lease within 90 days of Lessor's signature, this Lease shall become null and void.
- b) Estoppel Certificates - Upon written request from Lessor or Lessor's mortgagee, Lessee shall execute and return an estoppel certificate within fifteen (15) days: (a) confirming the status of this Lease and the Commencement Date, and such other dates as are reasonably requested; (b) confirming the absence of any defaults hereunder or if any default shall exist, stating the nature thereof; (c) stating the dates through which rent has been paid and the amounts thereof; and (d) confirming and containing such other certifications and representations reasonably requested by Lessor or the holder of any mortgage.  
Limitation on Lessor's Liability.

**29. OPTION TO PURCHASE.** For good and valuable consideration received, Lessor grants to Lessee an irrevocable right to exercise the option to purchase the Premises ("Option to Purchase") at any time in which this Lease is still in full force and effect (and Lessee is not in default or Holdover) on or after July 1, 2029, under the terms and conditions contained in Exhibit E – Option to Purchase of this Lease.

**30. ENTIRE AGREEMENT.** This Lease constitutes the entire agreement between the parties with respect to its subject matter and constitutes and supersedes all prior agreements, representations and understandings of the parties, written or oral.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names as of the date of the last signature below.

LESSOR:

3099 EAST WASHINGTON LLC

In presence of:

Chris Konz

Chris Konz VP-Finance  
Printed Name, Title

By: Bradley L. Hutter

BRADLEY L. HUTTER, Manager  
BRADLEY L. HUTTER

Dated: June 7, 2019

LESSEE:  
State of Wisconsin

By: \_\_\_\_\_

CHRIS PATTON  
DEPUTY SECRETARY  
DEPARTMENT OF ADMINISTRATION

Dated: \_\_\_\_\_

File No. 410-700

## Schedule I

Except to the extent otherwise expressly designated as Lessee's responsibility (whether for performance or payment) in the Lease, the Lessor, at Lessor's cost, shall furnish to the Lessee during the term of this Lease, as part of the rental consideration, the following:

1. The environmental control system shall maintain a comfortable humidity level and temperatures for an estimated use of 60 hours per week as follows:

Summer  
76 Degrees (+/- 2<sup>o</sup>)  
50% Humidity Level (+/- 10%)

Winter  
70 Degrees (+/- 2<sup>o</sup>)  
25% Humidity Level (+/- 5%)

The temperature range during unoccupied times (generally 6 p.m. to 6 a.m.) may be varied by up to +/- 10<sup>o</sup> of the above temperatures.

2. Provide, maintain and service heating, air conditioning, plumbing and ventilating equipment as per manufacturers and/or installers recommendations. Must be compliant with State of Wisconsin Administrative Codes SPS 363 and 364, and ASHRAE 62.1-2016, in addition to all other applicable Federal, State and local codes. Relative to ventilation codes, where SPS 364 and ASHRAE 62.1-2016 conflict, apply SPS 364 to existing HVAC and ASHRAE 62.1-2016 to new HVAC equipment selections ensuring in all circumstances, that HVAC ventilation requirements will always meet or exceed State of Wisconsin Administrative Code SPS 364 minimum guidelines.

Lessor shall meet the following requirements:

- a) All new HVAC units and equipment installed shall be high-efficiency type; gas-fired heating is required in all new construction.
  - b) All rooms shall have sufficient air movement to meet the Wisconsin code for air exchanges and CFM for office space and have adequate zoning in order to maintain the humidity and temperatures as listed above.
  - c) Provide a fully ducted supply and plenum return HVAC system with adequate zoning.
  - d) All new exterior walls and ceilings must meet minimum insulation code requirements.
  - e) Provide perimeter heating for exterior walls if required to meet seasonal set-points.
  - f) Provide space heating for airlocks and lobbies, if necessary.
  - g) Change air-handling equipment filters quarterly.
  - h) Provide automatic temperature adjustment capability for unoccupied modes.
  - i) Provide separate venting/fans for restrooms.
  - j) Provide an approved "Test and Balance" report, for newly constructed and/or remodeled space, which is taken and completed after the space is fully occupied and the construction and/or remodeling projects are completed.
  - k) Placement of thermostats throughout the Premises must be coordinated with the installation of furniture to avoid having the thermostats blocked.
  - l) Thermostat locations in all enclosed rooms to be above light switch, unless zoning does not allow.
  - m) The use of non-tenant adjustable thermostats or locking thermostat covers.
3. Install and maintain fire extinguishers according to any governmental building code and underwriters' (UL) recommendations.



4. Provide safe drinking water with hot and cold running water for restrooms, counter sinks and janitorial facilities. Such drinking water shall meet minimum State of Wisconsin Drinking Water Quality Standards.
5. All areas to have ambient light level of 50 foot-candles throughout the demised area with 70 foot-candles at desktop. Provide a minimum of 30 foot-candles in corridors. Provide a minimum of 1-foot candle security lighting for on premise parking areas.
6. Provide two master keys for entrance doors.
7. Provide Water and Sewer & Heat and Air conditioning.
8. Provide electricity for lights and other electrical equipment necessary for operation of the Premises.
9. Furnish, install and replace during the term of this Lease and any extension thereof, light bulbs, fluorescent tubes, starters, ballasts or transformers.
10. Furnish building occupancy or use permit(s) if required.
11. Provide walk-off mats at each entrance. Replace as needed when worn.
12. Furnish all necessary janitorial and maintenance equipment and supplies for restrooms including soap, towels and toilet tissue.
13. Lessor is to provide all services, supplies and equipment required to clean and keep clean all areas of the building, sidewalks, parking areas, and grounds. This includes, but is not limited to, the plowing and removal of snow, ice removal and salting, removal of trash, pest control and the proper disposal of recyclable materials separated by Lessee. Proper disposal of materials shall comply with sections 16.15(3) and 287 Wis. Stats., which require recycling the following items: aluminum containers, corrugated paper or other container board, foam polystyrene packaging, glass containers, magazines, newspaper, office paper, plastic containers, steel containers, and waste tires. Lessor shall provide a central collection area and separate collection containers as require for the deposit of all such recyclable and non-recyclable waste generated at the leased premises. Lessor and Lessee further agree to comply with all applicable municipal recycling requirements adopted under section 287.13, Wis. Stats.
14. Lessee shall retain the right to do background checks at any time and reserves the right to approve or disapprove permission to enter the Premises of any vendor, contractor or others.
15. Provide Janitorial Services as outlined below and as shown in Exhibit B:

<b>Removal of Trash from Building Site (Dumpster Area)</b>	As Required
<b>Removal of Separated Recyclable Materials from Building Site</b>	As Required
Aluminum Containers	
Corrugated Paper & Other Container Board	
Foam Polystyrene Packaging	
Glass Containers	
Magazines	
Newspapers	

Office Paper	
Plastic Containers	
Steel Containers	
<b>Recycle Centers in Building</b>	
Empty Waste Containers	Daily
<b>Reline Recycle Receptacles after Emptying</b>	Daily
<b>Common Areas (Entrances, Hallways, Stairways, Break Areas, Janitor's Closet, etc.</b>	
Clean Glass in Doors and Metal Framework	Daily
Empty/Clean Ashtrays (Located Outside of Building)	Daily
Empty/Clean Waste Containers	Daily
Sweep and/or Mop Floors, Steps, Landings	Daily
Vacuum Carpet and Walk-off Mats	Daily
Standard, Reasonable Efforts to Remove Specific Spots/ Stains in Carpet	Daily
Clean, De-scale and Polish Water Fountains	Daily
Elevators: Vacuum Floor and Wipe Hand Railing and Button Panel	Daily
Dust and/or Damp Wipe Accessible Horizontal Non-work Surfaces, (Moldings, Handrails, Fixtures)	Weekly
Clean, disinfect and Polish Brightwork	Weekly
Polish Floors if Applicable	Weekly
Spot Clean Walls and Doors if Specifically Requested	Weekly or as required
Sweep Immediate Area Outside of Mam Bwld'ng Entrance	Weekly
Dust or Damp Wipe Accessible Vents and Sills	Semi-Annually
Clean All Doors, Glass, Sidelights and Necessary Walls	Semi-Annually or as required
Vacuum Upholstered Furniture	Annually
Computer Room, Switch room, Dock	Swept/Trash removal weekly
<b>Kitchenettes (Any area of rental space with small/refrigerator/coffeemaker)</b>	
Clean and Sanitize Sink	Daily
Damp Wipe Counter and Cabinet Fronts in Kitchenette	Daily
Damp Wipe Refrigerator Exterior in Kitchenettes	Daily
Empty Waste Receptacles Per Above	Daily
Wipe Coffee Makers and Burners	Daily
Wipe Exterior of Microwaves	Daily
Damp mop any hard flooring surfaces in Kitchenettes	Daily

<b>Restrooms:</b>	
Clean and Disinfect Dispensers, Sinks, Toilets and Urinals	Daily
Fill Soap, Toilet Paper, Hand Towel Dispensers	Daily
Polish Bright Work	Daily
Acid Clean Inside Toilet Bowls and Urinals	Weekly
Damp Wipe Walls	Weekly
Wash Walls, Ceilings, Doors and Partitions in Winter & Summer	Semi-Annually
(a) Feminine Hygiene Dispensers are Responsiblty of Lessee at Lessee's Discretion	

<b>Office Areas:</b>	
Empty Paper Recyclable Containers	Daily
Sweep and/or Mop Floors	Daily
Vacuum Carpet	Daily
Standard, Reasonable Efforts to Remove Specific Spats/ Stains	Daily
Dust and/or Damp Wipe Accessible Horizontal Non-Work Surfaces Per Schedule	Weekly
Clean, Disinfect & Polish Brightwork	Weekly
Polish Floors if Applicable	Weekly
Spot Clean Doors, Walls and Side lights if Specifically Requested	Weekly or as required
Clean All Doors, Glass, S1dehgths and Necessary Walls	Semi-Annually
Vacuum Upholstered Furniture (Fabric Partitions not included)	Annually
(a) Workstations and Horizontal Work Surfaces are the responsibility of Lessee other than annual vacuuming of upholstered chairs and other furniture (but not fabric vertical part1t1aning)	
(b) White Boards and other Presentation Boards are responsibility of Lessee	
<b>Floors: Carpet Areas:</b>	
Edge Vacuum Carpet Area	Monthly or as required
Wet Extract Carpet and Apply Soil Retardant in Fall	Annually
Wet Extract Carpet and Apply Soil Retardant at Entrances During Winter	Periodically
<b>Floors: Resilient/ Hard Floors:</b>	
Non-wax Floors to be Mopped, Swept or Buffed	Daily/Weekly
Strip, Seal and Refinish such Tenant-area Floors 1n Spring and Fall	Semi-Annually
<b>Windows:</b>	
Dust or Damp Wipe Accessible Vents and Sills	Semi-Annually
Wash Inside and Outside	Annually
<b>Kitchen: Commercial Kitchen, Dishwashing Area, Servery &amp; Cafeteria</b>	
(a) Lessee shall be responsible for all cleaning, maintenance, pest control, and return of all Kitchen items to the kitchen area	
<b>Light Fixtures:</b>	
(a) Lessor shall be responsible for re-lamping.	Annually
<b>Conference Rooms: Clean and sanitize conference room tables</b>	
	Daily
<b>Telecommunications/ IT/ Switch Gear/ Computer/ Server &amp; Other Critical Restricted Areas:</b>	
(a) Per Lease and explanation on Schedule I, No Janitorial access	N/A

**Duties – One On-Site Lessor Staff Person**

**Monday – Friday 10:00AM – 2:00PM**

<b>Duty</b>	<b>Frequency</b>
Respond to DOC requests	As needed, based on urgency of request
Check and refill Corrections Training Center bathroom soap/paper dispensers, clean and/or wipe counters, check mirrors and empty trash.	2x per day, 5x per week: 10:00AM 1:00 PM
Check/empty trash cans in Correction Training Center hallways and reception area of Ground West	2x per day, 5x per week: 10:00AM-1:00 PM
Vacuum main visitor entrance and restock/spot clean restrooms in lobby as needed	5x per week
Empty trash cans in dining room. Check tables: Wipe/clean off tables in dining room as needed	5x per week (Night crew to wipe down all tables and chairs, and vacuum dining and lounge area)
Empty trash receptacles around perimeter of building	5x per week
Clean lactation and sick room - Empty trash, vacuum carpet, stock supplies, clean sink & mirror	1x per week
Empty cigarette urns outside building in designated smoking areas	1x per week
<b>Extra Duties (In between priority duties)</b>	
Clean up spills/messes anywhere in the building	As needed
Dust and remove cobwebs from stairwells	As needed
Be on call for any of the Lessor staff for requests they may have	As needed
Clean Lessor's office, empty trash cans	1x per week

16. Provide sufficient onsite parking, which is understood by the parties hereto to include 24/7 parking for staff and client owned vehicles.
  
17. Provide snow and ice control and removal. Snow and ice will be removed from designated walking surfaces on Lessor controlled parking lots and sidewalks on building grounds by 6:30 AM each working day and 9:00 AM on non-working days. These walk areas shall be maintained in a reasonably slip resistant condition and passable for people with disabilities (i.e. individuals who use walkers, canes, crutches, wheelchairs, etc.). Walking surfaces will be maintained snow and ice free during working hours. Particular attention shall be

paid during on-going snowfalls, ice storms or when melting snow and ice re-freezes on walking surfaces. Parking lots shall be cleared within 24 hours of a 2-inch or greater snowfall (or sooner if weather permits).

In the event that the Lessor fails to remove the snow and ice from the leased facility in accordance with the terms of the paragraph above, the Lessee may cause the same to be done and deduct the cost of such snow and ice removal from the rent due the Lessor.

Lessee's removal of snow and ice shall not release Lessor of liability or obligation under the provisions of this lease or any law or regulation.

18. Intentionally left blank.
19. Provide the Premises with a fire alarm and detection system that complies with all State building codes, International building code (IBC) and Local building codes. In the event the Premises are not required to have a fire alarm and detection system by any code, Lessor shall install and maintain a fire detection system consisting of automatic detection (heat and smoke detectors), audio/visual notification devices and pull stations in accordance with the National Fire Protection Association (NFPA) under NFPA 72 and National Electric Code NEC 760. The fire alarm and detection system shall be inspected, maintained and tested in accordance with NFPA 72, by licensed contractors and fully documented. Documentation shall be made available to Lessee, within ten (10) days of Lessee's written request.
20. In the event the Lessor does not furnish the aforementioned services and items in this Schedule or the demised Premises are un-tenantable for any other reason which is not due to the negligence of the Lessee, the Lessee may provide such services and items at its own expense and deduct these expenses from rental payments, provided Lessee notifies Lessor thirty (30) days in advance of any deduction, and provides an itemized statement listing the services and items not being furnished.

## Schedule II

## CONSTRUCTION REQUIREMENTS

To the extent the Tenant Improvements or Lessor's Work involve any of the following types of categories of work, the following requirements shall apply.

**GENERAL CONDITIONS:** All workmanship shall be done in compliance with standard and accepted trade practice. Except as grandfathered under prior code and standards, per Section 7(d) of this Lease, all regulations of the Federal Government, State of Wisconsin, and the local municipality will be complied with fully. After completion of work, the leased premises will be left in a clean and orderly condition, ready for occupancy. Wherever practical, construction and remodeling will conform to the Division of Facilities Development & Management (DFDM) Master Specifications/Design Guidelines available at:

<https://doa.wi.gov/Pages/DoingBusiness/MasterSpecsDesignGuide.aspx>

**1. Ceilings:**

- a) Offices, open office, conference, data/phone closet, reception/waiting areas: acoustical drop ceiling, with 2 x 2 or 2 x 4 x 3/4" grid, drop-in tile, color white, STC 35-39, minimum; NRC 50-60, minimum, light reflectance 75% minimum. Some rooms may require insulation above the dropped ceiling for noise abatement.
- b) All other areas such as restrooms, entrances, service closets, storage rooms, file rooms: may be finished, painted drywall.
- c) Finished Ceiling Height: Dependent upon room size and open area size. Ideal 8'6" to 9' (min. 8', max 12').
- d) Attic stock: Provide approximately 4% of ceiling tile.

**2. Floors:** All floors will be level

- a) Office, clerical areas, conference room, work/mail area (unless otherwise specified below): Carpet tile: 20 oz./sq. yd., level loop, manufacture standard composition materials for primary back with water resistant, mildew resistant adhesive as recommended by carpet tile manufacturer. Pile must be ADA compliant.
- b) Restrooms: Ceramic floor tile.
- c) Storage room, data/phone closet, waiting areas, entries, etc.: ceramic tile, vinyl tile or sheet goods.
- d) Vestibule/lobby: provide recessed mats similar to DecoGard "Pedi mat".
- e) Cove Base: Provide 4" vinyl cove base wherever vinyl flooring is used.

**3. Walls:**

- a) All new walls to be drywall: one layer 1/2" or 5/8" type X gypsum wallboard applied to each side of 3-5/8" metal or wood studs; with 1" type S drywall screws 8" on center, to vertical edges and 12" on center to intermediate studs. Stagger joints on each side.
- b) All interior walls to be insulated for sound abatement.
- c) Walls to extend to finished ceiling except for restrooms which should be finished to the floor deck.
- d) Provide expansion joints as necessary.
- e) All walls to receive painted finish of one primer coat and two finish coats of semi-gloss or eggshell with an orange peel finish.
- f) Corner guards: provide 44" guards on all outside corners and columns, color clear or match wall color.

- g) Restrooms: Provide 48" wainscoting of ceramic wall tile or other hard washable surface.
- h) Provide touch-up painting thirty (30) days after move-in.
- i) The Lessor will hang/install bulletin boards, pictures, tack strips, chalkboards, screens, etc., as provided by the Tenant.

**4. Doors, door frames, hardware:**

- a) The primary accessible entry doors may require ADA compliant power door openers.
- b) All interior doors: solid core construction, 3'-0" x 6'-8" x 1-3/4", SLC-5 construction (glue-blocked, 5 ply), stained and varnished.
- c) Exterior metal doors, all door frames, window frames: 16 gauge, 2" width, shall be factory painted or 1 coat primer, 2 coats satin enamel
- d) All doors to have appropriate ADA compliant hardware including but not limited to: ADA compliant levers, pulls, panic hardware, compatible latches; kick-plates for restroom and service room doors; wall/floor stops, door silencers; ADA compliant closures for all exterior entrance/exit, suite and restroom doors; passage and/or keyed latch sets as specified, minimum 1 key per lockset per onsite staff.
- e) Doors to be warranted from warpage and defect for 1 year from occupancy.
- f) Doors in the offices, clerical area, conference room and the main entry door shall have a window or sidelight window.

**5. Windows:** It is desirable that at least 10% of the entire area have direct natural lighting. This may be accomplished by using skylights.

- a) All new exterior windows shall be insulated Low-E glass
- b) All exterior windows shall have mini-blinds.
- c) Windows may be either fixed or operable.

**6. Heating, Air conditioning, plumbing and ventilation:**

**Lessor shall meet the following requirements:**

- a) Provide perimeter heating for exterior walls if required to meet seasonal set-points.
- b) Provide space heating for airlocks and lobbies, if necessary.
- c) Provide separate venting/fans for restrooms.
- d) Provide an approved "Test and Balance" report, for newly constructed and /or remodeled space, which is taken and completed after the space is fully occupied and the construction and/or remodeling projects are completed.

**7. Electrical:** All work and materials are to conform in every detail to applicable rules and requirements of the Wisconsin Administrative Code chapter SPS 316, the National Electrical Code (ANSI/NFPA 70), other applicable National Fire Protection Association codes, the National Electrical Safety Code, present manufacturing standards (including NEMA).

- a) Each enclosed room shall have a minimum one duplex electrical outlets every 12 lineal feet and a minimum of two telephone and data outlets.
- b) Standard office requirements shall include provisions for copiers, faxes, computers and related equipment, and other standard office equipment.
- c) Electrical installation shall be everything for an end-to-end installation including all wiring, junction boxes, conduit, grounding, switches, panels, boxes, circuits, switch-plates, faceplates, receptacles, **card** readers, etc.
- d) Conference and/or break room shall have sufficient outlets for up to two refrigerators, microwave, and coffee maker.
- e) Lessor to provide electric base feed connections for systems furniture power. Cables or "whips" to be provided by the furniture vendor.

- 8. Lighting:** All work and materials are to conform in every detail to applicable rules and requirements of the Wisconsin Administrative Code SPS 316, the State Energy Code, SPS Chapter 363 and the National Electrical Code.
- a) All areas to have ambient light level of 50 foot-candles throughout the demised area with 70 foot-candles at desktop. Provide a minimum of 30 foot-candles in corridors.
  - b) Provide and maintain existing light fixtures, until such time as the Building light fixtures are changes out to LED fixtures. The new LED fixtures are to be maintained pursuant to the manufacturer recommendations.
  - c) Provide adequate lighting in restrooms with light fixtures above the sinks.
  - d) Provide florescent strip lighting below cabinets in conference room.
  - e) Each constructed space to have separate light switch.
  - f) Provide lighting at all exterior entrances/exits.
  - g) Provide adequate security lighting for on premise parking areas.
  - h) Prior to construction, lighting design will be reviewed for approval by Lessee to ensure compliance with tenant requirements.
  - i) Lessor to furnish and install light bulbs, fluorescent tubes, starters, ballasts and transformers required for occupancy. Incandescent light bulbs are prohibited. Compact fluorescent lamp temperature shall be 5000° K with a color rendering index (CRI) at or above 80. Ballasts shall be instant start and conform to CEE Guideline above.
  - j) Occupancy sensors shall be used for restrooms, interview rooms, conference rooms and offices. (Occupancy sensors shall typically be used for required automatic light shut off instead of central time-clock controls or central energy management system control).
- 9. Data and Telephone Wiring:**
- a) All outlets to be installed according to approved plan. Each room, as identified will have at least two outlets consisting of 3/4" - 1" conduit in all new walls from above the suspended ceiling and terminating in a 4" x 4" junction box.
  - b) Conduit, raceways or clear paths will be provided from the data/telephone room to the ceiling area of each enclosed room and clerical area to accommodate the data/telephone lines. Provide "Ring and String" from junction box to ceiling.
  - c) Data and telephone wiring shall be furnished and installed by the Lessee.
- 10. Cabinetry/Carpentry:** All areas provided must meet minimum standards of ADA compliance.
- a) Kitchenettes and/or break areas shall have a 6'-8' counter of standard depth and height with splashguard with a single bay sink. Must also have upper and lower cabinetry with two adjustable shelves in each section with laminated fronts.
  - b) Provide coat closets with shelf and rod.
- 11. Plumbing:**
- a) The conference room and or break area counter(s) shall meet the minimum ADA requirements and must include a sink or sinks with hot/cold running water and a garbage disposal(s).
  - b) All rest room fixtures and furnishings will be ADA compliant.
  - c) Insulate all under sink lavatory piping in restrooms.
  - d) One janitorial sink shall be provided in the mechanical room.
  - e) Water will be available if needed for connection to coffee maker and refrigerator in conference room and or break room.
- 12. Accessibility and Security:**



- a) All demised and common areas of the facility and exterior areas, including parking, utilized under this lease, including restrooms and any elevator(s) ***must meet all requirements of new construction*** for accessibility, health and safety standards in compliance with and in accordance with Wisconsin Administrative Code, Chapters SPS 332, 360 - 365, and the ANSI A117.1. ANSI A117.1 will take precedence over Wisconsin Administrative Codes, except when such codes shall be equal to or exceed the ANSI Regulations. All elevators shall meet the Wisconsin Administrative Codes, SPS 318 and SPS 362 and the ANSI A117.1.

**13. Exterior of Building and Landscaping:**

- a) Provide landscape as necessary or required by city ordinance.
- b) Parking areas to be paved and striped and complying with all Wisconsin Administrative Codes and ANSI A117.1. Include all signage required for accessible parking stalls.
- c) All entrances and exterior doors to be accessible with grade complying with ANSI A117.1 and Wisconsin Admin Code.
- d) Ensure all exterior walls, windows, roof, walkways are in good repair.

**14. Signage:**

- a) Provide and install signage on the exterior of the building and/or parking lot (if allowed by local ordinance) identifying tenants and address which is visible from the main street.
- b) Provide and install ADA compliant directional signage in main entrance and in hallways as necessary to direct clientele to offices, which are not located at the main entrance. Signage to be visible and legible from a 15'-0" distance and well lighted.
- c) Provide and install ADA compliant restroom signage utilizing Grade 2 Braille and pictographs.
- d) Provide and install miscellaneous signage such as Emergency Exit Only, Employees Only, No Admittance, etc.

- 15. Fire Protection:** Provide the Premises with a fire alarm and detection system that complies with all State building codes, International Building Code (IBC) and Local building codes. In the event the Premises are not required to have a fire alarm and detection system by any code, Lessor shall install and maintain a fire detection system consisting of automatic detection (heat and smoke detectors), audio/visual notification devices and pull stations in accordance with the National Fire Protection Association (NFPA) under NFPA 72 and National Electric Code NEC 760. The fire alarm and detection system shall be inspected, maintained and tested in accordance with NFPA 72, by licensed contractors and fully documented. Documentation shall be made available to Lessee, within ten (10) days of Lessee's written request.

- 16. Plans/Submittals:** Prior to commencement of any work, Lessor shall submit to the Department of Administration preliminary plans for review and signature and provide a copy of the final signed/sealed copy of plans (if required by code). The plan package shall consist of, but not limited to the construction and demolition plans including the following:

- a) Mechanical/HVAC plans
- b) Electrical, data/telephone, and lighting cut sheets
- c) Door and finish schedules
- d) Plumbing plans
- e) Site plans with parking indications
- f) General construction drawings with dimensions.
- g) Cabinetry drawings
- h) Materials list and samples including:
  - 1) Paint and finishes
  - 2) Ceiling
  - 3) Flooring

EXHIBIT A - SITE PLAN

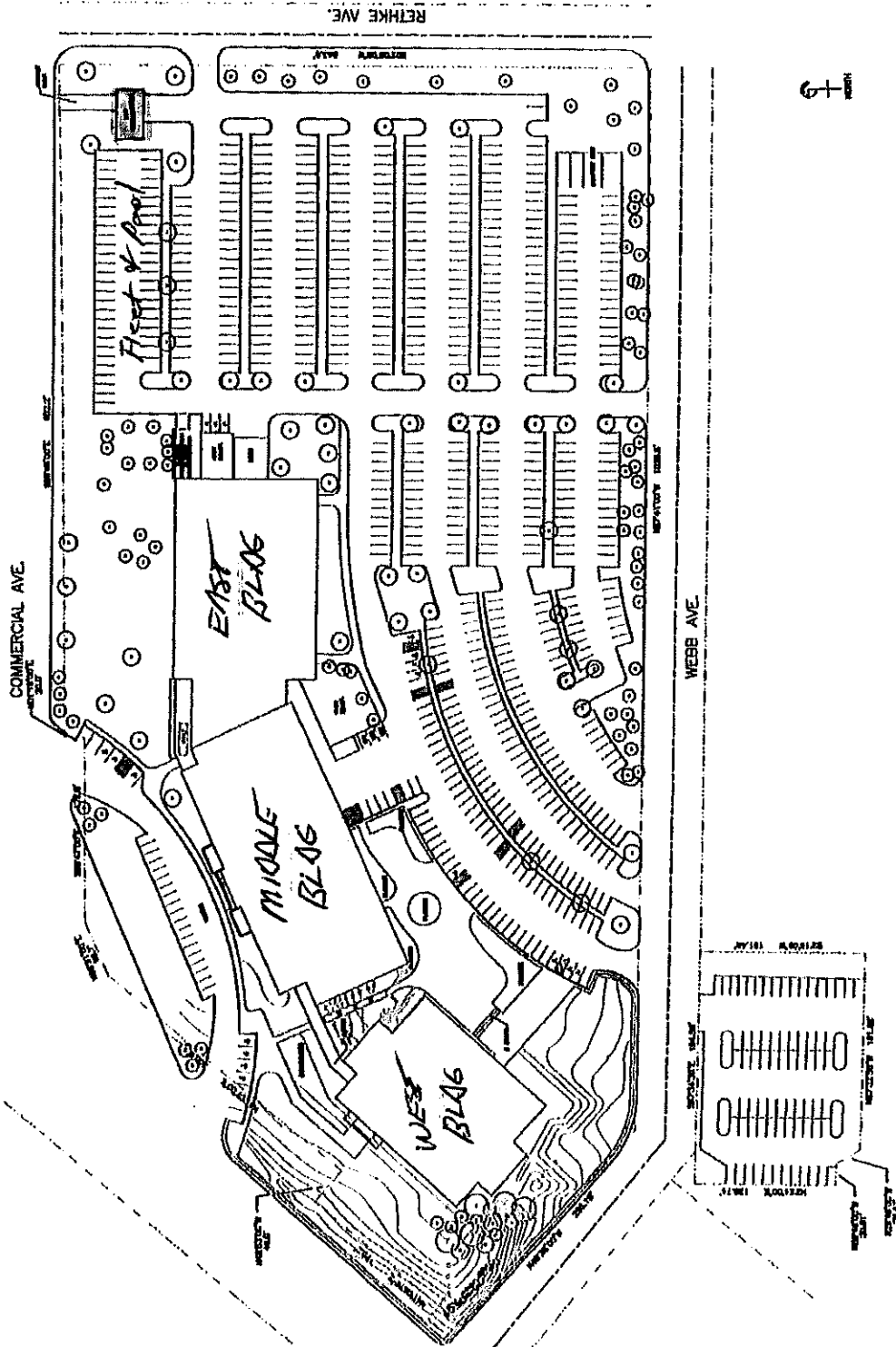
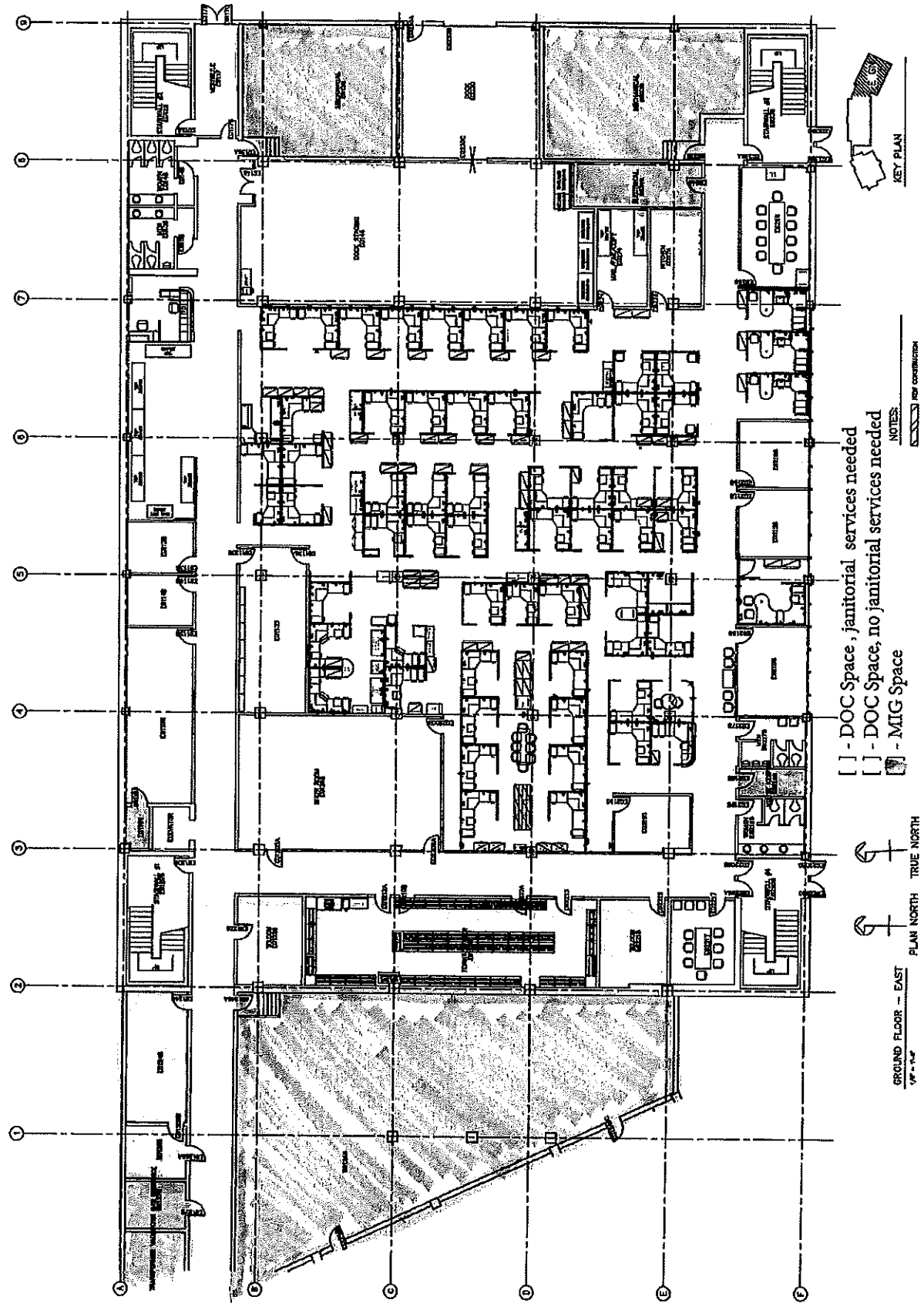


EXHIBIT B - FLOOR PLAN &  
JANITORIAL SCOPE

GE

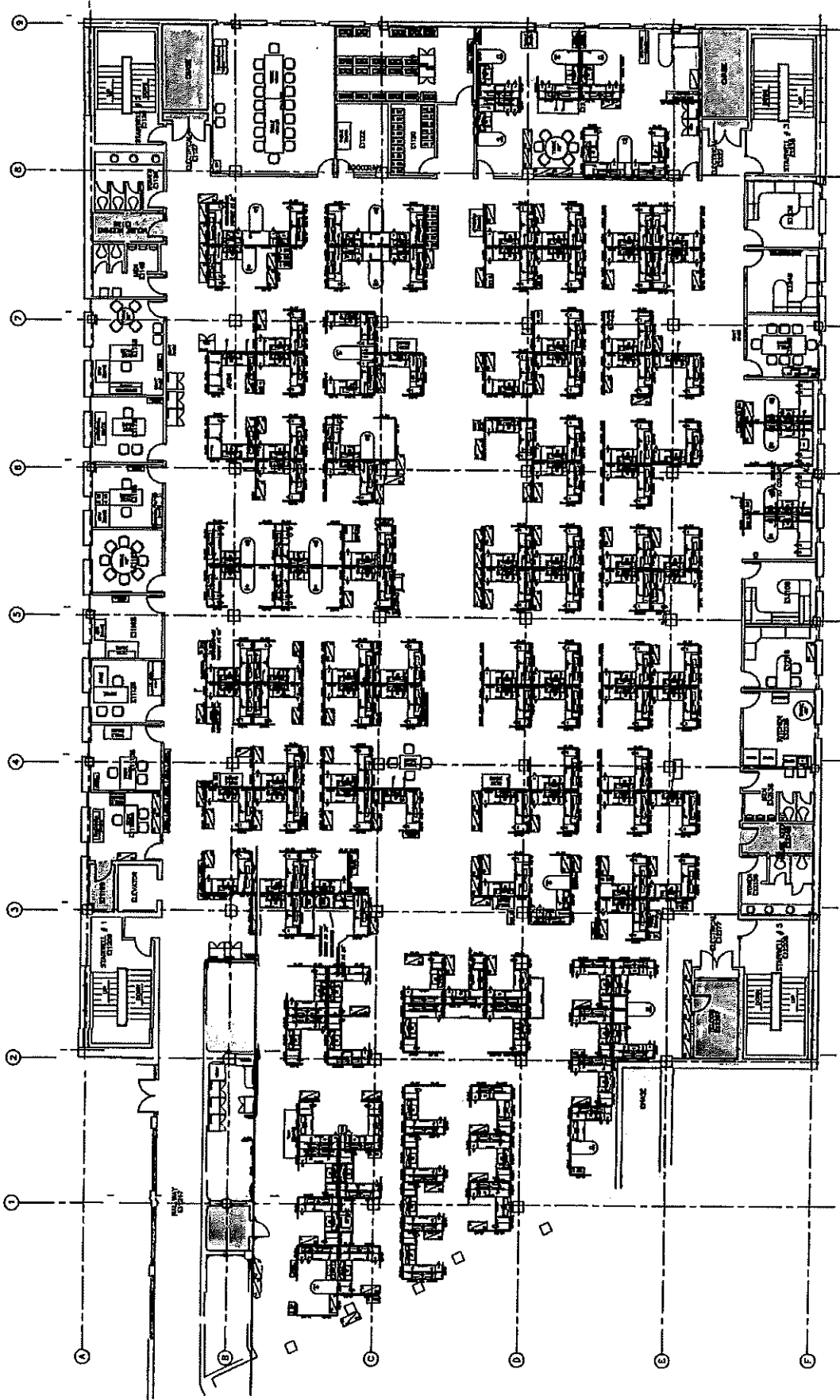


- NOTES
- [ ] - DOC Space, janitorial services needed
  - [ ] - DOC Space, no janitorial services needed
  - [ ] - MIG Space

GROUND FLOOR - EAST  
1/4" = 1'-0"

PLAN NORTH  
TRUE NORTH

# EXHIBIT B - FLOOR PLAN & JANITORIAL SCOPE

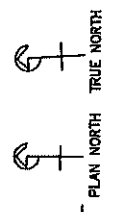


KEY PLAN

NOTES

SEE PLAN FOR CONSTRUCTION

- [ ] - DOC Space, janitorial services needed
- [ ] - DOC Space, no janitorial services needed
- [ ] - MIG Space

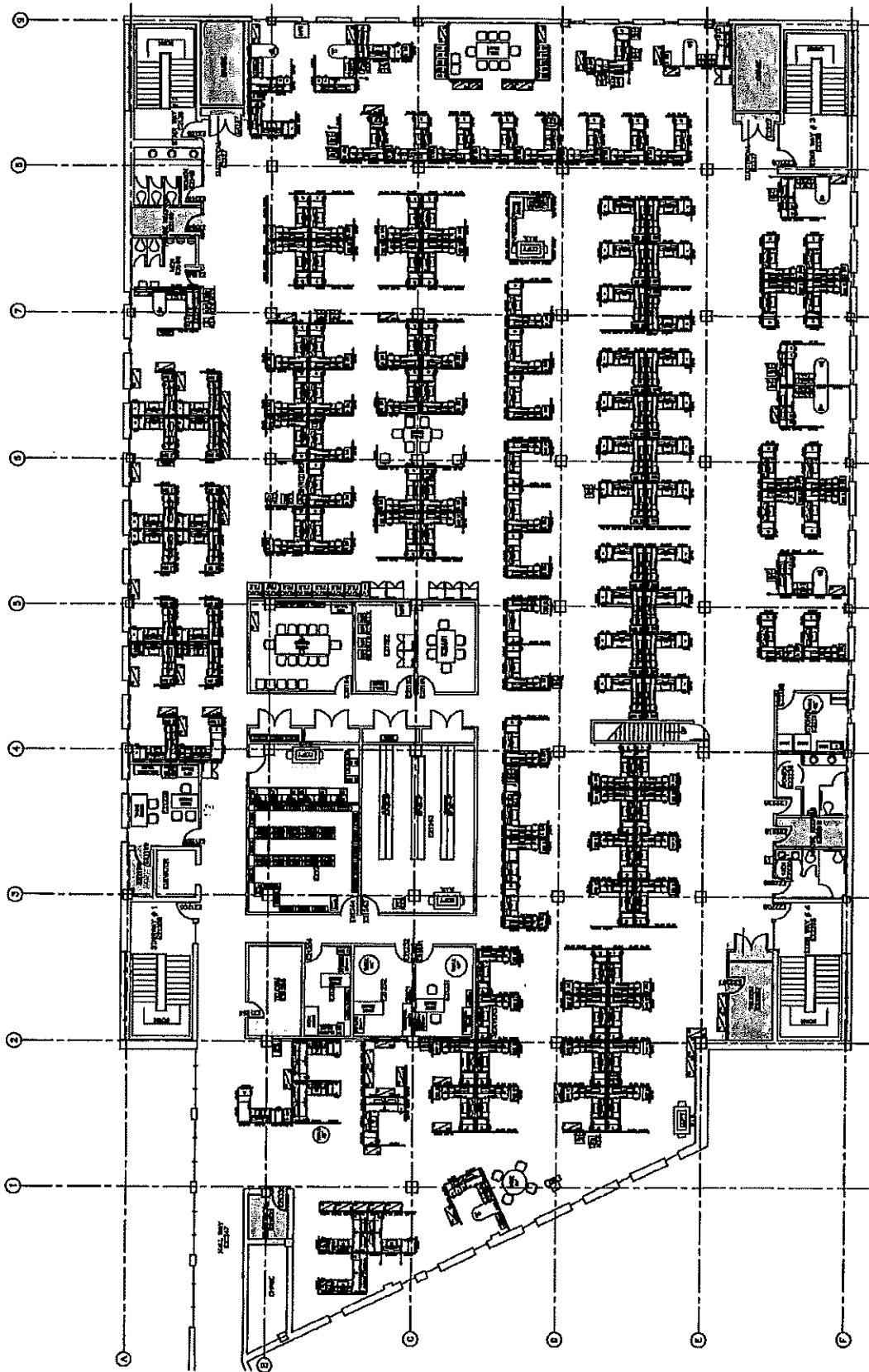


FIRST FLOOR - EAST  
1/4" = 1'-0"

35

# EXHIBIT B - FLOOR PLAN & JANITORIAL SCOPE

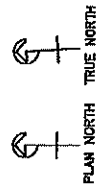
ZE



- [ ] - DOC Space, janitorial services needed
- [ ] - DOC Space, no janitorial services needed
- [ ] - MIG Space

NOTES:

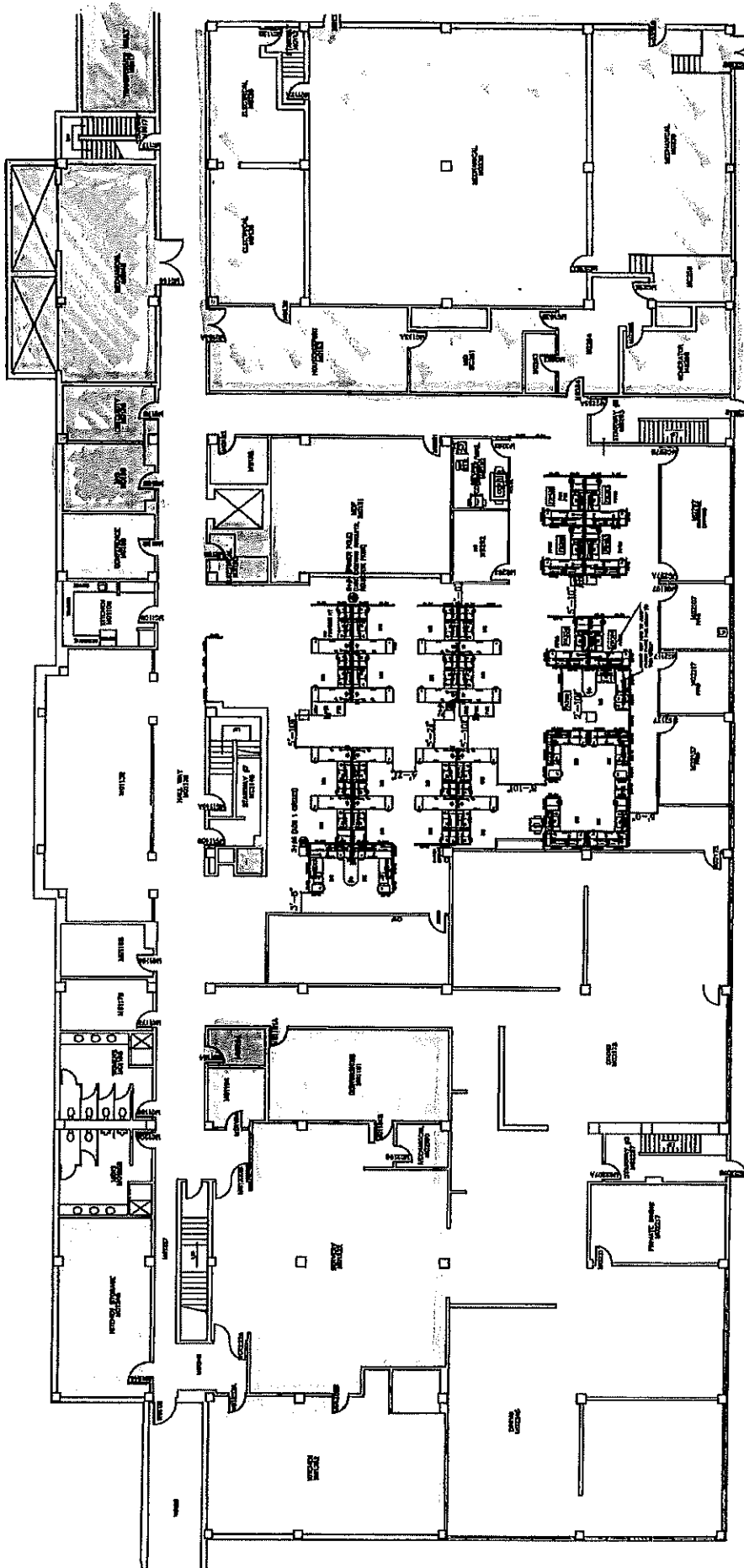
NO CONTRACT



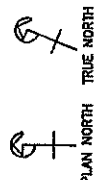
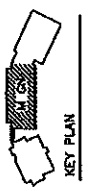
SECOND FLOOR - EAST  
1/4" = 1'-0"

# EXHIBIT B - FLOOR PLAN & JANITORIAL SCOPE

GM



- [ ] - DOC Space, janitorial services needed
- [ ] - DOC Space, no janitorial services needed
- [ ] - MIG Space

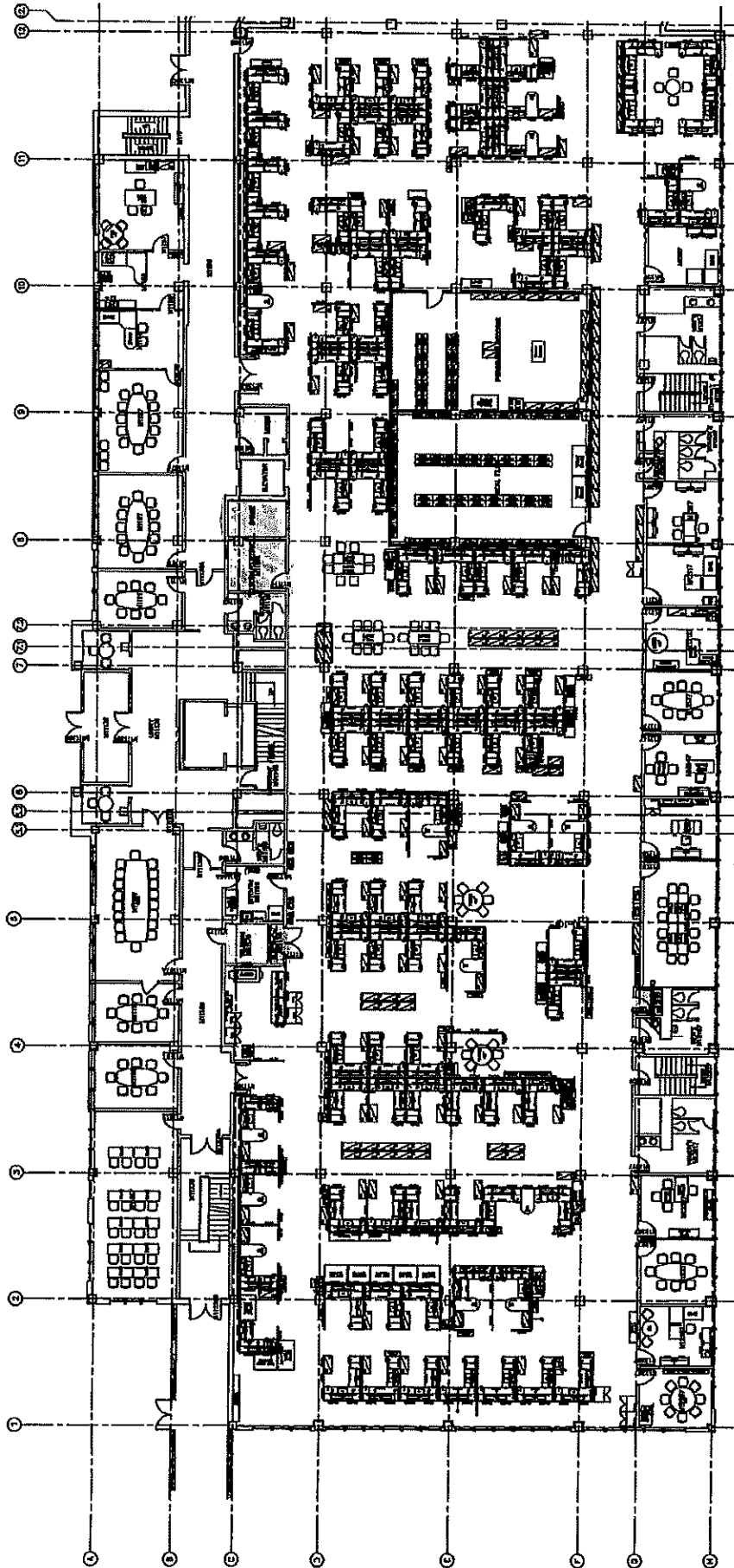


NOTES:  
[ ] - DOC SPACE

GROUND FLOOR - MAIN  
3/8" = 1'-0"

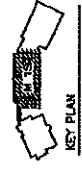
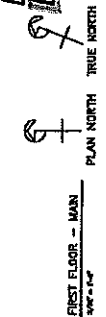
# EXHIBIT B - FLOOR PLAN & JANITORIALSCOPE

161



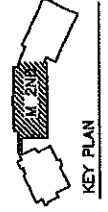
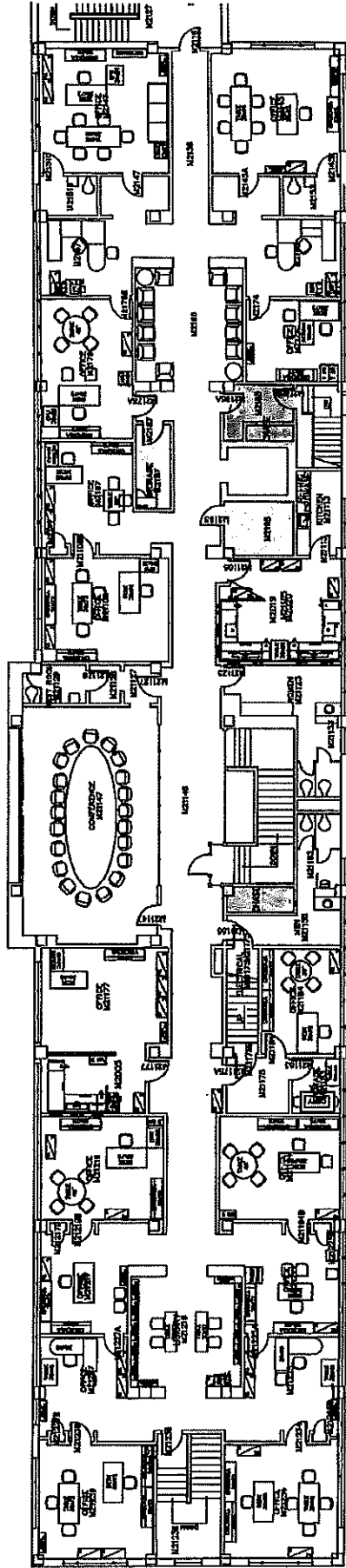
- [ ] - DOC Space, janitorial services needed
- [ ] - DOC Space, no janitorial services needed
- [ ] - MIG Space

NOTES  
 [ ] - NOT CONSTRUCTED



2M

# EXHIBIT B - FLOOR PLAN & JANITORIAL SCOPE

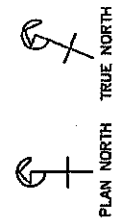


KEY PLAN

- [ ] - DOC Space, janitorial services needed
- [ ] - DOC Space, no janitorial services needed
- [ ] - MIG Space

NOTES:

[ ] NEW CONSTRUCTION



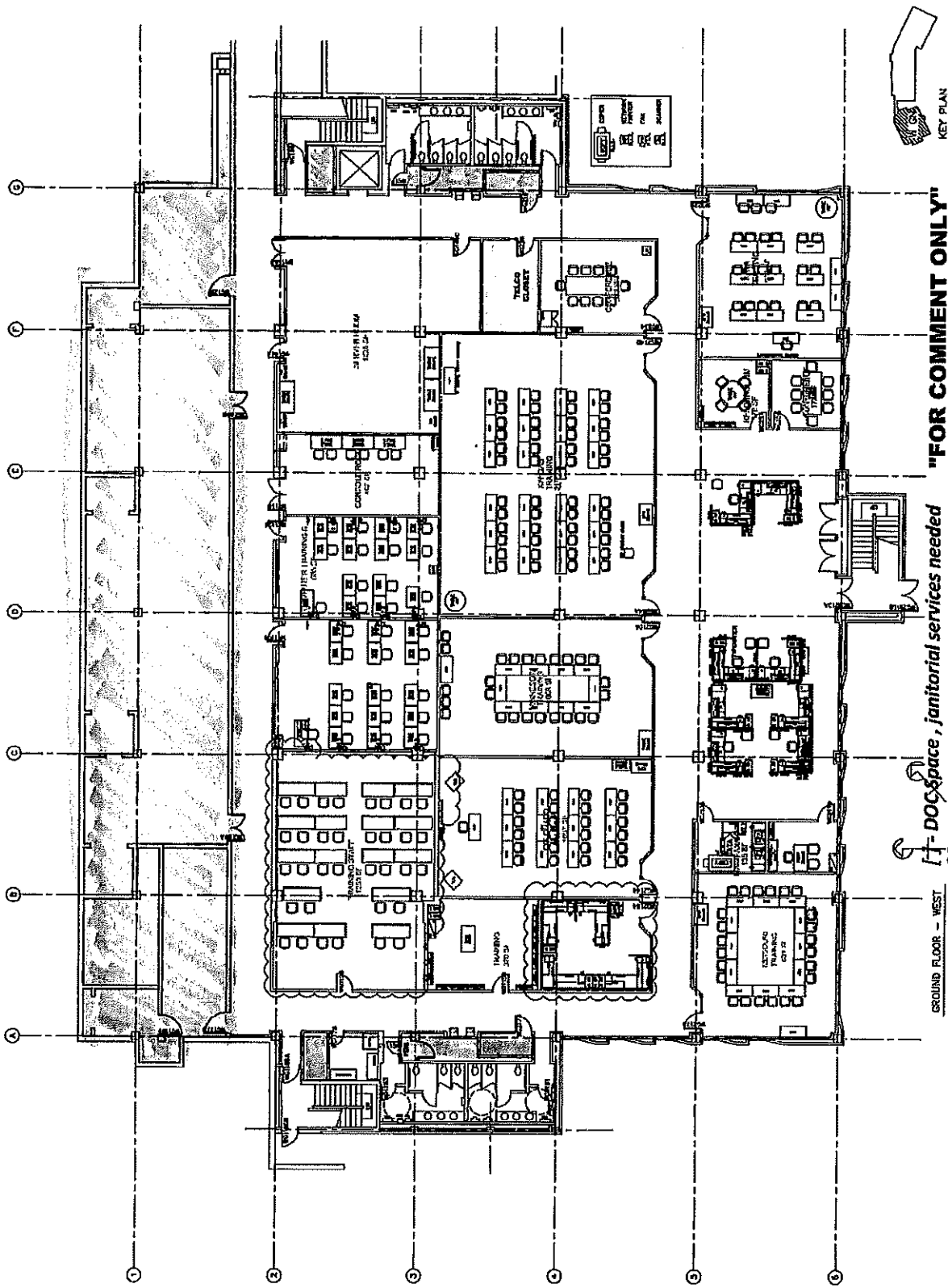
PLAN NORTH TRUE NORTH

SECOND FLOOR - MAIN  
1/8" = 1'-0"



# EXHIBIT B - FLOOR PLAN & JANITORIAL SCOPE

6/10



**"FOR COMMENT ONLY"**

 - DOC space, janitorial services needed  
 - PRO space, no janitorial services needed  
 - MIG Space

GROUND FLOOR - WEST

# EXHIBIT B - FLOOR PLAN & JANITORIAL SCOPE

21

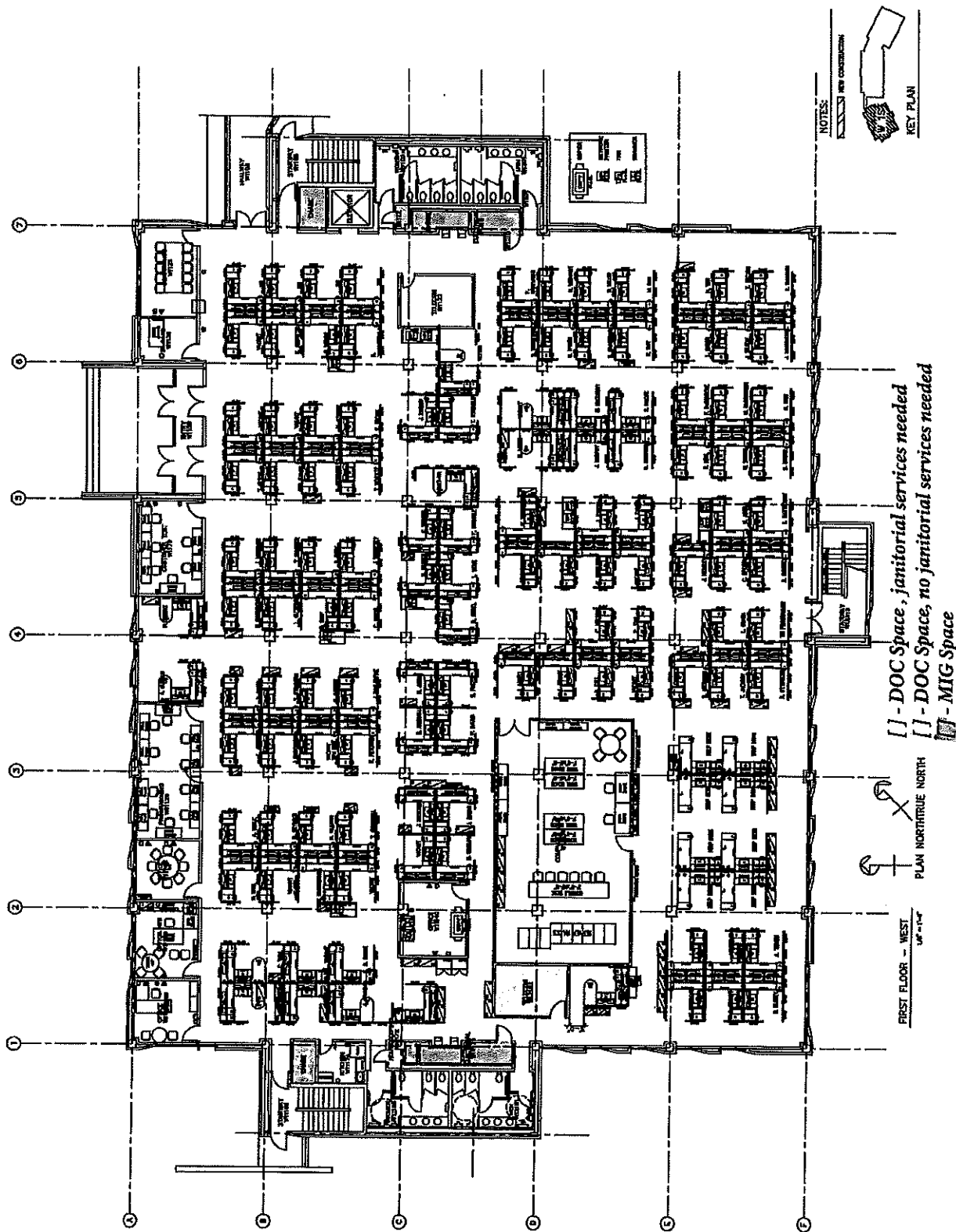
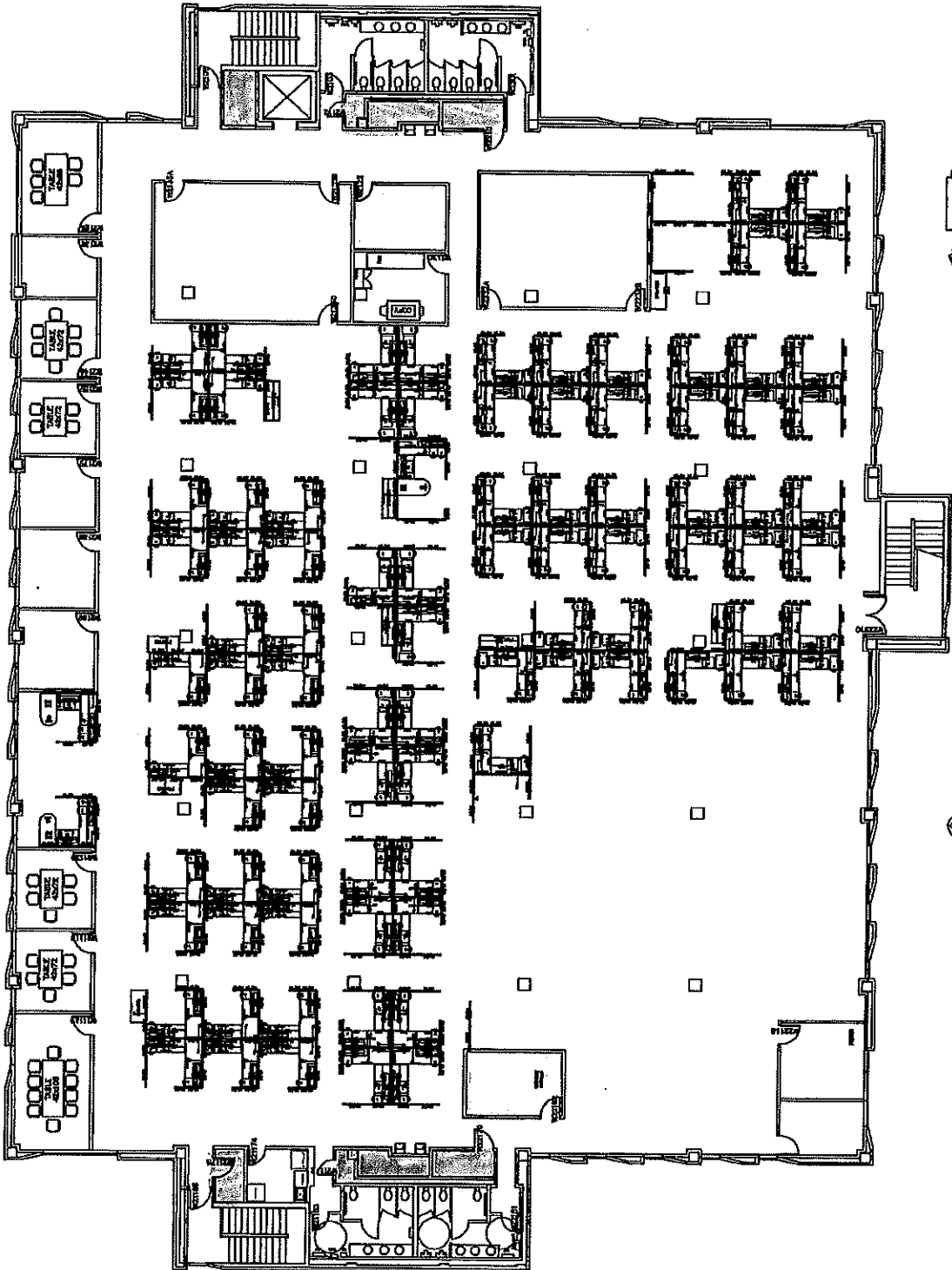


EXHIBIT B - FLOOR PLAN &  
JANITORIAL SCOPE

20



PLAN NORTH

11 - DOC Space, janitorial services needed

11 - DOC Space, no janitorial services needed

MIG Space

**EXHIBIT C – TENANT IMPROVEMENTS**

The scope, nature and cost of the Tenant Improvements is currently unknown and tentative, but will be developed, defined and completed in accordance with Section 21 of the Lease.

Lessor shall provide up to \$2,325,000 for Lessee's Tenant Improvements.

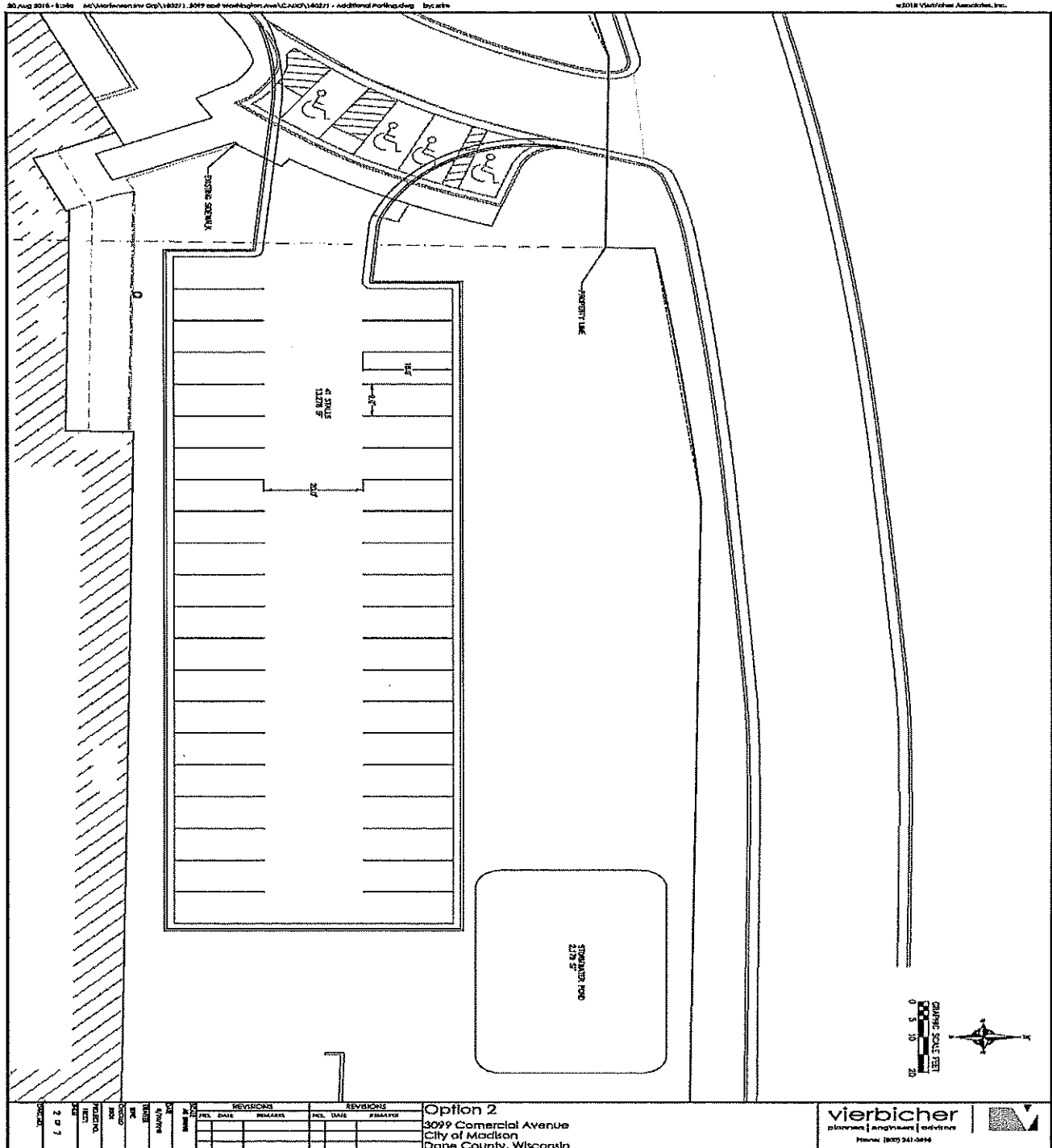
Any costs in excess of the \$2,325,000 in funds provided by Lessor shall be at Lessee's cost.

<u>Description</u>	<u>Estimated Quantity</u>	<u>Estimated Cost</u>	<u>Estimated Total Cost</u>	<u>Notes</u>
Restrooms Remodel	36	varies	\$ 638,200	Remodeling to include new partitions, flooring, paint, wall tile, toilets, sinks, counters, faucets, window sills, ventilation, mirrors, etc.
Kitchenette Remodel	10	varies	\$ 178,300	Remodeling to include new flooring, counters, paint, cabinets and \$20,000 for new refrigerators.
Carpet tile replacement (per square foot)	75,000	\$4.50	\$ 316,700	New carpet tiles, removal and disposal of existing carpet tiles in high traffic areas including but not limited to the Training Center, Monitoring Center, Cafeteria, Major Circulation Paths) Excludes areas re-carpeted replaced in 2011
Paint (per square foot)	35,000	\$2.00	\$ 65,700	Touch-up paint and accent wall paint
Systems Furniture	525	\$2,000	\$ 985,400	With adjustable work surfaces
Existing Systems Furniture disposal			<u>\$ 140,700</u>	

**ESTIMATED TOTAL** **\$ 2,325,000**

\*\* Note: Lessor to collaborate with DOC Staff on designs and project schedules for systems, furniture, restroom and kitchenettes remodeling. Lessor shall be responsible for moving furniture and equipment only to extent necessary to complete the Tenant Improvements.

EXHIBIT D - PARKING LOT IMPROVEMENTS



**Note:** Exhibit is preliminary. Lessee/Tenant shall have the right to reduce the number of visitor parking stalls. Lessor and Lessee shall mutually agree upon a final Parking Lot Improvements Plan, prior to the commencement of the work.

**EXHIBIT E - OPTION TO PURCHASE**

THIS AGREEMENT (the "Agreement"), made and entered into this \_\_\_\_ day of 2019, is by and between STATE OF WISCONSIN DEPARTMENT OF ADMINISTRATION ("Buyer") and 3099 EAST WASHINGTON, LLC ("Seller").

WITNESSETH:

WHEREAS, Seller is the owner of certain improved real property hereinafter described, which Buyer is interested in purchasing on the terms and conditions hereinafter set forth;

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

OPTION TO PURCHASE

1.1 Grant of Option. Seller hereby grants to Buyer the exclusive option (the "Option") to purchase, on the terms hereinafter stated, all of Seller's rights, title and interest in and to the real property located in the City of Madison, Dane County, Wisconsin, and more particularly described on Exhibit A attached hereto and made a part hereof (the "Property"). The Property shall consist of land, site improvements and buildings, all of which are being leased by Seller to Buyer, pursuant to that certain lease dated today's date describing the Property and naming Seller as Lessor and Buyer as Lessee (the "Lease"). This Option automatically terminates upon termination of the Lease regardless of the reason for such termination.

1.2 Exercise of Option. The Option shall be exercised by written notice (the "Option Notice") to Seller given at least three hundred sixty-five (365) days prior to the Closing Date, which option notice may be given no earlier than July 1, 2028. The Option may be exercised only for all (and not less than all) of the Property.

ARTICLE II  
PURCHASE PRICE

2.1 The purchase price pursuant to the Option to Purchase (the "Purchase Price") will be determined as follows:

- a) Buyer shall obtain, at the Buyer's expense, an appraisal by a MAI Certified, Wisconsin licensed general appraiser which shall determine the fully – leased fair market value of the Property, taking into account the purchase price a third party would be willing to pay in an arms-length purchase of the Premises based upon current market commercial office leasing market conditions including lease rates, vacancy rates and other comparable market data within the City of Madison. Buyer shall deliver its appraisal to Seller within sixty (60) days after delivery of the Notice (in no event shall the value be reduced on the basis that the Lease would terminate as of the Closing hereunder.)
  
- b) If Seller does not agree with the appraisal presented by the Buyer, Seller shall obtain at the Seller's expense and deliver to the Buyer another appraisal completed by an MAI Certified, Wisconsin licensed general appraiser within sixty (60) days after Seller's receipt of the Buyer's appraisal which shall determine the fair market value of the Premises, using the same valuation approach as described in Section 2.1(a). If the lowest appraisal is within ten percent (10%) of the highest appraisal, then the fair market value shall be the average of the two appraisals. If the appraised values are more than ten percent (10%) but less than twenty percent (20%) apart, then the two (2) appraisers shall choose a third MAI Certified, Wisconsin licensed general appraiser to complete a third appraisal. The Purchase Price shall then be the arithmetic average of the three appraisals. If the initial two appraised values are equal to or more than twenty percent (20%) apart in value, then the two (2) appraisers shall choose two additional MAI appraisers to independently complete a third and fourth appraisal, and of the four completed appraisals, the highest value and the lowest valued appraisals shall be disregarded, and the Purchase Price shall then be the arithmetic average of the two remaining appraisals.
  
- c) All appraisers appointed pursuant to this Option to Purchase Agreement shall be independent qualified MAI and Wisconsin licensed general appraisers with not less than five (5) years of experience in the market area of the Premises and shall have no

right, power or authority to alter or modify the provisions of this Lease and shall comply with the provisions relating to the calculations of the fair market value as provided in this Option to Purchase Agreement.

- d) If a third, or if a third and fourth appraiser is/are appointed pursuant to subparagraph (ii) above, the fee of the third (and if necessary fourth) appraiser shall be paid one half by the Seller and one half by the Buyer.

### ARTICLE III

#### ADJUSTMENTS AND PRORATIONS

The Purchase Price of the Property shall be adjusted at Closing on the following basis:

3.1 Property Taxes. Real estate taxes shall be prorated at Closing based on the most recently available assessment and mill rate.

3.2 Special Assessments. Buyer shall pay all special assessments that are levied, assessed or come due (including any installments relating to previously levied special assessments) following the date of the delivery of notice as specified in Section 1.2.

3.3 Recording Fees. Buyer shall pay the recording fee for the deed. Seller shall pay all other recording fees.

3.4 Transfer Taxes. Seller shall pay the Wisconsin Real Estate Transfer Fee.

3.5 Rents and Other Amounts. Buyer shall pay to Seller, in addition to the Purchase Price, any amounts due and owing under the Lease (including any Amendments and / or Addendums) through the date of purchase. Seller shall reimburse Buyer for the prorated portion of any prepaid rents or other amounts Buyer would have been able to set-off against the next month's rent as provided in the Lease. All income and expenses shall be prorated as of the date preceding Closing.

### ARTICLE IV

#### TITLE



Seller warrants that Seller has, and will have as of the Closing Date, good and marketable title to the Property and that the Property shall be, on the Closing Date, subject to no easements, rights of adverse possessors or trespassers, security interests, defects of title, mortgages, pledges, leases, rights of way, liens, obligations to any municipality, or other encumbrances, excepting those matters listed on Exhibit B attached hereto and made a part hereof (the "Permitted Exceptions") and those matters which will be satisfied out of the sale proceeds. Seller shall provide Buyer, at Seller's cost, an owner's policy of title insurance in the amounts of the Purchase Price insuring title to be in the condition called for under this Article IV.

## ARTICLE V

### CLOSING

The closing of the purchase and sale of the Property (the "Closing") shall be as follows:

5.1 Time and Place. The Closing shall take place at the Madison offices of the title insurer providing the title insurance commitment under Article IV upon the Closing Date or as such other time and place as the parties may agree. The title insurer shall be selected by Seller.

5.2 Seller's Obligations. At the Closing, Seller shall do the following:

- a) Deed. Execute, acknowledge and deliver to Buyer a warranty deed conveying title to the Property subject only to the Permitted Exceptions
- b) Affidavit Re: Construction Liens. Execute, acknowledge and deliver to Buyer an affidavit that Seller has not made any improvements to the Property for six (6) months immediately preceding the Closing Date, Seller shall deliver releases or waivers of all construction liens executed by general contractors, subcontractors, suppliers, or materialmen who performed such work for Seller.
- c) Wisconsin Transfer Tax Return. Execute and deliver to Buyer the Wisconsin Transfer Tax Return.
- d) Closing Statement. Execute and deliver to the Buyer a closing statement setting forth the Purchase Price, all adjustments thereto and all amounts paid at Closing.
- e) Delivery of Possession. Deliver possession of the Property to the Buyer.

5.3 Buyer's Duties. At the Closing, Buyer shall do the following:

- a) Purchase Price. Deliver to Seller good and collectible funds equal to the unpaid balance of the Purchase Price, as adjusted pursuant to Article III.
- b) Closing Statement. Execute and deliver to Seller a counterpart prepared by Seller's attorney of the agreement described at Section 5.2(d).

ARTICLE VI

GENERAL PROVISIONS

6.1 Entire Agreement. This document contains the entire agreement between the Buyer and Seller relating to Buyer's option to purchase the Property, and it shall inure to the benefit of and shall bind the parties hereto, their respective heirs, executors, successors or assigns.

6.2 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin.

6.3 Notices. Any notice required hereunder shall be given in writing, signed by the party giving the notice, personally delivered or mailed certified or registered mail, return receipt requested, to the parties' respective addresses as set forth below:

To Seller: 3099 EAST WASHINGTON, LLC  
3001 W. Beltline Highway, Suite 202  
Madison, WI 53713

Copy to: Angela Black  
Carlson Black O'Callaghan & Battenberg, LLP  
222 West Washington Ave., Ste 705  
Madison, WI 53703

To Buyer: Department of Administration  
State of Wisconsin  
101 E. Wilson Street  
P.O. Box 7864  
Madison, WI 53707-7866

Notice shall be deemed delivered (a) in the case of personal delivery, on the date when personally delivered; or (b) in the case of certified or registered mail, on the date when deposited in the United States mail with enough postage to affect such delivery. Either party may change the address to which or the person to whom notice must be given by delivery of written notice to the other party in accordance with this Section 6.3

6.4 Severability of Provisions. In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed in a manner that most closely effectuates the intent of the parties.

6.5 Time of Essence. Time is of the essence.

6.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.


6.7 Headings. Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement

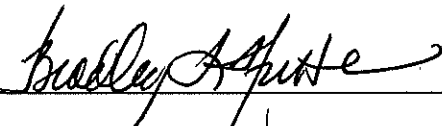
6.8 Memorandum of Option. Seller and Buyer each agree, upon the request of the other, to execute and deliver to the other for recording a memorandum of option evidencing Buyer's interest in the Property under this Agreement.

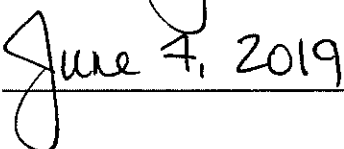
IN WITNESS WHEREOF, the parties have hereunto subscribed their names as of the date of the last signature below.

3099 EAST WASHINGTON LP ("Seller")

In presence of:

  
\_\_\_\_\_  
Chris Konz - VP-Finance  
Printed Name, Title

By:   
\_\_\_\_\_  
BRADLEY L. HUTTER, Manager  
Printed Name, Title

Dated:   
\_\_\_\_\_

**STATE OF WISCONSIN ("Buyer")**

By: \_\_\_\_\_

CHRIS PATTON  
DEPUTY SECRETARY  
DEPARTMENT OF ADMINISTRATION

Dated: \_\_\_\_\_

## Exhibit A – Legal Description

Parcel I: Part of the Fractional North 1/2 of the Northwest 1/4 of Section 5, Township 7 North, Range 10 East, in the City of Madison, Dane County, Wisconsin, more fully described as follows: Beginning at the intersection of the West line of Rethke Avenue and the South line of STH '30"; thence North 88" 44', West 652 feet along the South line of STH "30" to an iron stake; thence South 01° 16' West 220 feet to an iron stake; thence South 57" 17' West 325.5 feet to an iron stake; thence South 41" 07' West to an iron stake on the Northeasterly line of Webb Avenue; thence Southeasterly 15.5 feet along the Northeasterly line of Webb Avenue to an iron stake on the North line of Webb Avenue; thence Easterly 1029.8 feet along the Northerly line of Webb Avenue to an iron stake on the West line of Rethke Avenue; thence Northerly along the West line of Rethke Avenue 583.5 feet to the point of beginning.

PARCEL II: Part of the Fractional Northeast 1/4 of the Northwest 1/4 of Section 5, Township 7 North, Range 10 East, in the City of Madison, Dane County, Wisconsin, more fully described as follows: Commencing at the intersection of the West line of Rethke Avenue and the South line of STH 11 30 11 ; thence North 88" 44' West 652 feet along the South line of STH "30" to an iron stake; thence South 01° 16' West along the East line of STH "30", 20 feet to the point of beginning of this description; thence South 01° 16' West 200 feet to an iron stake; thence South 57° 17' 1 West 325.5 feet to an iron stake; thence North 48" 53' West 200 feet to the Southeasterly line of STH '30"; thence North 41" 07' East 300.6 feet; thence North 67" 11' East 56.1 feet; thence South ss. 44' East 179.8 feet along the Southeasterly and Southerly lines of STH "30" to the point of beginning, EXCEPT that part conveyed by Award of Damages recorded on February 27, 1964, in Volume 405 of Miscellaneous, page 144, as Document No. 1095151.

PARCEL III: Part of the Fractional North 1/2 of the Northwest 1/4 of Section 5, Township 7 North, Range 10 East, in the City of Madison, Dane County, Wisconsin, more fully described as follows: Commencing at a point 10 feet North of the Northeast corner of said Section 5; thence North 88" 44' West 3583.10 feet; thence South 43" 59' West 61.40 feet; thence South 41" 07' West 862.80 feet; thence South 48" 53' East 360 feet; thence North 41" 07' East 324 feet, more or less, to the North line of Webb Avenue and the point of beginning of this description; thence North 41" 07' East 197.5 feet; thence North 48" 53', West 240 .feet; thence South 41" 07' West to the North line of Webb Avenue; thence Southeasterly along the North line of Webb Avenue to the point of beginning.

PARCEL IV: Lot One .(1) of Certified Survey Map No. 7652 recorded in the Dane County Register of Deeds Office in Volume 40 of Certified Survey Maps, pages 47, 48 and 49, as Document No. 2645258, in the City of Madison, Dane County, Wisconsin, as corrected by Affidavit recorded on June 10, 1996, in Volume 33141 of Records, page 73, as Document No. 2769665

Note: Parcel No. I, II, & III = 3099 East Washington Avenue and Parcel IV = 3023 Webb Avenue