



Department of Planning & Community & Economic Development

Economic Development Division

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Arts + Literature Laboratory (ALL)
Jolynne Roorda
2021 Winnebago St
Madison, WI 53704

LETTER OF INTENT

September 3, 2019

Subject: Commercial Lease

Project: South Livingston Street Garage Commercial Space
Real Estate Project No. 11752

Dear Jolynne:

The purpose of this non-binding Letter of Intent (“LOI”) is to outline the principal terms and conditions for a lease (“Lease”) to be executed between the City of Madison (“City”) and the Arts + Literature Laboratory (“Tenant”) pertaining to the City-owned property described herein, subject to the following terms and conditions:

1. Property. The Tenant will lease a 2-story commercial space situated within a portion of the South Livingston Street Garage located at 111 S. Livingston Street, Madison, Wisconsin (“Property”).
2. Leased Premises. The City hereby leases to the Tenant that certain space consisting of 9,910 gross leasable square feet (4,377 square feet on level 1 and 5,533 square feet on level 2) of the Property, as depicted in attached Exhibit A (“Leased Premises”). The City shall deliver the Leased Premises to Tenant in an as-is condition, with an address to be assigned by the City prior to occupancy.
3. Use. The Tenant shall operate a non-profit arts center in the Leased Premises including, but not limited to, activities such as the following: gallery and exhibition space, performance space, literary arts space, youth and adult education programs, and shared and/or private artist studio space. All uses must comply with City’s zoning code and the Leased Premises shall not be used for any illegal purpose. Dwelling units are not permitted in the Leased Premises.
4. Tenant Improvements. Tenant will pay for the build-out of the Leased Premises (“Tenant Improvements”) and present its plans to the City for its written approval before any

construction work can commence.

- a. Tenant shall guarantee that the first phase of Tenant Improvement construction shall be completed six (6) months from the execution of the Lease. The “first phase” is defined as the receipt of a certificate of occupancy, whether partial or final, for the Leased Premises, and occupancy by the Tenant.
 - b. The Tenant shall install commercial service to the existing heating, ventilation and air conditioning (“HVAC”) units in the Leased Premises so they are piped, wired and metered for electrical services.
 - c. Any subsequent changes requested by Tenant to the floor plan or fixtures during Base Lease Term or extension terms, including replacement items, shall require written approval by the City.
 - d. At the end of the Base Lease Term or Option Periods as defined below, any fixed Tenant Improvements to the Leased Premises shall remain on site.
5. Base Lease Term. The initial term of the Lease shall be for twenty (20) years (the “Base Lease Term”) commencing upon issuance of the certificate of occupancy from the City for the Leased Premises (“Commencement Date”), and ending twenty years thereafter on the anniversary of the Commencement Date, unless extended by City as hereinafter provided. The Tenant shall open the arts center no later than thirty (30) days from the Commencement Date.
6. Base Rent: “Base Rent” shall be Four Thousand Nine Hundred and 10/100 Dollars (\$4,900.00) per month during the Base Lease Term as described in the below paragraph.
- a. No rent shall be payable by the Tenant to the City for the first six (6) calendar months following the Commencement Date.
 - b. Beginning in the seventh calendar month following the Commencement Date, the Tenant shall pay to the City Four Thousand Nine Hundred and 10/100 Dollars (\$4,900.00) per month (“Base Rent”).
 - c. Beginning in the twenty fifth calendar month following the Commencement Date, the Base Rent shall increase to Five Thousand Six Hundred and 00/100 Dollars (\$5,600.00) per month.
 - d. Beginning in the thirty seventh calendar month following the Commencement Date, the Base Rent shall increase to Six Thousand Three Hundred and 00/100 Dollars (\$6,300.00) per month. Beginning in the forty ninth calendar month, the Base Rent shall increase by Three Percent (3%) per year compounded annually as shown in the following rent schedule:

Month	Base Rent -Annual	Base Rent - Monthly
Month 0-6	\$ -	\$ -
Month 7-12	\$ 29,400.00	\$ 4,900.00
Month 13-24	\$ 58,800.00	\$ 4,900.00

Month 25-36	\$ 67,200.00	\$ 5,600.00
Month 37-48	\$ 75,600.00	\$ 6,300.00
Month 49-60	\$ 77,868.00	\$ 6,489.00
Month 61-72	\$ 80,208.00	\$ 6,684.00
Month 73-84	\$ 82,620.00	\$ 6,885.00
Month 85-96	\$ 85,104.00	\$ 7,092.00
Month 97-108	\$ 87,660.00	\$ 7,305.00
Month 109-120	\$ 90,288.00	\$ 7,524.00
Month 121-132	\$ 93,000.00	\$ 7,750.00
Month 133-144	\$ 95,796.00	\$ 7,983.00
Month 145-156	\$ 98,664.00	\$ 8,222.00
Month 157-168	\$ 101,628.00	\$ 8,469.00
Month 169-180	\$ 104,676.00	\$ 8,723.00
Month 181-192	\$ 107,820.00	\$ 8,985.00
Month 193-204	\$ 111,060.00	\$ 9,255.00
Month 205-216	\$ 114,396.00	\$ 9,533.00
Month 217-228	\$ 117,828.00	\$ 9,819.00
Month 229-240	\$ 121,368.00	\$ 10,114.00

- e. Base Rent shall be payable in advance on the first day of each calendar month this Lease is in effect. All payments are to be made payable to City of Madison and sent to the address specified in Paragraph 35.
- f. Any Base Rent or such other sums, if any, required to be paid by Tenant pursuant to the terms of this Lease which are not paid when due as described in Paragraph 4.e shall bear interest at the rate of twelve percent (12%) per annum, or the maximum rate permitted by law, whichever is less, from the date due until paid. The payment of such interest shall not excuse or cure any default by Tenant under this Lease. All future payments will be allocated first to any outstanding balances other than Base Rent. Any remaining monies will be allocated lastly to any Base Rent balance.
7. Hold Over. Tenant shall surrender the Leased Premises upon the expiration or termination of the term of this Lease. Any holdover not consented to by City in writing shall not result in a new tenancy or interest and, in such case, the City may treat the Tenant as a trespasser. If Tenant remains in possession of the Leased Premises or any part thereof after the expiration of the term of this Lease without the express written consent of the City, the Tenant shall pay rent equal to, in the absence of proof of greater damages, the amount of twice the amount payable as rent under Paragraph 6 immediately prior to such expiration or termination, prorated on a daily basis for each day after the last day of the term of this Lease.
8. Option to Renew. If, at the end of the Base Lease Term of this Lease, the Tenant is not in default under the terms and conditions of the Lease, then the Tenant shall have the right to extend the Base Lease Term for four (4) consecutive five (5) year terms (together the “Option Periods”), upon agreement of the parties as to the terms of the renewal. Together, the Base Lease Term, and, if exercised, the Option Periods will be defined as the “Lease Term”.

The rental rates for the Option Periods, if exercised by Tenant and approved by the City, will be determined after the City’s review of the Tenant’s audited financial statements and tax

statements (“Tenant’s Financial Statements”) for each year of the Base Lease Term or Option Periods. City will deliver a written rental rate proposal or denial to Tenant after reviewing the Tenant’s Financial Statements, within 30 days after receipt of the Tenant’s Financial Statements.

The Tenant’s Financial Statements need to be provided to the City prior to executing the Lease renewal, at the time the Tenant provides written notice (“Notice”) of its desire to extend the Lease. Notice to the City must be in writing two hundred seventy (270) days in advance of the expiration of the Base Lease Term or Option Periods. All Notices under this paragraph shall be given as specified in the Lease.

In the event Tenant’s performance under this Lease or as operator of ALL is unsatisfactory, as determined in the City’s sole discretion, then the City will provide written notice to Tenant denying any option(s) to renew the Lease.

9. Common Areas. The City grants to the Tenant and Tenant’s employees, agents, customers, invitees, vendors, licensees, and contractors the right to use, in common with all others to whom City has or may hereafter grant rights to use the same, the “Common Areas” located on the Property, as depicted on attached Exhibit B. The term “Common Areas” is defined as the sidewalks, stairwells, elevators, roof, and all other areas or improvements which may be provided by City for the common use or benefit of occupants of the Property.
 - a. The City reserves the right to control and manage the Common Areas in its sole discretion and to establish rules and regulations for the use thereof. The City shall be responsible for cleaning, maintaining and repairing the Common Areas, unless damaged by activities and/or actions of the Tenant or Tenant’s employees, agents, customers, invitees, vendors, licensees, and contractors.
 - b. The City shall pay all Common Area operating and maintenance expenses relating to the Property including, but not limited to, property taxes, assessments, special assessments and charges, lighting, electricity, heating, air conditioning, water and sewer service, storm water and urban forestry utility charges, landscaping, garbage removal, snow plowing and snow/ice removal, insurance and administration, except as described below in Paragraph 10 and 11.
 - c. The City will consider and negotiate proposed changes to the Common Areas that the Tenant may require for the use of the Leased Premises, if the Tenant provides a written request detailing the proposed changes.
10. Tenant’s Responsibilities. The Tenant shall, at its own expense, keep and maintain the Leased Premises in a presentable condition consistent with good business practice and in a manner consistent with the preservation and protection of the general appearance and value of other premises in the immediate vicinity. Other responsibilities are detailed as:
 - a. The Tenant is responsible at its cost for the repair and replacement of its Tenant Improvements, and the following items in the Leased Premises: lost keys, exterior and interior signs; light fixtures-replacement of light bulbs and ballasts; all plumbing fixtures and accessories; unclogging toilets, sinks, sanitary sewer lateral and drains; running toilets; sprinkler system; damage to interior walls; all necessary related work as a result

of damage to exterior walls caused by Tenant; floors stains caused by Tenant; cracks in floor beyond typical settling or wear and tear; personal property taxes; interior and exterior window washing/cleaning; and HVAC units serving the Leased Premises.

- b. The Tenant shall (i) maintain, repair and replace when necessary all HVAC equipment which services only the Leased Premises, and shall keep the same in good condition through regular inspection and servicing, and (ii) maintain continuously throughout the Base Lease Term and any exercised Option Periods a service contract for the maintenance of all such HVAC equipment with a licensed HVAC repair and maintenance contractor approved by the City, which contract provides for the periodic inspection and servicing of the HVAC equipment biannually. Notwithstanding the foregoing, the City may elect at any time to assume responsibility for the maintenance, repair and replacement of such HVAC equipment which serves only the Leased Premises. Tenant shall furnish City with copies of all such service contracts, which shall provide that they may not be canceled or changed without at least 30 days' prior written notice to the City.
 - c. In the event Tenant or any of its customers/members, employees, agents, invitees, contractors or licensees, damage the Leased Premises or the Property, then Tenant shall be responsible for the repair or replacement of the damaged items/improvements.
 - d. The Tenant is responsible for the removal of residual snow and ice buildup in front of the Leased Premises doors that the City's maintenance equipment could not remove. Tenant is also responsible for keeping entrances to the Leased Premises clear of snow. The application of salts or de-icing chemicals is strictly prohibited.
 - e. The Tenant is responsible for interior maintenance of the designated trash room space provided in the Common Areas, as depicted in attached Exhibit B, as well as the area immediately outside said space. This includes removal and cleaning of any residual trash or liquids left on the ground after trash removal. Maintenance responsibilities of the trash room space also include repair of any damage to the doors, frames, walls and fixtures.
 - f. All cleaning chemicals used in the trash room space must meet ParkSmart certification standards for green products. The City shall provide Tenant with a list of approved products.
 - g. The Tenant is responsible for waste and recycling removal on a daily basis or more frequently as needed, at its cost. Tenant shall either: (i) haul the trash off site at its cost. (ii) contract with a third party waste disposal company at its cost to have trash and recycling bins placed in the Common Areas. Dumpsters must be less than 1.5 cubic yards in size and 100% noncombustible, per City fire code requirements.
 - h. No storage of materials and/or equipment is permitted outside the Leased Premises, except the temporary and orderly placement of items in conjunction with maintenance, repair or construction activities.
11. Operating Expenses. As of the Commencement Date, the Tenant will be responsible for these operating costs related to the Leased Premises: electricity; HVAC; water; landfill; trash collection service; sewer; storm water and urban forestry service; telephone lines*; sprinkler system (with proof of regular maintenance) internet and data charges; routine special assessments levied by the City or others; licenses; commercial liability; worker's

compensation; employer's liability, umbrella and property insurance premiums, in accordance with paragraph 30 and 31 herein; interior and exterior window washing/cleaning; and exterior signs.

* The City will pay the operating cost of the phone line required for the fire alarm system only.

In the event the Tenant hires a third party contractor to perform work in, on or adjacent to the Leased Premises, the City needs to review a copy of the contract(s) and approve the scope of work in writing before the Tenant executes the contract(s). The Tenant shall obtain a certificate of insurance from the operators naming the City as additional insured, before executing any contracts. The certificate of insurance forms shall be provided to the City, and kept active during the term of the operating contracts.

12. City's Responsibilities. Except as described above in the above paragraphs 10 and 11, the City will maintain at its cost the following relating to the Leased Premises:

- a. foundation; ceiling; sub-flooring (except for any stains or cracks caused by Tenant beyond typical settling, and wear and tear); exterior doors; fire alarm system; electrical system; plumbing system; windows and structural portions of the Leased Premises (except interior walls); except for repairs required thereto by reason of the acts or omission of Tenant, Tenant's employees, agents, invitees, licensees or contractors.
- b. The City shall be responsible for major one-time special assessments levied by the City.
- c. The City agrees to mow the terrace and remove snow and ice from the public sidewalk in between E. Main Street and the Leased Premises.
- d. The Tenant shall give the City written notice of the necessity for repairs/replacements to the Leased Premises coming to the attention of Tenant, following which the City shall have a reasonable time to undertake and complete such repairs.
- e. The City shall not be liable for any damage done or occasioned by or from plumbing, gas, water, seam or other pipes, or sewage or the bursting, leaking or running of any tank, water closet or waste pipe, in, above, upon or about the Leased Premises nor for damage occasioned by water, snow or ice being upon or coming through the roof, skylight, trap door or otherwise.

13. Right of Entry. For the purposes of maintaining the Leased Premises per paragraph 9 and 12, the City or its representatives reserve the right to enter and access the Leased Premises 24 hours per day, 7 days per week, with 24-hour advance notice to the Tenant, for the following non-emergency purposes:

- a. To make any necessary repairs/replacements to the Leased Premises, provided that the City or its representatives restore the Leased Premises to a condition equivalent to that which existed on the date the Tenant Improvements were installed.
- b. To conduct any periodic inspections of the Tenant's maintenance obligations herein, that it may deem expedient to the proper enforcement of any term or condition of this Lease

or in the exercise of its municipal powers.

14. Signage. All signage must be approved by the City in writing, and comply with the City of Madison Sign Control Ordinance 31.
 - a. Tenant may install signage approved by the City at the entrances to the Leased Premises from the Common Areas.
 - b. Tenant shall pay the cost to create, install and maintain any signage.
 - c. No temporary signage can be placed on the Leased Premises' windows without prior approval by the City.
15. Assignment of Lease. The Lease shall not be assigned or sublet without the City's written approval.
16. Compliance. The Tenant shall observe and promptly and effectively comply with all applicable statutes, rules, orders, ordinances, requirements and regulations of the City, the County of Dane, the State of Wisconsin, the federal government and any other governmental authority having jurisdiction over the Leased Premises. The Tenant may, if in good faith and on reasonable grounds, dispute the validity of any charge, complaint or action taken pursuant to or under color of any statute, rule, order, ordinance, requirement or regulation, defend against the same, and in good faith diligently conduct any necessary proceedings to prevent and avoid any adverse consequence of the same. The Tenant agrees that any such contest shall be prosecuted to a final conclusion as soon as possible and that it will hold the City harmless with respect to any actions taken by any lawful governmental authority with respect thereto.
17. Subordination.
 - a. This Lease is subordinate to rights and privileges granted by the City to public and private utilities across, over or under the Leased Premises.
 - b. The Tenant shall subordinate its rights in this Lease, without compensation, at the request of the City to provide rights, privileges, easements and rights-of-way for all current or future public and private utilities across or along the Leased Premises, provided that neither such subordination nor such easements shall interfere, except temporarily during construction or temporarily pursuant to rights which accrue to such easements or rights-of-way, with the use of the Leased Premises under the terms of this Lease.
18. Non-Discrimination. In the performance of its obligations under this Lease, the Tenant agrees not to discriminate against any employee, membership applicant or customer because of race, religion, marital status, age, color, sex, disability, national origin or ancestry, income level or source of income, arrest record or conviction record, less than honorable discharge, physical appearance, sexual orientation, gender identity, political beliefs or student status. The Tenant further agrees not to discriminate against any contractor, subcontractor or person who offers to contract or subcontract for services under this Lease because of race, religion, color, age, disability, sex, sexual orientation, gender identity or national origin.

19. Accessibility. The Leased Premises shall conform where applicable to Chapter SPS 361.05 of the Wisconsin Administrative Code, Madison General Ordinance 39.05, and the Americans with Disabilities Act, regarding accessibility, with all costs of compliance to be paid by the Tenant.
20. Weapons Prohibition. Tenant shall install a sign on all entrances to the Leased Premises banning all weapons.
21. Property Rules and Regulations. Tenant, its vendors and contractors are to abide by all Property rules & regulations listed below (collectively, the “Rules and Regulations”):
 - a. Tenant shall not obstruct any sidewalks, halls, passages, exits entrances, elevators, or stairways of the Property. The City shall in all cases retain the right to control and prevent access thereto of all persons whose presence in the judgment of City would be prejudicial to the safety, character, reputation and interests of the Property and its tenants; provided that nothing herein contained shall be construed to prevent such access to persons with whom any Tenant normally deals in the ordinary course of its business, unless such persons are engaged in illegal activities.
 - b. Loading from the Property through the doors to the Leased Premises requires advance approval to ensure weight of vehicle and loads are acceptable, and that loading activities will not interfere with Property operations.
 - c. All cleaning chemicals used in the Leased Premises must meet ParkSmart certification standards for green products. The City shall provide Tenant with a list of approved products.
 - d. Tenant shall not use or keep in the Leased Premises any kerosene, gasoline, or inflammable or combustible fluid or material other than those limited quantities necessary for the operation or maintenance of office or retail equipment, or as art supplies/materials.
 - e. Tenant shall not use or permit to be used in the Leased Premises any foul or noxious gas or substance, do or permit anything to be done in the Leased Premises which materially obstructs, materially interferes, or materially injures City or other tenants, nor shall Tenant bring into or keep in or about the Leased Premises any birds or animals, except seeing eye dogs or certified service animals when accompanied by their masters.
 - f. Tenant shall not use any method of heating or air conditioning other than that supplied or approved by the City.
 - g. City reserves the right to prevent access to the Leased Premises in case of invasion, riot, earthquake or other emergency by closing the doors or by other appropriate action.
 - h. The toilet rooms, toilets, urinals, washbowls and other plumbing apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind shall be thrown therein.
 - i. City reserves the right to exclude or expel from the Leased Premises any person who, in City's judgment is intoxicated or under the influence of liquor or drugs or who is in

violation of any of the Rules and Regulations.

- j. Tenant shall not place in any City trash receptacle any trash originating from the Leased Premises.
 - k. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations reasonably established by City and that are consistent with the Lease or any governmental agency.
 - l. City shall enforce the Rules and Regulations in a non-discriminatory manner. If City agrees to less burdensome or more favorable rules and regulations for the benefit of any other tenant, these Rules and Regulations shall be automatically amended to include any such less burdensome or more favorable Rules and Regulations.
 - m. These Rules and Regulations are in addition to the terms, covenants and conditions of the Lease for use of Leased Premises in the Property. In the event these Rules and Regulations conflict with any provision of the Lease, the Lease shall control.
 - n. Smoking, including the use of e-cigarettes, is prohibited throughout the interior and exterior of the Property. Violators will be ticketed and/or removed from the Property.
 - o. Alcoholic Beverages. The Tenant shall not sell or keep on the Leased Premises alcoholic beverages of any kind whatsoever, in accordance with MGO. An exception may be made for using and serving alcohol during special events held in the Leased Premises. Said exception shall require the express consent and approval of City staff, together with a potential for a liquor license application to be able to serve beer and wine on a limited basis for special events.
 - p. Sidewalks/Right of Way. Tenant shall not use the sidewalks to keep or sell merchandise.
 - q. The City reserves the right to make reasonable additions and modification to the Rules and Regulations, with cooperation with the Tenant.
 - r. Any and all window coverings require City approval prior to installation.
22. Bankruptcy. Any of the below actions shall be a default:
- a. The filing by Tenant of a voluntary petition in bankruptcy;
 - b. The institution of proceedings in bankruptcy against Tenant and the adjudication of Tenant as bankrupt pursuant to such proceedings;
 - c. The taking by a court of competent jurisdiction of Tenant's assets pursuant to proceedings brought under the provisions of any federal or state reorganization act;
 - d. The appointment of a receiver of Tenant's assets;
 - e. The divestiture of Tenant's estate herein by other operation of law.
23. Abandonment of Leased Premises. Tenant shall not abandon the Leased Premises.
24. Nuisance. Tenant shall not permit the Leased Premises to become a Chronic Nuisance Premise, as that term is defined in Madison General Ordinances 25.09.

25. City's Remedies. If any default by Tenant shall continue uncured after thirty (30) days written notice of default from City to Tenant, City has the following remedies, in addition to all other rights and remedies provided by law or equity, to which City may resort cumulatively or in the alternative.
- a. Termination of Lease. The City may, at the City's election, terminate this Lease by giving Tenant notice of termination. On the giving of the notice, all further obligations of City under this Lease shall terminate, Tenant shall surrender and vacate the Leased Premises in a broom clean condition, in accordance with subparagraph 34.c, and City may reenter and take possession of the Leased Premises and eject all parties in possession or eject some and not others or eject none. Termination under this paragraph shall not relieve Tenant from the payment of any sum then due to City or from any claim for damages previously accrued or then accruing against Tenant.
 - b. Storage. The City may, at City's election, store Tenant's personal property and trade fixtures for the account and at the cost of Tenant.
26. Tenant's Remedies. If any default by the City shall continue uncured after thirty (30) days written notice of default from Tenant to City, Tenant has the following remedies, in addition to all other rights and remedies provided by law or equity, to which Tenant may resort cumulatively or in the alternative.
- a. Termination of Lease. The Tenant may terminate this Lease by giving City notice of termination. On the giving of the notice, all further obligations of under this Lease shall terminate, Tenant shall surrender and vacate the Leased Premises in a broom clean condition, in accordance with subparagraph 34.c.
 - b. Offset Rent. Tenant take any actions necessary to cure a default by making repairs or replacements required by City under this Lease and offset such expenses by reducing Tenant's rent.
27. Diligent Efforts. Notwithstanding anything to the contrary in this Section, in the event of Tenant's default is not a health or safety violation and cannot, because of the nature of the default, be cured within the thirty (30) days after City's notice thereof, then Tenant shall be deemed to be complying with such notice if, promptly upon receipt of such notice, Tenant immediately takes steps to cure the default as soon as reasonably possible and proceeds thereafter continuously with due diligence to cure the default within a period of time which, under all prevailing circumstances, shall be reasonable.
28. City May Perform. The City shall have the right at any time, after ten (10) days notice to Tenant (or in case of emergency or a hazardous condition or in case any fine, penalty, interest or cost may otherwise be imposed or incurred), to make any payment or perform any act required of Tenant under any provision in this Lease, and in exercising such right, to incur necessary and incidental costs and expenses, including reasonable attorneys' fees. Nothing herein shall obligate City to make any payment or perform any act required of the Tenant, and this exercise of the right to so do shall not constitute a release of any obligation or a waiver of any default. All payments made and all costs and expenses incurred in connection with any exercise of such right shall be reimbursed to City by Tenant as additional rent.

29. Brokerage Costs. The City is not responsible for any brokerage costs in connection with the Lease.
30. Insurance. The Tenant will insure, and will require each contractor to insure, as indicated, against the following risks to the extent stated below. The Tenant shall not commence work under this Lease, nor shall the Tenant allow any contractor to commence work, until the insurance required below has been obtained and corresponding certificate(s) of insurance have been approved by the City Risk Manager.
- a. Commercial General Liability. During the life of this Lease, the Tenant shall procure and maintain Commercial General Liability insurance including, but not limited to, bodily injury, property damage, personal injury, products and completed operations in an amount not less than \$1,000,000 per occurrence. This policy shall also provide contractual liability in the same amount and shall extend coverage to Tenant's volunteers. Tenant's coverage shall be primary and noncontributory, and list the City of Madison, its officers, officials, agents and employees as additional insureds. Tenant shall require all contractors under this Lease (if any) to procure and maintain insurance meeting the above criteria, applying on a primary and noncontributory basis and listing the City of Madison, its officers, officials, agents and employees as additional insureds.
 - b. Worker's Compensation. During the life of this Lease, the Tenant shall procure and maintain statutory Workers' Compensation insurance as required by the State of Wisconsin. The Tenant shall also carry Employers Liability limits of at least \$100,000 Each Accident, \$100,000 Disease - Each Employee, and \$500,000 Disease - Policy Limit. Tenant shall require all contractors under this Lease (if any) to procure and maintain such insurance.
 - c. Umbrella Liability. During the life of this Lease, the Tenant shall procure and maintain Umbrella Liability coverage at least as broad as the underlying Commercial General Liability and Employers Liability with minimum limits of \$2,000,000 per occurrence and aggregate.
 - d. Property Insurance. Tenant shall be solely responsible for carrying personal property insurance sufficient to cover loss of all personal property on the Leased Premises. The City shall not be liable for any damage to or loss of property of Tenant or others located on the Leased Premises and Tenant shall obtain a waiver of subrogation in favor of the City.
 - e. Acceptability of Insurers. The above-required insurance is to be placed with insurers who have an A.M. Best rating of no less than A~ (A minus) and a Financial Category rating of no less than VII.
 - f. Proof of Insurance. The Tenant shall provide the City with certificate(s) of insurance showing the type, amount, class of operations covered, effective dates, and expiration dates of required policies prior to commencing work under this Lease. Tenant shall provide the certificate(s) to the City's representative upon execution of the Lease, or sooner, for approval by the City Risk Manager. The Tenant shall provide copies of additional insured endorsements or insurance policies, if requested by the City Risk

Manager.

- g. Notice of Change in Policy. The Tenant and/or Insurer shall give the City thirty (30) calendar days' advance written notice of cancellation, non-renewal or material changes to any of the above-required policies during the term of this Lease.
- h. Insufficient Coverage. In the event of expiration, material change, or cancellation of insurance required by this Lease, Tenant shall immediately cease use of the Leased Premises and the provision of the services under this Lease until such time as proof of the required insurance is provided to the City Risk Manager consistent with the requirements of this Section.
- 31. Indemnification: The Tenant shall be liable to and hereby agrees to indemnify, defend and hold harmless the City and its officers, officials, agents, and employees against all loss or expense (including liability costs and attorney's fees) by reason of any claim or suit, or of liability imposed by law upon the City or its officers, officials, agents or employees for damages because of bodily injury, including death at any time resulting therefrom, sustained by any person or persons or on account of damages to property, including loss of use thereof, arising from, in connection with, caused by or resulting from the acts or omissions of the Tenant or its officers, officials, agents, employees, volunteers, assigns, guests, invitees, sublessees or subcontractors, in the performance of the lease, whether caused by or contributed to by the negligence of the City or their officers, officials, agents, or employees. This paragraph will survive termination, assignment or transfer of the Lease.
- 32. Hazardous Substances: Indemnification. Tenant represents and warrants that its use of the Leased Premises will not generate any hazardous substance, and it will not store or dispose on the Leased Premises nor transport to or over the Leased Premises any hazardous substance in violation of any applicable federal, state or local law, regulation or rule. Tenant further agrees to hold the City harmless from and indemnify the City against any release of such hazardous substance and any damage, loss, or expense or liability resulting from such release including all attorneys' fees, costs and penalties incurred as a result thereof except any release caused by the sole negligence or intentional acts of the City, its employees or agents. "Hazardous substance" shall be interpreted broadly to mean any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, hazardous or toxic radioactive substance, or other similar term by any federal, state or local environmental law, regulation or rule presently in effect or promulgated in the future, as such laws, regulations or rules may be amended from time to time; and it shall be interpreted to include, but not be limited to, any substance which after release into the environment will or may reasonably be anticipated to cause sickness, death or disease or damage to or loss of use of real or personal property.
- 33. Liens:

 - a. The Tenant shall not suffer or permit any construction, or mechanics' liens, or any lien to be filed, or if filed, to remain uncontested, against the fee of the Leased Premises, nor against the Tenant's leasehold interest in the Leased Premises, by reason of work, labor services or materials supplied or claimed to have been supplied to the Tenant anyone holding the Leased Premises or any part thereof through or under the Tenant; and nothing contained herein shall be deemed or construed in any way as constituting the consent or

request of the City, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration or repair of or to the Leased Premises or any part thereof, nor as giving the Tenant any right, power or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any mechanics' or construction liens against the fee of the Leased Premises. If any such lien is filed, the Tenant shall immediately cause the same to be discharged or released or shall upon request provide adequate and acceptable security or bond to protect the City's interest.

- b. Mortgage: The City agrees to cooperate with any lender providing financing to tenant. The City may permit a mortgage lien to be filed against the Leased Premises for this purpose, but such mortgage or other security shall always remain subordinate to this lease.

34. Special Conditions.

- a. Five (5) parking spaces in the Property can be made available for lease by the Tenant users, if they so desire. The users would enter into a lease agreement with the City Parking Utility, subject to rent, terms and conditions set forth by the City Parking Utility and approved by the City Common Council.
- b. The Tenant shall in no way encumber, or allow to be encumbered, the City's title to the Leased Premises.
- c. Upon the expiration or termination of this Lease, pursuant to Paragraph 26, the Tenant, at the Tenant's cost, shall restore the Leased Premises to a condition equivalent to that which existed as of the Commencement Date, minus typical and customary wear and tear. Restoration shall be accomplished within sixty (60) days of expiration or termination of this Lease, except as may be adjusted by the City to allow for winter conditions. The expiration or termination of this Lease shall not become effective until restoration has been accomplished to the satisfaction of the City; however, during such restoration period the Tenant's right to use the Leased Premises shall be limited to restoration activities and shall not include the uses described in Paragraph 3. In the event the Tenant fails to accomplish said restoration, the City may cause the restoration to be accomplished at the Tenant's expense and with no liability or cost to the City. The City may waive or alter this requirement if, at its sole discretion, it so chooses.

35. Notices. All notices to be given under the terms of this Lease, particularly where City approvals are required, shall be signed by the person sending the same, and shall be sent by certified mail, return receipt requested and postage prepaid, to the address of the parties specified below:

For the City: City of Madison
 Economic Development Division
 Office of Real Estate Services
 Attn: Manager
 P. O. Box 2983
 Madison, WI 53701-2983

For the Tenant: Art + Literature Laboratory

Attn: Jolynne Roorda
111 S. Livingston Street
Madison, WI 53701
*address to be updated upon execution of the Lease

This LOI does not constitute a definitive statement of all of the terms and conditions of the proposed transaction, nor is it intended to constitute an agreement to execute any contract in the future. If the parties enter into negotiations, either party may terminate such negotiations at any time. Neither party will be legally bound in any manner unless and until a contract has been prepared, executed and delivered between them. All terms and conditions remain subject to the final approval of the City's Common Council, Finance Committee and City Attorney's Office.

By signing in the spaces provided below, the parties indicate their desire to begin drafting a definitive Lease. No binding agreement will exist between the City and the Tenant unless and until a Lease is executed between the City and the Tenant.

Sincerely,

Jenny Frese

Jenny Frese
Real Estate Agent 4

ACCEPTANCE

Tenant agrees that the above, while not constituting promises by either party or a binding agreement, is consistent with Tenant's understanding of the status of discussions between the parties as of the date below.

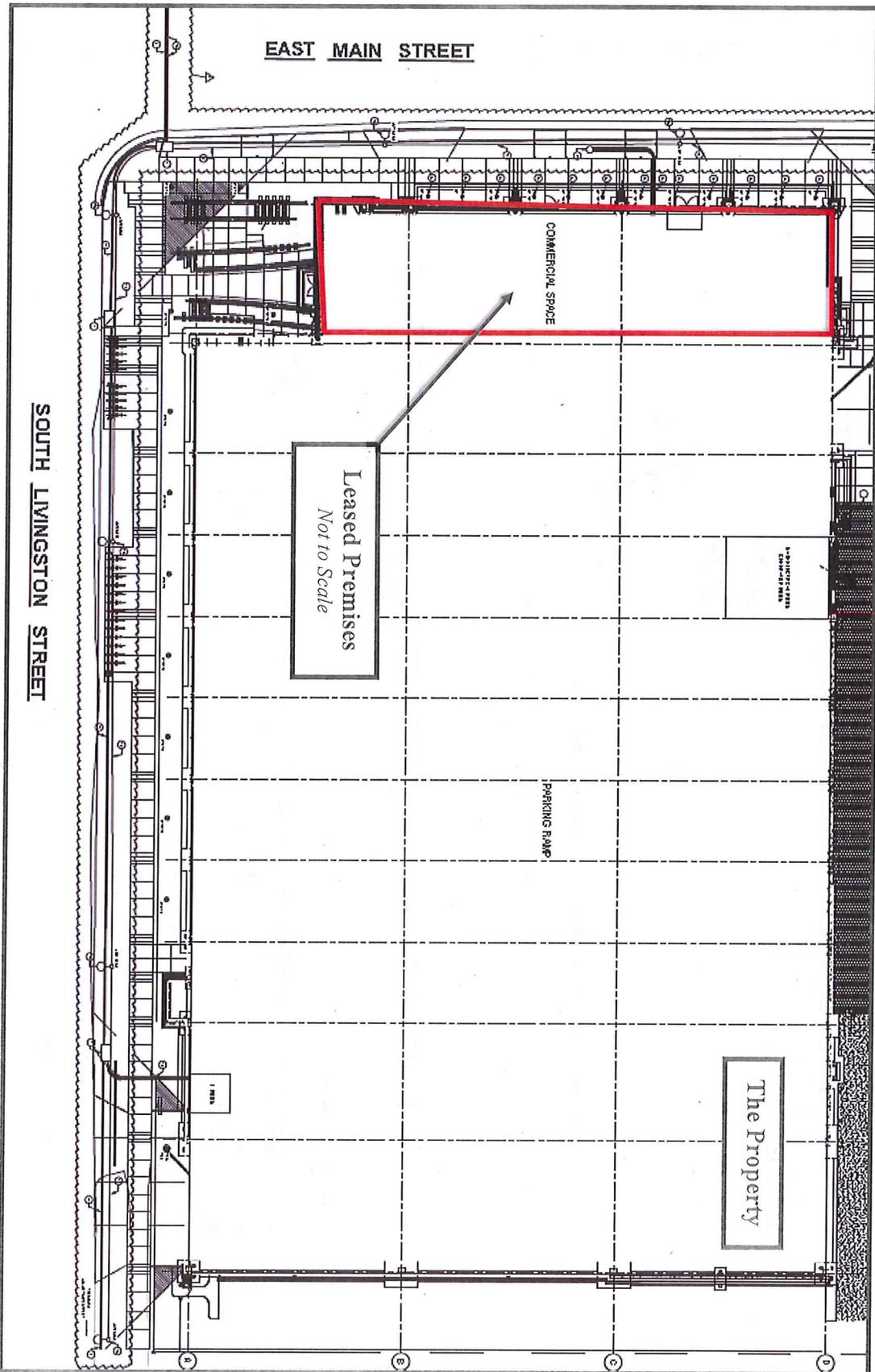
Arts + Literature Laboratory

By: 

Jolynne Roorda
Executive Director

Date: 9/5/19

EXHIBIT A
(Page 1 of 2)



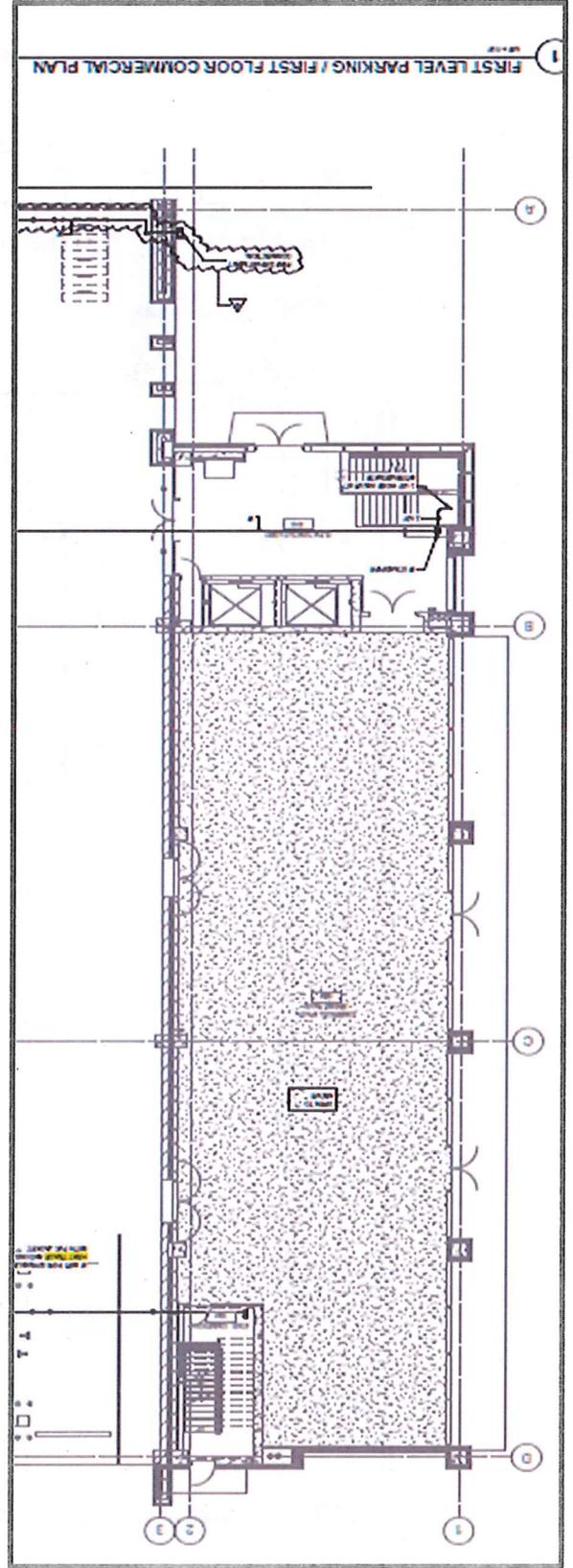
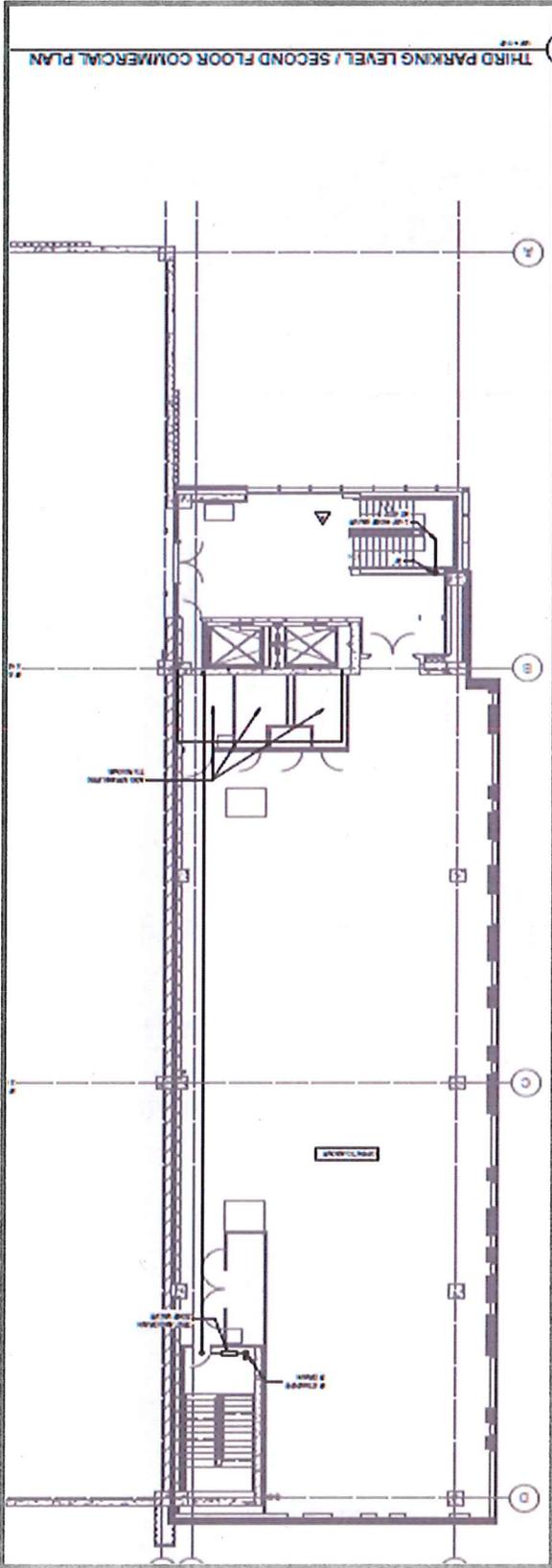


EXHIBIT A
Leased Premises
(Page 2 of 2)

EXHIBIT B
Common Areas & Trash Room Space

