

L E A S E

THIS LEASE executed and dated on ~~11th~~ ^{June} ~~July~~, 1991, between the City of Superior, Wisconsin, a municipal corporation duly organized and existing under the laws of the State of Wisconsin (hereinafter also referred to as the "City") and Lake Superior Laundry, Inc. a Minnesota corporation, (hereinafter also referred to as "Tenant").

W I T N E S S E T H :

1. Description: The City, in consideration of the rents and covenants hereafter mentioned, does hereby demise, lease, let and grant exclusive possession unto the Tenant, and the Tenant does hereby hire and take from the City, the parcel of land in City of Superior, Douglas County, Wisconsin, legally described as follows:

Lots One (1) through Fourteen (14), inclusive, Block Thirty-nine (39), West Superior, First Division, in the City of Superior, Douglas County, Wisconsin; and Lots Fifteen (15) through Twenty-eight (28), inclusive, Block Forty (40), West Superior, First Division, in the City of Superior, Douglas County, Wisconsin; together with all of vacated Ogden Avenue abutting said Lots 1 through 14, inclusive, and said Lots 15 through 28, inclusive, and the Westerly Half (Wly 1/2) of the vacated North South alley abutting said Lots 15 through 28, inclusive.

which parcel shall hereinafter be referred to as the "Land".

2. Term: The Tenant shall have and hold said land for a term of sixty (60) years, commencing on the date that the Tenant takes possession of and occupies the building to be constructed on the Land. This term shall automatically be extended beyond the initial 60 year term under the provisions of Paragraph 27 below.
3. Use: The Land shall be used as a commercial laundry facility or any such other use as may be permitted by applicable zoning laws, together with such warehousing, offices, parking and loading facilities as are necessary for such uses. The Tenant hereby agrees to construct approximately 24,500 square foot building on the Land at Tenant's cost which cost shall exceed in value the sum of \$500,000.00. The Tenant agrees to substantially complete the project on or before January 1, 1992. Substantial completion of the building will be evidenced by the Tenant obtaining a Certificate of Occupancy from the Building Inspector of the City of Superior. The Tenant may from time to time at its own expense, without the need for consent from the City, make any additions, modifications or improvements to the Land or the Building it constructs as it may deem desirable for its general business purposes, provided, however, that this sentence will not be interpreted as exempting Tenant from the requirements of applicable building and zoning codes.

4. Rent:

(a) Base Rent: The Tenant shall pay to the City a one time lump sum payment of Ten Thousand & No/100s (\$10,000.00) as the full and complete rent for the entire term of this Lease. Said lump sum payment shall be made on the first day of the 14th month under the term of this Lease. Said rental payment shall be paid to the City Treasurer at 1407 Hammond Avenue, Superior, Wisconsin 54880, or such other place as the City may direct.

5. Taxes: In addition to the rental payment payable under this Lease, the Tenant shall promptly pay to the City a payment in lieu of real estate taxes on the Land. The payment in lieu of real estate taxes shall be determined in the same manner and shall be subject to the same objection and appeal procedures as are set forth by Wisconsin Law for the payment, objection and appeal of real estate taxes on taxable real estate. The Tenant shall have no liability for any special or other assessments or any other such liens, levies or charges, except if imposed solely to repair weather or other catastrophic damage or to repair or replace new, not existing, initial main artery roads in the industrial development park. Provided, however, that the Tenant may object to or appeal from such excepted assessments, liens, levies and charges listed above under the procedure set forth by Wisconsin Law. Any such payments shall for all intents and purposes be considered property taxes for tax treatment purposes. Like taxes, Tenant will be entitled to all proper tax reductions, refunds or abatements. The Tenant shall promptly pay all property taxes on the building, improvements and personal property located on the land, provided, however, that the Tenant may object to or appeal from such taxes under the procedure set forth by Wisconsin Law. Tenant shall pay the costs of any objections to or appeals of payments in lieu of real estate taxes, assessments, liens, levies and charges.

6. Construction: The buildings and all other improvements to the Land shall be of sound construction, and shall in every respect comply with all governmental laws, ordinances, regulations and other requirements. The Tenant shall at its expense, obtain all necessary permits and licenses. The Tenant shall use and maintain said buildings and other improvements in good, safe and sanitary condition and in conformance with all applicable governmental laws, ordinances, regulations and other requirements. The Tenant shall screen from view any permanent outdoor storage of supplies, materials, products, refuse or debris. Such screening shall be with a six-foot high fence completely enclosing the storage area and blocking the view.

7. Soil Conditions and Noncontamination. To induce Tenant to enter into this Lease, City makes the following warranties and

representations to the best of its knowledge on behalf of itself, its predecessors, their agents, legal representatives, successors and assigns, each of which is material and is relied upon by Tenant notwithstanding any investigation made by or on behalf of Tenant under this or other provisions of this Agreement:

- a. To the best of its knowledge, no hazardous substance has ever been used, stored manufactured, treated, disposed of or released on the property and the property is free of hazardous substances as of the date of possession and that no above ground or underground storage tanks are located on the property, or if there are or were such tanks, there have been no releases from the tanks, the tanks have been properly registered and tanks are in compliance with applicable environmental laws. Any tanks found by energy audit or other method, now or in the future, shall be removed at City's expense prior to or after closing. After closing, such removal must be completed within thirty (30) days after receiving written notice from Tenant.
- b. To the best of its knowledge, no hazardous substance has ever been released on the property and property is free of hazardous substances as of the date of possession. City has examined local historical records concerning the property and found no hazardous waste risks, and will remove two tanks located during this search. City will release to Tenant any and all environmental reports and investigations commissioned by the City, any agency, third party or enforcement authority. To the best of its knowledge, the property is in compliance with all local, state and federal environmental laws and regulations and to the extent that any hazardous substance has been used, stored or disposed of, it was done consistent with all such laws and has not resulted in the contamination of the property. No governmental entity has ever taken any investigative or enforcement action with respect to the property for violation of any environmental law.
- c. That at any time, before or after closing the City may commission and furnish at its own expense a soil test and environmental audit to determine if contamination on the property exists. Based on such test results Tenant may revoke this Agreement for any reason and consider the purchase null and void. Regardless of the timing or results of such an audit, when Tenant enters into this Lease, the Cityr agrees to hold Tenant harmless and indemnify Tenant for any and all costs, known or unknown, now or in the future, with regard to any future need or requirement to clean up,

remove and dispose of any and all contamination now or later detected. The Tenant retains the right in its sole discretion to relinquish all right to the property and have it revert to City if contamination is later found, but shall nonetheless remain nonliable for any and all contamination on the real property leased under this Lease. The Tenant shall be and will remain liable for any hazardous waste contamination which it inflicts on the land due to its business operations during the entire term or extension of this Lease.

- d. That for purposes hereof, the term "Hazardous Material" includes any material or substance: (i) defined as a hazardous or toxic material, substance or waste, or a pollutant or contaminant, pursuant to any Federal, State and Local law or regulation; (ii) containing gasoline, oil, diesel fuel and other petroleum products; (iii) containing perchlorethylene or polychlorinated biphenyls; (iv) containing nuclear fuel or materials or radioactive materials; (vii) containing known carcinogens; or (ix) the presence of which requires investigation or remediation under any and all federal, State, or Local law or regulation, or (x) any toxic, explosive, corrosive or otherwise hazardous substance, material or waste which is regulated by any federal, state or local governmental authority, or which causes a nuisance upon or waste to the real estate leased under this Lease. Further, that there are no open wells or discovered wells will be properly capped and sealed.

City shall pay, indemnify and hold Tenant, its successors and assigns, harmless from and against any and all claims, suits, actions, proceedings, judgments, liabilities, obligations, liens, losses, damages, penalties, fines, costs and expenses of every type or kind whatsoever, asserted by or on behalf of any person, firm, corporation or governmental authority, including but not limited to costs, disbursements and attorneys' fees, foreseen or unforeseen, now or in the future, asserted by or on behalf of any person, firm, corporation or governmental authority, resulting from or due to the past or any non-tenant caused future release or threatened release of any Hazardous Material which was, or is claimed or alleged to have been generated, deposited, stored, used, disposed of, or placed, or otherwise located or allowed to be located, at, in, on, under or about the real property included in the real estate under this Lease by someone other than Tenant or any facility operated on the real property by any person at any time on or prior to the first date under the Lease, or the violation or alleged violation of any law or regulation occurring on or prior to the first day under the Lease with respect to the real property or any part thereof, including but not limited to,

liabilities for injuries or other damages to, or death of, individuals, damages to or loss of property, fines or penalties assessed by any governmental agency or instrumentality, and any and all costs related to any abatement, clean up, removal or other remedial action with respect to environmental contamination or pollution order or mandated by any federal, state, or local court, agency or instrumentality.

8. Repairs, Maintenance, and Additions: During the term of this lease, the Tenant may, in its sole discretion, remove, remodel, modify, add to or improve the buildings and improvements on the Land. The Tenant shall, at its expense, perform all maintenance and repairs on the property. All obligations pursuant to statutes, ordinances, regulation or other government requirements which apply to an owner or occupant of land shall be the sole responsibility of the Tenant. The City shall have no responsibility to maintain or repair the building, land, or any improvements to the Land, except pursuant to hazardous waste and contamination as outlined in paragraph 7 above or pursuant to any and all special assessments and levies which the City, in whole or in part is responsible for.
9. Damage or Destruction: In the event the building or any other improvements on the Land are damaged or destroyed, neither the City nor the Tenant has an obligation to restore the building or the other improvements on the Land. If the building becomes untenable because of such damage or destruction and the Tenant elects not to restore the building, the Tenant may, in its sole discretion, terminate this Lease and the rent shall be abated during the unexpired portion of this Lease. The Tenant shall notify the City within six (6) months of the date of such damage whether it has elected to terminate this Lease and if this Lease is so terminated, the Tenant shall immediately thereafter demolish any buildings and other improvements on the Land and restore the Land to its condition at the inception of this Lease.
10. Insurance and Indemnification:
 - (a) During the term of the Lease, the Tenant hereby binds itself to indemnify and hold the City harmless against all claims for damages and expenses of every kind and character to parties who may claim or sue or demand damages for injuries sustained upon the Land, except any and all claims relating to hazardous waste and contamination or other matters for which the City is responsible, and the Tenant will defend any such suit or claim for damages or injuries at its own expense. For this purpose, the Tenant shall, at its expense, procure and continuously maintain in force Public Liability Insurance written on an "occurrence" basis under a Comprehensive General Liability Form in limits of not less than Five Hundred Thousand Dollars (\$500,000) aggregate per occurrence for personal and bodily injury and death and not

less than Fifty Thousand Dollars (\$50,000) with respect to damage to property, such policy to be written so as to indemnify and protect both the City and the Tenant as their respective interests may appear. City and Tenant agree to review this insurance coverage requirement every ten (10) years under the Lease. If the City and Tenant do not agree on a reasonable insurance coverage amount at such times, the matter shall be submitted to arbitration under the rules and procedures of the American Arbitration Association.

- (b) The Tenant shall, at its expense, procure and continuously maintain in force direct damage insurance covering the buildings and any other improvements on the Land; such policy, at a minimum, shall provide for demolition and debris removal and shall be in such amounts as are necessary, in the reasonable opinion of the Tenant and the City, to demolish the buildings and other improvements on the Land and to restore the Land to its condition at the inception of this Lease, in the event this Lease is terminated pursuant to paragraph (9) hereof. Payment under the policy shall be by two-party check made out to the Tenant and the City.
- (c) The Tenant shall deposit with the City Clerk of the City a certificate or certificates of insurance of the respective insurers stating that such insurance is in force and effect. Each policy of insurance herein required shall contain a provision that the insurer shall not cancel, refuse to renew or materially modify it without giving written notice to the City at least ten (10) days before the cancellation, non-renewal or modification becomes effective. Before the expiration of any policy of insurance herein required, the Tenant shall furnish evidence satisfactory to the City that the policy has been renewed or replaced by another policy conforming to the provisions of this paragraph.
- (d) The Tenant shall indemnify and hold the City harmless from any claim, damage, injury, death, loss or course of action arising on the Land or arising out of activities occurring on the Land or in or about any building or other improvement, except claims relating to hazardous waste and contamination for which the City is solely responsible.

11. Protection of the Land Against Liens: The Tenant further covenants and agrees with the City that in entering into contracts for furnished materials or labor upon the Land, it will provide for the waiver of all claims for contractors' liens and will provide for the waiver of all claims for contractors' liens and will for such purpose execute and deliver or cause to be executed and delivered such additional forms of agreement or notice of waiver or release of claim of mechanic' liens in

advance as are required by the contractor's lien laws of the State of Wisconsin. The Tenant shall at its expense promptly pay all costs and charges for labor and materials and shall indemnify and hold the City harmless against any debt, claim or lien arising out of the City harmless against any debt, claim or lien arising out of the Tenant's construction of a building or other improvements. The Tenant shall keep the Land free of construction or mechanics' liens, but retains the right under Wisconsin law to contest or protest any such construction charges which may be subject of a lien prior to payment or acquisition of lien waiver. If any such liens are filed, the Tenant shall immediately cause the same to be released or discharged by payment or legal protest or provide adequate and acceptable security or bond to protect the City's interest.

12. Eminent Domain: If any part of the Land shall be taken for any public or quasi-public use under any governmental law, ordinance or regulation or by right of eminent domain or by private purchase in lieu thereof, the Tenant, may, in its sole discretion, terminate this Lease and the rent shall be abated during the unexpired portion of this Lease, effective when the physical taking of the Land shall occur. Separate awards for damage to the respective interests of the City and the Tenant shall be made, and each shall be entitled to receive and retain such awards as shall be made to them, and the termination of this Lease shall not affect the rights of the respective parties to the awards. If any part of the Land shall be taken for any public or quasi-public use under any governmental law, ordinance or regulation or by right of eminent domain or by private purchase in lieu thereof, and if the Tenant elects not to terminate this Lease, the rent payable hereunder during the unexpired portion of this Lease shall be reduced in the same ratio as the area of the portion of the Land so taken bears to the total area of the Land. Separate awards shall be made in such event for damages to the respective interests of the City and the Tenant.
13. Utilities, Other Charges and Signage: The Tenant and City agree that this Lease is a "net" lease to the City. The City agrees to provide at its own cost a sewer and water main to abut the property for lateral feed connection by the Tenant in construction of its building. Tenant shall pay for any reasonable start of utility service charges imposed by private companies. Tenant shall pay all utility charges for services used on the Land. Tenant shall have all freedom with regard to erection and placement of signage relating to its business or any business it later operates under the current and then existing local signage ordinances. Specifically, billboards not relating to Tenant's businesses shall be prohibited.
14. Assignment and Sublease: The Tenant may, with the consent of the City, assign this Lease or sublease the Land, in whole or in

part. Within thirty (30) days after an assignment of the Lease, the Tenant and/or any assignee shall provide a copy of such assignment, which shall expressly assure all obligations under this lease by the assignee to the City. The City shall consent to the assignment upon presentation to it of adequate proof establishing that the assignee has a total net worth after all liabilities and after assuming any mortgages on the Land, which is equal to or greater than the Tenant's. Upon the assumption of all obligations under this Lease by the assignee, the Tenant shall be relieved of its contractual obligations hereunder. The Tenant is hereby given the absolute right without any further consent from the City to mortgage the Tenant's interest in this Lease and the Tenant's improvements thereon, provided that no such mortgage shall extend to or affect the fee, the reversionary interest or the estate of the City in and to the Land. No mortgage of this Lease or assignment thereof shall be binding upon the City in the enforcement of its rights under this Lease, nor shall the City be deemed to have any notice thereof, unless and until a fully conformed copy of each instrument affecting such mortgage or assignment, in form proper for recording shall be delivered to the City. If the holder of any such mortgage shall give to the City, before any default shall have occurred in the Lease, a written notice containing the name and post office address of such holder, the City shall thereafter give to such holder a copy of each notice of default by the Tenant or such other notice as may be required by this Lease, at the time as any such notice shall be given by the City to the Tenant. A copy of such notice shall, in each instance, be sent to the holder of such mortgage in the same manner provided for in paragraph 30 of this Lease. The City will accept performance by the holder of any such mortgage of any terms of this Lease required to be performed by the Tenant, with the same force and effect as though performance by the Tenant, if at the time of such performance the City had been furnished with evidence satisfactory to the City of the interest in the Land claimed by the person, firm or corporation tendering such performance or payment. The Tenant has the absolute right to assign without City approval for any financing or lending purpose to a lending institution.

15. Marketable Title and Title Insurance. Within a reasonable time after the date hereof, City shall furnish Tenant Abstracts of Title or Registered Property Abstracts to the Land certified to date to include proper searches covering bankruptcies, state and federal judgments and liens. Tenant will be allowed thirty (30) days after receipt thereof for examination of said title and for making any objections to the marketability of title to the real property. If any objections are so made to the title of the real property, City shall be allowed one hundred twenty (120) days after the making of such objections to cure said objections and make the title to the real property marketable. Pending the correction of the title, the start of construction and any

payments hereunder required shall not be postponed, but upon correction of the title and with ten (10) days after written notice of such correction given by City to Tenant, City and Tenant shall perform this Agreement according to its terms. If said title is not marketable and is not made so within 120 days from the date of written objections thereto as above provided, this Agreement shall be null and void and neither party shall be liable for damages hereunder to the other party. All money theretofore paid by Tenant shall be refunded. Further, City shall acquire and arrange for purchase by Lender and Tenant a Title Insurance policy in the amount of the entire project.

16. Option For Longterm Lease. In consideration of One and no/100ths (\$1.00) Dollar and as an inducement to entering into this Lease, City hereby grants Tenant the exclusive option to lease on a long term basis one or more of Lots 17, 18, 19, 20 of Block 39 in the City of Superior Developmental Zone. This option may be exercised by the Tenant in its sole discretion for a period of ten (10) years from the date that the building to be constructed on Blocks 39 and 40 under this Lease is occupied by Tenant. The monthly lease amount for all of lots 17, 18, 19, 20 shall be Thirty-Seven and 14/100s Dollars per month for the same lease term as is allowed under this Lease. If at any time that is Option is exercised by the Tenant, the City cannot then grant clear title to Tenant without incurring outrageous expense to quiet title, than Tenant may elect four comparable, contiguous lots under this Option.
17. Development Agreement and Short Form Lease. This Lease is related to and contingent upon the City and Tenant also complying with and performing all obligations under the Development Agreement of same date which is incorporated herein by reference. A short form Lease relating to this Lease shall also be prepared and executed for filing purposes.
18. Removal of Building and Improvements or Termination: Upon the termination of this Lease, the Tenant shall, at its own cost, demolish the buildings and all other improvements to the Land and shall, at its cost, restore the Land to its condition at the inception of this Lease; provided, however, that the City may, upon written notice delivered to Tenant ninety (90) days before the date of termination, opt to take ownership of the building and all other improvements to the Land in which case, the Tenant shall execute such documents as may be reasonably required by the City to transfer ownership of such building and improvements. Upon executing such document, the Tenant shall be released of its obligation to demolish the building and all improvements which have been transferred to the City.
19. Equal Employment Opportunity and Hiring: The Tenant shall conduct its activities in compliance with Title VI of the Civil

Rights Act of 1964 (Pub. L. 68-852) and implementing regulations thereto issued at 24 CFR, Part 1, and in compliance with Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284) as amended and implementing regulations. The Tenant agrees that, to the extent possible, it will hire employees through the Wisconsin Job Service and will hire, to the extent possible, persons of low and moderate incomes as that term may from time to time be defined by the U.S. Department of Housing and Urban Development.

20. Default and Remedies of the City: Any one or more of the following events is an event of default under this Lease:
- (a) If the Tenant shall fail to pay the rent on or before the dates on which payment is due and in such case shall continue to be in arrears for a period of sixty (60) days after written notice has been given to the Tenant by the City specifying such default and requesting that it be remedied; or
 - (b) If the Tenant shall fail to observe and perform any other covenant, condition or agreement on its part under this Lease for a period of sixty (60) days after written notice has been given to the Tenant by the City specifying such default and requesting that it is to be remedied.

Whenever any such event of default shall have happened and be subsisting, the City may terminate this Lease and recover possession of the Land in accordance with the provisions of Wisconsin Statutes, Section 704.31 or may sue for damages or costs incurred by such breach.

21. Waiver of Past Defaults: The City may waive any past default hereunder; provided, however, each waiver must be in writing. Upon such waiver, such default shall cease to exist and shall be deemed to have been cured for every purpose of this Lease; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.
22. Holding Over: If the Tenant shall continue in possession of the Land beyond the termination of this Lease, such holding over shall be considered an extension of this Lease for a further period of one (1) month and so on from month to month until terminated by either party by giving not less than thirty (30) days written notice of termination.
23. Binding Effect: This Lease shall inure to the benefit of and shall be binding upon the City and the Tenant and their respective successors and assigns.
24. Severability: In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

25. Amendments, Changes and Modifications: Except as otherwise provided in this Lease, this Lease may not be effectively amended, changed, modified, altered or terminated without the written consent of the parties hereto.
26. Execution Counterparts: This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
27. Automatic Extension Of Lease Term. This Lease shall be automatically extended for another forty (40) year term if after the initial term the building and land are still in compliance with applicable building code regulations, as those are applied to existing, and not new construction. Should any controversy exist with regard to such compliance the issue shall be submitted to arbitration under the rules of the American Arbitration Association. Rent for the entire term of the extension shall be a one time lump sum fee of Twenty Thousand and no/100 Dollars (\$20,000.00) which shall be paid in month one of the extension.
28. Law Governing: This Lease shall be construed in accordance with the laws of the State of Wisconsin.
29. Required Approvals: Consents, approvals and other actions required by this Lease to be obtained from the Tenant or the City shall not be unreasonably withheld or delayed.
30. Notices: All notices required under this Lease shall be in writing and shall be deemed to be properly served when mailed by certified United States mail, postage prepaid, return receipt requested, addressed to the party to whom directed at the address herein set forth or at such other address as may be from time to time designated in writing by the party changing such address.
- To the City of Superior
- City Clerk.
City of Superior
1407 Hammond Avenue
Superior, Wisconsin 54880
- To Lake Superior Laundry, Inc.
- President
5th and Ogden Avenue
Superior, Wisconsin 54880
31. Survival of All Terms and Conditions. All terms and conditions of this Lease and the Development Agreement shall survive and remain effective after the Date of Closing and completion of the building project.

IN WITNESS WHEREOF, the parties have signed this Lease as of the day and date written above.

Date: July 9, 1991

CITY

City of Superior, Wisconsin

By Herbert W. Bergson
Its Mayor

and

By Carol J. Ahlberg
Its Deputy City Clerk

Date: July 9, 1991

TENANT

Lake Superior Laundry, Inc.

By Max G. Blauger
Its Pres

STATE OF WISCONSIN)
) ss.
COUNTY OF DOUGLAS)

On this 9th day of July 1991, before me, a notary public within and for said County, personally appeared Herbert W. Bergson and Carol J. Ahlberg, to me personally known, who, being by me duly sworn, did say that they are the Mayor and the ^{Deputy} City Clerk, respectively, of the CITY OF SUPERIOR, WISCONSIN, a municipal corporation duly organized and existing under the laws of the State of Wisconsin, and that the seal affixed to the within instrument is the corporate seal of said municipal corporation, and that said instrument was signed and sealed on behalf of said municipal corporation by authority of its Common Council, and said Herbert W. Bergson and Carol J. Ahlberg acknowledged said instrument to be the free act and deed of said municipal corporation.

James Kumbera
Notary Public

My Commission Expires
Sept 15, 1991

NOTARY PUBLIC
State of Wisconsin
James Kumbera

STATE OF WISCONSIN)
) ss.
COUNTY OF DOUGLAS)

On this 9th day of July 1991 before me, a notary public within and for said County, personally appeared MAX Blauger

to me personally known, who, being by me duly sworn, did say that he is the President of Lake Superior Laundry, Inc., a corporation and that the within instrument was signed on behalf of said Company by authority of its Board of Directors, and said President acknowledged said instrument to be his free act and deed.

James Kumbera
Notary Public

My Commission Expires

Sept 15, 1991

NOTARY PUBLIC
State of Wisconsin
James Kumbera

SHORT FORM LEASE

THIS SHORT FORM LEASE, dated as of June 11th, 1991, between the CITY OF SUPERIOR, WISCONSIN, a municipal corporation, duly organized and existing under the laws of the State of Wisconsin (called herein the "City"), and Lake Superior Laundry, Inc., a Minnesota corporation (called herein the "Tenant");

WITNESSETH:

WHEREAS, on even date herewith the parties have entered into a certain Lease by which the City has leased to the Tenant (the "Lease") that certain parcel of land situated in the City of Superior, County of Douglas, State of Wisconsin, more particularly described as:

Lots 15-28 inclusive, including West 1/2 of vacated alley in Block 40, and all of Ogden Avenue vacated from the South right-of-way line of North 5th Street, southerly to the North right-of-way line of North 6th Street, and Lots 1-14 inclusive, Block 39, West Superior, First Division, City of Superior, County of Douglas, State of Wisconsin.

WHEREAS, the parties desire to place this Short Form Lease on record so as to give notice to third parties of the existence of the Lease and of the respective rights of the parties thereunder.

NOW, THEREFORE, the City, in consideration of the rents and of the terms, covenants, conditions and agreements of the part of the Tenant, does hereby lease unto the Tenant, and the Tenant does hereby take and hire from the City, the above described real property, to have and to hold the said premises for a term of Sixty (60) years, commencing on the date hereof, with option to renew the Lease for one (40) forty-year term, thereafter, as particularly set forth in the Lease.

IN WITNESS WHEREOF, the City and the Tenant have caused this Short Form lease to be executed in their respective names, all as of the date first above written.

CITY OF SUPERIOR, WISCONSIN

LAKE SUPERIOR LAUNDRY, INC.

BY *Herbert W. Bergson*
Its *Mayor*

BY *Tax G. Blaugher*
Its *Pres*

Attest By *Margaret Ciccone*
Its *City Clerk*

MEMORANDUM RE LEASEHOLD INTEREST

IT IS HEREBY AGREED by and between the City of Superior, Wisconsin, a municipal corporation (hereinafter "City" and/or "Lessor") and Lake Superior Laundry, Inc., a Minnesota corporation (hereinafter "Tenant" and/or "Lessee") as follows:

1) That the effective date of the Lease between said parties referred to in Paragraph 2 of said Lease and Paragraph 6 of the Addendum to said Lease and referred to in the short form Lease shall be October 1, 1991.

In other words, the Lease by and between the parties hereto for the real estate described below shall be deemed to have commenced as of October 1, 1991.

2) That the real estate affected hereby is described as:

"Lots One (1) through Fourteen (14), inclusive, Block Thirty-nine (39), West Superior, First Division, in the City of Superior, Douglas County, Wisconsin; and Lots Fifteen (15) through Twenty-eight (28), inclusive, Block Forty (40), West Superior, First Division, in the City of Superior, Douglas County, Wisconsin; together with all of vacated Ogden Avenue abutting said Lots One (1) through Fourteen (14), inclusive, and said Lots Fifteen (15) through Twenty-eight (28), inclusive, and the Westerly Half (Wly ½) of the vacated North South alley abutting said Lots Fifteen (15) through Twenty-eight (28), inclusive."

Dated: 10-1-91

City of Superior, Wisconsin

By: Herbert W. Bergson
Mayor, Herbert W. Bergson

By: Margaret Ciccone
City Clerk/Deputy

Dated: 01 Oct 91

Lake Superior Laundry, Inc.

By: Max Blaufuss Pres
President, Max Blaufuss

ACKNOWLEDGMENT

STATE OF WISCONSIN)
) (SS
COUNTY OF DOUGLAS)

On this 1st day of OCTOBER 1991, before me, a notary public within and for said County, personally appeared Herbert W. Bergson and MARGARET CICCONI, to me personally known who, being by me duly sworn, did say that they are the Mayor and the City Clerk/Deputy, respectively, of the CITY OF SUPERIOR, WISCONSIN, a municipal corporation duly organized and existing under the laws of the State of Wisconsin, and that the seal affixed to the within instrument is the corporate seal of said municipal corporation, and that said instrument was signed and sealed on behalf of said municipal corporation by authority of its Common Council, and said Herbert W. Bergson and MARGARET CICCONI acknowledged said instrument to be the free act and deed of said municipal corporation.

Carol J. Abbey
Notary Public, State of Wisconsin
My Commission expires: July 9, 1995

STATE OF WISCONSIN)
) (SS
COUNTY OF DOUGLAS)

On this 1st day of OCTOBER 1991, before me, a notary public within and for said County, personally appeared Max Blaufuss to me personally known, who, being by me duly sworn, did say that he is the President of Lake Superior Laundry, Inc., a corporation and that the within instrument was signed on behalf of said Company by authority of its Board of Directors, and said President acknowledged said instrument to be his free act and deed.

James N. Weltes
Notary Public, State of Wisconsin
My Commission expires: 10/1/95

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT executed and dated on the 11th day of JUNE, 1991. between the City of Superior, Wisconsin, a municipal corporation duly organized and existing under the laws of the State of Wisconsin (hereinafter also referred to as the "City") and Lake Superior Laundry, Inc., a Minnesota corporation, (hereinafter also referred to as "Tenant").

W I T N E S S E T H :

1. INCORPORATION INTO LEASE AGREEMENT: The City and Tenant have also entered into a Lease agreement of same date relating to real estate located in Superior, Wisconsin. This Development Agreement is part and parcel to, and contingent upon that agreement which is incorporated herein by reference.
2. CITY UNDERTAKING: In addition to all its other obligations under the Lease and other agreements, the City agrees to provide Sixty Six thousand Dollars (\$66,000.00) to defray Tenant's preconstruction and development costs related to the new commercial laundry construction project. Further, the City shall remove and dispose of at its expense all existing water, sewer and gas lines and existing streets, curbing and old fuel tanks as agreed with tenant from the project property. In cooperation with Superior Water Light and Power, the City shall remove at its expense all power lines located on the Project Property.
3. TENANT UNDERTAKING: In addition to all its other obligations under the Lease and other agreements, the Tenant agrees to construct a commercial laundry of approximately 24,500 square feet on the Leased land, having a construction cost of at least \$500,000.00. Construction shall commence on or before July 1, 1991 and shall be substantially completed by January 1, 1992. Further, the Tenant shall provide to the City proof of financing from all lenders being commercial banks, governmental agencies, utilities or their agents.
4. CONTINGENCY: The City and Tenant shall mutually agree in writing prior to entering into any contract.

It is understood that the city is to have certain utilities relocated, specifically a water main in Ogden Avenue. In order to accomplish the relocation the city will issue an order to proceed to the Superior Water, Light and Power, Inc., after a notice to proceed has been issued by the Tenant. Once said order having been issued and the project fails to go forth, because of malfeasance on the part of the Tenant, the Tenant shall become liable for all such obligations. The Tenant shall make the city whole within 30 days of issuance of a written notice by the City of failure to proceed by the Tenant. Further, this agreement remains contingent upon the issuance of necessary permits, licences and authorizations to do business.

IN WITNESS WHEREOF, the parties have signed this agreement as of the day and date written above.

City

City of Superior

By Hubert W. Berg
Its Mayor

Tenant

Lake Superior Laundry, Inc.

By Max G. Blomquist
Its Pres