

LEASE NO. DCRA 2022-03

DANE COUNTY, WISCONSIN  
Lessor

AND

STATE OF WISCONSIN, DEPARTMENT OF ADMINISTRATION  
Lessee

LAND LEASE

Dane County Regional Airport  
Madison, Wisconsin

### Lease No. DCRA 2022-03

THIS LEASE is between Dane County (“Lessor”), a Wisconsin quasi-municipal corporation, and the State of Wisconsin, Department of Administration (“Lessee”), and is effective January 1, 2023 (“Effective Date”).

#### RECITALS

1. Lessor is a Wisconsin quasi-municipal corporation whose address is c/o Airport Director, Dane County Regional Airport, 4000 International Lane, Madison, Wisconsin 53704.
2. Lessor owns land in the City of Madison, Dane County, Wisconsin, in and surrounding Dane County Regional Airport (“Airport”), which includes aeronautical facilities, buildings, and other facilities necessary and useful in connection with the operation of an airport.
3. Lessee desires to enter a short term lease to determine whether the Property is suitable to construct an aircraft hangar to be owned by Lessee, and to retain a right of first refusal with respect to the leasing of the property until such determination is completed.
4. Lessor has determined it is advantageous to itself and to the operation and development of the Airport to lease said premises and facilities and to grant Lessee certain rights upon the terms and conditions described below.

#### AGREEMENT

Accordingly, the parties agree as follows.

1. Premises. Lessor leases to Lessee the parcel consisting of approximately 41,750 square feet of land located on the Airport and more specifically described on Exhibit 1 (“Property”).
2. Term. The Lease term is for six (6) months, beginning January 1, 2023 and expiring at midnight on June 30, 2023, unless terminated earlier under Sections 4 or 5. Lessee may, at its option and upon advance written notice to Lessor, extend this Lease for an additional six months, beginning July 1, 2023 and expiring at midnight on December 31, 2023.
3. Permitted Uses. The primary purpose of this Lease is to permit Lessee to determine whether the Property, or a portion thereof to be determined after the Feasibility Study (as defined below), is a suitable site on which to construct an aircraft hangar approximately 10,290 square feet in size (“Improvements”), for the use of Lessee and others to whom Lessee may sublease hangar space and office space for aeronautical purposes (said subleases to be subject to Lessor’s approval). Lessor agrees that the foregoing uses are permitted uses of the Property.

When in full compliance with all Airport and Federal Aviation Administration security and safety rules, regulations, and policies, including applicable badging and access policies, Lessee’s employees, agents, consultants and contractors may access the Property for the limited purpose

of conducting surveys, soil sampling, and assessing the environmental condition of the property (including, but not limited to, performing Phase I and Phase II environmental site assessments and other environmental inspections, tests, sampling, or audits that Lessee in its reasonable discretion deems necessary in order to complete its due diligence), or other activities related to determining the suitability of the Property as a site for the construction of the Improvements contemplated by Lessee ("Feasibility Study"). Lessor shall assist Lessee in obtaining from the Airport's Engineering Director copies of (i) any applicable guidelines related to the development of the Improvements on the Property; and (ii) all reports, investigations, inspections, audits, testing, sampling, or studies in Lessor's possession or control relating to the environmental condition of the Property or the Airport (including, without limitation, Phase I and Phase II environmental reports, and whether or not performed for or on behalf of the Lessor). Security Sensitive Information as identified by Lessor shall not be provided. No equipment or object of any kind exceeding 25 feet in height shall be used or placed upon the Property without the prior written consent of the Lessor, such consent not to be unreasonably withheld. Lessor shall have the right to enter upon the Property at reasonable times during normal business hours for the purpose of making any inspection it may deem expedient to the proper enforcement of the covenants and conditions of this Lease and all regulations and standards of the Airport. Lessor shall have the right to enter upon the Property without notice at any time to investigate or mitigate emergency conditions.

4. Right of First Refusal. Lessee has a right of first refusal with respect to any third party's offer to lease the Property. If Lessor receives, during the term of this Lease, a third party's binding offer to lease the Premises at terms acceptable to Lessor ("Third Party Offer"), Lessor shall promptly provide Lessee written notice of the Third Party Offer including, with respect to the third party's proposed lease and use of the Property, the anticipated commencement date, the term of the lease, and the rent rate. Lessee shall, by the expiration of this Lease or 60 days after receipt of the written notice of Third Party Offer, whichever is later, provide to Lessor a binding offer to enter into a lease for the Property upon the same or better terms than those set forth in the Third Party Offer. Upon Lessor's sole, reasonable determination that Lessee's offer contains terms that are the same or better than the terms set forth in the Third Party Offer, Lessee may enter into a lease for the Property on the terms contained in Lessee's offer. If Lessee fails to timely provide an offer, or Lessor reasonably determines Lessee's offer does not contain terms that are the same or better than the Third Party Offer, Lessee's right of first refusal will be extinguished. For the purposes of this Section 4, the phrase "same or better" terms is to be construed from the perspective of Lessor. In the event Lessee fails to timely provide Lessor with an agreement to enter into a lease upon the same or better terms than those set forth in the Offer, as reasonably determined by Lessor, Lessee's right of first refusal as provided herein shall be extinguished and, if it has not expired, this Lease shall terminate without further notice or liability to either party.

Notwithstanding the foregoing, Lessor agrees that it will not solicit any offer to lease the Property from any party or parties other than Lessee, until such time that Lessor is informed or can reasonably conclude that the Lessee is no longer interested in entering into a Long Term Lease (as defined in Section 5) for the Property or the termination of this Lease, whichever is sooner.

5. Long Term Lease. At any time before or after the expiration of this Lease, Lessee may enter into negotiations with Lessor with respect to the terms and conditions of a long term lease of the Property (“Long Term Lease”).

6. Rent. In exchange for the rights granted under this Lease, Lessee shall pay to Lessor \$500. Payment shall be by check made payable to Dane County and delivered to the following address no later than the Effective Date of this Lease. If Lessee exercises its option to extend this Lease under Section 2, then an additional payment of \$500 is due no later than July 1, 2023.

Dane County Regional Airport  
ATTN: Accounting Department  
4000 International Lane  
Madison, WI 53704

7. Restoration. Upon termination or expiration of this Lease, Lessee shall, at its expense, immediately restore any damage to the Property caused solely and directly by Lessee’s Feasibility Study (provided that such obligation shall not apply to any damages relating to any pre-existing condition of or at the Property).

8. General Indemnification. Lessee is and shall be deemed for all purposes under this Lease to be an independent contractor exclusively responsible for its own acts or omissions. Except as otherwise set forth in Section 9, each party shall be responsible for the consequences of its own acts, errors, or omissions and those of its employees, boards, commissions, agencies, officers, and representatives and shall be responsible for any losses, claims, and liabilities which are attributable to such acts, errors, or omissions, including providing its own defense. In situations of joint liability, each party shall be responsible for the consequences of its own acts, errors, or omissions and those of its employees, agents, boards, commissions, agencies, officers, and representatives. It is not the intent of the parties to impose liability beyond that imposed by state statutes. The obligations of Lessor and Lessee under this paragraph shall survive the expiration or termination of this Lease.

9. Environmental Protection and Indemnification.

a. Lessee covenants and agrees that, except as otherwise provided in this Section 9, it will not use, store, maintain, generate, discharge, or operate any “Hazardous Materials” (hereinafter defined), whether intentionally or unintentionally, on the Property or other areas of the Airport in violation of any applicable federal, state, county, or local statutes, laws, regulations, rules, ordinances, codes, standards, orders, licenses, or permits of any governmental authorities relating to environmental matters (being hereafter collectively referred to as “Environmental Laws”) including, by way of illustration and not by way of limitation, the Clean Air Act, the Federal Water Pollution Control Act of 1972, the Resource Conservation and Recovery Act of 1976, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the Toxic Substances Control Act,

Wisconsin's Spill Law, and Dane County Ordinances (including any amendments or extensions thereof and any government promulgated rules, regulations, standards, or guidelines issued pursuant to any Environmental Laws). Except in compliance with all Environmental Laws, neither Lessee nor any of its officers, agents, employees, contractors, subcontractors, suppliers or invitees shall discharge "Hazardous Materials" (hereinafter defined) into the sewer and/or stormwater drainage system serving the Property or other areas of the Airport or cause any such "Hazardous Materials" to be placed, held, stored, processed, treated, released, or disposed of on or at the Property or other areas of the Airport. For purposes of this Section 9, "Hazardous Materials" shall mean any material that, because of its quantity, concentration, or physical or chemical characteristics, is deemed by any federal, state, or local government authority or authorities having jurisdiction over the Airport to pose a present or potential hazard to human health and/or safety or to the environment. Hazardous Materials include, by way of illustration and not by way of limitation, any substance defined as a "Hazardous Substance" or "Hazardous Waste," "Pollutant" or "Contaminant" pursuant to any Environmental Law; any asbestos and asbestos-containing materials; petroleum, including crude oil or any fraction thereof, natural gas, or natural gas liquids; flame-retardant chemicals, including but not limited to per- and polyfluoroalkyl substances; glycol and formulations of glycol and other deicing or anti-icing chemicals addressed under any Wisconsin Pollutant Discharge Elimination System Permit applicable to the Property or other areas of the Airport during the term of this Lease; and any other toxic, dangerous, or hazardous chemicals, materials, or substances or waste(s).

b. Neither Lessee nor its officers, agents, employees, contractors, subcontractors, suppliers or invitees shall cause any Hazardous Materials to be brought upon, kept, used, stored, generated, or disposed of, from, in, on, or about the Property or other areas of the Airport or transported to or from the Property or other areas of the Airport unless such action is done in compliance with all applicable Environmental Laws. To the extent permitted by law, Lessee shall release, indemnify, defend, and hold Lessor harmless from and against any and all losses arising during or after the term of this Lease and resulting or arising from: (i) a breach by Lessee of its covenants or obligations contained in this Section 9; or (ii) any "Release" (hereinafter defined) of Hazardous Materials from, in, on, or about the Property or other areas of the Airport caused by or resulting from any act or omission during the term of this Lease by Lessee, its officers, agents, employees, contractors, subcontractors, suppliers or invitees (a "Lessee Release"). For purposes of this Section 9, "Release" shall mean any release, emission, spill, discharge, disposal, leak, leaching, migration, or dispersal of Hazardous Materials triggering a response action under, or which is in violation of, Environmental Laws.

c. Notwithstanding the foregoing, Lessee does not undertake any obligation to investigate or remediate, or any liability for the cost of investigating or remediating, any Environmental Conditions (hereinafter defined) at the Property that do not arise as a direct result of a Lessee Release. Without limiting the foregoing, Lessee shall have no obligation to (i) undertake any remedial actions with respect to any Hazardous Materials that are not

constituents of a Lessee Release, but which are discovered or identified at the Property in the course of Lessee's investigation or remediation of a Lessee Release; or (ii) remediate a Lessee Release to achieve concentrations of the Hazardous Materials associated with any particular Lessee Release to levels that are more stringent than the levels required as a condition of obtaining a "No Further Action" letter (or similar certification) from the governmental authorities having jurisdiction over the Lessee Release. The foregoing obligates Lessee only to take actions that are consistent with the legal use of any contaminated portion of the Property such that remediation of a Lessee Release to industrial or commercial standards shall be sufficient to satisfy Lessee's obligations hereunder, and Lessee shall not be required to remediate a Lessee Release to more stringent standards than would otherwise be applicable if the planned use of the contaminated portion of the Property was more environmentally sensitive, such as residential use, unless more stringent standards are expressly required in writing by the governmental authorities with jurisdiction as a condition precedent to obtaining a No Further Action letter or similar certification for such Lessee Release. Moreover, if the governmental authorities having jurisdiction over the required remediation of the Lessee Release will reduce the scope of the removal, containment, or other investigative or remedial actions that Lessee must take in order for those authorities to issue a No Further Action letter or similar certification, provided that deed restrictions or other institutional controls that will not impair operation of the Airport as a commercial airport are recorded or otherwise implemented, Lessor shall permit the recordation or implementation of those deed restrictions or other institutional controls and, to the extent required by the governmental authorities, shall provide reasonable assistance to Lessee in order to implement, execute, or otherwise effectuate such deed restrictions or institutional controls.

d. Notwithstanding anything to the contrary in this Lease, Lessee shall not have any obligations, responsibilities, or liabilities with respect to, and Lessor shall release, defend, hold harmless, and indemnify Lessee from and against, all losses incurred by Lessee arising from Pre-Existing Contamination on the Property. For the purposes of this Lease, "Pre-Existing Contamination" shall be defined as (i) Environmental Conditions that existed at, upon, or under the Property on or prior to the Effective Date, excluding residual materials derived from Lessee's Feasibility Study; (ii) Environmental Conditions arising at the Property after the Effective Date due to the acts or omissions, whether in whole or in part, of any person other than Lessee or any of Lessee's officers, agents, employees, contractors, subcontractors, suppliers or invitees, including, but not limited to, Environmental Conditions that may have migrated to, from, or under the Property before or after the Effective Date; (iii) any violation of Environmental Laws by the Lessor or any of the Lessor's officers, agents, employees, contractors, subcontractors, or invitees; or (iv) a breach by the Lessor of any of its covenants or obligations in this Lease. For purposes of this Section 9, "Environmental Conditions" means any condition or circumstance arising out of, or related to, the emission, discharge, manufacture, processing, distribution, use, treatment, storage, transport, disposal, handling, release, or threatened release of Hazardous Materials into the environment (I) in violation or alleged violation of Environmental Laws; or (II) in a manner as may require reporting, investigation, study,

sampling, testing, or monitoring; or (III) in a manner as may require response, remedial, cleanup, disposal, control, or other corrective or protective measures.

e. The indemnification obligations set forth in this Section 9 shall survive the expiration or termination of this Lease.

10. Insurance. Lessee shall maintain during the term of this Lease General Liability Insurance providing coverage for bodily injury, death, and property damage with a limit of liability of not less than \$1,000,000 each occurrence and \$3,000,000 in the annual aggregate. The State of Wisconsin Self-Funded Liability and Property Programs protect the Lessee. Wisconsin Statutes provide funds to pay property and liability claims. If the State of Wisconsin Self-Funded Liability and Property Programs cease to protect the Lessee, then Lessee shall maintain said insurance with an insurer that is authorized to do business in the State of Wisconsin and has an A-AM Best rating or better. Lessee shall, upon Lessor's request, furnish Lessor with a certificate(s) of insurance evidencing that the insurance required hereunder is in full force and effect. All insurance policies required under this Lease shall contain a provision that the insurer shall send to Lessor written notice of cancellation or any material change in the coverage provided thereunder at least 10 days in advance of the effective date of the cancellation or change.

11. Discrimination Prohibited. Lessee shall not deny any person the opportunity to engage in activities permitted under this Lease due to such person's age, race, ethnicity, religion, color, gender, disability, marital status, sexual orientation, national origin, cultural differences, ancestry, physical appearance, arrest record, conviction record, political beliefs, military participation, or membership in the national guard, state defense force, or any other reserve component of the military forces of the United States. Lessee shall provide access to the Property for the physically disabled as required by all applicable federal, state and local laws and regulations. The foregoing prohibition of discrimination based on arrest or conviction record is subject to the exceptions and special cases set forth in Section 111.335 of the Wisconsin Statutes and Chapter 19 of the Dane County Ordinances, as such provisions may be amended from time to time.

12. Notices. Notices provided under this Lease will be sufficient and effective as of the date of delivery by certified or registered mail, unless otherwise approved by both parties.

13. No Unauthorized Use. Lessee shall not use the Property in any manner other than that expressly authorized herein without the written consent of Lessor.

14. Counterparts and Copies. The parties may evidence their agreement to be bound by the terms of this Lease by one or more counterparts of this document, which together constitute a single document. A photocopy, facsimile, or electronic copy of this Lease has the same effect as an original for all purposes. The parties stipulate that any such legible copy is admissible in evidence as the original itself in any proceeding, regardless of whether or not the original is in existence and whether or not such copy was made by a party in the regular course of business.

**SIGNATURE PAGE FOLLOWS**

To evidence the parties' agreement to this Lease, they have executed and delivered it on the dates indicated below.

**DANE COUNTY**

By: \_\_\_\_\_  
Kimberly Jones, Director  
Dane County Regional Airport

Date: \_\_\_\_\_

**STATE OF WISCONSIN, DEPARTMENT OF ADMINISTRATION**

By: \_\_\_\_\_  
  
Chris Patton, Deputy Secretary

Date: 11/30/2022

### EXHIBIT 1

A parcel of land located in the NW/4 – NE/4 of Section 29, Township 10 North, Range 10 East, in the City of Madison, Dane County, Wisconsin. This parcel contains 41,750 square feet, more or less. This size is subject to change and the parcel size in any Long Term Lease is subject to review and approval of both parties.

Any specifications for improvements shown on the Property in this Exhibit 1 are for illustrative purposes only and are not binding on the parties in any Long Term Lease. The parties acknowledge that Lessee's plans for Improvements are preliminary and subject to change.

