CITY OF STOUGHTON, 381 E. MAIN STREET, STOUGHTON, WISCONSIN

RESOLUTION OF THE COMMON COUNCIL

Approving an Amendment to and Reinstatement of Ground Lease and Bill of Sale Relating to the building and land located at 400 Mandt Parkway (Mandt Community Center).

Committee Action:	Finance meets February 13, 2018
Fiscal Impact:	None. Loan has been paid off.

File Number:	**R-19-2018**	**Date Introduced:**	February 13, 2018

WHEREAS, the City and MCCI entered into a Ground Lease dated September 29, 1993 (the "Original Lease"), wherein MCCI leased from the City certain property located within the City; and

WHEREAS, the City and MCCI subsequently suspended the Original Lease and entered into a new Lease Agreement dated March 11, 1998, that was subsequently amended and restated on February 13, 2008 (the "Amended and Restated Lease"); and

WHEREAS, upon expiration of the Amended and Restated Lease, the Amended and Restated Lease calls for the City to transfer title to the Leased Premises as defined therein to MCCI; and

WHEREAS, MCCI has instead requested the City transfer the facility (as defined in the Original Lease) and to reinstate the Original Lease.

NOW THEREFOR BE IT RESOLVED by the City of Stoughton Common Council that the Amendment to and Reinstatement of Ground Lease attached as Exhibit A and the Bill of Sale attached as Exhibit B are approved.

Council Action: ☐ **Adopted** ☐ **Failed** **Vote** _____

Mayoral Action: ☐ **Accept** ☐ **Veto**

_____

Donna Olson, Mayor Date

Council Action: _____ ☐ **Override** **Vote** _____

3CL6927

CITY OF STOUGHTON
Mayor's Office
381 East Main Street, Stoughton, WI. 53589

January 29, 2018

Mandt Community Center, Inc.
Attn: Brian Kahl
P.O. Box 301
Stoughton, WI 53589

Re: Mandt Community Center Transition

Dear Mr. Kahl,

I write to address several questions relating to the building commonly known as the Mandt Community Center. As you know, the City of Stoughton leased this building to Mandt Community Center, Inc., pursuant to a February 13, 2008 lease. The 2008 lease will terminate on February 1, 2018. City staff is developing a bill of sale and lease that will convey the building and lease the land to Mandt Community Center, Inc., effective February 14, 2018. We anticipate the Common Council will approve the bill of sale and the lease at its meeting on February 13, 2018.

The City will maintain property damage insurance on the building from February 1 through February 14, 2018. I understand Mandt Community Center, Inc. will maintain property damage insurance on the building beginning February 14, 2018. I understand Mandt Community Center, Inc., maintains and will continue to maintain commercial general liability insurance with respect to operations at the Mandt Community Center.

I recognize there will be a two-week period during which Mandt Community Center, Inc. will not own or lease the Mandt Community Center building. It is my understanding that Mandt Community Center, Inc. will continue its regular operations at the building during this time. The Mayor's office and City administration have no objection to the continuation of those operations during this transition period.

Please feel free to contact me if you have any questions or concerns.

Sincerely,

Donna Olson

Donna L. Olson, Mayor
City of Stoughton
608-873-6677
dolson@ci.stoughton.wi.us

Cc: Troy Wiesser (by email at troy@cma@tds.net)
Matthew Dregne, City Attorney

AMENDED AND RESTATED LEASE AGREEMENT

between

CITY OF STOUGHTON, WISCONSIN

and

MANDT COMMUNITY CENTER, INC.

February 13, 2008

This **AMENDED AND RESTATED LEASE AGREEMENT** is made and entered into as of February 13, 2008 by and between the **City of Stoughton, Wisconsin** (the "City") and the **Mandt Community Center, Inc.** ("MCCI").

BACKGROUND

The City financed the acquisition of the real estate described in Exhibit A hereto (the "Property") through the issuance of its $870,000 General Obligation Promissory Notes , dated March 1, 1998 (MCCI) (the "Original Notes"), and in connection therewith leased the Property to MCCI. The City is now refinancing the Original Notes through the issuance of its $485,000 General Obligation Refunding Promissory Notes, Series 2008A (MCCI) (the "2008 Notes") and in connection therewith finds it necessary and desirable to amend and restate the lease of the Property. MCCI desires to continue to lease the Property and all fixtures thereto (collectively, the "Leased Property") from the City pursuant to this Amended and Restated Lease Agreement for use as a public recreational, meeting and exhibition facility; and

The execution, delivery and performance of this Amended and Restated Lease Agreement have been duly authorized by the City and MCCI and all conditions, acts and things necessary and required by the Constitution and Statutes of the State of Wisconsin to exist, to have happened, or to have been performed precedent to or in the execution and delivery of this Amended and Restated Lease Agreement, do exist, have happened and have been performed in regular form, time and manner.

NOW, THEREFORE, in consideration of the rents, covenants and agreements herein reserved, mentioned and contained on the part of MCCI, its successors and assigns, to be paid, kept and performed, the City by these presents does hereby agree to lease, demise and let to MCCI, and MCCI does hereby consent to said leasing and hereby takes and hires, upon and subject to the conditions hereinafter expressed, the Leased Property.

ARTICLE I

DEFINITIONS AND USE OF PHRASES

Section 1.1 Definitions. The following terms shall have the following meanings in this Lease unless the text expressly or by necessary implication requires otherwise:

"City" means the City of Stoughton, Wisconsin.

"City Representative" means the Mayor or such other officer of the City as is appointed by the Common Council to act on behalf of the City under this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commencement Date" means the date of commencement of the Leasehold Term as provided in Section 3.1 hereof.

"Debt Service Fund" means the Debt Service Fund established by the City in connection with the issuance of the Notes.

"Fiscal Year" means the twelve month period ending on December 31 of each calendar year.

"Leased Property" means the Property and all fixtures thereto.

"Leasehold Term" means the term of this Agreement as provided in Section 3.1 hereof.

"MCCI" means Mandt Community Center, Inc., a Wisconsin nonstock nonprofit corporation and an organization described in Section 501(c)(3) of the Code.

"Notes" means the Original Notes, 2008 Notes and any promissory notes or other obligations issued by the City to refinance any indebtedness evidenced by the Original Notes or 2008 Notes.

"Operating Budget" means the annual budget prepared for the Leased Property by MCCI pursuant to Section 4.7 of this Lease Agreement.

"Original Notes" means General Obligation Promissory Notes (MCCI) dated March 1, 1998 issued by the City in the principal amount of $870,000 to provide financing for the Project.

"Owner" or "Owners" means, with respect to the Notes when in book-entry-only form, the beneficial owner or owners of the Notes.

"Project" means the acquisition of the Property by the City.

"Property" means the real estate described in Exhibit A hereto.

"Qualified Accountants" means (a) a firm of certified independent public accountants of the size and type commonly referred to as nationally known certified public accountants or (b) a firm of independent public accountants selected by MCCI and approved by the City.

"Quiet Enjoyment" means the right of MCCI to peaceably and quietly have, hold and enjoy the Leased Property and to use the Leased Property for the purposes intended or permitted by this Agreement.

"Rentals" means the rentals payable by MCCI pursuant to Section 3.2 hereof.

"Resolution" means the resolution authorizing the issuance of the 2008 Notes adopted by the City on January 22, 2008 and any similar resolution adopted by the City authorizing the issuance of any other Notes.

"2008 Notes" means General Obligation Refunding Promissory Notes, Series 2008A (MCCI) issued by the City in the principal amount of $485,000 to refinance the Original Notes.

Section 1.2 Use of Phrases. The following provisions shall be applied whenever appropriate herein:

"Herein", "Hereby", "hereunder", "hereof" and other equivalent words refer to this Agreement as an entirety and not solely to the particular portion of this Lease in which any such word is used.

The definitions set forth in Section 1.1 hereof shall be deemed applicable whether the words defined are herein used in the singular or the plural.

Wherever used herein, any pronoun or pronouns shall be deemed to include both the singular and the plural and to cover all genders.

Unless otherwise provided, any determinations or reports hereunder which require the application of accounting concepts or principles shall be made in accordance with generally accepted accounting principles.

ARTICLE II

COSTS OF OPERATION AND MAINTENANCE; IMPROVING AND EQUIPPING OF THE PROPERTY

MCCI agrees that it will be solely responsible for all costs of operating, maintaining, administering and repairing the Leased Property, including but not limited to salaries, wages, costs of materials, supplies, utility and other services, insurance and audits.

MCCI agrees that it will make all contracts and do all things necessary to cause the Leased Property to be improved and equipped for use in its intended purpose. Title to the Leased Property and all fixtures thereto shall be held by the City, subject to this Lease.

MCCI further agrees to take any and all actions requested by the City which are necessary to cause the City to be in compliance with its obligations under the Resolution.

ARTICLE III

TERM AND RENTS

Section 3.1 Term. The term of the Lease pursuant to this Agreement commenced as of the date of issuance of the Original Notes. This Agreement shall expire on February 1, 2018, unless the parties shall sooner terminate this Agreement by mutual agreement; provided, however, that the end of said term shall not be advanced nor shall this Agreement expire or be terminated so long as the Notes shall be outstanding; provided, further, that when the City shall have fully paid (or provided for the payment of) all of the principal and interest on the Notes, this Agreement shall automatically terminate.

Section 3.2 Rentals. During the Leasehold Term MCCI agrees to pay to the City, without deduction or offset (except as described in this paragraph), rental payments ("Rentals") on the 1st day of each month commencing on April 1, 1998. The monthly rental

payment through February 1, 2008 shall be $6200 which is an amount that the parties have agreed is reflective of the debt service payable on the Notes to February 13, 2008. The monthly rental payment commencing on March 1, 2008 through February 1, 2018 shall be as set forth on Exhibit C attached hereto and incorporated herein by this reference. The schedule of principal and interest payments on the 2008 Notes is shown on Exhibit B attached hereto and incorporated herein by this reference. If the 2008 Notes are refinanced by the City prior to February 1, 2018, the monthly rental payment shall be a fixed amount determined by agreement of the parties that reflects the debt service requirements on the refinanced portion of the Notes. Delinquent rental payments shall bear interest at the rate borne by the Notes.

Section 3.3 Debt Service on Notes. The City covenants and agrees that the Rentals payable hereunder shall be used only to pay the principal of and interest on the Notes, as provided in the Resolution and that no Rentals shall be used to pay operating expenses of the City.

Section 3.4 Payment of Costs and Expenses. If MCCI defaults under any provisions of this Agreement and the City employs attorneys or incurs other expenses for the collection of payments due or for the enforcement of performance or observance of any other obligation or agreement on the part of MCCI herein contained, MCCI agrees that it will on demand therefor pay to the City the reasonable fees of such attorneys and such other reasonable expenses so incurred by the City.

Section 3.5 Repairs and Maintenance. MCCI covenants and agrees throughout the Leasehold Term to maintain the Leased Property and keep the same in as good order and condition as the same are in upon the effective date of this Agreement.

Section 3.6 Utilities. MCCI agrees to pay or cause to be paid all charges for gas, electricity, light, heat or power, telephone or other communication service, or any other service used, rendered or supplied upon or in connection with the Leased Property during the Leasehold Term and to protect the City and save it harmless against any liability or damages on such account. MCCI shall also procure any and all necessary permits, licenses or other authorizations thereafter required for the lawful and proper installation and maintenance upon the Leased Property of wires, pipes, conduits, tubes and other equipment and appliances for use in supplying any such services to and upon the Leased Property.

Section 3.7 Prepayment. The City authorizes MCCI, in its stead, to call the Notes for redemption prior to maturity, in whole or in part, pursuant to the terms and conditions of the Resolution, provided that MCCI shall prepay its Rentals hereunder so that the Rentals suffice to pay the principal of, premium, if any, and interest on the Notes due at the time of redemption. MCCI agrees that it shall not make any prepayments of Rentals due under this Lease without calling for redemption the applicable Notes, without the consent of the City.

ARTICLE IV

COVENANTS OF MCCI

Section 4.1 Restriction on Use. MCCI covenants that the Leased Property shall be used for purposes of a public recreational, meeting and exhibition facility.

Section 4.2 Public Liability Insurance. MCCI shall maintain or cause to be maintained during the Leasehold Term general public liability insurance against all claims for personal injury, death or property damage for which any of the parties might be liable, occurring upon, in or about the Leased Property or any buildings, facilities, sidewalks, streets, parking areas and passageways, therein or thereon; such insurance to afford protection to the parties to the limit of not less than $1,000,000 per occurrence and $1,000,000 in aggregate per year in respect of personal injury and death and property damage, or such other limits as may be mutually agreed upon. The City shall be named as an additional insured with respect to such insurance

Section 4.3 Hazard Insurance. (a) The City shall cause any structures that are part of the Leased Property to be continually insured during the Leasehold Term against damage or destruction by fire, windstorm and any other loss or damage customarily insured in comparable structures in an amount equal to the replacement value of the property. MCCI shall be responsible for insuring its personal property on the Leased Property and for liability insurance coverage related to the Leased Property.

(b) In case of damage, loss or destruction of the Leased Property, or any part thereof, or any lost fixtures or equipment thereof during the Leasehold Term, the proceeds of any insurance which pertains to such premises, fixtures and equipment shall be used and applied by MCCI as promptly as possible to repair, restore, rebuild or replace the same as nearly as possible to the condition existing prior to such damage, loss or destruction.

(c) In consideration of the provisions of this Agreement giving and granting to MCCI exclusive possession, custody and control of the Leased Property, MCCI hereby assumes all risks during the Leasehold Term in connection with any damage, loss or destruction of the Leased Property, or any part thereof, or any fixtures or equipment thereof from any and all causes whatsoever, and, in the event of any such damage, loss or destruction, MCCI covenants and agrees to repair, restore, rebuild or replace the same as nearly as possible to the condition they were in immediately prior to such damage, loss or destruction either from the proceeds of insurance as hereinabove in this Section 4.3 provided, or, to the extent such proceeds of insurance are insufficient or unavailable therefor, from available appropriations of moneys derived from other sources.

Section 4.4 Compliance with Laws and Regulations. MCCI agrees that throughout the Leasehold Term it will promptly comply with all laws and ordinances and the orders, rules, regulations and requirements of all federal, state and local governments and agencies and departments thereof which are applicable to MCCI and the Leased Property, and whether or not the same requires structural repairs or alterations, which may be applicable to the Leased Property, the fixtures or equipment thereof, or the sidewalks, curbs and parking areas adjoining the demised premises, or the use or manner of use of the Leased Property. MCCI will also observe and comply with the requirements of all policies and arrangements of insurance at any time in force during the Leasehold Term of this Agreement with respect to the Leased Property and the fixtures and equipment thereof.

Section 4.5 Alterations and Additions to Leased Property. MCCI shall have the right at any time and from time to time during the Leasehold Term, without liability to the City, to make such changes, alterations and additions, structural or otherwise, to the Leased Property and any fixtures and equipment thereof, now or hereafter located on the Leased Property, as MCCI shall deem necessary or desirable in connection with the use of the Leased Property; provided, however, that any such change, alteration or addition shall have been approved by the City of Stoughton Planning Director, which approval shall not be unreasonably withheld. Approval by the City shall not be required for maintenance items such as painting and carpet replacement, but shall be required for alterations that require a building permit, state plan review, or exceed $5,000 in cost. When required, the City's issuance of a building permit shall constitute the City's approval pursuant to this Section. All such changes, alterations and additions when completed shall be of such a character as not to reduce or otherwise adversely affect the value of the Leased Property or the rental value thereof. The cost of any such change, alteration or addition shall be promptly paid and discharged so that the Leased Property shall at all times be free of liens for labor and materials supplied to the Leased Property, provided, however, that MCCI may in good faith contest any lien if adequate security is provided during the pendency of proceedings so that the Leased Property is not in danger of being lost through lien foreclosure or otherwise. All alterations, additions and improvements to the Leased Property shall be and become a part of the realty covering the Leased Property.

Section 4.6 Covenants Against Waste. MCCI covenants during the term of the Lease not to do or suffer or permit any waste or damage, disfigurement or injury to the Leased Property or any building or improvement now or hereafter on the Leased Property or the fixtures or equipment thereof.

Section 4.7 Financial Information and Reports. MCCI agrees

(a) to keep proper books of record and account in which full, true and correct entries will be made of all the MCCI's business and affairs in accordance with generally accepted accounting principles consistently applied,

(b) to have annual audits made by Qualified Accountants and certified by those Qualified Accountants and to furnish to the City as soon as available and in any event within 120 days after the end of each fiscal year its audit report prepared in accordance with generally accepted accounting principles containing those financial statements customarily prescribed for institutions of its type, including a balance sheet as at the end of that fiscal year,

(c) to deliver to the City, along with the financial report described in subsection (b), (i) a written statement of the Qualified Accountants who reported on those financial statements to the effect that either (A) nothing came to their attention in the course of their examinations and preparation of the financial statements of MCCI which caused them to believe that there is any Default or Event of Default by MCCI in the performance of any of the terms, provisions or conditions of this Lease Agreement or (B) if they obtained

knowledge of any Defaults or Events of Default, a written description of them and (ii) a statement signed by the president and the treasurer of MCCI stating that the signers have made a review of the activities of MCCI during the preceding fiscal year for the purpose of determining whether MCCI has complied with all of the terms, provisions and conditions of this Lease Agreement and that, to the best knowledge of the signers, either (A) the Borrower has kept and fulfilled each and every term, provision and condition of this Lease Agreement on its part to be performed and no Default or Event of Default has occurred or (B) if any Defaults or Events of Default occurred or exist, a written description of them,

(d) to deliver to the City as soon as available, and in any event within 30 days after the end of each month, (i) a balance sheet of MCCI at the end of the month and statements of income and surplus and cash flow of MCCI for the period beginning on the first day of the fiscal year and ending on the date of the financial statements, all in comparative form showing the corresponding figures for the same period of the prior Fiscal Year and prepared and certified by an authorized financial officer of MCCI and (ii) an information report setting forth variances from the Operating Budget and explanations thereof, which balance sheet, statements and report shall be reasonably satisfactory to the City in form, and

(e) to prepare an operating budget containing a month-by-month estimate of the revenues and expenses for the twelve-month period covered thereby, and deliver to the City no later than January 31st of each year, each Operating Budget and each amendment thereto.

Each Operating Budget shall be subject to review by the City, shall be consistent with the obligations of MCCI under this Lease and shall be otherwise reasonably satisfactory to the City in form. If the City shall have taken no action and raised no objection with respect to a proposed Operating Budget on or before the first day of the fiscal year to which it relates, the City will be deemed to have approved the form of that Operating Budget.

MCCI agrees that all pertinent financial books and records relating to MCCI's business, affairs and properties will at all times upon reasonable prior written notice during regular business hours be open to the inspection of an accountant or other agent (who may make copies of all or any part of them) as is from time to time designated and compensated by the City in order to enable the City to determine whether MCCI has complied with the covenants, terms and provisions of this Lease Agreement.

Section 4.8 Tax Covenant. MCCI and the City covenant for the benefit of the Owners of the Notes that they will not take any action or omit to take any action with respect to the Notes, the proceeds thereof, any other funds of MCCI and the City or any facilities financed with the proceeds of the Notes if such action or omission (i) would cause the interest on the Notes to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code and applicable Regulations, or (ii) would cause interest on the Notes to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2)

of the Code except to the extent such interest is required to be included in the adjusted current earnings adjustments applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income, or (iii) would subject MCCI or the City to any penalties under Section 148 of the Code. The foregoing covenant shall remain in full force and effect, notwithstanding the payment in full or defeasance of the Notes, until the date on which all obligations of MCCI and the City in fulfilling the above covenant under the Code have been met.

ARTICLE V

ASSIGNMENT, SUBLETTING AND MORTGAGING

Section 5.1 Assignment and Subleasing by MCCI. This Lease may not be assigned by MCCI, and (except as provided in the following sentence) the Leased Property may not be subleased without the prior written consent of the City which consent may be withheld for any reason. The Leased Property may be subleased on a short-term basis for general public use in the ordinary course of MCCI's business without the necessity of obtaining the consent of the City.

ARTICLE VI

CONDITIONS OF LEASE

Section 6.1 Merger of Interest. So long as the Notes are outstanding, the leasehold interest and estate created by this Agreement shall not be merged or deemed to be merged with any reversionary interest and estate of MCCI in the Leased Property.

Section 6.2 Right to Inspect. MCCI covenants and agrees during the Leasehold Term to permit the City and the authorized agents and representatives of the City or the Owners of the Notes to enter the Leased Property at all times during usual business hours for the purpose of inspecting the same.

Section 6.3 Character of Lease. The Lease granted under this Agreement is an absolutely "net" lease and notwithstanding any language herein to the contrary, it is intended and MCCI agrees that all rentals and other payments herein required to be made by MCCI to the City shall be made without notice or demand and without set-off, counterclaim, abatement, suspension, deduction or defense, and shall be net payments to the City, meaning that the City is not and shall not be required to expend any money or do any acts or take any steps affecting or with respect to the maintenance, preservation, repair, restoration, reconstruction, insuring or protection of the Property or any part thereof, all such obligations being the responsibility of MCCI.

Section 6.4 Condition of Premises. MCCI, prior to the occupancy thereof, and at all times thereafter, shall fully familiarize itself with the physical condition of the Property and any improvements, fixtures and equipment thereof. The City makes no representations whatever in connection with the condition of the Property or the improvements, fixtures or equipment thereof, and the City shall not be liable for any latent or patent defects therein.

Section 6.5 Consent to Suit. MCCI hereby consents and agrees to the institution of any and all actions, including mandamus, against MCCI or any of its officers which may arise out of this Agreement and, to the extent permitted by law, MCCI waives resort prior to the bringing of any such action by the City, as lessor hereunder, or its assignees to any administrative claim procedure provided in the Wisconsin Statutes.

Section 6.6 Transfer of Title. Upon full and final payment of all Notes (or if all Notes shall, prior to maturity or redemption date thereof, have been discharged within the meaning of the Resolution) and of all amounts due under this Lease Agreement,

(a) this Lease Agreement shall terminate and neither MCCI nor the City nor any Owner of the Notes shall thereafter have any rights hereunder, saving and excepting those that shall have theretofore vested; and

(b) title to the Leased Property shall, without any further payment, be transferred to MCCI, and the City shall execute any document of conveyance reasonably requested by MCCI to evidence such transfer.

Section 6.7 Enjoyment of Property. The City hereby covenants that MCCI shall during the Leasehold Term peaceably and quietly have and hold and enjoy the Property without suit, trouble or hindrance from the City, except as expressly required or permitted by this Lease. The City shall not interfere with the quiet use and enjoyment of the Property by MCCI during the Leasehold Term so long as no event of default shall have occurred under the Lease. The City shall, at the request of MCCI and at the cost of MCCI, join and cooperate fully in any legal action in which MCCI asserts its right to such possession and enjoyment. In addition, MCCI may at its own expense join in any legal action affecting its possession and enjoyment of the Property and shall be joined in any action affecting its liabilities hereunder.

ARTICLE VII

MISCELLANEOUS

Section 7.1 Amendments. No modification, alteration or amendment to this Agreement shall be binding upon either party hereto until such modification, alteration or amendment is reduced to writing and executed by both parties hereto.

Section 7.2 Successors. Except as limited or conditioned by the express provisions hereof, the provisions of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

Section 7.3 Governing Law. The laws of the State of Wisconsin shall govern this Agreement.

Section 7.4 Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any of the provisions of this Agreement.

Section 7.5 Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were on the same instrument.

Section 7.6 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or when mailed by certified or registered mail, postage prepaid, or by prepaid telegram addressed as follows:

If to the City:
City of Stoughton, Wisconsin
381 E. Main Street
Stoughton, Wisconsin 53589

If to MCCI:
Mandt Community Center, Inc.
Attn: Ron Christianson
P.O. Box 102
Stoughton, Wisconsin 53589

Any party may by like notice at any time, and from time to time, designate a different address to which notices shall be sent. Notices given in accordance with these provisions shall be deemed received when mailed.

Section 7.7 Severability. If any provisions of this Agreement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provisions or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstance shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or Sections in this Agreement contained, shall not affect the remaining portions of this Agreement, or any part thereof.

Section 7.8 No Waivers. Failure of the City or MCCI to exercise its rights in connection with any breach or violation of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition for any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by the City shall not be deemed to be a waiver of any preceding breach by MCCI of any term, covenant or condition of this Agreement, other than the failure of MCCI to pay the particular rental so accepted, regardless of the City's knowledge of such preceding breach at the time of acceptance of such rent.

Section 7.9 Recording. Either party hereto may record this Lease Agreement, or a memorandum or short form hereof, executed by both of such parties, in the office of the Registrar of Deeds for Dane County, Wisconsin.

Section 7.10 No Personal Liability. Under no circumstances shall any officer, director, elected official or employee of MCCI or the City have any personal liability arising out of this Lease Agreement, nor shall any party seek or claim any such personal liability.

Section 7.11 Beneficiaries of Agreement. This Agreement has been entered into by MCCI and the City for the benefit of MCCI, the City and the Owners of the Notes, and is not revocable by MCCI or the City prior to the payment in full of the Notes. This Agreement shall be binding upon and inure to the benefit of MCCI and the City and shall constitute a third party beneficiary contract for the benefit of the Owners of the Notes. Nothing in this Lease Agreement expressed or implied is intended or shall be construed to give any person other than MCCI, the City and the Owners of the Notes, any legal or equitable right, remedy or claim under or in respect to this Agreement or any covenants, conditions or provisions therein or herein contained; all such covenants are for the sole and exclusive benefit of MCCI, the City and the Owners of the Notes.

IN WITNESS WHEREOF, the **City of Stoughton, Wisconsin**, has caused these presents to be executed by its Mayor and Clerk and its seal affixed, and **Mandt Community Center, Inc.** has caused these presents to be executed by its Chairperson and Secretary, all as of the day and year first hereinabove set forth.

CITY OF STOUGHTON, WISCONSIN

By Helen J. Johnson
Mayor

(SEAL)

And Luann Alme
Clerk

MANDT COMMUNITY CENTER, INC.

By Donald A Christiansen
President

Attest Robert Bassett Jr.
Secretary

STATE OF WISCONSIN)
) SS
COUNTY OF DANE)

On the 24th day of January, 2008, before me, a Notary Public in and for said County, personally appeared Helen Johnson and Luann Alme, the Mayor and Clerk, respectively, of the above-named City of Stoughton, a Wisconsin municipal corporation, to me known to be the persons who executed the foregoing instrument and known to me to be such Mayor and Clerk of said municipal corporation, and acknowledged that they executed the foregoing instrument as such officers; that they know the seal of said municipal corporation; that the seal affixed to said instrument is the seal of said municipal corporation; that said instrument was signed and sealed on behalf of said municipal corporation by authority of its governing body pursuant to resolution passed and approved; and that said persons severally acknowledged the execution of said instrument to be the free and voluntary act and deed of said municipal corporation by it being freely and voluntarily executed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Laura Sullivan
Name (Printed): Laura Sullivan
Notary Public
Dane County, Wisconsin
My Commission: 8-24-2008

STATE OF WISCONSIN)
) SS
COUNTY OF DANE)

On the 24th day of January, 2008, before me, a Notary Public in and for said County, personally appeared Ron Christensen and Bob Barrett, the President and ~~Secretary~~ Treasurer, respectively, of Mandt Community Center, Inc., a Wisconsin nonstock nonprofit corporation, to me known to be the persons who executed the foregoing instrument and to me known to be such President and Secretary of said corporation, and acknowledged that they executed the foregoing instrument as such officers; that said instrument was signed by them as such officers of and on behalf of said Corporation by authority of its Board of Directors; and the said Corporation acknowledged the execution of said instrument to be the free and voluntary act and deed of said Corporation by it being freely and voluntarily executed.

IN WITNESS WHEREOF, I have hereunder set my hand and official seal.

Laura Sullivan
Name (Printed): Laura Sullivan
Notary Public
Dane County, Wisconsin
My Commission: 8-24-2008

This document was drafted by:

Rebecca A. Speckhard, Esq.
Quarles & Brady LLP
411 E. Wisconsin Avenue
Milwaukee, WI 53202

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Part of the Northwest 1/4 of the Southeast 1/4, together with a part of the Southwest 1/4 of the Northeast 1/4 of Section 8, Township 5 North, Range 11 East, in the City of Stoughton, Dane County, Wisconsin.

Commencing at the East 1/4 corner of said Section 8; thence South 89 degrees 45'44" West, 1345.51 feet, along the East-West 1/4 line of said Section 8, to the Northeast corner of the Northwest 1/4 of the Southeast 1/4 of said Section, and the Point of Beginning of this description; thence South 00 degrees 16'32" East, 167.20 feet, to the Southerly line of the lands described in Volume 448 of Deeds, page 268, and the Northerly line of Mandt Parkway; thence South 89 degrees 45'44" West, 370.29 feet, along said Southerly line, to the West line of the lands described in Volume 448 of Deeds, page 268; thence North 00 degrees 16'32" West, 167.20 feet, along said West line, to the East-West 1/4 line of said Section 8; thence North 00 degrees 16'32" West, 57.80 feet; thence North 89 degrees 45'44"East, 369.67 feet, to the East line of the Southwest 1/4 of the Northeast 1/4; thence South 00 degrees 48'03" East, 57.80 feet, along said East line to the East-West 1/4 line of said Section 8, and the Point of Beginning of this description.

EXHIBIT B

SCHEDULE OF DEBT SERVICE PAYMENTS ON THE NOTES

(See attached)

City of Stoughton, WI

$485,000 General Obligation Refunding Promissory Notes, Series 2008A
Dated February 13, 2008 | Winning Bidder - Bankers' Bank

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/13/2008	-	-	-	-	-
08/01/2008	-	-	7,385.00	7,385.00	-
12/01/2008	-	-	-	-	7,385.00
02/01/2009	40,000.00	3.000%	7,912.50	47,912.50	-
08/01/2009	-	-	7,312.50	7,312.50	-
12/01/2009	-	-	-	-	55,225.00
02/01/2010	40,000.00	3.000%	7,312.50	47,312.50	-
08/01/2010	-	-	6,712.50	6,712.50	-
12/01/2010	-	-	-	-	54,025.00
02/01/2011	45,000.00	3.000%	6,712.50	51,712.50	-
08/01/2011	-	-	6,037.50	6,037.50	-
12/01/2011	-	-	-	-	57,750.00
02/01/2012	45,000.00	3.200%	6,037.50	51,037.50	-
08/01/2012	-	-	5,317.50	5,317.50	-
12/01/2012	-	-	-	-	56,355.00
02/01/2013	45,000.00	3.200%	5,317.50	50,317.50	-
08/01/2013	-	-	4,597.50	4,597.50	-
12/01/2013	-	-	-	-	54,915.00
02/01/2014	50,000.00	3.200%	4,597.50	54,597.50	-
08/01/2014	-	-	3,797.50	3,797.50	-
12/01/2014	-	-	-	-	58,395.00
02/01/2015	50,000.00	3.400%	3,797.50	53,797.50	-
08/01/2015	-	-	2,947.50	2,947.50	-
12/01/2015	-	-	-	-	56,745.00
02/01/2016	55,000.00	3.400%	2,947.50	57,947.50	-
08/01/2016	-	-	2,012.50	2,012.50	-
12/01/2016	-	-	-	-	59,960.00
02/01/2017	55,000.00	3.500%	2,012.50	57,012.50	-
08/01/2017	-	-	1,050.00	1,050.00	-
12/01/2017	-	-	-	-	58,062.50
02/01/2018	60,000.00	3.500%	1,050.00	61,050.00	-
12/01/2018	-	-	-	-	61,050.00
Total	**$485,000.00**	**-**	**$94,867.50**	**$579,867.50**	**-**

Yield Statistics

Bond Year Dollars	$2,828.83
Average Life	5.833 Years
Average Coupon	3.3535910%
Net Interest Cost (NIC)	3.4264567%
True Interest Cost (TIC)	3.4305009%
Bond Yield for Arbitrage Purposes	3.3478129%
All Inclusive Cost (AIC)	4.0210519%

IRS Form 8038

Net Interest Cost	3.4264567%
Weighted Average Maturity	5.833 Years

EXHIBIT C

SCHEDULE OF RENTAL PAYMENTS

City of Stoughton, WI

Lease Payment Schedule

Dated February 13, 2008 | Final Sales Results

Debt Service Schedule

Date	Monthly Payments	Fiscal Total	Annual Debt Payment	Difference
03/01/2008	4,546.00			
04/01/2008	4,546.00			
05/01/2008	4,546.00			
06/01/2008	4,546.00			
07/01/2008	4,546.00			
08/01/2008	4,546.00			
09/01/2008	4,546.00			
10/01/2008	4,546.00			
11/01/2008	4,546.00			
12/01/2008	4,546.00			
01/01/2009	4,546.00			
02/01/2009	4,546.00	54,552.00	55,297.50	(745.50)
03/01/2009	4,490.00			
04/01/2009	4,490.00			
05/01/2009	4,490.00			
06/01/2009	4,490.00			
07/01/2009	4,490.00			
08/01/2009	4,490.00			
09/01/2009	4,490.00			
10/01/2009	4,490.00			
11/01/2009	4,490.00			
12/01/2009	4,490.00			
01/01/2010	4,490.00			
02/01/2010	4,490.00	53,880.00	54,625.00	(745.00)
03/01/2010	4,807.00			
04/01/2010	4,807.00			
05/01/2010	4,807.00			
06/01/2010	4,807.00			
07/01/2010	4,807.00			
08/01/2010	4,807.00			
09/01/2010	4,807.00			
10/01/2010	4,807.00			
11/01/2010	4,807.00			
12/01/2010	4,807.00			
01/01/2011	4,807.00			
02/01/2011	4,807.00	57,684.00	58,425.00	(741.00)
03/01/2011	4,694.00			
04/01/2011	4,694.00			
05/01/2011	4,694.00			
06/01/2011	4,694.00			
07/01/2011	4,694.00			

City of Stoughton, WI

Lease Payment Schedule
Dated February 13, 2008 | Final Sales Results

Debt Service Schedule

Date	Principal	Fiscal Total	Annual Debt Payment	Difference
08/01/2011	4,694.00			
09/01/2011	4,694.00			
10/01/2011	4,694.00			
11/01/2011	4,694.00			
12/01/2011	4,694.00			
01/01/2012	4,694.00			
02/01/2012	4,694.00	56,328.00	57,075.00	(747.00)
03/01/2012	4,574.00			
04/01/2012	4,574.00			
05/01/2012	4,574.00			
06/01/2012	4,574.00			
07/01/2012	4,574.00			
08/01/2012	4,574.00			
09/01/2012	4,574.00			
10/01/2012	4,574.00			
11/01/2012	4,574.00			
12/01/2012	4,574.00			
01/01/2013	4,574.00			
02/01/2013	4,574.00	54,888.00	55,635.00	(747.00)
03/01/2013	4,871.00			
04/01/2013	4,871.00			
05/01/2013	4,871.00			
06/01/2013	4,871.00			
07/01/2013	4,871.00			
08/01/2013	4,871.00			
09/01/2013	4,871.00			
10/01/2013	4,871.00			
11/01/2013	4,871.00			
12/01/2013	4,871.00			
01/01/2014	4,871.00			
02/01/2014	4,871.00	58,452.00	59,195.00	(743.00)
03/01/2014	4,738.00			
04/01/2014	4,738.00			
05/01/2014	4,738.00			
06/01/2014	4,738.00			
07/01/2014	4,738.00			
08/01/2014	4,738.00			
09/01/2014	4,738.00			
10/01/2014	4,738.00			
11/01/2014	4,738.00			
12/01/2014	4,738.00			

EHLERS
LEADERS IN PUBLIC FINANCE

City of Stoughton, WI

Lease Payment Schedule

Dated February 13, 2008 | Final Sales Results

Debt Service Schedule

Date	Principal	Fiscal Total	Annual Debt Payment	Difference
01/01/2015	4,738.00			
02/01/2015	4,738.00	56,856.00	57,595.00	(739.00)
03/01/2015	5,013.00	-		
04/01/2015	5,013.00	-		
05/01/2015	5,013.00	-		
06/01/2015	5,013.00	-		
07/01/2015	5,013.00	-		
08/01/2015	5,013.00	-		
09/01/2015	5,013.00	-		
10/01/2015	5,013.00	-		
11/01/2015	5,013.00	-		
12/01/2015	5,013.00	-		
01/01/2016	5,013.00	-		
02/01/2016	5,013.00	60,156.00	60,895.00	(739.00)
03/01/2016	4,857.00			
04/01/2016	4,857.00			
05/01/2016	4,857.00			
06/01/2016	4,857.00			
07/01/2016	4,857.00			
08/01/2016	4,857.00			
09/01/2016	4,857.00			
10/01/2016	4,857.00			
11/01/2016	4,857.00			
12/01/2016	4,857.00			
01/01/2017	4,857.00			
02/01/2017	4,857.00	58,284.00	59,025.00	(741.00)
03/01/2017	5,113.00			
04/01/2017	5,113.00			
05/01/2017	5,113.00			
06/01/2017	5,113.00			
07/01/2017	5,113.00			
08/01/2017	5,113.00			
09/01/2017	5,113.00			
10/01/2017	5,113.00			
11/01/2017	5,113.00			
12/01/2017	5,113.00			
01/01/2018	5,113.00			
02/01/2018	5,113.00	61,356.00	62,100.00	(744.00)
Total	**$572,436.00**	**$572,436.00**	**$579,867.50**	**(7,431.50)**