LEASE

WHEREAS, the Village of Shorewood Hills, a municipal corporation, hereinafter called the Lessor, is currently leasing to Blackhawk Country Club, Inc., a corporation organized and existing under the laws of the State of Wisconsin, hereinafter called the Lessee; and

WHEREAS, it is determined beneficial for the Lessee to continue to occupy and maintain the Premises so as to maintain the Premises as an open area and scenic view for the residents of the Lessor and the general public; and

WHEREAS, the Lessor and Lessee wish to secure certain additional benefits.

THEREFORE, the Lessor hereby rents to the Lessee, and the Lessee hereby rents from the Lessor the Premises on the following terms and conditions:

I. Definitions. The following definitions shall apply to the following terms used herein:

(a) Premises. The term Premises shall refer to the real estate described on Appendices A to D, inclusive, which are attached hereto and made a part of this lease and shall include all buildings and structures presently located thereon.

(b) Grounds. The term grounds shall include all the land included in the term "Premises" but shall exclude therefrom all buildings or structures thereon.

(c) Buildings. The term Buildings shall refer to all buildings or structures located on the Premises and all additions thereto and shall include future buildings or structures located on the Grounds.

(d) Clubhouse. The term Clubhouse shall refer to any Buildings or portions thereof in which dining rooms, lounges, bars, meeting rooms and dancing areas may be located.

II. Term. The Lessee to have and to hold the Premises for and during the term commencing on the first day of January, 1987, and continuing to and including the 31st day of December, 2025.

III. Payments and Rentals.

(a) The first year's rental shall be Sixty-Two Thousand Five Hundred Dollars ($62,500.00).

(b) Thereafter, for each year, the rental shall be the amount to be determined and computed as follows: The gross revenues of the Club for the Club's fiscal year ending October 31, 1986, as established by the Club's audited or reviewed financial statement as prepared by an independent certified public accountant, shall be divided into the sum of Sixty-Two Thousand Five Hundred Dollars ($62,500.00), and the resulting percentage will remain fixed in computing the rentals after the first year. (Example: The sum of $62,500.00 divided by gross revenues of $2,000,000.00 equals a resulting percentage of 3.125%.) Rental in each calendar year after the first year shall be computed by multiplying

the Club's Gross Revenues from its prior fiscal year (as defined below) by the fixed "resulting percentage" (as determined above). The annual rental shall be as determined by this computation, except that the annual rental shall not be less than $50,000 or eighty percent (80%) of the previous year's annual rental, whichever is greater.

(c) Definition of Gross Revenues:

Gross Revenues of the Club include all revenues from whatever source (except as specifically excluded below) including but not limited to:

1. All dues revenue;
2. All assessment and initiation revenue;
3. All gross receipts from bar and dining facilities;
4. All donations to the Club;
5. Forgiveness of loans to the Club.

The only exclusions from Gross Revenues are:

1. Pro shop revenues (provided that the pro shop continues to be operated independently from the Club). If the pro shop is operated by the Club, then such revenues shall be included as gross revenues;
2. Charity fund raising revenues;
3. Loans from Club members if repaid within five years of maturity date;

4. Members' billings from associated clubs which are merely "pass through" billings;

5. Loans to the Club from financial institutions for the construction of capital improvements.

(d) Rental payments for the first year shall be paid in equal monthly installments due on the first day of each month commencing January 1, 1987, provided, however, Lessee shall be given credit of $8,978 for the prepayment of rent under a previous lease.

(e) Rental payments for subsequent years shall be in monthly installments due on the first day of each month. The monthly installments for January, February and March shall each be one-twelfth (1/12) of the annual rental for the previous year. Monthly payments for the remaining months shall be in equal installments and in an amount such that the total amount paid during the calendar year equals the annual rental as determined in III(b), above.

(f) Lessee agrees to have an annual audit performed in a manner that will identify Gross Revenues as defined in this lease, and to supply Lessor with a copy of the audit within a reasonable time after the close of the fiscal year so that the annual rental for the next calendar year may be determined before April 1st of that calendar year. Lessee also agrees that Lessor has the right to review and perform its own audit of Lessee's records at Lessor's expense.

IV. Payment of Rent. All payments due under this lease shall be paid to the treasurer of the Village of Shorewood Hills or his designated representatives at the Village Hall of the Village of Shorewood Hills. The Lessee covenants and agrees to pay, at the time and in the manner heretofore specified, the aforesaid payments and rents reserved herein during the continuance of the term of this lease.

V. Use of Premises. The Premises shall be used by the Lessee for the sole purpose of operating a private country club thereon and not for any other purposes except as may be authorized in writing by the Lessor. As a part of its use, the Lessee shall maintain and operate on the Premises, an Eighteen (18) hole golf course and a Clubhouse, which shall include therein one or more dining rooms. At no time shall the Premises be open to use by the general public (except for private parties under the supervision and control of the Lessee or as otherwise provided in this lease).

VI. Title and Subordination of Liens. The Lessor covenants that the Premises are free and clear of encumbrances except any of record and represents and warrants that it holds title in fee simple to such land. Lessor further warrants and agrees that it will not create therein, or willingly permit any third party to establish, any interest whatsoever in the Premises except as such shall be subject to the terms and conditions of this lease. The Lessee warrants and agrees that it will promptly pay for any work done on about the Premises contracted for by it and will not

permit or suffer any mechanic's or materialmen's lien to attach to the Premises as a result thereof. Lessee agrees not to make any contract for construction, repair, or improvement in, of, or to the Premises, or any part thereof, or for any work to be done or materials to be furnished on or to Premises, or any part thereof, without providing in such contract or agreement that no lien of mechanics or materialmen shall be permitted to arise against or attach to the Premises at any time. All persons furnishing any work, labor, or materials, as well as all other persons, shall be notified in advance of furnishing such labor, work or materials of the aforementioned provision and Lessee shall secure a written waiver of their rights to any such liens and deliver the same to the Lessor prior to the commencement of any such work or the delivery of any materials to the Premises. To that end, Lessee agrees that it will not make any contract or agreement, either oral or written, for any labor, services, fixtures, materials, or supplies on connection with altering, repairing or improving any building or improvement on said Premises without providing in such contract or agreement that the contractor or contractors and the subcontractors shall waive all rights to any liens created by reason of furnishing any labor, services, or materials under such contracts or subcontracts or shall subordinate the same to the interests of the Lessor in the Premises.

VII. Assignment. Except as provided in paragraph XXXII herein, the Lessee shall not assign this lease or sublet any

portion of the Premises without written consent of the Lessor (this provision shall not prevent the Lessee from renting the Premises to private organizations for the purposes of conducting private social or golf events provided that the same shall not exceed 72 hours at one time).

VIII. Lessee's Use of the Premises. Except as otherwise provided, Lessee shall have the exclusive use of the Premises during the term of this lease. Lessee may sell liquor and beer in the Clubhouse located on the Premises but agrees as a condition of this lease that such sales shall be conducted in an orderly and lawful manner and in accordance with state and municipal regulations and ordinances. This provision shall not be construed as entitling the Lessee to any licenses for the sale of beer or liquor and any such sales shall be conditioned upon the Lessee obtaining and maintaining valid license for such sales.

IX. Lessor's Use of the Grounds. The Lessor expressly reserves the following uses of the Grounds:

(a) Lessor shall have the right to use the Grounds for winter sports from December 1 to April 1 of each year. The Lessor shall, as soon as reasonably possible, repair any damage that may be done to the Premises resulting from such use. Lessor shall not permit the use of snowmobiles on the Grounds.

(b) Lessor shall have the right to construct on the Grounds a building which can be used for any winter sports

program conducted thereon by the Lessor, except that the type of building and location thereof shall be subject to the approval of the Lessee which approval shall not be unreasonably withheld. The Lessor shall further have the right to construct and maintain on the Grounds a ski tow and/or a toboggan slide, the type and location of which shall be subject to the approval of the Lessee, which approval shall not be unreasonably withheld. If any ski tow or toboggan slide constructed hereunder shall interfere with the Lessee's use of the Premises as a golf course, the Lessee may require that the Lessor remove the same each year prior to April 15.

(c) Lessor shall have the right to construct and maintain a boat house, boat marina, pier, dock and associated facilities including sanitary facilities on the land described in Appendix B which is attached hereto and made a part of this lease. Lessor shall further have the right to store boat lifts in the areas north of the 16th fairway during a period from October 15 to May 25.

(d) Lessor reserves the following rights-of-way from Lake Mendota Drive to be used in conjunction with the uses specified in subsection (c):

(1) A right-of-way from Lake Mendota Drive to Lake Mendota for pedestrian traffic ten (10) feet in width, the center line of which is the existing walkway located east of the western-most property line bounding the west end of the present 16th Tee.

(2) A right-of-way from Lake Mendota Drive to Lake Mendota for vehicular traffic fifteen (15) feet in width, the center line of which is the existing service road which passes east of the present 16th Green and then runs parallel to the edge of Lake Mendota Drive to the existing boat marina. The Lessor shall have the right to close said service road to all vehicular traffic except authorized service vehicles of either the Lessor or the Lessee. The Lessor may, at its option, construct a gateway across said service road, but, if so, shall at all times provide the Lessee with a key to said gate to permit the free passage of Lessee's service vehicles.

(e) The Lessor shall have the right to use the Grounds subject to reasonable regulation by the Lessee, on one day during the first week of July each year for the purposes of exhibiting and operating a fireworks display. Said use shall be limited to the hours of 4:00 p.m. to 11:00 p.m. and shall be limited to that portion of the Grounds as shall be necessary for said display. The Lessor shall purchase the fireworks and pay for portable toilets and other necessary expenses for the aforesaid display and Lessee agrees to pay Lessor one-half of the net cost of putting on the display, which shall be paid promptly by the Lessee upon request by the Lessor.

(f) Lessor shall have the right to use the golf course maintained on the Premises for adult or children's golf instruction programs. The right reserved hereunder shall be limited to regularly organized groups of bona fide Village residents operating under an organized and specifically designated program of instruction conducted by the Lessor and such use shall be further limited to no more than one-half day per week during the months of June, July, and August, which day and time shall be designated by the Lessee. Whenever practical, any golf instruction program shall be conducted jointly between the parties hereto under the supervision of the golf professional in the employ of the Lessee.

X. Lessor's Use of the Buildings. Lessor expressly reserves the following rights in the Buildings:

(a) Lessor shall have the right to use the Clubhouse as a place for Village meetings and elections providing that the time for such use shall not interfere with the reasonable enjoyment of such Premises by members of the Lessee.

(b) The Lessor shall have the right to use the Clubhouse for social functions of bona fide Shorewood Hills organizations, except that such use, unless otherwise mutually agreed upon, shall be limited to 24 times per year and to no more than one day in each week of which no more than four days shall fall on a Friday or Saturday. Such use

time shall not be cumulative. The Lessor agrees to provide the Lessee with a schedule of proposed dates for each year prior to the first day of January of each calendar year (failure to provide such list shall not preclude any use reserved by the Lessor). The Lessor shall not schedule any events on holidays unless mutually agreed to by the Lessee. The Board of Trustees of the Village of Shorewood Hills shall determine which Village organizations are eligible under this clause and its findings shall be binding upon the Lessee. The Lessor shall not exercise its rights hereunder so as to conflict with any scheduled event or function held by said Lessee. The use of the Lessor hereunder shall be subject to the normal rules and regulations of the Lessee. Lessor shall make all proper arrangements with persons, firms or organizations, if any, which may be operating the bar or restaurant concessions with respect to providing and serving food or refreshments. Shorewood Hills organizations shall be entitled to furnish their own refreshments for their functions and the Lessee shall permit the reasonable use of facilities necessary for serving such refreshments including the use of dishes and silverware provided that such organizations shall be responsible for any loss or breakage. Lessor's use hereunder shall be limited to the hours of 7:00 a.m. until 1:30 a.m. The term "refreshments" in this section does not include intoxicating liquor or fermented malt beverages.

XI. Use by Village Residents. The Lessor reserves the following rights in the Premises for its residents, provided that the same may be limited or released at any time by the Lessor:

Upon application to the Lessee, any bona fide adult resident of the Village of Shorewood Hills shall be entitled to play golf on the golf course maintained on the Premises, however, such use shall be limited to such times as shall be reasonable, the same to be subject to the discretion of the Lessee's golf professional and further provided that no resident shall have the right to play more than three times during any single golf season. Any resident exercising the rights reserved herein shall be subject to all course rules and regulations set by the Lessee and shall pay fifty percent (50%) of the standard green fees as shall be set by the Lessee. Use by residents under this provision shall not interfere with any regularly scheduled qualifying event or tournament scheduled by the Lessee.

XII. Mutual Privileges of Lessor and Lessee.

(a) All residents of Lessor shall have the privilege of applying for a social membership in the Club and upon acceptance by the Club the initiation fee shall be waived; provided, however, that such resident shall be obligated to meet all of the other requirements of a social member. In the event that such resident applies for and is accepted as a golfing member the initiation fee for such membership shall be paid.

(b) All residents of the Lessor shall be permitted dining privileges at the Club during the months of January, February and March of each year, or as permitted by the Club, at no fee and such purchases shall be paid for without extensions of credit. Such privileges shall be extended subject to all of the rules and regulations of the Club and availability of the dining facilities.

(c) The chief administrator, police chief, and fire chief of the Lessor shall be granted dining privileges at the Club and such purchases shall be paid for without extensions of credit. No initiation fee, social membership fee or minimum spending fee shall be required; provided, however, that such privileges shall be subject to all of the rules and regulations of the Club.

(d) All members of the Lessee shall be given a priority to apply for membership in the swimming pool operated by Lessor (including associated rights for use of tennis facilities). Such priority shall commence at the time the present waiting list for membership in the pool is exhausted, and at such time new memberships shall alternate on a one-on-one basis, between two lists, one being for members of the Lessee and the other for the general public. All memberships shall be in accordance with all of the rules and regulations for the operation of the pool, including the payment of the non-resident membership fee.

(e) All residents of the Lessor shall be given a priority to apply for membership as a golfing member of Lessee provided they are social members of the Club at the time of application. Such priority shall be in accordance with the same provisions contained in (d) above.

(f) The Lessee agrees to keep its bar and lounge facilities available for use by residents of the Lessor during the winter months on Saturday and Sunday afternoon and between the hours of 12:00 noon and 5:00 p.m. Such use is contemplated by residents engaged in winter sports activities on the premises and any purchases of food or drink by residents shall be paid for in cash. Lessor shall assume all responsibility for any and all damages caused to the bar or lounge facilities occasioned by such use, and such facilities shall not be available during times as the Club is closed for repairs or the customary winter cleaning operations.

XIII. Utilities. Lessee shall furnish its own heat and pay for all utility services, such as gas, electricity, telephone, water and sewer services, if any. Utility services provided to any separate structures operated exclusively by the Lessor under the provisions of this lease shall be separately metered and paid for by the Lessor.

XIV. Janitorial Services. The Lessee shall maintain the Buildings in a clean and presentable condition at all times and shall meet all requirements set by the laws of the State of

Wisconsin, or any agency thereof, or set by the ordinances of the Village of Shorewood Hills. Lessee shall provide such janitorial service as shall be required to comply with this section. This section shall not apply to Buildings which are under the exclusive control of the Lessor.

XV. Maintenance of the Premises. Lessee shall at all times, at its expense, maintain the Premises, including all Buildings, or structures located thereon, the Grounds, parking lots, driveways, watering systems, and trees, bushes, shrubs, and other plantings, in a good state of repair and maintenance and in a sightly condition. Repairs and alterations required by normal deterioration are not excepted. Lessee further agrees to maintain and keep in good repair gas, water, sewer facilities and equipment and the like and the Lessor shall have no responsibility to make any restoration or replacement of such facilities. Lessee shall, at its own expense, maintain the interior of all structures on the Premises in a sightly and presentable condition, normal wear and tear not excepted. This section shall not apply to any Building or area of the Grounds used exclusively by the Lessor which Building or area of the Grounds shall be maintained at all times in a condition of sightliness and good repair by the Lessor at its expense. If the Lessee shall fail to maintain the Premises as required herein, the Lessor shall have the right, after ten (10) days' notice in writing of the existence of a breach hereunder, to enter the Premises and make such repairs for which the Lessee shall become liable and does

hereby agree to pay to the Lessor. In the alternative, the Lessor may treat such a failure as a breach of this lease and may avail itself of all other remedies therefor.

XVI. Alterations and Additions. The Lessee shall have the right to make structural alterations or improvements beyond ordinary repairs and to make additions to existing Buildings or structures or to erect new Buildings or structures, all upon the written consent and approval of the Lessor, which consent and approval shall not be unreasonably withheld. Alterations and improvements necessary for ordinary restoration need not be approved by the Lessor, however, the Lessor shall be notified in advance of any such repairs or alterations which shall exceed the expenditure of Ten Thousand Dollars ($10,000.00) in advance thereof. All additions, alterations or improvements made by the Lessee shall pass to the Lessor upon the termination of this lease. Nothing in this section shall be construed as relieving the Lessee from obtaining all permits or other official approval that may be required by state or local regulations.

XVII. Liability for Damage. The Lessor shall not be liable to the Lessee for any damage whatsoever resulting from defects in any Buildings or structures on the Premises or any utility system located thereon. The Lessee hereby covenants and agrees that it will save the Lessor harmless and defend it against all claims arising from damage or injury caused by any defects whatsoever in

the Premises, including structures located thereon, or resulting from Lessee's use of said Premises or the use by any of its members or invitees. The liability of the Lessee shall not extend to damage or injury related to structures constructed and maintained by the Lessor for its exclusive use nor to any injury or damage occurring on any portion of the premises while the same is under the exclusive control of the Lessor, except when such liability or damage shall result from failure of the Lessee to meet a duty to maintain or repair under the terms of this lease. The Lessor agrees to save the Lessee harmless and shall defend it against all claims arising from damage or injuries occurring during activities sponsored by the Lessor on the premises unless said damage or injury results from a failure of the Lessee to meet its duty to maintain and repair the Premises as set forth in this lease or as a result of the direct negligence or intentional acts of servants or agents of the Lessee or other person under its management and control. Either party hereto agrees to notify the other immediately upon receipt of any claim or damage or loss occasioned by any person and upon which liability upon either party might be predicated.

XVIII. Liability Insurance. The Lessee agrees, upon acceptance of the Premises, to carry and pay the premiums for a comprehensive general landlord and tenants' public liability policy (including liability under the safe place statute) naming both the Lessee and Lessor as assureds and insuring the same

against loss resulting from injury to property in the sum of at least One Hundred Thousand Dollars ($100,000.00) and for loss resulting from injury to person or from loss of life arising out of the use and occupancy of the Premises in the sum of at least Five Hundred Thousand Dollars ($500,000.00) for each such person and at least One Million Dollars ($1,000,000.00) for any number of persons injured or killed in any one incident except for uses by Lessor under paragraph IX(a) through IX(e) of this lease.

XIX. Fire and Extended Coverage Insurance. Lessee agrees to keep all Buildings and appurtenances on the Premises, except those constructed by the Lessor and remaining under its exclusive control, insured in an amount equal to the replacement value thereof as against fire, wind, extended coverage and vandalism and malicious mischief and to pay the premiums for such insurance. Said policy or policies of insurance shall run to the Lessor as owner and the Lessee as Lessee, as their interest shall appear. Lessee shall furnish to the Lessor a complete reliable appraisal by a person or firm acceptable to the Lessor as to the value of all buildings on the first day of the term of this lease and at least every five (5) years thereafter and immediately upon the completion of any major improvement or addition thereto, unless such appraisal requirements are waived in writing by the Lessor.

XX. Default in Insurance. If the Lessee shall fail to procure the insurance set forth in paragraphs XVIII and XIX of this lease or any appraisal or annual reevaluation required

therein, the Lessor may secure such insurance, appraisals or annual reevaluations and the Lessee agrees that any charges therefor shall be paid by it upon demand by the Lessor. Nothing in this section shall limit the right of the Lessor to treat any default under the insurance provisions of this lease by the Lessee under other default provisions of this lease at the option of the Lessor. If Lessor is forced to take out any insurance due to the default of the Lessee in this respect, it shall notify Lessee of the amount of premium paid by it and thereupon Lessee shall reimburse the Lessor for such premium payments. Failure of Lessee to pay such premiums or the costs of appraisers or reevaluations incurred by the Lessor within ten (10) days from notice to Lessee in writing by the Lessor of the amount due, shall constitute a breach of the covenants of this lease. Lessee shall provide the Lessor with copies of policies, or with certificates of insurance, for all policies of insurance required under this lease.

XXI. Destruction of Premises. In the event of damage by fire or other insurable casualty so as to render any portion of the Premises partly or wholly untenable, the same shall be restored or repaired by the Lessee to the extent that said loss is covered by insurance. Any and all monies paid to the Lessee or to the Lessor pursuant to the provisions of any policy of insurance covering buildings or structures on the leased Premises shall be used to repair, restore, or rebuild the clubhouse or other buildings or structures covered by said insurance. Such

work or repair, restoration or rebuilding shall be done with all reasonable dispatch after the occasion therefor arises and there shall be no abatement of rent during the period the Lessee is making such repairs, restoration or is rebuilding. This section does not apply to any structures subsequently constructed by the Lessor on the Premises, except that in the event of damage or destruction involving such structures, if the same are to be rebuilt, the Lessor shall do so within a reasonable time after such damage or destruction or shall remove the same. In the event that the damage or destruction occurs within five (5) years from the end of the term of this lease, or within five (5) years from the end of the term of the lease as extended, the Lessee shall have the option of rebuilding or repairing under the terms of this lease or terminating the lease. In the event of termination, all proceeds received by the Lessee from insurance covering its interest in the Premises, except as the same may cover personal property belonging to the Lessee, shall be paid to the Lessor.

XXII. Default in Rent or Scheduled Payments. In the event of default by the Lessee in any scheduled payments or rents herein reserved, or any part thereof, and if such default shall continue for thirty (30) days after written notice from Lessor, then the Lessor shall, without further notice, at its option, have the right to reenter the Premises, remove the Lessee and all persons holding under Lessee therefrom, and to terminate this lease, and repossess itself of the Premises; provided, however,

that such repossession shall not constitute waiver by the Lessor of any other rights which it might have to enforce the collection of rents for the balance of the term, or to recover damages from the Lessee for default in the payment of rents, or otherwise.

XXIII. Default of Either Party (Other Than Payments). If either party hereto should be in default under any provisions of this lease, the other party, prior to exercising any option arising upon such default, unless such default shall immediately threaten the interest of the said party in the Premises, shall give the defaulting party written notice of such default, and the defaulting party shall have ten (10) days in which to cure such default, unless a shorter time be provided elsewhere in this lease, in which case the shorter time shall apply; provided, however, that if any such default cannot be remedied by the defaulting party with reasonable diligence within said ten (10) days, the defaulting party may have such additional time as may, under the circumstances, be reasonably necessary to complete the remedy of such default. This section shall not apply to the payment of any rents or other payments reserved hereunto to the Lessor.

XXIV. Notices. All notices or demands to be given under this lease by one party to the other shall be given personally or by certified mail addressed to the last known address of the other party. The date of service of a notice or demand shall be the date of actual personal service or the postmark on the certified mail, as the case may be.

XXV. Parties Bound. This lease and the provisions herein under shall be binding upon the respective parties and shall inure to the benefit of said parties, their successors and assigns.

XXVI. Termination on Bankruptcy. If the Lessee shall be adjudged bankrupt or if a judgment is rendered against the Lessee in such an amount as to render the Lessee insolvent and incapable of meeting the obligations hereunder and such judgment or order is not appealed from or if said Lessee shall make an assignment for the benefit of creditors or if a receiver shall be appointed for the Lessee by a court of competent jurisdiction and said order appointing the receiver is not appealed from by the Lessee, the Lessor may immediately terminate this lease and the right of the Lessee to possession of the Premises.

XXVII. Fixtures. Any fixtures installed by the Lessee may be removed by the Lessee at its expense at any time provided that the Lessee shall leave the Premises in as good condition after said removal, as prior thereto, and provided that said Lessee shall have the written permission of the Lessor for such removal. If the Lessor does not approve the removal of any fixtures installed by the Lessee, it shall pay for the same a sum equal to the cost thereof to the Lessee less reasonable depreciation. This provision shall be applicable to trade fixtures.

XXVIII. Surrender of Premises on Termination. The Lessee, upon termination of this lease, in any manner, will surrender to

the Lessor possession of the Premises in good and clean condition and repair and will deliver up the keys to the Lessor.

XXIX. Taxes. The Lessee shall pay all personal property taxes assessed or levied against its property located on the Premises.

XXX. Consolidation of Lessor. In the event that the Lessor should be consolidated with another municipality, the reservations of rights and privileges in favor of the Lessor as enumerated in paragraphs IX, X, and XI shall terminate, except that such rights and privileges set forth in paragraphs X and XI shall be binding as to the rights secured thereunder to any individuals residing within the corporate limits of the Village of Shorewood Hills at the time of consolidation or who may subsequently reside in the same area. Upon consolidation, the term of this lease may at the option of the Lessee, be extended for a period of twenty (20) years, provided said option shall be exercised in writing within thirty (30) days after the effective date of said consolidation. The annual rental shall be Ten Thousand Dollars ($10,000.00) during any such extension beyond the initial term of this lease. Any extension shall be on the terms and conditions set forth herein, except as specifically modified by this section.

XXXI. Previous Leases. It is mutually agreed by the parties hereto that this lease shall, on the first day of January, 1987, supersede and replace all previous leases or amendments thereto between the parties covering the Premises described herein,

except that if for any reason this lease should be declared void, unlawful or unenforceable, then the lease in effect on the 1st day of April, 1969, shall be continued under its terms and conditions, modified so that payments and rentals shall be as determined under section III of this lease, and with the term of the lease as modified extending until December 31, 2025.

XXXII. Capital Improvements - Assignment of Lease by Lessee. In the event Lessee obtains financing for capital improvements from a financial institution, it is mutually agreed that Lessee may assign its interest in the lease to such institution, notwithstanding the provisions of paragraph VII, for the purpose of securing said loan; and in the event of any default by Lessee, such institution shall have all of the rights and privileges existing under the terms of the lease, subject to all of the obligations contained therein. The Lessee shall promptly notify Lessor, in writing, of any such assignment.

XXXIII. Mutual Understanding. In order to continue mutual understanding between the parties, it is agreed that each party shall appoint a committee from its residents or members, as the case may be, to meet at least twice a year, to jointly discuss matters of mutual interest and any potential problems which may arise from time to time.

XXXIV. Property Tax. In the event that the Lessor shall be required by law to assess and to levy any real property taxes against the Premises or any portion thereof, the Lessee shall have the option of (1) paying said taxes in addition to the

payment of those sums set forth in section III and continuing in possession of the Premises under this lease or (2) it may declare this lease void and terminate the same.

IN WITNESS WHEREOF, the Village of Shorewood Hills has caused these presents to be signed by the President and countersigned by the Village Clerk and sealed with its official seal; and Blackhawk County Club, Inc., has caused these presents to be signed by its President and Secretary, all on the 24th day of November, 1986.

AS TO THE VILLAGE IN PRESENCE OF:

VILLAGE OF SHOREWOOD HILLS

By _____
Karl W. Wellensiek, President

COUNTERSIGNED BY:

_____
Patricia A. Spillman,
Deputy Village Clerk

AS TO BLACKHAWK IN PRESENCE OF:

BLACKHAWK COUNTRY CLUB, INC.

By _____
Edward G. Sheffield, President

COUNTERSIGNED BY:

_____
Verle W. Christensen, Secretary

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

Personally came before me this 24th day of November, 1986, Karl W. Wellensiek, President, and Patricia A. Spillman, Deputy Village Clerk, of the above-named municipal corporation, to me known to be the persons who executed the foregoing instrument, and to me known to be such President and Deputy Village Clerk of said municipal corporation, and acknowledged that they executed the foregoing instrument as such officers as the deed of said corporation, by its authority.

Richard K. Norden
Notary Public, Dane County, Wisconsin
My Commission is permanent.

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

Personally came before me this 24th day of November, 1986, Edward G. Sheffield, President, and Verle W. Christensen, Secretary, of the above-named 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 as the deed of said corporation, by its authority.

Richard K. Norden
Notary Public, Dane County, Wisconsin
My Commission is permanent.

APPENDIX A

Part of the SW¼ of Section 17, Town 7 N., Range 9 E., Village of Shorewood Hills, Dane County, Wisconsin, more particularly described as follows:

Commencing at the Southwest corner of said Section 17; thence S 0° -13' E 58.7 feet along the West line of said NW¼ of the NW¼ said Section 20 to the North right-of-way line of the Chicago, Milwaukee, St. Paul and Pacific Railroad; thence N 72° -41' E 188.8 feet along said right-of-way line of said railroad to the South line of said Section 17; thence S 89° -12' E 1190.7 feet on said South line of said Section; thence N 3° -40' W 380.8 feet to the North right-of-way line of said railroad; thence Northeasterly along said North right-of-way line of said railroad 1344.3 feet to the Southwest corner of Lot 188 Third Addition to Shorewood; thence N 0° -32' E 644.4 feet along the West line of said Third Addition to the Southwest corner of the First Addition to Shorewood; thence N 0° -12' W 262.15 feet along the West line of said First Addition to the Southwest corner of Lot 46, First Addition to Shorewood; thence S 86° -07' W 20.85 feet; thence N 25° 01' W 46.25 feet; thence N 26° -31' E 89.8 feet to the Northwest corner of said Lot 46 of said First Addition; thence N 0° -12' W 613.25 feet along the West line of the Second Addition to Shorewood extending to the center line of Lake Mendota Drive; thence S 65° -12' W 1085.93 feet along the said center line of said Drive; thence S 70° -20' W 207.33 feet along said center line of said Drive; thence S 80° -20' W 34.44 feet along said center line of said Drive; thence N 1° -56' W ± 372.9 feet along the West line of Lot 1, Block 1, Plat of Shorewood to Lake Mendota; thence Westerly along the shoreline of Lake Mendota to the Northwest corner of Lot 12, Block 1, Merrill Park; thence S 0° -13' E ± 222.85 feet along the East line of said Lot 12 of said Block 1, Merrill Park to the center line of Lake Mendota Drive; thence S 75° -41' W 271.34 feet along said center line of said Drive; thence N 89° -17' W 500.49 feet along said center line of said Drive to a point which is 30 feet Easterly from the West line of said Section 17; thence S 0° -13' E 725.45 feet; thence S 26° -21' W 67.0 feet to the West line of said Section 17; thence S 0° -13' E 979.5 feet to the point of beginning, subject to all easements and restrictions of record and excepting therefrom all parts of the above-described premises which comprise the existing right-of-way of Lake Mendota Drive, Sunset Drive, and Blackhawk Drive.

APPENDIX B

Part of the SW¼ of Section 17, Town 7 N., Range 9 E., Village of Shorewood Hills, Dane County, Wisconsin, more particularly described as follows:

Commencing at a point which is S 71° -29' W 330.9 feet from an iron stake which is the Northeast meander corner of Lot 1, Block 1, Plat of Shorewood; thence N 7° -29' W 75.0 feet to the Shoreline of Lake Mendota; thence S 82° -31' W 250.0 feet along said shoreline of said Lake; thence S 7° -29' E 75.0 feet; thence N 82° -31' E to the point of beginning; except that the Southerly 15 feet of this described area shall be used only for landscaping purposes and provided that all plantings on such area must have prior approval of LESSEE.

The LESSOR shall have the right of use of all the Lake East and West of the above-described property for boat mooring facilities only.

APPENDIX C

Part of the SW¼, Sec. 17, T7 N., R9 E., Village of Shorewood Hills, Dane County, Wisconsin, more particularly described as follows:

Commencing at the southwest corner of said Sec. 17; thence S 89° 12' E 502.25 ft. along the south line of said section to the point of beginning. Thence continuing S 89° 12' E 400 ft. along said south line of said section; thence north ± 225 ft. to the south line of the Chicago, Milwaukee, St. Paul and Pacific Railroad; thence southwesterly ± 425 ft. along said south right-of-way line of said railroad to the point of beginning.

APPENDIX D

Part of the SW¼, Sec. 17 T7 N., R9 E., Village of Shorewood Hills, Dane County, Wisconsin, more particularly described as follows:

Commencing at the NE corner of the SE¼ of SW¼ of said Sec. 17; thence S 0° -32' W 330 ft., thence west ± 220 ft. to a point which is 10 ft. easterly of the existing left track; thence northerly ± 200 ft. along a line 10 ft. easterly and parallel to said left track to the southwest corner of the existing pro shop; thence easterly along said pro shop to the southeast corner of said shop; thence northerly ± 52 ft. to the corner of said shop adjacent to the existing parking lot; thence northeasterly along the edge of existing parking lot ± 220 ft. to a point on the east line of said SE¼ of SW¼ of said section, thence N 0° -31' E 50 ft. to the point of beginning.