

## LEASE

THIS LEASE is made as of June 16, 2004, by and between PCCS Holdings, LLC ("Landlord") and Prairie Crossing Charter School ("Tenant"), who hereby mutually covenant and agree as follows:

### I. GRANT, TERM, DEFINITIONS AND BASIC LEASE PROVISIONS

1.0. *Grant.* Landlord, for and in consideration of the rents herein reserved and of the covenants and agreements herein contained on the part of Tenant to be performed, hereby leases to Tenant, and Tenant hereby lets from Landlord, the land legally described on Exhibit A attached hereto (the "Real Estate"), together with all buildings and other improvements now located on the Real Estate and the buildings and other improvements which are to be constructed on the Real Estate, as provided in this Lease (the "Improvements") and all other improvements (collectively, the "Leased Premises").

1.1. *Term.* The initial term of this Lease shall commence on the date of this Lease (the "Commencement Date") and shall end on December 31, 2028 (the "Termination Date"), unless sooner terminated as herein set forth. The "Term" of this Lease shall mean and refer to the period commencing on the Commencement Date and ending on the Termination Date as the same may be extended in accordance with the terms of this Lease.

### II. POSSESSION

2.0. *Possession.* Tenant shall be granted possession of the Leased Premises as of the Commencement Date.

2.1. *Existing Improvements.* Tenant acknowledges that it is leasing the existing buildings and improvements "as is" in their present condition and Landlord has not agreed to make any alteration, modification or improvement to the existing buildings and improvements.

2.2. *New Improvements.* Landlord shall cause to be constructed on the Real Estate, the buildings and other improvements that are described in the Plans and Specifications prepared for "Prairie Crossing Charter School" by Prisco Serena Sturm Architects, last revised August 27, 2003 (the "Plans").

### III. PURPOSE

3.0. *Purpose.* The Leased Premises shall be used and occupied only as a school providing education up to 8<sup>th</sup> grade, including all ancillary activities that may, from time to time, be consistent with the foregoing purpose, except that no such use shall (a) violate any certificate of occupancy for the Improvements, nor any law, statute, ordinance or other governmental regulation, or any covenant, condition or restriction, in effect from time to time affecting the Leased Premises or the use thereof including without limitation the applicable zoning codes for Grayslake, Illinois, (b) cause injury to the improvements, or (c) authorize Tenant to use, treat, store or dispose of hazardous or toxic materials on the Real Estate except in compliance with all applicable laws. Tenant shall, at all times, take all steps necessary to keep in full force and effect its charter to operate as a school under the Illinois Charter School Law, as it may be amended or replaced, from time to time.

#### IV. RENT

4.0. *Annual Base Rent.* Beginning with the Commencement Date, Tenant shall pay Annual Base Rent in monthly installments equal to Qualified Debt Service (hereinafter defined) in advance, on or before the first day of each month. Rent shall be paid to or upon the order of Landlord at Landlord's address, or at such other address as Landlord may direct. "Qualified Debt Service" means the regularly scheduled principal and interest payments from time to time due and owing by Landlord on all financing obtained by Landlord to finance the cost of acquiring and constructing the Leased Premises, provided that the terms of such financing have first been approved by Tenant. In addition to the monthly installments of Annual Base Rent, Tenant shall promptly pay when due hereunder all other charges, costs, expenses, installments, rents and other payments of any kind or nature required by the terms of this Lease to be paid by Tenant and all such other charges, costs, expenses, installments, rents and other payments shall be considered "Additional Rent." Annual Base Rent and Additional Rent are sometimes collectively referred to herein as "Rent." Except as may otherwise be expressly provided herein, the obligation to pay Rent is a separate and independent obligation of Tenant. Tenant shall make all payments of Rent promptly when due and without deduction, set-off, discount or abatement of any kind, in lawful money of the United States. Annual Base Rent is intended to be fully net of Additional Rent and no amounts of Additional Rent paid by Tenant shall reduce Tenant's obligations to pay Annual Base Rent. This Lease is intended to be a fully "net" lease and Tenant shall be solely responsible for the payment of all expenses of operating, maintaining and replacing the Improvements.

#### V. INSURANCE

5.0. *Kinds and Amounts.* Tenant shall procure and maintain at its sole cost and expense, for the benefit of Landlord and its Mortgagee (as hereinafter defined) as the named insured, the following policies of insurance:

(a) A policy insuring the Improvements and all of Tenant's contents, including loss from business interruption, against (i) loss or damage by fire; (ii) loss or damage from such other risks or hazards now or subsequently covered by an "all-risk" policy, including, but not limited to, windstorm, hail, explosion, vandalism, riot and civil commotion, damage from vehicles, smoke damage, water damage and debris removal; (iii) loss from flood; and (iv) loss from explosion, collapse and underground hazards; and (v) loss or damage from such other risks or hazards of a similar or dissimilar nature which are now or may subsequently be customarily insured against with respect to improvements similar in construction, design, general location, use and occupancy to the Improvements.

(b) A policy insuring against all claims, demands or actions made by or on behalf of any person or persons, firm or corporation and arising from, related to or connected with the Leased Premises, pursuant to a comprehensive general liability policy, for bodily injury to or personal injury to or death of any person or persons, or for damage to property in an amount of not less than \$2,000,000 combined single limit per occurrence/aggregate. Said insurance shall be written on an "occurrence" basis and not on a "claims made" basis. Landlord shall have the right, exercisable by giving written notice thereof to Tenant, to require Tenant to increase such limit if, in Landlord's reasonable judgment such increased coverage is commonly required of tenants in the general locale of the Leased Premises leasing space similar in size and use to the Leased Premises.

5.1. *Additional Insurance.* From time to time, Landlord may require Tenant to acquire additional insurance, insurance at higher coverages or alternative insurance to the extent reasonably determined by Landlord to be commercially reasonable.

5.2. *Form of Insurance.* The aforesaid insurance shall be in companies and in form, substance and amount (where not stated above) satisfactory from time to time to Landlord and its Mortgagee (hereinafter defined). The aforesaid insurance shall unconditionally provide that it is not subject to cancellation or non-renewal except after at least thirty (30) days' prior written notice to Landlord and its Mortgagee.

5.3. *Fire Protection.* Tenant shall conform with all applicable fire codes of any governmental authority, and with the rules and regulations of Landlord's fire underwriters and their fire protection engineers, including, without limitation, the installation of adequate fire extinguishers.

5.4. *Mutual Waiver of Subrogation Rights.* Whenever (a) any loss, cost, damage or expense resulting from fire, explosion or any other casualty or occurrence is incurred by either of the parties to this Lease, or anyone claiming by, through, or under it in connection with the Leased Premises, and (b) such party is then covered in whole or in part by Insurance with respect to such loss, cost, damage or expense or is required under this Lease to be so insured, then the party so insured (or so required) hereby releases the other party from any liability said other party may have on account of such loss, cost, damage or expense to the extent of any amount recovered by reason of such insurance (or which could have been recovered had such insurance been carried as so required) and waives any right of subrogation which might otherwise exist in or accrue to any person on account thereof, provided that such release of liability and waiver of the right of subrogation shall not be operative in any case where the effect thereof is to invalidate such insurance coverage or increase the cost thereof (except that in the case of increased cost, the other party shall have the right, within thirty (30) days following written notice, to pay such increased cost, thereby keeping such release and waiver in full force and effect). Landlord and Tenant shall cause each insurance policy which may be affected by the provisions of this Section 5.4 to be endorsed to reflect the waivers set forth herein.

## VI. DAMAGE OR DESTRUCTION

6.0. *Restoration.* In case of damage or destruction of the Improvements by fire or otherwise, all proceeds from insurance policies shall be paid to Tenant and Tenant shall rebuild the Improvements to substantially the condition they were in prior to the damage or destruction and this Lease shall continue in full force and effect during such restoration. If the cost of rebuilding exceeds the amount of proceeds available for rebuilding, Tenant shall nonetheless be obligated to complete the rebuilding using its own funds.

6.1. *No Rent Abatement.* No destruction of or damage to all or any portion of the Leased Premises, by fire, casualty or otherwise shall permit Tenant to surrender this Lease or shall relieve Tenant from its liability to pay to Landlord the Rent payable under this Lease or from any of its other obligations under this Lease except to the extent of insurance proceeds received by Landlord for loss of rents.

## VII. CONDEMNATION

7.0. *Takings.* If, during the Term, the entire Leased Premises or any part thereof shall be taken as the result of the exercise of the power of eminent domain or conveyed under threat of such power ("**Proceedings**"), Landlord shall be entitled to and shall receive the total award made in such Proceedings, Tenant assigning any interest in such award, damages, consequential damages and compensation to Landlord and waiving any right Tenant has now or may have under present or future law to receive any separate award of damages for its interest in all or any portion of the Leased Premises, or its

interest in this Lease. If the entire Premises are taken or conveyed pursuant to the Proceedings, this Lease and all right, title and interest of Tenant under this Lease shall terminate on the earlier of taking of possession by the condemning authority or the date of vesting of title pursuant to such Proceedings. If less than the entire Leased Premises shall be taken in any such Proceedings, this Lease shall, upon the earlier of taking of possession by the condemning authority or vesting of title in the Proceedings, terminate as to the portion of the Leased Premises so taken, and Tenant may, at its option, terminate this Lease as to the remainder of the Leased Premises if, but only if, (a) the activities of Tenant conducted in the portion of the Leased Premises taken cannot reasonably be carried on with substantially the same utility and efficiency in the remainder of the Leased Premises (or any substitute space securable by Tenant pursuant to clause (b) below) and (b) Tenant cannot construct or secure substantially similar space to the space so taken either at the Leased Premises or on adjacent land if made available for that purpose by Landlord. Such termination as to the remainder of the Leased Premises shall be effected by notice in writing given not more than sixty (60) days prior to nor more than sixty (60) days after, the date of vesting of title pursuant to such Proceedings, and shall specify a date not earlier than one hundred twenty (120) days after the date of such vesting as the date for such termination. Upon the date specified in such notice, the Term, and all right, title and interest of Tenant under this Lease shall cease and terminate.

## VIII. MAINTENANCE AND ALTERATIONS

8.0. *Tenant's Maintenance.* Tenant shall, at its sole cost and expense, keep and maintain the entire Leased Premises, clean, sanitary and in good condition and repair and shall make or cause to be made any necessary replacements, including capital replacements. Tenant shall keep the Leased Premises from falling out of repair or deteriorating. Tenant shall fully comply with all health, safety and police regulations in force. Tenant shall promptly remove any debris left by Tenant, its employees, agents, contractors or invitees in the parking area or other exterior areas of the Real Estate.

8.1. *Alterations, Repairs, Replacements and Other Construction.* Tenant shall not undertake to make any alterations to any portion of the Leased Premises, nor make any replacement or repair to any portion of the Improvements, whether as a result of a fire, other casualty, condemnation, taking or otherwise without first obtaining the written consent of Landlord in each instance, which consent of Landlord shall not be unreasonably withheld. It is the intention of Landlord and Tenant, however, to undertake all of the building and improvements that are contemplated by the Plans.

## IX. ENVIRONMENTAL CONDITIONS

9.0. *Covenants.* During the Term of this Lease, Tenant shall neither cause nor permit the Leased Premises to be in violation of any applicable Hazardous Materials Laws (hereinafter defined). Neither Tenant nor any employees, agents, contractors or subcontractors of Tenant or any other persons occupying or present on the Leased Premises with the knowledge or permission of Tenant shall use, generate, manufacture, store or dispose of on, under or about the Leased Premises or transport to or from the Leased Premises any Hazardous Materials (hereinafter defined), except as such Hazardous Materials may be required to be used, stored or transported in connection with the permitted use of the Leased Premises and then only to the extent permitted by law after obtaining all necessary permits and licenses therefor. In the event that all or any portion of the Leased Premises shall become subject to any spill, release, threatened release, dumping, disposal, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping and/or leaking of any Hazardous Materials during the Term hereof, Tenant shall (a) immediately notify Landlord of such occurrence, (b) immediately take such steps to mitigate the adverse effects of such occurrence, and (c) promptly thereafter, but as soon as practicable, take such actions as may be required by applicable law and as have been approved by Landlord to remove or remediate such Hazardous Materials.

The foregoing actions shall be undertaken by Tenant at its sole expense and Landlord shall have no liability for such actions. The foregoing covenant shall not diminish, relieve, waive or abrogate any other agreement, undertaking, representation or warranty of Tenant hereunder. "Hazardous Materials" shall mean and include any pollutants, flammables, explosives, petroleum (including crude oil) or any fraction thereof, radioactive materials, hazardous wastes, toxic substances or related materials, including, without limitation, any substances defined as or included in the definition of toxic or hazardous substances, wastes, or materials under any federal, state or local laws, ordinances, regulations or guidances which regulate, govern, prohibit or pertain to the generation, manufacture, use, transportation, disposal, release, storage, treatment of, or response or exposure to, toxic or hazardous substances, wastes or materials. Such laws, ordinances and regulations are hereinafter collectively referred to as the "Hazardous Materials Laws."

9.1. *Notices.* Tenant shall immediately advise Landlord in writing of: (i) any notices received by Tenant (whether such notices are from the Environmental Protection Agency, or any other federal, state or local governmental agency or regional office thereof) of the violation or potential violation occurring on or about the Leased Premises of any applicable Hazardous Materials Laws; (ii) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened pursuant to any Hazardous Materials Laws with respect to the Leased Premises; (iii) all claims made or threatened by any third party against Tenant or the Leased Premises relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i), (ii) and (iii) above are hereinafter referred to as "Hazardous Materials Claims"); and (iv) Tenant's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Leased Premises that could cause the Leased Premises or any part thereof to be subject to any Hazardous Materials Claims. If any Hazardous Materials Claims arise out of any activity on or about the Leased Premises of Tenant, its employees, agents, contractors or invitees, Landlord shall have the right to join and participate in any legal proceedings commenced in connection with such Hazardous Materials Claim and Tenant shall pay the reasonable attorneys' fees and other expenses incurred by Landlord.

## X. ASSIGNMENT AND SUBLETTING

10.0. *Assignment and Subletting.* Tenant shall not, without Landlord's prior written consent, (i) assign, convey or mortgage this Lease or any interest under it; (ii) allow any transfer thereof or any lien upon Tenant's interest by operation of law; (iii) sublet the Leased Premises or any part thereof; or (iv) permit the use or occupancy of the Leased Premises or any part thereof by anyone other than Tenant; except that Landlord's consent shall not be required for any assignment or sublease to any entity that is controlled by, controls or is under common control with Tenant nor for any arrangement by which Tenant permits a third party to use a portion of the Leased Premises, for purposes consistent with the applicable restrictions contained in this Lease, during hours or periods of time that it is not used by Tenant provided such arrangement is for less than one year in duration. Tenant's remedy, in the event that Landlord shall unreasonably withhold its consent to an assignment or subletting, shall be limited to injunctive relief or declaratory judgment and in no event shall Landlord be liable for damages resulting therefrom. No consent by Landlord to any assignment or subletting shall be deemed to be a consent to any further assignment or subletting or to any sub-subletting. In the event that Tenant subleases only a portion of the Leased Premises, Tenant shall pay to Landlord monthly, as Additional Rent hereunder, fifty percent (50%) of the amount calculated by subtracting from the rent and other charges and consideration payable from time to time by the subtenant to Tenant for said space, from the amount of rent and other charges payable by Tenant to Landlord under this Lease, allocated (based on the relative rentable area of the total Leased Premises and of that portion of the Leased Premises so subleased by Tenant) to the subleased portion of the Leased Premises. No permitted assignment shall be effective and no permitted sublease shall commence unless and until any default by Tenant hereunder shall have been cured. No permitted assignment or subletting shall relieve Tenant from Tenant's obligations and agreements hereunder and Tenant shall continue to be liable as

a principal and not as a guarantor or surety to the same extent as though no assignment or subletting had been made.

## XI. LIENS AND ENCUMBRANCES

11.0. *Encumbering Title.* Tenant shall not do any act which shall in any way encumber the title of Landlord in and to the Leased Premises or the Real Estate, nor shall the interest or estate of Landlord in the Leased Premises or the Real Estate be in any way subject to any claim by way of lien or encumbrance, whether by operation of law or by virtue of any express or implied contract by Tenant. Any claim to, or lien upon, the Leased Premises or the Real Estate arising from any act or omission of Tenant shall accrue only against the leasehold estate of Tenant and shall be subject and subordinate to the paramount title and rights of Landlord in and to the Leased Premises and the Real Estate.

11.1. *Liens and Right to Contest.* Tenant shall not permit the Leased Premises or the Real Estate to become subject to any mechanics', laborers' or materialmen's lien on account of labor or material furnished to Tenant or claimed to have been furnished to Tenant in connection with work of any character performed or claimed to have been performed on the Leased Premises by, or at the direction or sufferance of Tenant.

## XII. TAXES AND UTILITIES

### 12.0. *Taxes.*

(a) Tenant shall pay, on or before the date when the same shall become delinquent, all Taxes assessed during the Term, whether or not the same shall be due and payable during the year assessed.

"Taxes" shall mean any taxes (whether general, ordinary, special or extraordinary) incurred by Landlord or levied upon the Leased Premises to the extent Taxes are based upon the ownership, leasing, renting or operation of the Leased Premises. Taxes include, without limitation, real estate taxes, personal property taxes, environmental taxes, sewer charges, water charges, assessments (special or otherwise), transit taxes, ad valorem taxes or any other tax, assessment or charge (however described) in lieu of, substituted for or in addition to any or all of the foregoing taxes, assessments and charges, whether any such taxes, assessments or charges are imposed by the United States, the State of Illinois, the county in which the Leased Premises is located or any local governmental municipality, authority or agency, or any other political subdivision of any thereof.

(b) Tenant shall have the right, at its sole cost and expense, to pursue any protest, reduction or refund of any of Taxes. Any refund or reduction obtained by Tenant shall be for Tenant's sole benefit.

(c) If any governmental entity or authority hereafter imposes a tax or assessment upon or against any of the rentals or other charges payable by Tenant to Landlord hereunder (whether such tax takes the form of a lease tax, sales tax or other tax), Tenant shall be responsible for the timely payment thereof regardless of responsibility. Unless Landlord and Tenant otherwise agree in writing with respect to the payment thereof, Tenant shall pay the applicable tax to Landlord together with each payment by Tenant to Landlord of Rent due under this Lease.

12.1. *Utilities.* Tenant shall purchase all utility and other services necessary or related to Tenant's use, maintenance and repair of the Leased Premises, including but not limited to fuel and electricity, water and sewerage, from the utility or municipality providing such service, and shall pay for

such services when such payments are due. Payment for all utility and other services furnished to the Leased Premises shall be the sole responsibility of Tenant and Tenant covenants and agrees to pay for all such services, in full, promptly when due. Tenant shall be solely responsible for any deposits which may be required as a condition to the provision of utility and other service to the Leased Premises and Tenant shall pay any such required deposit.

### XIII. INDEMNITY AND WAIVER

13.0. *Indemnity.* Tenant will protect, indemnify and save harmless Landlord, its directors, officers and employees from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including without limitation, reasonable attorneys' fees and expenses) imposed upon or incurred by or asserted against Landlord by reason of (i) any accident, injury to or death of persons or loss of or damage to property occurring on or about the Leased Premises or resulting from any act or omission of Tenant or anyone claiming by, through, or under Tenant; (ii) any failure on the part of Tenant to perform or comply with any of the terms of this Lease; or (iii) performance of any labor or services or the furnishing of any materials or other property in respect of the Leased Premises or any part thereof. In case any action, suit or proceeding is brought against Landlord by reason of any occurrence described in this Article XIII, Tenant will, at Tenant's expense, by counsel approved by Landlord, resist and defend such action, suit or proceeding, or cause the same to be resisted and defended. The obligations of Tenant under this Article XIII shall survive the expiration or earlier termination of this Lease.

13.1. *Environmental.* Tenant shall indemnify, defend and hold harmless Landlord, its directors, officers, employees, agents, successors and assigns from and against, any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence of Hazardous Materials on, under or about the Leased Premises; including, without limitation: (i) claims of third parties (including governmental agencies) for damages, penalties, losses, costs, fees, expenses, damages, injunctive or other relief; (ii) response costs, clean-up costs, costs and expenses of removal and restoration, including fees of attorneys and experts, and costs of determining the existence of Hazardous Materials and reporting same to any governmental agency; and (iii) any and all expenses or obligations, including reasonable attorneys' fees, incurred at, before and after any trial or appeal therefrom whether or not taxable as costs, including, without limitation, reasonable attorneys' fees, witness fees, deposition costs, copying and telephone charges and other expenses. The foregoing obligation shall survive the termination of this Lease by lapse of time or otherwise. Tenant shall not be obligated to indemnify Landlord pursuant to this Section against liabilities arising directly and proximately out of the affirmative acts or omissions of Landlord, its directors, officers, employees, agents, successors or assigns which acts or omissions occurred prior to the date on which the Term of this Lease commences.

13.2. *Waiver of Certain Claims.* All property belonging to Tenant or any occupant of the Leased Premises that is located in or on any part of the Real Estate shall be placed at the sole risk of Tenant or of such other person only, and Landlord shall not be liable for any damage thereto or for the theft or misappropriation thereof. Tenant waives all claims it may have against Landlord for damage or injury to property sustained by Tenant or any persons claiming through Tenant or by any occupant of the Leased Premises, or by any other person, resulting from any part of the Real Estate or the Leased Premises or any of its improvements, equipment or appurtenances becoming out of repair, or resulting from any accident on or about the Real Estate, or resulting directly or indirectly from any act or neglect of any tenant or occupant of any part of the Real Estate or of any other person, including Landlord to the extent permitted by law. The waivers contained in this Section 13.2 shall apply to, but not by way of limitation, claims arising under any Hazardous Materials Laws or damage caused by water, snow, frost, steam, excessive heat or cold, sewage, gas, odors, or noise, or caused by bursting or leaking of pipes or plumbing fixtures, and shall apply equally

whether any such damage results from the act or neglect of Tenant or of other tenants, or occupants of any part of the Real Estate or of any other person, including Landlord to the extent permitted by law, and whether such damage be caused by or result from any thing or circumstance above mentioned or referred to, or to any other thing or circumstance whether of a like nature or of a wholly different nature.

#### XIV. SUBORDINATION OR SUPERIORITY

14.0. *Subordination.* The rights and interests of Tenant under this Lease shall be subject and subordinate to any mortgage or trust deed now or hereafter encumbering the Leased Premises or any portion thereof and to any and all advances to be made thereunder, and to the interest thereon, and all renewals, replacements and extensions thereof; provided that, so long as no Default then exists, Tenant's leasehold rights shall not be disturbed as the result of any foreclosure, conveyance in lieu of foreclosure or other exercise of remedies in respect of any such mortgage or trust deed. Tenant agrees that it will, within ten (10) days after demand in writing, execute and deliver whatever instruments may be required, either to make this Lease subject and subordinate to such a mortgage or trust deed, or to give this Lease priority over the lien of the mortgage or trust deed, whichever alternative may be elected by the mortgagee or beneficiary named therein (a "Mortgagee"), provided that the terms of such agreement conform to the provisions of this Lease and are otherwise reasonably acceptable to Tenant. If Tenant fails to execute and deliver any such instrument, Tenant does hereby make, constitute and irrevocably appoint Landlord as its attorney in fact, in its name, place and stead so to do. The rights and interests of Tenant under this Lease shall also be subject and subordinate to the rights of Prairie Holdings Corporation under that certain Option Agreement of even date herewith made by and between Landlord and said Prairie Holdings Corporation.

#### XV. SURRENDER

15.0. *Surrender.* Upon the termination of this Lease, whether by forfeiture, lapse of time or otherwise, or upon termination of Tenant's right to possession of the Leased Premises, Tenant will at once surrender and deliver up the Leased Premises, together with all improvements thereon, to Landlord, in good condition and repair, reasonable wear and tear and loss by fire or other casualty excepted. All Alterations, temporary or permanent, made in or upon the Leased Premises by Tenant shall become Landlord's property and shall remain upon the Leased Premises on any such termination without compensation, allowance or credit to Tenant, provided, however, that Landlord shall have the right to require Tenant to remove any Alterations and to restore the Leased Premises to their condition prior to the making of such Alterations, repairing any damage occasioned by such removal and restoration.

15.1. *Removal of Tenant's Property.* Upon the termination of this Lease by lapse of time, Tenant shall remove Tenant's articles of personal property incident to Tenant's business ("**Trade Fixtures**"); provided, however, that Tenant shall repair any injury or damage to the Leased Premises which may result from such removal, and shall restore the Leased Premises to the same condition as prior to the installation thereof. If Tenant does not remove Tenant's Trade Fixtures from the Leased Premises prior to the expiration or earlier termination of this Lease Term, Landlord, may, at its option, remove the same (and repair any damage occasioned thereby) and dispose of it or deliver the same to any other place of business of Tenant or warehouse the same, and Tenant shall pay the cost of such removal, repair, delivery and warehousing to Landlord on demand, or Landlord may treat such Trade Fixtures as having been conveyed to Landlord with this Lease as a bill of sale, without further payment or credit by Landlord to Tenant.

15.2. *Holding Over.* Tenant shall have no right to occupy the Leased Premises or any portion thereof after the expiration of this Lease or after termination of this Lease or of Tenant's right to possession. In the event Tenant or any party claiming by, through or under Tenant holds over, Landlord



may exercise any and all remedies available to it at law or in equity to recover possession of the Leased Premises, and for damages. For each and every month or partial month that Tenant or any party claiming by, through or under Tenant remains in occupancy of all or any portion of the Leased Premises after the expiration of this Lease or after termination of this Lease or Tenant's right to possession, Tenant shall pay, as minimum damages and not as a penalty, monthly rental at a rate equal to double the rate of Rent and other charges payable by Tenant hereunder immediately prior to the expiration or other termination of this Lease or of Tenant's right to possession. If the holding over occurs at the expiration of this Lease Term, or by reason of a termination by mutual agreement of the parties, Landlord may, as an alternative remedy, elect that such holding over shall constitute a renewal of this Lease for one (1) year at a rental rate equal to one hundred fifty percent (150%) of the rate of Rent payable hereunder immediately prior to the expiration of this Lease, and upon all of the other covenants and agreements of Tenant contained in this Lease.

## XVI. REMEDIES

16.0. *Defaults.* Any one or more of the following events shall be considered a Default as said term is used herein:

(a) Tenant shall be adjudged or decreed an involuntary bankrupt, or a decree or an order approving, as properly filed, a petition or answer filed against Tenant asking for reorganization of Tenant under the Federal bankruptcy laws as now or hereafter amended, or under the laws of any state, shall be entered, and any such decree or judgment or order shall not have been vacated or set aside within sixty (60) days from the date of entry or granting thereof; or

(b) Tenant shall file or admit the jurisdiction of the court and the material allegations contained in any petition in bankruptcy or any petition pursuant to or purporting to be pursuant to the Federal bankruptcy laws as now or hereafter amended, or Tenant shall institute any proceeding or shall give its consent to the institution of any proceedings for any relief of Tenant under any bankruptcy or insolvency laws or any laws relating to the relief of debtors, readjustment of indebtedness, reorganization, arrangements, composition or extension; or

(c) Tenant shall default in any payment of Rent, including Base Rent or Additional Rent or shall default under Article V hereof, and any such default shall continue for five (5) days after notice thereof in writing to Tenant; or

(d) Tenant shall default in keeping, observing or performing any of the other covenants or agreements herein contained to be kept, observed and performed by Tenant, and such default shall continue for thirty (30) days after notice thereof in writing to Tenant.

16.1. *Remedies.* Upon the occurrence of any one or more events of Default, Landlord may at its election terminate this Lease or terminate Tenant's rights to possession only, without terminating this Lease. Upon termination of this Lease, or upon any termination of Tenant's right to possession without termination of this Lease, Tenant shall surrender possession and vacate the Leased Premises immediately, and deliver possession thereof to Landlord, and Tenant hereby grants to Landlord the full and free right, without demand or notice of any kind to Tenant, to the extent permitted under applicable law, to enter into and upon the Leased Premises in such event and to repossess the Leased Premises as Landlord's former estate and to expel or remove Tenant and any others who may be occupying or within the Leased Premises without being deemed in any manner guilty of trespass, eviction, or forcible entry or detainer, *without*

incurring any liability for any damage resulting therefrom and without relinquishing Landlord's rights to Rent or any other right given to Landlord hereunder or by operation of law. Upon termination of this Lease, Landlord shall be entitled to recover as damages all Rent and other sums due and payable by Tenant on the date of termination, plus (a) an amount equal to the value of the Rent and other sums provided herein to be paid by Tenant for the residue of the stated Term hereof, less the fair rental value of the Leased Premises for the residue of the stated Term (taking into account the time and expenses necessary to obtain a replacement tenant or tenants, including expenses hereinafter described relating to recovery of the Leased Premises, preparation for reletting and for reletting itself), and (b) the cost of performing any other covenants to be performed by Tenant. If Landlord elects to terminate Tenant's right to possession only without terminating this Lease, Landlord may, at Landlord's option, enter into the Leased Premises, remove Tenant's signs and other evidences of tenancy, and take and hold possession thereof as hereinabove provided, without such entry and possession terminating this Lease or releasing Tenant, in whole or in part, from Tenant's obligations to pay the Rent hereunder for the full Term or from any other of its obligations under this Lease. Landlord may relet all or any part of the Leased Premises for such Rent and upon such terms as shall be satisfactory to Landlord including the right to relet the Leased Premises for a term greater or lesser than that remaining under this Lease Term, and the right to relet the Leased Premises as a part of a larger area, and the right to change the character or use made of the Leased Premises. For the purpose of such reletting, Landlord may decorate or make any repairs, changes, alterations or additions in or to the Leased Premises that may be necessary or convenient. If Landlord does not relet the Leased Premises, Tenant shall pay to Landlord on demand damages equal to the amount of the Rent, and other sums provided herein to be paid by Tenant for the remainder of this Lease Term. If the Leased Premises are relet and a sufficient sum shall not be realized from such reletting after paying all of the expenses of such decorations, repairs, changes, alterations, additions, the expenses of such reletting and the collection of the Rent accruing therefrom (including, but not by way of limitation, attorneys' fees and brokers' commissions), to satisfy the Rent and other charges herein provided to be paid for the remainder of this Lease Term, Tenant shall pay to Landlord on demand any deficiency and Tenant agrees that Landlord may file suit to recover any sums falling due under the terms of this Section from time to time. Landlord shall not be deemed to have failed to mitigate its damages by reason of the fact that Landlord has leased or sought to lease other vacant premises owned by Landlord, whether on the Real Estate or not, in preference to reletting the Leased Premises, or by reason of the fact that Landlord has sought to relet the Leased Premises at a rental rate higher than that payable by Tenant under this Lease.

## XVII. MISCELLANEOUS

### 17.0. *Miscellaneous.*

(a) Tenant shall, at any time and from time to time upon not less than ten (10) days prior written request from Landlord, execute, acknowledge and deliver to Landlord, in form reasonably satisfactory to Landlord and/or Landlord's Mortgagee, a written statement certifying (if true) that Tenant has accepted the Leased Premises, that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and stating the modifications), that Landlord is not in default hereunder, the date to which the Rent and other charges have been paid in advance, if any, and such other accurate certifications as may reasonably be required by Landlord or Landlord's Mortgagee, agreeing to give copies to any Mortgagee of Landlord of all notices by Tenant to Landlord and agreeing to afford Landlord's Mortgagee a reasonable opportunity to cure any default of Landlord. It is intended that any such statement delivered pursuant to this subsection may be relied upon by any prospective purchaser or Mortgagee of the Leased Premises or Real Estate and their respective successors and assigns.

(b) Landlord may, but shall not be obligated to, cure any default by Tenant (specifically including, but not by way of limitation, Tenant's failure to obtain insurance, make repairs, satisfy lien claims or remediate any release or threatened release of any Hazardous Materials); and whenever Landlord so elects, all costs and expenses paid by Landlord in curing such default, including without limitation reasonable attorneys' fees, shall be so much Additional Rent due on the next Rent date after such payment together with interest (except in the case of said attorneys' fees) at the Default Rate.

(c) None of the covenants, terms or conditions of this Lease, to be kept and performed by either party, shall in any manner be altered, waived, modified, changed or abandoned except by a written instrument, duly signed and delivered by the other party.

(d) All notices to or demands upon Landlord or Tenant desired or required to be given under any of the provisions hereof shall be in writing. Any notices or demands from Landlord to Tenant shall be deemed to have been duly and sufficiently given if a copy thereof has been mailed by United States registered or certified mail in an envelope properly stamped and addressed, or sent by courier service, with receipt, to Tenant at Tenant's Address or at such other address as Tenant may theretofore have designated by written notice to Landlord, and any notices or demands from Tenant to Landlord shall be deemed to have been duly and sufficiently given if mailed by United States registered or certified mail in an envelope properly stamped and addressed, or sent by courier service, with receipt, to Landlord at 1571 Jones Point Road, Grayslake, Illinois 60030 or at such other address or to such other agent as Landlord may theretofore have designated by written notice to Tenant, with a copy to any Mortgagee of the Leased Premises, the identity and address of which Tenant shall have received written notice. The effective date of any mailed notice shall be one (1) day after delivery of the same to the United States Postal Service or courier service.

(e) Time is of the essence of this Lease, and all provisions herein relating thereto shall be strictly construed.

(f) All previous agreements between the parties hereto with respect to the subject matters addressed by the terms of this Lease are merged into this Lease which alone fully and completely expresses the parties' rights and obligations. This Lease contains the entire agreement of the parties hereto and supersedes any and all other prior agreements and understandings, whether written or oral, formal or informal.

(g) Nothing contained herein shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership, or of joint venture, by the parties hereto, it being understood and agreed that no provision contained in this Lease or any acts of the parties hereto shall be deemed to create any relationship other than the relationship of landlord and tenant.

(h) The captions of this Lease are for convenience only and are not to be construed as part of this Lease and shall not be construed as defining or limiting in any way the scope or intent of the provisions hereof.

(i) If any term or provision of this Lease shall to any extent be held invalid or unenforceable, the remaining terms and provisions of this Lease shall not be affected thereby, but each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

(j) This Lease shall be construed and enforced in accordance with the laws of the State of Illinois.

(k) All of the covenants, agreements, conditions and undertakings contained in this Lease shall extend and inure to and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto, the same as if they were in every case specifically named, and wherever in this Lease reference is made to either of the parties hereto, it shall be held to include and apply to, wherever applicable, the heirs, executors, administrators, successors and assigns of such party. Nothing herein contained shall be construed to grant or confer upon any person or persons, firm, corporation or governmental authority, other than the parties hereto, their heirs, executors, administrators, successors and assigns, any right, claim or privilege by virtue of any covenant, agreement, condition or undertaking in this Lease contained.

(l) Tenant warrants that it has had no dealings with any broker or agent in connection with this Lease. Tenant covenants to pay, hold harmless, indemnify and defend Landlord from and against any and all costs, expenses or liability for any compensation, commissions and charges claimed by any broker or agent other than Broker(s) with respect to this Lease or the negotiation thereof.

(m) The term "**Landlord**" as used in this Lease, so far as covenants or obligations on the part of Landlord are concerned, shall be limited to mean and include only the owner or owners at the time in question of the fee of the Real Estate, and in the event of any transfer or transfers of the title to such fee, Landlord herein named (and in case of any subsequent transfer or conveyances, the then grantor) shall be automatically freed and relieved, from and after the date of such transfer or conveyance, of all liability as respects the performance of any covenants or obligations on the part of Landlord contained in this Lease thereafter to be performed; provided that any funds in the hands of such Landlord or the then grantor at the time of such transfer, in which Tenant has an interest, shall be turned over to the grantee, and any amount then due and payable to Tenant by Landlord or the then grantor under any provisions of this Lease shall be paid to Tenant.

(n) Landlord shall not be deemed in default with respect to any of the terms, covenants and conditions of this Lease on Landlord's part to be performed, if Landlord's failure to timely perform same is due in whole or in part to any strike, lockout, labor trouble (whether legal or illegal), civil disorder, failure of power, restrictive governmental laws and regulations, riots, insurrections, war, shortages, accidents, casualties, acts of God, acts caused directly by Tenant or Tenant's agents, employees and invitees, or any other cause beyond the reasonable control of Landlord.

(o) Tenant agrees to pay on demand Landlord's expenses, including reasonable attorneys' fees expenses and administrative hearing and court costs incurred either directly or indirectly in enforcing any obligation of Tenant under this Lease, in curing any default by Tenant as provided in this Lease, in connection with appearing, defending or otherwise participating in any action or proceeding arising from the filing, imposition, contesting, discharging or satisfaction of any lien or claim for lien, in defending or otherwise participating in any legal proceedings initiated by or on behalf of Tenant wherein Landlord is not adjudicated to be in default under this Lease, or in connection with any investigation or review of any conditions or documents in the event Tenant requests Landlord's approval or consent to any action of Tenant which may be desired by Tenant or required of Tenant hereunder.

18.0. *Option to Extend.* Tenant is hereby granted three (3) options to extend the Term of this Lease for three (3) consecutive twenty-five (25) year periods. To exercise any option, Tenant must give written notice to Landlord at least twelve (12) months before the then Termination Date and Tenant must not be in Default as of the commencement of the extension term. The Annual Base Rent payable during any extension shall be equivalent to the market rate then applicable for leased properties similar to the Leased Property. Such market rate shall be established by Landlord, provided that if Tenant disputes Landlord's calculation, the rate shall be established by a qualified appraiser or other professional reasonably acceptable to Landlord and Tenant.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

LANDLORD:

PCCS HOLDINGS, LLC

By \_\_\_\_\_  
Its \_\_\_\_\_

TENANT:

PRAIRIE CROSSING CHARTER SCHOOL

By Susan A. Nieklander  
Its President

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

LANDLORD:

PCCS HOLDINGS, LLC

By Robert A. Willie  
Its Manager

TENANT:

PRAIRIE CROSSING CHARTER SCHOOL

By \_\_\_\_\_  
Its \_\_\_\_\_