

LEASE AGREEMENT
BETWEEN
BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 122,
COUNTY OF WINNEBAGO, STATE OF ILLINOIS
AND
REGIONAL OFFICE OF EDUCATION

(Hoffman Campus)

THIS LEASE AGREEMENT (“Lease”) is dated as of _____ (the “Effective Date”), between the BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 122, COUNTY OF WINNEBAGO, STATE OF ILLINOIS (“Landlord”) and THE REGIONAL OFFICE OF EDUCATION (“Tenant”).

1. LEASED PREMISES

Description of Leased Premises. Landlord owns a building (“Building”) located on the real property with an address of 1102 Evans Avenue, Machesney Park, IL 61115 (“Real Property”), and, in consideration of the rents, covenants and other agreements of Tenant hereunder, Landlord hereby Leases to Tenant and Tenant hereby leases from Landlord the Building and Real Property (collectively, the “Leased Premises”).

2. TERM

(a) Initial Term. The initial term of this Lease shall commence on July 1, 2022 (“Commencement Date”), and will expire on June 30, 2025 (“Initial Term”) unless terminated earlier under the terms set forth below. The Initial Term, plus any extension or renewal to this Lease, shall be collectively referred to as the “Lease Term”.

(b) Renewal Terms. Tenant shall not have any automatic right to extend the Initial Term of this Lease. Notwithstanding the preceding sentence, Landlord and Tenant are permitted, by written agreement, to extend the Initial Term for a mutually agreed upon duration (“Renewal Term”) by written agreement. No individual Renewal Period entered into by the parties shall exceed two (2) years in duration.

(c) Lease Year. Each consecutive twelve-month period beginning on the Commencement Date shall be a “Lease Year”; provided, however, that if the Commencement Date is other than the first day of a calendar month, the first Lease Year shall include the partial month during which the Commencement date occurs and the period beginning on the first day of the first full calendar month after the Commencement Date.

(d) Early Occupancy. Upon execution of this Lease and prior to the Rent Commencement Date, Tenant may have access to the Leased Premises solely for the purpose of performing Tenant’s Work as set forth in Paragraph 6.

3. RENT

(a) Base Rent. For each Lease Year during the term of this Lease, Tenant shall pay to Landlord, at Landlord's address as indicated below or as otherwise directed by Landlord, in writing, from time to time, an amount, as further defined below, as "Base Rent". The Base Rent shall be payable in twelve (12) equal monthly installments, as further defined below, in advance, commencing on July 1, 2022 ("Rent Commencement Date"), and payable on or before the first date of each month thereafter during the Term of this Lease.

"Base Rent shall include the actual cost of utilities including but not limited to gas; electric; water; sewer; and garbage. Base Rent shall also include Janitorial/Landscaping services. Base Rent is further intended to include any other services provided by Landlord at the request of Tenant, including Janitorial/Landscaping services and other reasonable operating expenses including those outlined in Paragraph 10(a).

- (i) For the Lease Year commencing on July 1, 2022 and ending on June 30, 2023, the annual Base Rent payable by Tenant to Landlord shall equal One Hundred Forty Five Thousand One Hundred Fifty Eight and 00/100 Dollars (\$145,158.00), and shall be payable in monthly installments of Twelve Thousand Ninety Six and 50/100 Dollars (\$12,096.50).
- (ii) For the Lease Year commencing on July 1, 2023 and ending on June 30, 2024, the annual Base Rent payable by Tenant to Landlord shall equal One Hundred Forty Eight Thousand Sixty One and 16/100 Dollars (\$148,061.16), and shall be payable in monthly installments of Twelve Thousand Three Hundred Thirty Eight and 43/100 Dollars (\$12,338.43).
- (iii) For the Lease Year commencing on July 1, 2024 and ending on June 30, 2025, the annual Base Rent payable by Tenant to Landlord shall equal One Hundred Fifty-One Thousand Twenty-Two and 40/100 Dollars (\$151,022.40), and shall be payable in monthly installments of Twelve Thousand Five Hundred Eighty-Five and 20/100 Dollars (\$12,585.20).
- (iv) If the Lease term is extended beyond the Initial Term, in accordance with Paragraph 2(b), the annual Base Rent for each subsequent Lease Year shall be determined by mutual agreement of the parties, and shall be set forth in writing and signed by both parties.

(b) True-up of Rent. For each year Lease Year during the Lease Term, Tenant and Landlord agree to "true-up" that Lease Year's rent as of June 30 in the following manner. If the actual operating expenses relating to the Leased Premises result in an amount that is less than the amount of the base rent, Landlord shall credit the overage to the following year's rent. In the final year of this Lease or any extension thereto, Landlord shall pay by check to Tenant any overage.

(c) Manner and Time of Payment. All Base Rent shall be paid, in legal tender at the time of payment, in monthly installments as above provided, in advance, on or before the first day of each month during the Lease Term at the offices of the Landlord and payable to: Board of Education of School District No. 122, County of Winnebago and State of Illinois, Attention:

Assistant Superintendent of Business Operations, 8605 N. 2nd St., Machesney Park, IL 61115 or at such other place as Landlord may designate, without prior demand and without any set-off abatement, counterclaim, or deduction whatsoever, excluding any applicable E-rate reimbursement received by Landlord. Rent due for any period less than one calendar month shall be computed and paid on the basis of a prorated fraction of the monthly installment. The payment of Rent hereunder is independent of each and every other covenant and agreement contained in this Lease.

Any Base Rent not paid by the tenth (10th) of the month, or any other Rent not paid when due, shall bear interest at the then current rate applicable to governmental entities, unless a lower rate shall then be the maximum rate permissible by law with respect thereto, in which event said lower rate shall be charged.

4. REAL ESTATE TAXES

Initial Payment. Landlord shall pay all taxes, assessments, or governmental charges (excluding court costs, penalties, interest, and fines owed due to delinquency or violations of Law) lawfully levied or assessed against the Real Estate (“Taxes”), if any, on or before same become delinquent, and Tenant shall reimburse Landlord for such Taxes as set forth in Paragraph 3 above.

If any such Taxes are levied against the Real Estate, Landlord shall have no obligation to challenge or appeal such taxation, including, without limitation, the Leased Premises’ taxability or rate of assessment applied against the Leased Premises. If Tenant desires to challenge or appeal any such Taxes, it may do so at its own cost and expense, including attorneys’ fees. In no event shall such challenge or appeal toll or delay the time period in which Tenant must reimburse Landlord for such Taxes.

5. DELIVERY OF LEASED PREMISES; REPAIRS, ALTERATIONS

(a) Repairs or Alterations. Landlord reserves the right to construct, repair, maintain, and replace utility lines, pipes, conduits, or any other items that may be necessary or appropriate in Landlord’s opinion, for the operation, maintenance, or improvement of the building (including but not limited to such repairs, additions or improvements as Landlord may elect or be required to make) in, under, upon, or through the Leased Premises, and for such purposes Landlord may enter the Leased Premises. Landlord shall exercise reasonable care and due diligence to avoid or limit any material interference with Tenant’s trade or business, and shall provide Tenant with reasonable advance notice before conducting any such work within the Leased Premises except in the case of emergencies. Tenant shall give Landlord written notice of whether the contemplated work under this section constitutes a disturbance of Tenant’s use or possession or quiet enjoyment of the Leased Premises (as set forth in Paragraph 17 below), and Landlord agrees to in good faith attempt to find an alternative schedule for said work.

(b) Changes to Building and Real Estate. Landlord reserves the right to construct additional improvements to the Building and/or on the Real Property from time to time and to make such alterations thereof or additions thereto as Landlord may see fit. Landlord shall, at Landlord’s expense, make all revisions to the Building and/or the Real Property required by governmental rule or regulations, except such revisions as are required because of the operations

of Tenant's business in the Leased Premises. Tenant shall, at Tenant's expense, make all revisions to the Building and/or the Real Property which are required by governmental rule or regulation because of the operation of Tenant's business in the Leased Premises.

6. TENANT'S WORK/CONSTRUCTION AND ALTERATIONS

(a) Tenant's Work. Tenant shall, at Tenant's expense, fully equip the Leased Premises with all trade fixtures, furniture, furnishings, exterior signs, special equipment, and other items, and shall perform all work necessary for the completion of the Leased Premises and the proper operation by Tenant of Tenant's business ("Tenant's Work"). Tenant's Work shall also include installing cameras and smartboards in the Leased Premises. All items installed by Tenant shall be paid for by Tenant, and shall be of first-rate quality. Tenant shall not undertake any construction, nor shall Tenant install any equipment, without first obtaining Landlord's written approval of plans and specifications therefor, which approval shall not be unreasonably withheld. Tenant shall diligently complete Tenant's Work in accordance with the plans and specifications approved by Landlord and all applicable laws.

(b) Alterations or Improvements by Tenant. Tenant shall not, without Landlord's prior written consent, make, or permit to be made, any alterations, additions, or improvements to the Leased Premises. Prior to commencing any alterations, additions, or improvements to the Leased Premises, Tenant shall submit to Landlord plans and specifications therefore and a list of proposed contractors and subcontractors to perform such work, and Landlord shall have thirty (30) days to approve or reject such plans and specifications and any contractors or subcontractors on such list. If Landlord rejects such plans and specifications or any particular contractors or subcontractors on such lists, Landlord shall specify the reasons for such rejection. Thereafter, Tenant shall not commence such alterations, additions or improvements, or employ such rejected contractors or subcontractors, unless and until Tenant shall have modified such plans and specifications to respond to Landlord's reasons for rejecting the plans and specifications, and shall have submitted such revised plans and specifications to Landlord and received Landlord's approval thereof, or selected alternate contractors or subcontractors who are acceptable to Landlord for such work. With respect to any alterations which may be permitted by Landlord, Tenant shall promptly pay all costs, expenses, and charges therefor, shall perform such work in accordance with all applicable laws and the plans and specifications approved by the Landlord, shall employ only contractors and subcontractors approved by Landlord, shall perform such work in a good and workmanlike manner, and shall fully indemnify and hold harmless Landlord from and against any mechanic's or other liens or claims in connection with the making of such alterations, additions, or improvements. Tenant shall promptly repair any damage to the Leased Premises caused by any such alterations, additions, or improvements. Any such alterations, additions, improvements, or other work performed by or on behalf of Tenant in the Leased Premises or elsewhere on the Real Property shall also be done in accordance with and subject to the requirements and provisions of Paragraph 6 hereof.

Prior to undertaking any such work, Tenant shall submit to Landlord a list of proposed contractors and subcontractors to perform Tenant's Work. Landlord shall have the right to approve or reject any contractors or subcontractors on such list (but such approval shall not be unreasonably

withheld), and Tenant shall not employ any contractors or subcontractors which Landlord has rejected for any work on the Leased Premises. Tenant shall obtain, or shall cause all contractors and subcontractors to obtain, insurance (naming Landlord and, at Landlord's request, Landlord's mortgagee, as additional insureds) against all risk relating to any construction or improvements performed in the Leased Premises by Tenant.

(c) Removal of Improvements by Tenant. All items of Landlord's construction, all heating, ventilating, and air conditioning equipment, and all permanent improvements shall be the property of Landlord and shall not be removed from the Leased Premises without the prior written consent of Landlord. All trade fixtures, furniture, furnishings, and signs installed in the Leased Premises by Tenant and paid for by Tenant shall remain the property of Tenant, and may be removed upon the expiration of the Lease Term, provided that:

- (i) Tenant shall have fully performed all of the covenants, conditions, and provisions to be performed by Tenant under this Lease; and
- (ii) Tenant repairs any damage to the Leased Premises caused by such removal and restores the Leased Premises to the condition that existed on the Commencement Date of this Lease, reasonable wear and tear excepted.

If Tenant fails to remove any such items from the Leased Premises within thirty (30) days after the expiration or earlier termination of this Lease, all such trade fixtures, furniture, furnishings, and signs shall, at Landlord's option, become the property of Landlord, unless Landlord elects to require their removal, in which case Tenant shall promptly remove the same and restore the Leased Premises to its prior condition. If Tenant fails to promptly remove the same, Landlord may remove and store such items at the expense of Tenant.

7. UTILITIES

Tenant shall promptly pay all charges for any utilities that are not otherwise included in Base Rent as set forth in Paragraph 3 above. The payment of utilities shall be subject to the "true-up" process described in Paragraph 3(b) above and shall be subject to the adjustments each June 30 of the Lease Term.

8. USE OF LEASED PREMISES

(a) Tenant shall use the Leased Premises solely for school uses, including classrooms, staff offices, and programming facilities, and shall not use the Leased Premises for any other use or purpose without the prior written consent of the Landlord which may be withheld in Landlord's sole discretion.

(b) Tenant shall not use or occupy the Leased Premises or permit the use or occupancy of the Leased Premises for any purpose or in any manner which (1) is unlawful or in violation of any applicable legal or governmental requirement, ordinance, or rule; (2) may be dangerous to persons or property; (3) may invalidate or increase the amount of premiums for any policy of insurance affecting the Building, and if any additional amounts of insurance premiums are so incurred, Tenant shall pay to Landlord the additional amounts on demand; or (4) may create a nuisance, disturb any other tenant, or injure the reputation of the Landlord.

(c) Tenant shall not enter into any service contracts with non-governmental persons or entities (“non-governmental contractors”) under which such non-governmental contractors will perform services on or related to the Leased Premises without Landlord’s prior written consent, which consent shall not be unreasonably withheld. Such service contracts include, by way of example only and without limitation, food service contracts, janitorial/custodial service contracts, and landscaping contracts. The parties recognize and agree, by way of example and without limitation, that it is reasonable for Landlord to withhold its consent for Tenant to enter into a service contract with a non-governmental contractor which jeopardize the tax-exempt status of any bonds related to the Leased Premises.

(d) In the event Landlord believes in good faith that any business or activity conducted or anticipated by Tenant violates Section 8 of this Lease, Landlord may give written notice to Tenant thereof. Upon receipt of such a written notice, Tenant shall have seven (7) days to cease and desist from the business or activity in question or provide a written response refuting the alleged violation. Tenant’s failure to comply shall constitute a material breach of this Lease by Tenant and grounds for termination of Lease with thirty (30) days written notice.

(e) Tenant may, with Landlord’s prior written consent which consent shall not be unreasonably withheld, undertake to temporarily change the name of the Building, such temporary name change to be undertaken only as may be required to and in accordance with State law to maintain funding for the Tenant’s programs.

9. TENANT’S COVENANTS WITH RESPECT TO OCCUPANCY

During the Lease Term, Tenant shall at all times:

(a) Occupy the Lease Premises in a safe and careful manner, without committing or permitting waste and in compliance with all laws, regulations, and orders of all governmental bodies having jurisdiction over the Leased Premises.

(b) Permit no reproduction of sound which is audible outside the Leased Premises, nor permit odors to be unreasonably dispelled from the Leased Premises.

(c) Place no merchandise, signs, or material of any kind in the vestibule or entry of the Leased Premises or on the sidewalks or other common areas adjacent thereto or elsewhere on the exterior of the Leased Premises without the prior written consent of the Landlord; which consent shall not be unreasonably withheld.

(d) Keep all garbage and refuse in the type of container specified by Landlord and prepared for collection in the manner specified by Landlord.

(e) Permit Landlord access to the Leased Premises at all reasonable times for the purpose of examining the same or making such alterations, maintenance, or repairs as Landlord may deem necessary for the safety, maintenance, or preservation of the Building.

(f) Adequately heat and cool the Leased Premises, and keep the Leased Premises (including exterior and interior portions of all windows, doors, and other glass) in a neat and clean condition.

(g) Permit no lien, notice of intention to file lien, or other charges (whether arising out of work of Tenant or any contractor, subcontractor, mechanic, laborer, or materialman of Tenant or any mortgage, conditional sale, security agreement, chattel mortgage, or otherwise) which might be or become a lien or encumbrance or charge upon the Leased Premises, Building, or Real Property, or any part thereof or the income therefrom. If any such lien or claim of lien is filed against the Leased Premises, Building, or Real Property, or any part thereof, Tenant shall remove or bond over the same within sixty (60) days after the filing of such lien or claim of lien. If Tenant fails to remove or bond over such lien or claim of lien within such sixty (60) day period, Landlord may do so and recover the cost thereof from Tenant, with interest as permitted herein, upon demand.

(h) Place or install no sign, awning, canopy, advertising material, lettering, or decorations on the exterior of the Leased Premises or in any window or door in such fashion as to be visible from outside the Leased Premises without the prior written consent of Landlord.

(i) Give immediate notice to Landlord in the event of a fire, casualty, or accident in the Leased Premises.

(j) Abide by all sign criteria established by Landlord for Tenants of the Building.

(k) Comply with all reasonable rules and regulations which Landlord may from time to time establish for the use and care of the Building and the Real Property.

10. REPAIRS AND MAINTENANCE

(a) By Landlord. Subject to the provisions of Paragraphs 5, 6, 12, and 14 hereof:

(i) Landlord shall be responsible and pay for all maintenance, repair, or replacement of the Leased Premises' roof, supporting members, foundations, outside walls, heating, ventilation and air conditional systems, and well and septic systems, except for repairs necessitated by or of the acts, omissions, or negligence of Tenant and Tenant's employees, agents, invitees, licensees, contractors, sub-tenants, or assignees.

(ii) Landlord shall be responsible for operating, maintaining, repairing, insuring, improving, or replacing the Life Safety Systems in accordance with the provisions set forth in Ill. Adm. Code Title 23 Part 180 Health/Life Safety Code for Public Schools, except for repairs necessitated by or of the acts, omissions, or negligence of Tenant and Tenant's employees, agents, invitees, licensees, contractors, sub-tenants, or assignees.

(iii) Janitorial/Landscaping Services. Landlord shall be responsible for providing Janitorial/Landscaping Services on the Leased Premises. The Base Rent shall include the operating costs related to such services.

(b) By Tenant

- (i) Maintenance. Except as provided in Section 10(a) above, Tenant shall keep the Leased Premises and any fixtures or equipment therein (including, but not limited to, Tenant's signs, pipes, wiring, ducts, and conduits within the Leased Premises, all electrical, plumbing, heating, ventilating, and air conditioning equipment servicing the Leased Premises; and all doors and plate glass) in good condition and repair, except for repairs necessitated by the acts, omissions, or negligence of Landlord, Landlord's employees, agents, invitees, licensees, contractors, or assignees. Tenant shall promptly repair all damaged items, fixtures, or equipment within the Leased Premises.

11. INSURANCE AND INDEMNIFICATION

(a) Liability Insurance. During the Lease Term, Tenant shall, at Tenant's expense, procure and maintain comprehensive general liability insurance covering the Leased Premises, from companies authorized to do business in the State of Illinois and rated A or better by Best's Insurance Rating System or its equivalent, with minimums of not less than Two Million and 00/100 Dollars (\$2,000,000.00) on account of bodily injuries to or death of any one or more persons as a result of any occurrence, and One Million and 00/100 Dollars (\$1,000,000.00) coverage for property damage, and to deposit said policy or policies (or certificates thereof) with Landlord prior to the date of any use, occupancy or possession of the Leased Premises by Tenant. Landlord reserves the right to increase the minimum amounts of such coverage from time to time if Landlord reasonably determines that the aforesaid minimums are inadequate to reasonably protect Landlord and Landlord's mortgagee. Said policy or policies shall name Landlord and, at Landlord's request, Landlord's mortgagee, as additional insureds on a primary and noncontributory basis, and shall bear endorsements to the effect that the insurer agrees to notify Landlord not less than thirty (30) days in advance of any modifications or cancellation thereof.

(b) Fire and Extended Coverage Insurance. During the Term of this Lease, Landlord shall procure and maintain an All Risk fire and casualty insurance policy insuring the Building and improvements on the Real Property in an amount equal to the full replacement cost of such improvements, together with insurance against such other risks (including loss of rent) and in such amounts as Landlord deems appropriate. Such insurance shall be carried with companies authorized to do business in the State of Illinois and rated A or better by Best's Insurance Rating System or its equivalent. In the event Landlord's insurance costs hereunder are increased or raised solely as a result of Tenant's business, activities, or operations in the Leased Premises, Tenant shall either pay such increased costs within thirty (30) days after demand therefore from Landlord in addition to its other charges hereunder, or immediately cease the activities giving rise to the increased insurance costs. In addition, Tenant agrees to comply with all reasonable requirements of Landlord's insurance company and to refrain from any activities which would contravene or violate the reasonable requirements of Landlord's insurance company.

(c) Tenant's Personal Property. Tenant shall maintain insurance against fire and such other risks as are, from time to time, included in standard extended coverage endorsements, insuring Tenant's stock-in-trade, trade fixtures, furnishings, furniture, special equipment, plate glass, floor and wall coverings, and all other items of personal property of Tenant located in the Leased Premises, in an amount equal to the full replacement cost thereof. Prior to Tenant's use or

occupancy of the Leased Premises, Tenant shall furnish Landlord with a certificate evidencing such coverage.

(d) Workmen's Compensation and Employer's Liability Insurance. Tenant shall, during the entire term hereof, keep in full force and effect and pay all premiums or other charges for policies of workmen's compensation and employer's liability.

(e) Mutual Waiver of Subrogation. Each party hereto agrees to cause to be included in their respective policies of insurance the agreement of the issuer thereof that said policies shall not be invalidated by a waiver of claim by the insured against the other party and each will furnish evidence thereof to the other. Each party releases and discharges the other party, and all beneficiaries, officers, agents, employees, partners, or representatives of such party, and anyone claiming by, through, or under any such parties, from and against any liability whatsoever arising from any loss, damage, or injury caused by fire or other casualty for which insurance is carried by the insured party under such insurance. This release shall also apply, without limitation, to the parties' workmen's compensation policies. This release shall apply even if the loss or damage shall have been caused by the fault or negligence of the released party.

(f) Indemnification of Landlord. With the exception of matters arising from the acts, omissions, or negligence of Landlord or its employees, agents, invitees, licensees, contractors, or assignees, or from Landlord's failure to perform any of its obligations under this Lease, Tenant shall protect, indemnify, save, and hold harmless Landlord and Landlord's agents, servants, and employees against and from all damage, suits, liability, claims, losses, costs, or expenses (including court costs and reasonable attorneys' fees) arising out of or from any of the following:

- (i) Any accident or other occurrence in the Leased Premises or arising in connection with the business of Tenant (including, but not limited to, any malpractice or product liability claim);
- (ii) Tenant's occupancy or use of the Leased Premises; Tenant's construction in, on, or about the Leased Premises; or any act or omission of Tenant, Tenant's employees, agents, invitees, licensees, customers, suppliers, assignees, or contractors;
- (iii) Any violation by Tenant (or Tenant's agents, employees, invitees, or subtenants) of any law or ordinance relating to Tenant's use of the Leased Premises; or
- (iv) Any violation by Tenant (or Tenant's agents, employees, invitees, or subtenants) of any of the terms of this Lease.

(g) Indemnification of Tenant. With the exception of matters arising from the acts, omissions, or negligence of Tenant or its employees, agents, invitees, licensees, contractors, or assignees, or from Tenant's failure to perform any of its obligations under this Lease, Landlord shall protect, indemnify, save, and hold harmless Tenant and Tenant's agents, servants, and employees against and from all damage, suits, liability, claims, losses, costs, or expenses (including court costs and reasonable attorneys' fees) arising out of or from any of the following:

- (i) Any accident or other occurrence in or on the Leased Premises arising in connection with the negligent acts of Landlord;
- (ii) Landlord's occupancy or use of the Building or real estate (other than the Leased Premises), Landlord's construction in, on, or around the Building or real estate (other than the Leased Premises);
- (iii) Any violation by Landlord (or Landlord's agents, employees, or contractors) of any law or ordinance relating to Landlord's use of the Building or real estate (other than the Leased Premises); or
- (iv) Any violation by Landlord (or Landlord's agents, employees, or contractors) of any of the terms of this Lease.

12. DAMAGE AND DESTRUCTION OF LEASED PREMISES

(a) Damage or Destruction. In the event the Leased Premises are rendered wholly untenable by fire or other casualty and Landlord decides not to restore the same, Landlord or Tenant may terminate this Lease by written notice within ninety (90) days after the date of such fire or casualty, and the Rent shall be apportioned to the date of such fire or casualty. If the Leased Premises are rendered partially untenable by fire or other casualty, the Landlord shall proceed with diligence to restore the Leased Premises, subject to reasonable delays for insurance adjustments and delays caused by forces beyond Landlord's control, and the Base Rent shall abate in proportion to the non-usability of the Leased Premises during the period of restoration. In the event the Landlord fails to complete the rebuilding or repairs within one hundred eighty (180) days from the date of the damage under this Section, Tenant may, at its option, terminate this Lease upon written notice to Landlord, at which time all rights and obligations under this Lease shall cease.

(b) Abatement of Rent. If any casualty shall render the Leased Premises untenable, in whole or in part, a proportionate abatement of the Base Rent shall be allowed until the date the Leased Premises are restored to tenantability, unless such fire or other casualty is caused by the acts or negligence of Tenant or Tenant's employees, servants, or agents, in which event all rental and other obligations of Tenant hereunder shall remain in full force and effect throughout the period of such repair or rebuilding.

13. ASSIGNMENT AND SUBLETTING

Tenant shall not assign this Lease nor sublet the Leased Premises.

14. EMINENT DOMAIN

In the event the Real Property or any part thereof shall be taken or condemned either permanently or temporarily by any authority in condemnation proceedings or by any right of eminent domain, or the Real Property or any part thereof shall be sold or transferred to any authority in lieu of such taking or condemnation, the entire compensation award or payment therefore, including but not limited to, all damages as compensation for diminution in value of the Leasehold, reversion, and fee shall be payable to Landlord without deduction therefrom for any

present or future estate of Tenant, and Tenant hereby assigns to Landlord all of its rights, title, and interest in any such award.

In the event of a permanent taking or condemnation under the power of eminent domain, or a transfer by agreement in lieu thereof, of all or substantially all of the Real Property, the Building, or the Leased Premises, this Lease shall terminate on the date such taking or transfer, and all rents and other charges shall terminate as of the date of such termination of this Lease.

In the event of a permanent taking or condemnation under the power of eminent domain, or of a transfer by agreement in lieu therefor, or more than:

- (i) Twenty-five Percent (25%) of the Leased Premises;
- (ii) Twenty-five Percent (25%) of the Real Estate; or
- (iii) Fifty Percent (50%) of the floor area of the Building as constituted prior to such taking,

This Lease shall be deemed terminated within ninety (90) days after the date of such taking, upon written notice to Tenant, in which event all rents and other charges shall terminate as of the date of such termination of this Lease.

15. DEFAULT BY TENANT

(a) Default: Landlord's Remedies. If Tenant (i) defaults in the payment of Base Rent, or other monetary changes due hereunder and fails to remedy such default within ten (10) days after written notice from Landlord, or (ii) defaults in the performance of any other obligation hereunder and fails to remedy such default within fifteen (15) days after written notice from Landlord (except that if such failure cannot be cured within such fifteen (15) day period, this period shall be extended for a reasonable additional time provided that Tenant commences to cure such failure within fifteen (15) day period and proceeds diligently thereafter to effect such cure), or (iii) if any proceeding shall be commenced to declare Tenant bankrupt or insolvent or to obtain relief under any chapter or provision of bankruptcy or debtor relief law, or (iv) if any assignment of Tenant's property be made for the benefit of creditors, or (v) if a receiver or trustee be appointed for Tenant or Tenant's property or business, then without further notice to Tenant, Landlord, in addition to all of Landlord's other rights and remedies at law and equity, may enter upon the Leased Premises and terminate this Lease. In the event of such termination the obligations of Landlord shall cease without prejudice; however, Landlord shall have the right to immediately recover from Tenant: (a) any sums due Landlord for Base Rent and any other payments set forth in this Lease to the date of such entry; (b) the discounted net present value of the unpaid Base Rent that would have become due from the date of such termination until the date this Lease would have expired but for such termination, less the discounted net present value of the reasonable fair market rent for the Leased Premises during said time period; (c) the cost of all repairs to correct any damage to the Leased Premises or the Building caused by Tenant (ordinary wear and tear excepted); and (d) all attorneys' fees and costs incurred by Landlord to effect the termination. In addition, or alternatively, Landlord may enter into the Leased Premises without terminating this Lease and may relet them in its own name for the account of Tenant for the remainder of the Lease Term and recover from Tenant on a monthly basis any deficiency between the amount of Base Rent and

other payments of Tenant required hereunder and the amount for which the Leased Premises are relet, less expenses of reletting (including all necessary repairs, alterations, an attorneys' fees).

(b) Non-waiver of Default; Cumulative Remedies. No failure of Landlord to enforce rights or remedies upon any default of Tenant shall prejudice or affect the rights of Landlord upon any subsequent or similar default. All rights and remedies of Landlord hereunder shall be cumulative, and none shall exclude any other remedies allowed at law or in equity.

(c) Landlord's Right to Cure; Interest on Late Payments. If Tenant fails to make any payment or perform any act required by this Lease, Landlord, without waiving or releasing Tenant from any obligations or default under this Lease, may, at its option, make such payments or perform such act for Tenant, and all sums thus expended by Landlord and all costs and expenses so incurred shall constitute additional rent due and payable hereunder and shall be paid by Tenant to Landlord upon demand, together with interest at the then current rate applicable to governmental entities. All sums payable by Tenant to Landlord under this Lease, if not paid when due, shall accrue interest at the then current rate applicable to governmental entities from the due date until paid.

(d) Waiver of Redemption. In the event Tenant shall be dispossessed of the Leased Premises for any reason hereunder, Tenant, for itself and its heirs, successors, and assigns, waives and releases (to the extent permitted by law) any right of redemption or restoration of his Lease under any present or future law.

16. NOTICES

Any notice or consent required or desired to be given by or on behalf of either party to the other shall be deemed given when delivered in person, deposited in the U.S. Mail by Registered or Certified mail, return receipt requested, or delivered to a national overnight carrier, prepaid, at the following address:

To the Landlord: Board of Education of School District No. 122
Attention: Superintendent
8605 N. 2nd St.
Machesney Park, IL 61115

To the Tenant: The Regional Office of Education
300 Heart Boulevard
Loves Park, IL 61111

17. QUIET ENJOYMENT

Landlord covenants that if Tenant performs all Tenant's covenants, conditions, and obligations under this Lease, then Tenant shall, at all times during the Term of this Lease, have the peaceable and quiet enjoyment of the Leased Premises without hindrance or interruption by Landlord or any other person or persons claiming by, through, and under Landlord, subject to the terms and conditions of this Lease.

18. SIGNS AND ADVERTISEMENT

Tenant will not place or maintain any sign or advertising matter of any kind anywhere outside the Leased Premises, nor any place within the Leased Premises if intended to be seen from the exterior of the Leased Premises, without the prior written consent of Landlord, which shall not be unreasonably withheld or delayed. Tenant further agrees to maintain in good condition and repair at all times any signs or advertising materials of any kind which have been approved by Landlord for the Leased Premises.

19. LANDLORD'S RIGHT OF ENTRY

Landlord and Landlord's agents shall have the right to enter the Leased Premises at all reasonable times, upon reasonable advance notice, to examine and show the same to prospective purchasers (and during the last six months of the Lease Term, to Tenants) of the Real Property, and to make such repairs, alterations, improvements, or additions to the Building as Landlord may deem necessary or desirable, and Landlord shall be allowed to take such materials into and upon the Leased Premises that may be required therefore without the same constituting and eviction of Tenant in whole or in part and the rent received shall in no way abate while said repairs, alterations, improvements or additions are being made, provided the same shall be done with as little interference with Tenant's business in the Leased Premises as is reasonably possible.

20. RELOCATION NOT PERMITTED

This Lease shall be for the Leased Premises described above. If, at any time during this Lease or any extension thereto, Landlord is unable to provide Tenant full access to the Leased Premises, this Lease shall be deemed to have been terminated by the Landlord, and no further payments under this Lease shall be due from Tenant.

21. TERMINATION

Along with any events of termination stated above, this Lease may be terminated during the Initial Term or the then-existing renewal period, by any of the following events:

- (a) Written agreement by both parties to terminate the Lease.
- (b) Upon breach by either party beyond any applicable cure period.
- (c) Upon 30 days written notice from Tenant to Landlord that the State of Illinois has failed to fund Tenant.

22. MISCELLANEOUS

(a) Successors and Assigns. This Lease shall inure to the benefit of, and be binding upon, the heirs, successors, and assigns of the parties hereto; provided, however, that no transfer by Tenant in violation of the provisions hereof shall vest in such transferees any right, title, or interest whatsoever in this Lease or the Leased Premises.

(b) Entire Agreement. This Lease and the exhibits and addendums hereto set forth all the covenants and understandings between Landlord and Tenant concerning Tenant's occupancy of the Leased Premises, and there are no other covenants or understandings, either oral or written,

between Landlord and Tenant. Except as otherwise provided herein, no subsequent alteration, amendment, change, or addition to this Lease shall be binding upon Landlord or Tenant unless in writing and signed by both parties.

(c) Surrender and Holding Over. Upon the expiration of this Lease by lapse of time, termination, or otherwise, Tenant shall deliver up and surrender to Landlord possession of the Leased Premises in as good condition and repair as at the Commencement Date, ordinary wear and tear excepted. Should Tenant remain in possession of the Leased Premises after the termination of this Lease without the consent of Landlord, no renewed tenancy or interest in the Leased Premises shall result therefrom, and such holding over shall be an unlawful detainer and Tenant shall, upon demand, pay to Landlord actual damages and the Base Rent most recently due.

(d) Severability. In the event any provision of this Lease is rendered invalid by the decision of any court or by the enactment of any law, then at Landlord's option, such provision of this Lease shall be deemed to have never been included herein and the balance of this Lease shall continue in full force and effect.

(e) Applicable Law. This Lease and the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the State of Illinois.

(f) Labor Harmony. Tenant agrees to take no actions during the Term hereof which would:

- (i) Violate Landlord's labor contracts, if any, affecting the Leased Premises; or
- (ii) Create any work stoppages, picketing, labor disruptions or disputes, or any interference with the business of Landlord or other Tenants in the Real Property.

(g) Attorneys' Fees and Costs. In the event that either party should find it necessary to retain an attorney for the enforcement of any of the provisions hereof occasioned by the fault of the other party, the non-defaulting party shall be entitled to recover reasonable attorneys' fees and court costs incurred as a result thereof, whether said attorneys' fees are incurred for the purpose of investigation, negotiation, trial, appellate proceedings, or other legal services.

(h) Force Majeure. In the event that either party shall be delayed, hindered, or prevented from the performance of any act required hereunder other than the payment of rent by reason of acts of God, strikes, lock-outs, labor disputes, inability to obtain labor or materials at reasonable cost, power, failure, governmental laws or regulations, riots, insurrection, war, pandemics, unusually severe weather conditions, or other reasons not the fault of such party, then the performance of such act shall be excused for the period of such delay and the period for the performance for such act shall be extended for a period equivalent to the period of such delay.

(i) Recording. Tenant or Landlord shall not record this Lease without the prior written consent of the other party; provided, however, that upon the request of either party, the other party hereto shall join in the execution of a Memorandum or Short Form of this Lease for the purpose of recordation. Said Memorandum or Short Form of this Lease shall identify the parties, the Leased Premises, and the Lease Term, and shall incorporate this Lease by reference.

(j) Counterparts. This Agreement may be executed in counterparts and will be a fully binding as if signed in one entire document.

[SIGNATURE PAGE TO FOLLOW]

**Board of Education of School District No.
122, County of Winnebago, State of Illinois**

Regional Office of Education

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____