

OFFICE LEASE**For Recorder's Use Only**

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TERM OF LEASE		
BEGINNING	ENDING	
August 15, 2012	June 30, 2017	
MONTHLY RENT	DATE OF LEASE	LOCATION OF PREMISES
SEE ATTACHED RIDER	The date Batavia Enterprises, Inc. executes both Office Building Lease and attached Rider will be construed to be the "Date of Lease".	210 South Fifth Street Suite #100 St. Charles, Illinois 60174 (approximately 2,870 s.f.)
INTENDED PURPOSE		
GENERAL OFFICE SPACE – SPECIAL EDUCATION TRAINING CENTER		
ANY AND ALL RIDERS, AMENDMENTS & DIAGRAMS ARE HEREBY ATTACHED AND THEREFORE MADE A PART OF THIS LEASE.		
LESSEE		LESSOR

NAME: Mid-Valley Special Education Cooperative

ADDRESS: 1304 Ronzheimer Avenue

ADDRESS: St. Charles, Illinois 60174

NAME: Batavia Enterprises, Inc.

ADDRESS: 140 First St.


ADDRESS: Batavia, IL 60510

In consideration of the mutual covenants and agreements herein stated, Lessor hereby leases to the Lessee and Lessee hereby leases from Lessor solely for the above purpose the premises designated above (the "Premises"), together with the appurtenances thereto, for the above Term.

LEASE COVENANTS AND AGREEMENTS

1. **TERM/RENT.** Lessor leases to Lessee the Premises subject to the terms and conditions of this Lease Agreement for the term commencing August 15, 2012 and ending June 30, 2017. Lessee shall not be required to pay and Rent, Expenses (CAM) or Taxes for the period of time from August 15, 2012 through October 31, 2012, except for those expenses for which Lessee is directly responsible hereunder (i.e., electricity and natural gas). Commencing November 1, 2012, Lessee shall pay Lessor or Lessor's agent as rent for the Premises the sum stated on the attached Rider and Exhibit A, monthly in advance, until termination of this lease, at Lessor's address stated above or such other address as Lessor may designate in writing. Said Rent and Security Deposit are delineated in the Rider and Exhibit A attached hereto and made part of by this reference.



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**LEASE AGREEMENT BY AND BETWEEN BATAVIA ENTERPRISES, INC.,
LESSOR, AND MID-VALLEY EDUCATION COOPERATIVE, LESSEE**

2. **HEAT; NON-LIABILITY OF LESSOR.** Lessee will at all reasonable hours during each day and evening, from October 1 to May 1 during the term, when required by the season, furnish at its own expense heat for the heating apparatus in the demised premises, except when prevented by accidents and unavoidable delays. Lessor shall not be liable for any damages that may occur due to the failure of any heating unit in the building.
3. **HALLS.** Lessor will cause the halls, corridors and other parts of the building adjacent to the Premises to be lighted, cleaned and generally cared for, accidents and unavoidable delays expected.
4. **ASSIGNMENT; SUBLETTING.** Lessee shall neither sublet the Premises or any part thereof nor assign this Lease nor permit by any act or default any transfer of Lessee's interest by operation of law, nor offer the Premises or any part thereof for lease or sublease, nor permit the use thereof for any purpose other than as above mentioned, without in each case the written consent of Lessor, which consent shall not be unreasonably withheld.
5. **SURRENDER OF PREMISES.** Lessee shall quit and surrender the Premises at the end of the term in as good condition as the reasonable use thereof will permit, ordinary wear and tear and damage by fire or other casualty excepted, with all keys thereto, and shall not make any Alterations in the Premises without the written consent of Lessor; and Alterations which may be made by either party hereto upon the Premises, except moveable furniture and fixtures put in at the expense of Lessee, shall be the property of Lessor, and shall remain upon and be surrendered with the Premises as a part thereof at the termination of this lease. Notwithstanding the above, an Alteration does not include minor, non-structural improvements by Tenant at a cost of \$5,000.00 or less, including by way of example only and not by way of limitation, the installation or mounting of televisions or other audio/visual equipment in the Premises, the installation of kitchen appliances such as a stove, oven and/or refrigerator, the hanging of art work in the Premises, and/or the use or installation of Trade Fixtures in the Premises. Such minor, non-structural improvements, including Trade Fixtures, shall remain the property of Tenant and Tenant shall be responsible for the removal of same at its sole cost and expense upon termination of the Lease, and for restoration or repair of the Premises to as near as reasonably possible to the original condition upon commencement of the Lease, ordinary wear and tear excepted.
6. **NO WASTE OR MISUSE.** Lessee will not allow any waste of the water or misuse or neglect the water or light fixtures on the Premises
7. **TERMINATION; ABANDONMENT; RE-ENTRY; RELETTING.** At the termination of this lease, by lapse of time or otherwise, Lessee agrees to yield up immediate and peaceable possession to Lessor, and failing to do so, to pay as liquidated damages, for the whole time such possession is withheld, a per diem rate equal to one and one-half (1.5) the daily gross rental rate that exists at the time of termination of this lease by lapse of time or otherwise, and it shall be lawful for the Lessor or his legal representative at any time thereafter, without notice, to re-enter the Premises of any part thereof, either with or (to the extent permitted by law) without process of law, and to expel, remove and put out the Lessee or any person or persons occupying the same, using such force as may be necessary so to do, and to repossess and enjoy the Premises again as before this lease, without prejudice to any remedies which might otherwise might be used for arrears of rent or preceding breach of covenants; or in case the Premises shall be abandoned, deserted, or vacated, and remain unoccupied five days consecutively, excepting Lessee's normal and regular holidays and/or breaks as a public school, the Lessee hereby authorizes and requests the Lessor as Lessee's agent to re-enter the Premises and remove all articles found therein, place them in some regular warehouse or other suitable storage place, at the cost and expense of Lessee, and proceed to take reasonable efforts to re-rent the Premises and apply all money so received after paying the expenses of such removal toward the rent accruing under this lease. This request shall not in any way be construed as requiring any compliance therewith on the part of the Lessor, except as required by Illinois statute.
8. **REMOVED PROPERTY.** Upon termination of the Lease, and following reasonable notice from Lessor to Lessee, Lessor shall have the right to remove any personal property left in the Premises by Lessee, to sell the same at public or private sale, and to apply the proceeds therefrom toward the costs of removal, storage and sale, with any excess proceeds to be paid to Lessee.
9. **OPTION TO TERMINATE. [LESSOR TO REDRAFT- TERMINATION FOR CAUSE]** In the event that LESSEE shall commit immoral or illegal activities within the premise or disrupt the quiet enjoyment of other building occupants then the LESSOR shall have the right by providing sixty (60) days written notice to the LESSEE to terminate this lease.
10. **QUIET ENJOYMENT.** As long as no Default exists, LESSEE shall peacefully and quietly have and enjoy the Premises for the



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Term, free from interference by LESSOR, subject, however, to the provisions of this Lease.

11. **BROKER.** LESSEE represents to LESSOR that LESSEE has dealt only with the broker(s), if any in connection with this Lease (LESSEE's Broker is O'Donnel Commercial Real Estate, Inc., and is hereinafter referred to as "Broker") and that, insofar as LESSEE knows, no other broker negotiated this Lease or is entitled to any commission in connection herewith. LESSEE agrees to indemnify, defend and hold LESSOR, its property manager and their respective employees harmless from and against all claims, demands, actions, liabilities, damages, costs and expenses (including, attorneys' fees and expenses) arising from either (i) a claim for a fee or commission made by any broker, other than the Broker, claiming to have acted by or on behalf of LESSEE in connection with this Lease, or (ii) a claim of, or right to, lien under the Statutes of Illinois relating to real estate broker liens with respect to any such broker retained by, or claiming to have been retained by, LESSEE. LESSOR agrees to pay Broker a commission in accordance with a separate agreement between LESSOR and Broker.
12. **NOTICES.** All notices and demands to be given by one party to the other party under this Lease shall be given in writing, mailed or delivered to LESSOR or LESSEE, as the case may be, at the address set forth above or at such other address as either party may hereafter designate. Notices shall be delivered by hand or by United States certified or registered mail, postage prepaid, return receipt requested, or by a nationally recognized overnight air courier service. Notices shall be considered to have been given upon the earlier to occur of actual receipt (or refusal of receipt) or two (2) business days after posting in the United States mail.
13. **MISCELLANEOUS**
- a. Successors and Assigns. This Lease shall extend to, bind and inure to the benefit of LESSOR and LESSEE and their respective legal representatives, successors and assigns; and all references herein to LESSOR and LESSEE shall be deemed to include all such parties.
- b. Entire Agreement. This Lease, and the riders and exhibits, if any, attached hereto which are hereby made a part of this Lease, represent the complete agreement between LESSOR and LESSEE, superseding any letters of intent and other prior writings and conversations between them or their agents, and LESSOR has made no representations or warranties except as expressly set forth in this Lease. No modification or amendment of or waiver under this Lease shall be binding upon LESSOR or LESSEE unless in writing signed by LESSOR and LESSEE. The invalidity or unenforceability of any provision of this Lease shall not affect or impair any other provisions.
- c. Time of Essence. Time is of the essence of this Lease and each and all of its provisions.
- d. Execution and Delivery. Submission of this instrument for examination or signature by LESSEE does not constitute a reservation of space or an option for lease, and it is not effective until execution and delivery by both LESSOR and LESSEE.
- e. Counterparts. This Lease may be executed in any number of counterparts, any or all of which may contain the signatures of less than all of the parties, and all of which shall be construed together as a single instrument. For purposes of this Lease, a facsimile of an executed counterpart shall constitute an original.
- f. Governing Law. This Lease shall be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to its conflicts of laws principles.
- g. Plurals; Successors. The words "Lessor" and "Lessee" wherever used in this lease shall be construed to mean Lessors or Lessees in all cases where there is more than one Lessor or Lessee, and to apply to individuals, male or female, or to firms or corporations, as the same be described as Lessor or Lessee herein, and the necessary grammatical changes shall be assumed in each case as though fully expressed. All covenants, promises, representations and agreements herein contained shall be binding upon, apply and inure to the benefit of Lessor and Lessee and their respective heirs, legal representatives, successors and assigns.



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**LEASE AGREEMENT BY AND BETWEEN BATAVIA ENTERPRISES, INC.,
LESSOR, AND MID-VALLEY EDUCATION COOPERATIVE, LESSEE**

RULES AND REGULATIONS

1. Subject to terms of the Lease, no sign, advertisement or notice shall be inscribed, painted or affixed on any part of the outside or inside of Building, except on the glass of the doors and windows of the room leased and on the directory board, and then only of such color, size, style and material as shall be first specified by the Lessor in writing, endorsed on this lease. No showcase shall be place in front of Building by Lessee, without the written consent of Lessor endorsed on this lease. The Lessor reserves the right to remove all other signs and showcases without notice to the Lessee, at the expense of the Lessee. At the expiration of the term Lessee is to remove all his signs from such windows, doors and directory board.
2. Lessee shall not put up or operate any steam engine, boiler, machinery upon the Premises, or carry on any mechanical business on the Premises without the written consent of the Lessor first had and endorsed on this lease, and all stoves which may be allowed in the Premises shall be placed and set up according to the city ordinance.
3. No additional locks shall be placed upon any doors of said room without the consent of the Lessor first had and endorsed upon this lease; and the Lessee will not permit any duplicate keys to be made (all necessary keys to be furnished by the Lessor) and upon the termination of this lease, Lessee will surrender all keys of Premises and Building.
4. All safes shall be carried up or into Premises at such times and in such a manner as shall be specified by the Lessor; the Lessor shall in all cases retain the power to prescribe the proper position of such safes, and any damages done to the Building by taking in or putting out a safe, or from overloading the floor with any safe, shall be paid by the Lessee. Furniture, boxes or other bulky articles belonging to Lessee shall be carried up into the Building at times in the day as not to disrupt the occupancy of other tenants in the building; packages which can be carried by one person and not exceeding fifty pounds in weight, may, however, be carried down at suany time.
5. No person or persons other than the janitor of this Building shall be employed by Lessee for the purpose of taking charge of Premises without the written consent of Lessor first had and endorsed upon this lease. Any person or persons so employed by Lessee (with the written consent of the Lessor) must be subject to and under the control and direction of the janitor of the Building in all things in the Building and outside of the Premises. The agent and janitor of the Building shall at all times keep a pass key and be allowed admittance to the Premises, to cover any emergency of fire, or required examination that may arise.
6. The Premises leased shall not be used for the purpose of lodging or sleeping rooms or for any immoral or illegal purpose.
7. The rent of an office will include occupancy of office, water to Lessor's standard fixtures, heat, and electrical service during reasonable working hours; but Lessor shall not be liable for any damages from the stoppage of water, heat or electrical service.
8. If Lessee desires telegraphic or telephonic connections, Lessee will notify Lessor of the same and will notify Lessor of the contractor/vendor selected to perform such work prior to the same being performed, and such work shall be subject to approval by Lessor.
9. If Lessee desires Venetian or other awnings or shades over and outside of the windows, to be erected at the Lessee's expense, they must be of such shape, color, material and make as may be prescribed by the Lessor in writing on this lease.
10. The light through the transoms opening into the hall shall not be obstructed by the Lessee. Birds, dogs or other animals shall not be allowed in Building, except as may be required for students of Lessee. All tenants and occupants must observe strict care not to leave their windows open when it rains or snows. Lessee shall be responsible for all pest control services within the leased premises.
11. No packages, merchandise or other effects shall be allowed to remain in the halls at any time.
12. The Lessor reserves the right to make such other and further reasonable rules and regulations as in his judgment may from time to time be needful for the safety, care and cleanliness of the Premises and for the preservation of good order therein.


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LESSOR, AND MID-VALLEY EDUCATION COOPERATIVE, LESSEE**

13. It is understood and agreed between the Lessee and the Lessor that no assent or consent in or waiver of any part of this lease has been or can be made unless done in writing and endorsed hereon by the Lessor; and in such case it shall operate only for the time and purpose in such lease expressly stated.

14. **ADDITIONAL TERMS RIDER.** Additional terms are stated in the attached Rider **BETWEEN BATAVIA ENTERPRISES, INC., LESSOR, and MID-VALLEY SPECIAL EDUCATION COOPERATIVE, LESSEE** which is attached hereto and made a part of said Lease by this reference.

WITNESS the hands and seals of the parties hereto, as of the Date of Lease stated above.

LESSEE:

**MID-VALLEY SPECIAL EDUCATION
COOPERATIVE**

BY: _____

Dr. Don Schlomann, Mid-Valley
Board Chair

Date

6/21/12

LESSOR:

BATAVIA ENTERPRISES, INC.

BY: _____

Austin Dempsey, Vice President

Date

6/22/12

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**LEASE AGREEMENT BY AND BETWEEN BATAVIA ENTERPRISES, INC.,
LESSOR, AND MID-VALLEY EDUCATION COOPERATIVE, LESSEE**

ASSIGNMENT BY LESSOR

On this _____ day of _____, 20____, for value received,
Lessor hereby transfers, assigns and sets over to _____, all right, title and interest in and to the above Lease
and the rent thereby reserved, expect rent due and payable prior to _____, 20____.

(SEAL)

State of Illinois, County of _____ ss

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that _____
_____ personally known to me to be the same person whose name is subscribed to the
foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed and delivered the said
instrument as his free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of right of
homestead.

GIVEN under my hand and official seal this _____ day of _____, 20____

Notary Public

**This document was prepared by:
Batavia Enterprises, Inc.
140 First Street
Batavia, IL 60510
(630) 879-3680**

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**RIDER ATTACHED HERETO & THEREFORE MADE A PART OF
THIS LEASE BETWEEN BATAVIA ENTERPRISES, INC., LESSOR,
AND MID-VALLEY SPECIAL EDUCATION COOPERATIVE, LESSEE**

1. RENT

Base Net rent for the described Leased Premises ("Premises") is as follows:

LESSEE shall pay to LESSOR, as "net" (base) rent during the term of this Lease Agreement as follows:

\$0.00 per month for the period of August 15, 2012 through October 31, 2012
\$1,793.75 per month for the period of November 1, 2012 through May 31, 2013
\$1,855.93 per month for the period of June 1, 2013 through May 31, 2014
\$1,920.50 per month for the period of June 1, 2014 through May 31, 2015
\$1,987.47 per month for the period of June 1, 2015 through May 31, 2016
\$2,056.83 per month for the period of June 1, 2016 through June 30, 2017

LESSEE hereby agrees to pay each monthly rental installment by check payable to Batavia Enterprises, Inc. 140 First Street, Batavia, IL 60510 on or before the first day of each month, in advance for the duration of this lease. If the rent is not received by the Batavia Enterprises, Inc. office by the 5th day of the month in which it is due; a 5% Late Charge, assessed on all rent, charges for taxes, insurance and/or "CAM" and Late Charges owed by LESSEE will become due and payable. If written notice of the failure to pay rent has been issued by LESSOR to LESSEE and the rental payment is not yet received by the Batavia Enterprises, Inc. office by the 15th day of the month in which it is due; an additional 5% Late Charge assessed on all rent, charges for taxes, insurance, and/or "CAM" and Late Charges owed by LESSEE will become due and payable and the matter will be referred to the LESSOR's Legal Department for necessary action. The fee for returned checks or NSF fee will be \$50.00 per occurrence.

1A. NO RENT DEDUCTION OR SET OFF

LESSEE's covenant to pay rent is and shall be independent of each and every other covenant of this lease. LESSEE agrees that any claim by LESSEE against LESSOR shall not be deducted from rent nor set off against any claim for rent in any action.

2. RENTABLE AREA OF THE BUILDING

"Rentable Area of the Building" shall be deemed to be 15,565 square feet ("Rentable Area"). If during the Term of this Lease Agreement, the actual Rentable Area of the Building is increased or decreased as a result of adding space to the building or removing space from the building, or if following remeasurement of the building by LESSOR the Rentable Area of the building is determined to be otherwise than as set forth above, LESSOR may change the Rentable Area of the Building and LESSEE's Proportionate Share by written notice to LESSEE.


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3. SECURITY DEPOSIT


A Security Deposit in the amount of **\$4,700.00** (FOUR THOUSAND, SEVEN HUNDRED DOLLARS AND 00/100) is required by the LESSOR and is due and payable at the signing of this lease. Such deposit shall be increased accordingly if LESSEE leases additional space from LESSOR, if LESSEE's monthly rent is increased upon renewal of this lease agreement and/or if the nature of LESSEE's business is altered so that additional monies are required to sufficiently protect LESSOR and/or LESSOR's building. Said Security Deposit shall not be kept separate or apart.

If LESSEE performs all of LESSEE's obligations hereunder, the Security Deposit shall be returned without payment of interest to LESSEE. If LESSEE does not return the Premises to LESSOR in the same good order, cleanliness and repair as at time of LESSEE's occupancy, ordinary wear and tear and damage by fire or other casualty excepted, or if LESSEE prematurely vacates the Premises or performs a breach of contract and/or default; LESSOR will retain Security Deposit to cover all damages and charges incurred. LESSOR acknowledges a Security Deposit of **\$4,700.00** (FOUR THOUSAND SEVEN HUNDRED DOLLARS AND 00/100). Security Deposit does not apply towards any month's rent or last month's rent unless prior written consent or approval has been given from LESSOR.

4. REAL ESTATE TAXES, CAM & PROPERTY / LIABILITY INSURANCE

It is agreed that in addition to the net rent for the demised Premises, LESSEE will pay his/her proportionate share (as defined on Exhibit A hereof) of real estate taxes, common area maintenance "CAM", and property/ liability insurance, including a 10% administrative charge, for the Premises, by making scheduled monthly payments beginning **November 1, 2012** (presently **\$1,100.17** per month based on 2011 estimated expenses and estimated increases for the current year and any subsequent years, if applicable), as determined by LESSOR. Said applicable costs for property and liability insurance are outlined in the paragraph entitled "INSURANCE" contained in this lease document. Said applicable costs for CAM are outlined in the paragraph entitled "PAYMENT OF COMMON AREA COSTS". The NNN's are reconciled and invoiced once a year approximately in May. LESSOR reserves the right to change these figures at anytime throughout the year due to increases in actual expenses. LESSEE will be billed monthly according to the above-reference schedule for one-twelfth (1/12) of the estimated Real Estate Taxes, Common Area Maintenance and Insurance.

The collected funds received by LESSOR from LESSEE for real estate taxes, CAM and property /liability insurance for the Premises, so stated above, will be held in reserve by LESSOR until such time as they are needed to satisfy payment of real estate taxes, CAM and/or property/ liability insurance.


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LESSOR will draw from this prepaid reserve and use said funds to pay only LESSEE's proportionate share of real estate taxes, CAM and property/liability insurance for the aforementioned Premises. Annually, by the end of May of each year, LESSOR will forward to LESSEE a reconciliation of LESSEE's account and, in the event the amount pre-paid by LESSEE is less than the amount owed, LESSEE hereby agrees to pay the additional amount remaining after the pre-pay has been applied. In the reconciliation statement LESSOR will outline the pre-payment costs for the following year for the demised premise. LESSEE agrees to pay those costs, and understands that they are considered additional rent and will be subject to the same terms and conditions of this lease. LESSOR shall forward a report to LESSEE showing the LESSEE's balance at any time upon request by LESSEE. LESSOR and LESSEE shall work in good faith cooperation to resolve any disputes concerning the estimates and/or reconciliations submitted by LESSOR. LESSOR shall grant LESSEE (or its designee) access to its books and records with respect to the expenses in dispute during normal business hours. If the parties are unable to resolve any such dispute, either party may request an audit by an independent certified public accountant using generally accepted accounting principles. If there is a variance of five percent (5%) or more between said auditor's decision and LESSOR's determination of expenses, which determination resulted in an overpayment by LESSEE, LESSOR shall pay the reasonable costs associated with said audit and shall pay LESSEE the amount of any overpayment within thirty (30) days after such determination. In all other cases, the party requesting the audit shall pay the cost of said audit.

LESSOR and LESSEE agree that no refunds from the pre-pay account shall be paid except at lease termination, pre-pay money cannot be applied to rent once on deposit, and that no interest shall be paid or due to LESSEE on the prepaid money.

If full payment is not received by LESSOR within thirty (30) days of LESSEE's receipt of the real estate tax, CAM or property/liability insurance reconciliation statement, a 10% late charge on the total remaining balance will be assessed each month until full payment, including all pertinent late charges, is received. Said payment may be made by LESSEE pending outcome of an audit as set forth above and without waiving LESSEE's right to such an audit.

4A. COMMON AREA FACILITIES & MAINTENANCE COSTS

**(i). DESCRIPTION AND USE OF COMMON AREAS AND
FACILITIES**

LESSOR shall make available, from time to time; designated areas that serve or offer a common benefit to the LESSEE as well as other tenants and occupants. These common areas include but are not limited to, all parking areas including employee parking areas maintained by LESSOR in or near the LESSOR's Premises; interior hallways and stairways, restroom facilities shared by two or more tenants, and common lighting equipment and fixtures; the boiler and all appurtenant radiators, pipes, fixtures and equipment. They shall also include all common sidewalks, truck

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ways, driveways, loading docks and areas, delivery areas, common signage, landscaped areas, retaining walls, fences, canopies or overhang, etc. These common areas so deemed appropriate by LESSOR, will be operated, managed, equipped, lighted, repaired, protected, heated and maintained by the LESSOR. To prevent a dedication or other prescriptive right therein in favor of the public or any group or individual, LESSOR may temporarily close any portion or all of the common area from time to time.

LESSOR may designate specific areas for the parking of vehicles of employees of the LESSEE. LESSEE agrees not to interfere with the rights of other tenants to benefit from the common areas. LESSOR shall maintain the right to establish, and from time to time change, alter and amend the size, location and nature of the common areas and may add or remove installations therein and to enforce against LESSEE and other users of the common areas, such reasonable rules and regulations (including the exclusion of employee's parking therein) as may be deemed necessary or advisable for the proper and efficient operation and maintenance of the common area. The rules and regulations herein provided may include the hours which the common area shall be open for use.

(ii). APPLICABLE CHARGES FOR COMMON AREAS AND FACILITIES

All costs incurred by LESSOR related to operating, managing, equipping, lighting, heating, repairing, protecting and maintaining the common areas and facilities, in the same condition as when originally installed are the sole responsibility of the tenants that benefit from the designated common areas. These costs and expenses include, but are not limited to: snow removal, ice removal, security, supervised sprinkler alarm systems, on-site and off-site vehicle and pedestrian traffic direction and control, cleaning expenses, removal of dirt and debris, replanting and replacing of flowers and landscaping, all utility charges including electrical, natural gas, water, sewage and telephone, lighting, maintenance and illumination of common fixtures, operation of loudspeakers and any other equipment supplying music. All costs and expenses incurred by LESSOR in supplying, maintaining and cleaning restrooms shared by two or more tenants, pest control, parking lot maintenance and repair, all premiums for Worker's Compensation insurance, wages, unemployment taxes, Social Security and Medicare taxes, fees for required licenses and permits and administrative costs equal to ten percent (10%) of the total costs of operating and maintaining the "common area."

Common area cost/expenses shall not include: (a) costs of tenant alterations, including but not limited to the Improvements By Lessor ("Work") under Section 29 herein and as set forth on Exhibit A; (b) interest and principal payments on mortgages; (c) advertising expenses and leasing commissions; (d) any cost or expenditure for which Lessor is reimbursed, whether by insurance proceeds or otherwise, except through Expense reimbursement paid as part of Rent as contemplated hereunder; (e) legal expenses of negotiating leases or pursuing collections; and (f) costs of Lessor's general corporate overhead and general administrative expenses which would not be chargeable to operating expenses of the Building as determined by generally accepted accounting principles, consistently applied.



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(iii). **TENANT'S PRO RATA SHARE OF COMMON AREA MAINTENANCE**

LESSEE will pay to LESSOR as CAM that portion of common area costs that is LESSEE's proportionate share. LESSEE's common area costs are calculated on the basis of: the proportion of the total number of square feet in the LESSEE's Premises (as set forth in this lease agreement) to the total number of gross leasable square feet within the LESSOR's property (the Rentable Area of the building as set forth in Section 2 herein); and, the fraction of the LESSOR's Calendar Year during which the LESSEE is bound by the terms of this lease. The LESSOR's Calendar Year ends December 31st. LESSEE's proportionate share, calculated as set forth above, is set forth on Exhibit A hereto.

(iv). **PAYMENT OF COMMON AREA COSTS**

Based on the above calculation, the LESSEE will pay to LESSOR his/her proportionate share for common area expenses on a Monthly basis. Payments will be due and payable monthly starting on the first month of the lease and continue until the final month of the lease term. Each monthly payment will be one twelfth of the total amount of LESSEE's common area costs, based on an estimate of the LESSOR's current Calendar Year's common area maintenance charges associated with the Premises, and must be received by LESSOR no later than ten (10) calendar days following the due date. After the end of LESSOR's Calendar Year, LESSOR shall furnish LESSEE with a statement of the actual amount of LESSEE's proportionate share of such costs and expenses for such period. If the total amount paid by the LESSEE under this section for any lease year shall be less than the actual amount due from LESSEE for such year as shown on LESSOR's statement, LESSEE shall pay to LESSOR the difference between the amount paid by LESSEE and the actual amount due; such deficiency is to be paid within thirty (30) calendar days after the furnishing of such statement. If the total amount paid by LESSEE hereunder for any such Calendar Year shall exceed the actual amount due from LESSEE for the year, then the excess shall be credited against the next installment(s) due from LESSEE to LESSOR. In the event that LESSOR is delayed, for any reason, in preparing or furnishing to LESSEE such Calendar Year-end reconciliation of expenditures and proportionate costs, LESSEE shall continue to make monthly payments in the same amount as those made during the preceding Calendar Year, and any deficiency in payments made during the preceding Calendar Year shall be paid within thirty (30) calendar days after the furnishing of such statement, or any excess payment shall likewise be credited against the next scheduled installment(s) due from LESSEE. Any late payments of common area costs will be subject to a late charge penalty as previously set forth within this lease agreement.


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5. PUBLIC UTILITIES

5A. WATER

Water/sewer will be required in connection with LESSEE's business, for normal bathroom usage and a life skills kitchenette area to include sinks and a dishwasher. Such water/sewer will be furnished by LESSOR. LESSOR reserves the right to increase water/sewer charges to LESSEE at an appropriate rate, provided such charges shall not exceed the actual costs of water/sewer services utilized by LESSEE. LESSEE recognizes the supply of water to the Premises originates from the LESSOR's water meter and LESSOR has the option to install a separate and individual water meter to serve the Premises. If LESSOR exercises this option, LESSEE recognizes LESSEE will be responsible for the water/sewer charges for his/her Premises and will pay directly to the local water/sewer supply company for water/sewer charges.

Except for the Work under the Improvements by Lessor, any additional requirements, extensions or additions to the present water/sewer system, now or in the future, (as a result of Lessee's business) shall be at the LESSEE's own obligation and expense and shall meet all Local, State, Federal and O.S.H.A. Codes. All such additions mentioned above will remain in the Premises and become the sole property of the LESSOR. However; LESSEE shall promptly remove (if LESSOR elects) all non-permanent alterations and improvements and any other property placed in the Premises by LESSEE and shall repair any damage caused by such removal.

5B. ELECTRICITY

LESSEE has an independent electrical service to the Premises and LESSOR shall deliver the Premises sub-metered for electrical service. LESSEE is responsible to make his/her own arrangements with the appropriate power company service the Premises. LESSEE is also responsible to apply to the aforementioned power company to set up electrical payments upon the signing of this lease. LESSEE further realizes that all electrical usage charges associated with the Premises, from the date of this signed lease until termination of this lease agreement, and are strictly the responsibility of the LESSEE.

Except for the Work under the Improvements by Lessor, any additional requirements, extensions or additions to the present electrical system, now or in the future,(as a result of LESSEE's business) shall be at the LESSEE's own obligation and expense and shall meet all Local, State, Federal and O.S.H.A. Codes. All such additions mentioned above will remain in the Premises and become the sole property of LESSOR to include but not be limited to: transformers, bus ducts, disconnects breakers, breaker panels, conduit, wiring, etc. However; LESSEE shall promptly remove (if LESSOR elects), all non-permanent alterations and improvements and any other property placed in the Premises by LESSEE and LESSEE shall repair any damage caused by such removal.



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5C. NATURAL GAS

It is agreed that LESSEE will make his/her own arrangements for the purchase of natural gas for the heating of the leased premises from Northern Illinois Gas Company and LESSOR shall deliver the Premises sub-metered for natural gas service. LESSEE is responsible to apply to Northern Illinois Gas Company to set up natural gas payments upon the signing of this lease. LESSEE further realizes that all natural gas usage charges associated with the leased premises, from the date of this signed lease until termination of this lease agreement, and are strictly the responsibility of the LESSEE.

Except for the Work under the Improvements by Lessor, all additional requirements, extensions or additions to the present natural gas piping system, now or in the future, (as a result of LESSEE's business) shall be at the LESSEE's own obligation and expense and shall meet all Local, State, Federal and O.S.H.A. Codes. All such additions shall remain in the leased premises and become the sole property of the LESSOR. However, LESSEE shall promptly remove (if LESSOR elects) all non-permanent alterations and improvements and any other property placed in the premises by LESSEE and LESSEE shall repair any damage caused by such removal.

5D. TELEPHONE, CABLE/SATELLITE TELEVISION, HIGH SPEED INTERNET

LESSEE is fully responsible for telephone service, cable/satellite T.V. high speed internet, installation, repair and/or replacement in the leased premises. LESSOR is only responsible for providing *standard* phone service at the D-Mark. Locations for installation of related equipment (e.g., servers, etc.), including wiring, is subject to prior approval by LESSOR. If LESSOR elects LESSEE may be required to remove any and all cabling installed by LESSEE or LESSEE's contractor (at LESSEE's expense) into the leased premises upon termination of this lease.


6. UTILITY USAGE FEE


Utility Usage Fees for the described Leased Premises ("Premises") is as follows:

LESSEE shall pay to LESSOR, a utility fee for water usage during the term of this Lease Agreement as follows:

- \$ 60.00 per month for the period of November 1, 2012 through May 31, 2013
- \$ 70.00 per month for the period of June 1, 2013 through May 31, 2014
- \$ 80.00 per month for the period of June 1, 2014 through May 31, 2015
- \$ 90.00 per month for the period of June 1, 2015 through May 31, 2016
- \$100.00 per month for the period of June 1, 2016 through June 30, 2017

Provided, however, at no time shall the water usage fee exceed the actual costs thereof.


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7. INSURANCE

LESSEE agrees to maintain such insurance as required and set forth on Exhibit B attached hereto.

All such policies shall be issued by insurers reasonably acceptable to LESSOR and licensed to do business in the State of Illinois and property insurance policies shall contain a waiver of any rights of subrogation thereunder. In addition, the policies shall name LESSOR and any other parties designated by LESSOR as additional insureds, as their interests may appear, shall require at least thirty (30) days' prior written notice to LESSOR of termination or modification and shall be primary and not contributory. LESSEE, at least ten (10) days prior to the date LESSEE takes possession of the Premises, and within ten (10) days prior to the expiration of each such policy, shall deliver to LESSOR certificates evidencing the foregoing insurance or renewal thereof, as the case may be.

LESSOR shall maintain at all times during the Term, All Risk insurance coverage on the Building. Neither LESSOR nor LESSEE shall be liable (by way of subrogation or otherwise) to the other party (or to any insurance company insuring the other party) for any loss or damage to any of the property of LESSOR or LESSEE, as the case may be, with respect to their respective property, the Building, the Property or the Premises or any addition or improvements thereto, or any contents therein, to the extent covered by insurance carried or required to be carried by a party hereto even though such loss might have been occasioned by the negligence or willful acts or omissions of the LESSOR or LESSEE or their respective employees, agents, contractors or invitees. For the purpose of the foregoing waiver, the amount of any deductible applicable to any loss or damage shall be deemed covered by, and recoverable by the insured under the insurance policy to which such deductible relates.

8. WAIVER

LESSEE and LESSOR release each other and their respective agents, contractors and employees from, and waive all claims for, damage or destruction of property and/or loss of business resulting from the Building or the Premises or any part thereof or any equipment therein becoming in disrepair, or resulting from any accident in or about the Building. This paragraph shall apply particularly, but not exclusively, to flooding, damage caused by Building equipment and apparatus, water, snow, frost, steam, excessive heat or cold, broken glass, sewage, gas, odors, excessive noise or vibration or the bursting or leaking of pipes, plumbing fixtures or sprinkler devices. Without limiting the generality of the foregoing, this waiver applies whether or not such loss or damage is due to the fault or negligence of LESSOR, its property manager or their respective agents, contractors or employees, or LESSEE, and its agents, contractors or employees, and regardless of the amount of insurance proceeds collected or collectible under any insurance policies in effect.



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9. INDEMNITY

LESSEE and LESSOR agree to indemnify, defend and hold harmless each other and their respective agents and employees, from and against any and all third-party claims, demands, actions, liabilities, damages, costs and expenses (including attorneys' fees and expenses), for injuries to any third-party persons and damage to or theft or misappropriation or loss of third-party's property occurring in or about the Building and arising from the use and occupancy of the Premises or from any activity, work, or thing done, permitted or suffered by LESSOR or LESSEE in or about the Premises (including, without limitation, any Alteration by LESSEE) or from any breach or Default on the part of LESSOR or LESSEE in the performance of any covenant or agreement on the part of LESSOR or LESSEE to be performed under this Lease or due to any other act or omission of LESSEE, its subLESSEEs, assignees, invitees, employees, contractors and agents, or LESSOR, its property manager and their respective agents and employees. If any such proceeding is filed against LESSOR or LESSEE, or any such indemnified party, the Indemnitor agrees to defend the Indemnitee in such proceeding at the Indemnitor's sole cost by legal counsel reasonably satisfactory to the Indemnitee.

In addition to the above, LESSEE shall indemnify, defend and hold LESSOR harmless from any claims, liabilities, damages, costs and expenses (including attorneys' fees and expenses) arising out of the use or storage of hazardous or toxic materials in the Building by LESSEE, its subLESSEEs, assignees, invitees, employees, contractors and agents.

The indemnification obligations set forth in this paragraph shall survive termination of this Agreement.

10. FIRE AND CASUALTY.

If all or a substantial part of the Premises or the Building is rendered untenable by reason of fire or other casualty, LESSOR may, at its option, either restore the Premises and the Building, or terminate this Lease effective as of the date of such fire or other casualty. LESSOR agrees to give LESSEE written notice within ninety (90) days after the occurrence of any such fire or other casualty designating whether LESSOR elects to so restore or terminate this Lease. If LESSOR elects to terminate this Lease, Rent shall be paid through and apportioned as of the date of such fire or other casualty. If LESSOR elects to restore, LESSOR's obligation to restore the Premises shall be limited to the reconstruction of such of the LESSEE finish improvements as were originally required to be made by LESSOR pursuant to Exhibit C hereto (the LESSEE Improvement Agreement) and shall exclude any furniture, equipment, fixtures, additions, Alterations or improvements in or to the Premises which were made at LESSEE's expense. If LESSOR elects to restore, Rent shall abate for that part of the Premises which is untenable on a per diem basis from the date of such fire or other casualty until LESSOR has substantially completed its repair and restoration work and a certificate of occupancy is issued allowing LESSEE to occupy the Premises, provided that LESSEE does not occupy such part of the Premises during said period.

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Notwithstanding the foregoing, there shall be no abatement of Rent by reason of any portion of the Building being unusable or inaccessible for a period of ten (10) consecutive business days or less. If such damage or destruction occurs as a result of the intentional acts of LESSEE or LESSEE's employees, agents, contractors or invitees, and the proceeds of insurance which are actually received by LESSOR are not sufficient to pay for the repair of all of the damage, LESSEE shall pay to LESSOR upon demand, the difference between the cost of repairing the damage and the insurance proceeds received by LESSOR.


11. CONDITION OF PREMISES AND DELIVERY OF POSSESSION

The aforementioned described premises are leased to LESSEE in an "as is" condition, except as may be expressly provided in the Work under Section 29, Improvements By Lessor. LESSOR shall cause the Premises to be completed in accordance with the Work under Section 29, Improvements By Lessor. LESSOR shall deliver the Premises to LESSEE, with the Work substantially completed and the Premises suitable for occupancy by LESSEE for its intended use as a school, on or before August 15, 2012, subject to delays beyond the reasonable control of LESSOR such as failure of governmental bodies to issue permits or conduct inspections in a timely manner. In the event the Premises is not certified for occupancy on or before August 15, 2012, the commencement date of the Lease shall be adjusted as provided in paragraph 30 of this Rider. LESSOR agrees that, subject to notice and prior approval, it will allow access to the Premises by LESSEE prior to the Beginning Date in order for LESSEE to begin preparing and organizing the space for use.

12. LESSEE MAINTENANCE-INCLUDING REPAIR AND/OR REPLACEMENT

LESSEE expressly agrees to be entirely responsible for LESSEE's own maintenance, repair and/or replacement of related items within the Premises including but not limited to: doors, door closures, locks, keys, , light fixtures (including new bulbs and new ballasts), bathrooms and bathroom fixtures, toilet seats, faucets, sanitary and storm drains, heating, ventilating and air-conditioning systems and components, including changing the air filters at least 4 times per year, sump pumps, water heaters, etc. It is understood LESSOR is under no obligation to furnish heat, power, lights and/or bulbs beyond those existing in the area at the time of takeover. LESSEE will be responsible for maintenance and cleanliness of washrooms located in leased premises. In a case where LESSOR agrees to perform work to the leased premises, at the sole cost of LESSEE, LESSEE shall submit payment to LESSOR for such services within 30 days of receipt of invoice from LESSOR. If full payment of said invoice is not received by LESSOR in 30 days, a 10% Late Charge on the total remaining balance will be assessed each month along with a 10% administrative charge until full payment including all pertinent late charges is received by LESSOR.

LESSOR shall keep the Building structure and common areas of the Building in good and sanitary condition, working order and repair. LESSOR covenants to comply with or cause to be



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complied with all governmental Laws that affect the Building or the common areas of the Building.

13. ALTERATIONS, ADDITIONS & IMPROVEMENTS

LESSEE shall not create any openings in the roof or exterior walls nor make any structural alterations or improvements to the demised premises without the prior written consent of the LESSOR.

If LESSEE elects, after receiving prior written permission from LESSOR to alter, decorate, or improve the leased premises in any way then LESSEE hereby acknowledges and agrees to restore the leased premises to the condition of said premises prior to LESSEE's occupancy if so requested by LESSOR. Said restoration shall include removal of all non-permanent alterations, additions, improvements, or decorations with LESSOR's approval and shall be completed by LESSEE and at LESSEE's sole cost and expense prior to the termination of this lease agreement.

LESSOR may, at LESSOR's option, agree to accept LESSEE's alterations, additions, improvements, or decorations as a permanent improvement to the leased premises and if so then LESSEE hereby acknowledges and agrees to keep the leased premises in said improved condition upon termination of this lease agreement. Said acceptance by LESSOR is only valid if LESSOR provides said prior notice, in writing, to LESSEE.

The terms and provisions contained in this section shall be in addition to and not in lieu of all terms and provisions contained in this lease and shall not restrict or in any way limit LESSOR's rights and remedies with respect to such alterations or additions or LESSEE's duties and obligations with respect thereto. Notwithstanding anything contained in this lease to the contrary, any venting by LESSEE of equipment to the outside of the building shall be subject to the express prior written consent of the LESSOR. Prior to the entry into any contract with respect to the delivery of materials or performing work to the premises therefore, LESSEE shall furnish LESSOR with plans and specifications, names and addresses of contractors, copies of contracts, necessary permits and indemnification in form and amount satisfactory to the LESSOR and waivers of liens against any and all claim costs, damages, liabilities and expenses which may arise in connection with such alterations or additions. Before commencing any work in connection with such alterations or additions, LESSEE shall furnish LESSOR with Certificates of Insurance from all contractors performing labor or furnishing materials insuring LESSOR against any and all liability which may arise out of or be connected with said additions or alterations. The Certificates of Insurance shall name Batavia Enterprises as an "Additional Insured". Upon completing any such alterations or completing any such alterations or additions, LESSEE shall furnish LESSOR with contractor's affidavits and full and final waivers of liens and receipted bills covering all labor expended and material used.

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All such alterations and/or additions shall comply with all insurance requirements imposed by LESSOR's insurance companies and the requirements of all ordinances, statutes, rules and regulations of the local City, the State of Illinois and the U.S. Government and their respective agencies and departments now or thereafter in effect, including without limitation those relating to pollution and environmental control. All such alterations or additions shall be constructed out of materials approved by LESSOR and shall be constructed in good workmanlike manner. LESSEE shall permit LESSOR to inspect construction operations in connection with such alterations or additions, if LESSOR requests to do so and LESSEE agrees to repair, remove or replace any alterations or improvements that have not been completed to LESSOR's satisfaction. ALL ALTERATIONS, ADDITIONS AND IMPROVEMENTS PERFORMED TO THE LEASED PREMISES DURING THE TERM OF THIS LEASE AGREEMENT WILL BE DONE STRICTLY AT THE SOLE COST OF THE LESSEE AND MUST MEET WITH LESSOR's FULL APPROVAL AND COMPLY WITH ALL NECESSARY LOCAL, STATE, FEDERAL, N.F.P.A., A.D.A., E.P.A. AND O.S.H.A. CODES AND REGULATIONS.

Notwithstanding the above, this Paragraph of the Lease Agreement is not intended to apply to and does not include minor, non-structural improvements by Tenant at a cost of \$5,000.00 or less, including by way of example only and not by way of limitation, the installation or mounting of televisions or other audio/visual equipment in the Premises, the installation of kitchen appliances such as a stove, oven and/or refrigerator, the hanging of art work in the Premises, and/or the use or installation of Trade Fixtures in the Premises. Such minor, non-structural improvements, including Trade Fixtures, shall remain the property of Tenant and Tenant shall be responsible for the removal of same at its sole cost and expense upon termination of the Lease, and for restoration or repair of the Premises to as near as reasonably possible to the original condition upon commencement of the Lease, ordinary wear and tear excepted.

14. COMMON AREA

When common loading facilities are shared with other tenants; no materials or equipment may be stored on common aisles or loading docks except during a period of continuous loading and unloading activity. All materials and scrap must be picked up immediately and the area cleared by LESSEE. LESSOR reserves the right to dispose of these abandoned materials or issue a written warning to any LESSEE storing materials, equipment or other items on common halls, aisles, or dock areas or any areas, inside or outside of the building, including all parking lot areas. If LESSEE remains in violation of written warning from LESSOR following a 24-hour period, LESSOR shall assess a \$25.00 per day penalty, to be paid by LESSEE until said violation has been corrected to LESSOR's satisfaction.

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15. DOORS & WINDOWS

All tenants and/or their employees must observe strict care not to leave doors and/or windows open upon their leaving the premises at the end of each workday.

16. KEYS, LOCKS, LESSOR'S ACCESS

LESSOR shall at all times have and retain a key with which to unlock all doors in, on and about LESSEE's leased premises and LESSOR has the right to use any and all means, which LESSOR deems necessary and proper, to open such doors in case of an emergency in order to obtain entry into the premises. Any entry to the premises by LESSOR or LESSOR's representatives shall not under any circumstances be construed or deemed to be a forcible or unlawful entry or detainer of the premises or any eviction, actual or constructive of LESSEE from the premises, or any portion thereof. LESSOR will not enter the aforementioned leased premises (while occupied by LESSEE), without prior permission, either verbal or written from LESSEE except in the case of an emergency. LESSEE will receive ten (10) keys at premises turnover, any keys issued after the first ten (10) keys will be \$10.00 per key. LESSOR reserves the right to raise this fee to reflect current market pricing. LESSOR will charge \$50.00 per core for any "Lock Change" which includes keys, cores or door handles. LESSOR offers an "After Hours Emergency Service" for any calls pertaining to "Lock-outs" prior to or after LESSOR's business hours of 8:00 a.m. to 5:30 p.m. Any calls that require personnel of LESSOR to assist customers "on-site" to open "locked" Leased Premises will be charged at the following rates: 1st call \$50.00, "After Hours Emergency Service" calls after the 1st call will be increased in \$50.00 increments.

17. PRIVILEGE OF INGRESS OR EGRESS

LESSOR gives and grants to the LESSEE the right and privilege of using in common with a neighbor tenant and/or owners of the premises for the purpose of ingress and egress; the existing driveways and parking lots. LESSOR grants to LESSEE the right of ingress and egress at all times.

18. SECURITY

LESSEE recognizes LESSOR is not obligated to provide guard and/or security for the leased premises and LESSEE shall not hold LESSOR liable for any loss of property or personal effects in, on or about the leased premises.

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19. OVERNIGHT STORAGE, SCAVENGER SERVICE, JANITORIAL

LESSEE agrees that all overnight storage of vehicles, trucks or trailers will be done so in the assigned parking area out of the sight of the common public (whenever possible). LESSEE recognizes LESSOR assumes no liability for said vehicle, truck or trailer. LESSEE also agrees to keep all trash and scavenger equipment at the rear of the building and out of the sight of the common public.

LESSEE recognizes LESSOR is under no obligation to furnish salvage service or janitorial service for the leased premises. If LESSOR develops a trash program with one common collector, LESSEE may join the program for trash removal, provided the rates are competitive and the program is compatible with LESSEE's business. LESSEE will be billed directly by salvage service, with rate and future increases being determined by service, by the type and volume of trash created by LESSEE.

20. MINIMUM HEAT

Space provided with heating devices must be set and operating to maintain a minimum temperature of 60 degrees Fahrenheit throughout the heating season of October 1st through May 1st of each year.

21. FIRE EXTINGUISHERS

It is the LESSEE's responsibility to provide in good working order, adequate fire extinguishers to protect their contents within the demised premises. The provisions of the National Fire Protection Association specify the type, size and quantity based on type of operation and it is the LESSEE's responsibility to comply with these provisions. LESSEE is responsible not only for providing these extinguishers; but also for the annual inspections, maintenance and upkeep.


22. SPRINKLER ADDITIONS

LESSEE agrees and understands that if new sprinkler heads or extensions of same are needed to comply with the NATIONAL FIRE PREVENTION ASSOCIATION, as well as local City Fire Department codes and regulations as a result of LESSEE's additions or equipment, such heads and labor for the installation will be at the LESSEE's expense, except for any required or installed in connection with the Work under Section 29, Improvements by Lessor.

23. SIGNAGE

LESSEE shall not place any painted or exterior sign, placard or other advertising media, banners, pennants, aerals, antennas, projections, awning or devices of any kind whatsoever on the site or


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on the exterior of the building; except a sign on the front (next to the door) which shall consist of the design and conformity approved in writing by LESSOR prior to installation of such signs and at the LESSEE's expense. LESSEE also requires a sign to designate "bus only" lanes in the parking/driveable areas.

24. DISABILITY ACCESSIBILITY

The LESSOR has evaluated this property as it applies to the ADA accessibility guidelines for buildings and facilities and with the Architectural and Transportation Barriers Compliance Board (ATBCB). LESSOR is leasing this property in an "as is" condition and has evaluated the property for compliance and exceptions.


LESSOR shall be responsible for any alterations or modifications to the Premises, ~~the building in which the Premises is located, or the property on which the Premises sits~~ in order to comply with the Americans with Disabilities Act or other public accessibility laws or regulations.

25. DEFAULT BY LESSEE

Notwithstanding anything to the contrary; in the event of a material breach of a specific obligation set forth in this Lease Agreement by LESSEE, and a failure to cure said breach within a reasonable time ten (10) days following notice of breach from LESSOR, LESSEE shall be responsible for all reasonable and necessary attorney fees incurred by LESSOR in connection with litigation in a state or federal court against LESSEE and in which LESSOR is declared to be the prevailing party. Notwithstanding the above, if the obligation to be performed by LESSEE is such that it cannot reasonably be cured within 10 days, such default shall be deemed to be cured if LESSEE undertakes efforts to cure the default within said 10 days and thereafter diligently works to complete the same.

In the event of default by LESSEE, LESSEE shall remain liable for any Rent and Additional Rent charges and any other costs (i.e. utilities, trash, maintenance, etc.) and any Other Charges owed by LESSEE that, but for the termination of this Lease Agreement, would have become due during the remainder of the Lease Term plus the unamortized portion of any LESSEE improvements and leasing commissions paid by LESSOR.

LESSEE further recognizes and agrees that in the case of default and failure to cure within a reasonable time as set forth above by LESSEE with respect to the payment of rent hereunder, then LESSOR shall have the right to immediately repossess the Premises and be entitled to recover forthwith as damages the sum of money equal to the value of the gross rent and Additional Rent Charges, as defined above, provided to be paid by the LESSEE for the balance of the Lease Term plus any other sum of money and damages owed by the LESSEE to the LESSOR.


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26. NON SMOKING


Smoking of any product, tobacco related or otherwise, is not permitted within the Premises. LESSOR, at LESSOR's discretion, may terminate this lease agreement if LESSEE or LESSEE's employees, invitees, customers, etc. violate this clause when within the confines of the Premises, or the building that houses the Premises.

27. HAZARDOUS MATERIALS

A. LESSEE shall not transport, use, store, maintain, generate, manufacture, handle, dispose, release or discharge any Hazardous Materials (as defined below) upon or about the Premises, or permit LESSEE employees, agents, contractors, invitees and other occupants of the Premises to engage in such activities upon or about the Premises. However, the foregoing provisions shall not prohibit releases pursuant to permits issued by governmental authority or the transportation to and from, and use, storage, maintenance and handling within, the Premises of substances customarily used in the LESSEE's business: (i) such substances shall be used and maintained only in such quantities as are reasonably necessary for such permitted use of the Premises and the ordinary course of LESSEE's business therein, strictly in accordance with applicable Law, highest prevailing standards, and the manufacturer's instructions therefore, (ii) such substances shall not be disposed of, released or discharged in the Premises, and shall be transported to and from the Premises in compliance with all applicable Laws, and as LESSOR shall reasonably require, (iii) if any applicable Law or LESSEE's trash removal contractor requires that any such substances be disposed of separately from ordinary trash. LESSEE shall make arrangements at LESSEE's expense for such disposal directly with a qualified and licensed disposal company at a lawful disposal site (subject to scheduling and approval by LESSOR), (iv) any remaining such substances shall be completely, properly and lawfully removed from the Premises upon expiration or earlier termination of this Lease, and (v) for purposes of removal and disposal of any such substances. LESSEE shall be named as the owner and generator, obtain a waste generator identification number, and execute all permit applications, manifests, waste characterization documents and any other required forms.

B. LESSEE shall promptly notify LESSOR of: (i) any enforcement, cleanup or other regulatory action taken or threatened by any governmental or regulatory authority with respect to the presence of any Hazardous Material on the Premises or the migration thereof from or to other property, (ii) any demands or claims made or threatened by any party relating to any loss or injury resulting from any Hazardous Material on the Premises, (iii) any release, discharge or non-routine, improper or unlawful disposal or transportation of any Hazardous Material on or from the Premises or in violation of this Article, and (iv) any matters where LESSEE is required by Law to give a notice to any governmental or regulatory authority respecting any Hazardous Material on the Premises. LESSOR shall have the right (but not the obligation) to join and participate, as a party, in any legal proceedings or actions affecting the Premises initiated in connection with any environmental, health or safety Law. At such times as LESSOR may


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reasonably request. LESSEE shall provide LESSOR with a written list, certified to be true and complete, identifying any Hazardous Material then used, stored, or maintained upon the Premises, the use and approximate quantity of each such material, a copy of any material safety data sheet (AMSDS) issued by the manufacturer therefore, and such other information as LESSOR may reasonably require or as may be required by Law. The term A Hazardous Materials for purposes hereof shall mean any chemical, substance, material or waste or component thereof which is now or hereafter listed, defined or regulated as a hazardous or toxic chemical, substance, material or waste or component thereof by any federal, state or local governing or regulatory body having jurisdiction, or which would trigger any employ or community A right-to-know requirements adopted by any such body, or for which any such body has adopted any requirements for the preparation or distribution of an MSDS.


C. If any Hazardous Material is released, discharged or disposed by LESSEE in a material amount released discharged and disposed of by LESSEE or any other occupant of the Premises, or their employees, agents or contractors, on or about the Premises in violation of the foregoing provisions, LESSEE shall as expeditiously as practicable, properly and in compliance with applicable Laws clean up and remove the Hazardous Material from the Premises and any other affected property and clean or replace any affected personal property (whether or not owned by LESSOR), at LESSEE expense (without limiting LESSOR Other remedies therefore). Such clean up and removal work shall be subject to LESSOR prior written approval (except in emergencies), and shall include, without limitation, any testing, investigation, and the preparation and implementation of any remedial action plan required by any court or governmental body having jurisdiction or reasonably required by LESSOR. If LESSOR or any Lender or governmental body arranges for any tests or studies showing that this Article has been violated, LESSEE shall pay for the costs of such tests.

D. LESSEE agrees to provide LESSOR, within 30 days of written request by LESSOR, with complete copies of all studies, reports, test results, communications to and from the Illinois Environmental Protection Agency or any other governmental body having jurisdiction over hazardous materials and any other materials in its possession relating in any manner to the Premises, including those existing prior to, concurrent with or subsequent to the date hereof.

E. LESSEE shall provide to LESSOR a Phase I environmental report conducted by a licensed environmental engineering firm authorized to do business in the State of Illinois and Phase II testing and Phase III cleanup where required by law or otherwise customary in the industry upon any of the following events:

1. Sixty (60) days prior to the date the Lease term expires as that date might otherwise be extended in accordance with the terms and provisions contained in the Lease for extensions, or
2. Thirty (30) days prior to any sublease, lease assignment or transfer by operation of law of the interest in the Premises acquired by LESSEE through the Lease, or


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3. At the time of the exercise of any right granted to LESSEE to terminate the Lease as set forth in said Lease, or

Within thirty (30) days following any termination of the Lease by LESSOR as otherwise permitted under the Lease or in the exercise of a remedy for default.

28. REMOVED PROPERTY

Upon termination of the Lease, and following reasonable notice from Lessor to Lessee, Lessor shall have the right to remove any personal property left in the Premises by Lessee, to sell the same at public or private sale, and to apply the proceeds therefrom toward the costs of removal, storage and sale, with any excess proceeds to be paid to Lessee.

29. IMPROVEMENTS BY LESSOR ("WORK")

Prior to possession by LESSEE, and after the Lease has been executed by all parties, and LESSEE has made the required deposits, LESSOR will complete the following changes to the Leased Premises ("Improvements") to the building at LESSEE's expense ("Final Construction Costs"):

1. Remove half wall currently located in Leased Premises;
2. Install island according to Exhibit C (attached hereto and by this reference made a part of this lease);
3. Install ADA Ramp at front door;
4. Install cabinets per Exhibit C
5. Install appliances per Exhibit C
6. Provide a back-up battery to the handicap lift located inside the front door

All construction drawings showing "work" are to be prepared by Vasilion Architects.

The Final Construction Costs shall be amortized over fifty-six (56) months or the Lease Term, minus the "free Rental Months". The Estimated Construction Costs are amortized and included in the attached Exhibit A. The Final Construction Costs shall include, but are not limited to, materials, equipment, drawings, plans and permits, as well as, any and all fees for services by architectural and/or engineering firms and any other type of services or expenses required to complete the Work. The Estimated Construction Costs are subject to change due to any changes made between the Parties, including, but not limited to, additions to plans, drawings, permits, change in materials, equipment needed to provide any changes, and any increase in the materials used for said Work, between the date the Lease is executed and the start of the Work.

The Final Construction Costs will be reflected in either an amendment to this Lease Agreement, or on a revised Exhibit "A" (the "Final Costs Document"). The Final Costs Document will restate the true and actual construction costs and will reflect the new monthly Rental Payments


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due to LESSOR by LESSEE. The Final Costs Document will be drafted after the completion of the Work and the final submission of all invoices for any of the other vendors used in conjunction to complete the Work.

The above paragraphs do not strike or replace the current rental rate that is due and payable to LESSOR beginning November 1, 2012. The rent stated in Paragraph 1 of the Rider to this Lease Agreement will remain in full and effect until the above-referenced Final Costs Document is agreed upon and executed by both the LESSOR and the LESSEE. If both LESSOR and LESSEE agree that the Final Construction Costs are less than the Estimated Construction Costs on Exhibit "A" attached hereto, then, LESSOR hereby agrees to return any over-payment of Estimated Construction Costs due LESSEE in credit format towards the Final Construction Costs due to LESSOR (the "Final Construction Costs Credit").

30. DELIVERY OF POSSESSION


LESSOR shall deliver possession of the Premises to LESSEE on or before August 15, 2012, subject to delays beyond the reasonable control of LESSOR such as failure of governmental bodies to issue permits or conduct inspections in a timely manner. If the LESSOR shall not be able to give or turn-over possession of the Leased Premises on or before August 15, 2012 (the Beginning Date of the Lease Term) for any reason, LESSOR shall not be subject to any liability for failure to give possession. Under such circumstances the Rent reserved and covenanted to be paid herein shall not commence until the Leased Premises are available and certified for occupancy for LESSEE's intended use, and no such failure to give possession on the date stated as the "Beginning Date" of the Term shall affect the validity of this Lease or the obligations of the LESSEE hereunder, except for the payment of Rent, CAM, taxes or other charges under this Lease, all of which shall be abated until LESSEE is able to occupy the Premises. Provided, however, if the Leased Premises are not delivered to LESSEE by the Beginning Date as stated above, the Beginning Date shall be adjusted to coincide with the actual occupancy of the Premises by LESSEE and the stated Ending Date as set forth on page one of this Lease may be adjusted if mutually agreed upon by the parties. In accordance therewith, and in such event, LESSOR and LESSEE shall execute an amendment to this Lease reflecting the new Beginning Date and the new Ending Date. LESSOR agrees that, subject to notice and prior approval, it will allow access to the Premises by LESSEE prior to the Beginning Date in order for LESSEE to begin preparing and organizing the space for use.

31. LESSEE'S USE OF LEASED PREMISES

LESSEE hereby agrees to use the Premises **solely** for the Intended Purpose listed on page 1 of this Lease Agreement and if LESSEE's use of the Premises conflicts in any way with the Intended Purpose stated on page 1 of this Lease Agreement LESSOR shall have the option to declare LESSEE in default and thereby terminate this Lease Agreement with 30 day written notice to the LESSEE.



Lessor's Initials



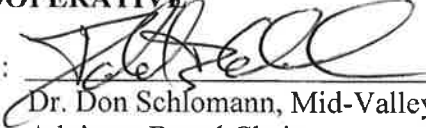
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AND MID-VALLEY SPECIAL EDUCATION COOPERATIVE, LESSEE**

APPROVED & ACCEPTED:

LESSEE

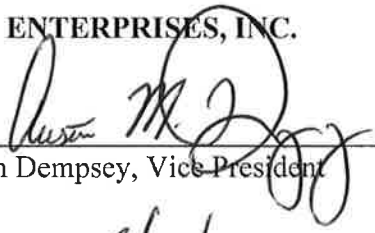
**MID-VALLEY SPECIAL EDUCATION
COOPERATIVE**

BY: 
Dr. Don Schlomann, Mid-Valley
Advisory Board Chair

DATE: 6/21/12

LESSOR

BATAVIA ENTERPRISES, INC.

BY: 
Austin Dempsey, Vice President

DATE: 6/22/12

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EXHIBIT "A"

RENT SCHEDULE

<u>MONTHS</u>	<u>SIZE</u>	<u>PER</u> <u>SF</u>	<u>MONTHLY</u>	<u>ANNUALLY</u>
1-4	2,870	\$7.50	\$ 0.00	\$21,525.00
5-12	2,870	\$7.50	\$1,793.75	\$21,525.00
13-24	2,870	\$7.76	\$1,855.93	\$22,271.16
25-36	2,870	\$8.03	\$1,920.50	\$23,046.00
37-48	2,870	\$8.31	\$1,987.47	\$23,849.64
49-60	2,870	\$8.60	\$2,056.83	\$24,681.96

ESTIMATED CONSTRUCTION COSTS***

<u>MONTHS</u>	<u>SIZE</u>	<u>PER</u> <u>SF</u>	<u>MONTHLY</u>	<u>ANNUALLY</u>
1-4	2,870	\$0.00	\$0.00	\$0.00
5-12	2,870	\$2.16	\$516.39	\$4,131.12
13-24	2,870	\$2.16	\$516.39	\$6,196.68
25-36	2,870	\$2.16	\$516.39	\$6,196.68
37-48	2,870	\$2.16	\$516.39	\$6,196.68
49-60	2,870	\$2.16	\$516.39	\$6,196.68

***Above Estimated Construction Costs are just estimates. Final numbers will
be determined after build-out is complete. Details listed in Paragraph 29 above.

*** The Estimated Construction Costs final figure will affect the monthly total due to Lessor.

*** All figures are rounded.


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EXHIBIT "A" Continued

NNN'S SCHEDULE

(Estimated Figures from 2010 Actual Billings)*

(LESSEE's proportionate share of the Rentable Area is 21.27%)

<u>MONTHS</u>	<u>SIZE</u>	<u>CHARGE</u>	<u>PER SF</u>	<u>MONTHLY</u>	<u>ANNUALLY</u>
1-4	2,870	Taxes	\$0.00	\$0.00	\$0.00
1-4	2,870	Insurance	\$0.00	\$0.00	\$0.00
1-4	2,870	CAM	\$0.00	\$0.00	\$0.00
5-60	2,870	Taxes	\$2.08	\$497.47	\$ 5,969.60
5-60	2,870	Insurance	\$0.61	\$145.89	\$1,750.70
5-60	2,870	CAM	<u>\$1.91</u>	<u>\$456.81</u>	<u>\$5,481.70</u>
		TOTAL	\$4.60	\$1,100.17	\$13,202.00

* The NNN's are reconciled once a year approximately in May for the previous year. Lessor reserves the right to change these figures at anytime throughout the year due to increases in actual expenses

**Estimated figures are rounded figures.

Total Rent NNN Charges, estimated construction cost and utility fee due by the 1st of each month during the first month of the Lease Term: **\$3,470.31*****

*** Estimated NNN charges due to change approximately once a year after a yearly review, which will effect this amount. The above referenced figures are rounded figures.

UTILITY USAGE FEES

<u>Year</u>	<u>Monthly</u>	<u>Annually</u>
1	\$ 60.00	\$ 720.00
2	\$ 70.00	\$ 840.00
3	\$ 80.00	\$ 960.00
4	\$ 90.00	\$1,080.00
5	\$100.00	\$1,200.00

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EXHIBIT "B"

General Liability Insurance Required:

\$2,000,000 Per occurrence

\$2,000,000 General Aggregate

\$1,000,000 Personal & Advertising Injury

\$ 5,000 Medical Payments


In addition to the above:

Tenant Legal Liability in the amount of \$300,000.00.

Batavia Enterprises, Inc. needs to be named as an "additional insured"

This additional insured will be on a primary and non-contributory basis.

Also, a Waiver of Subrogation will apply. Indemnification and Hold Harmless Applies.

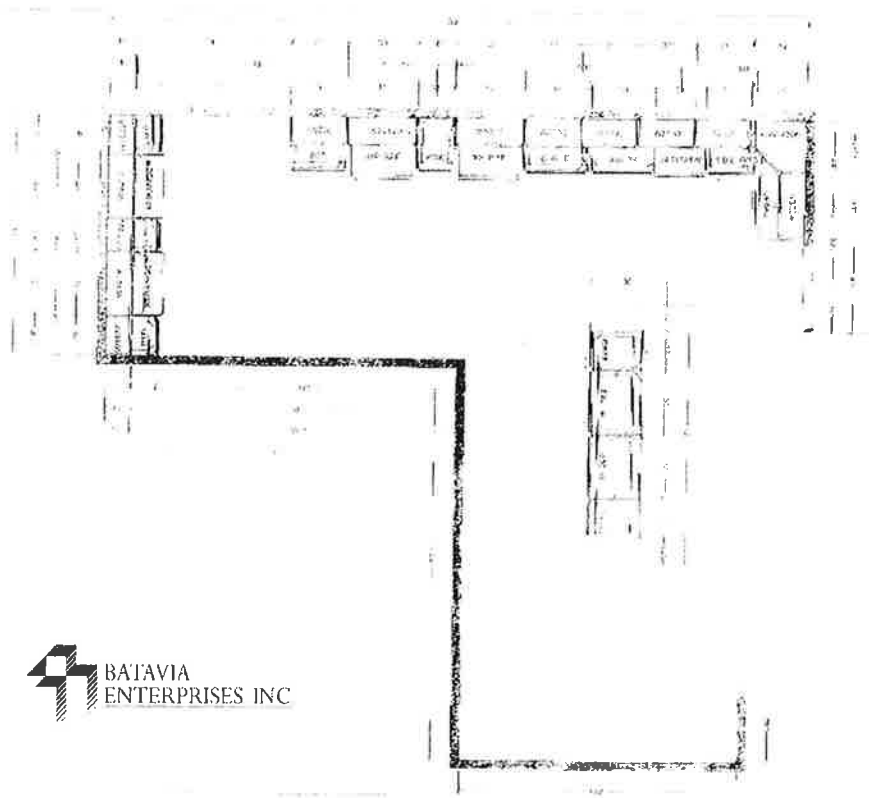

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EXHIBIT "C"

Overhead View



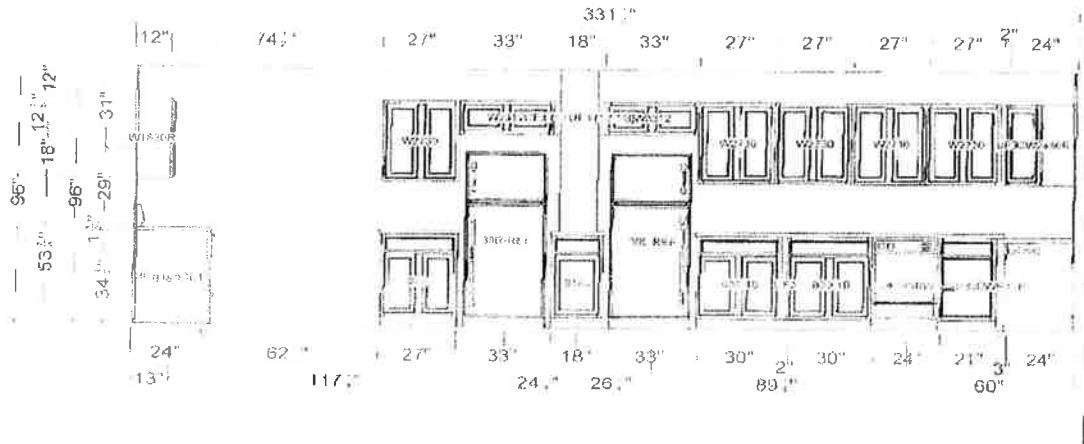
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EXHIBIT "C" Continued

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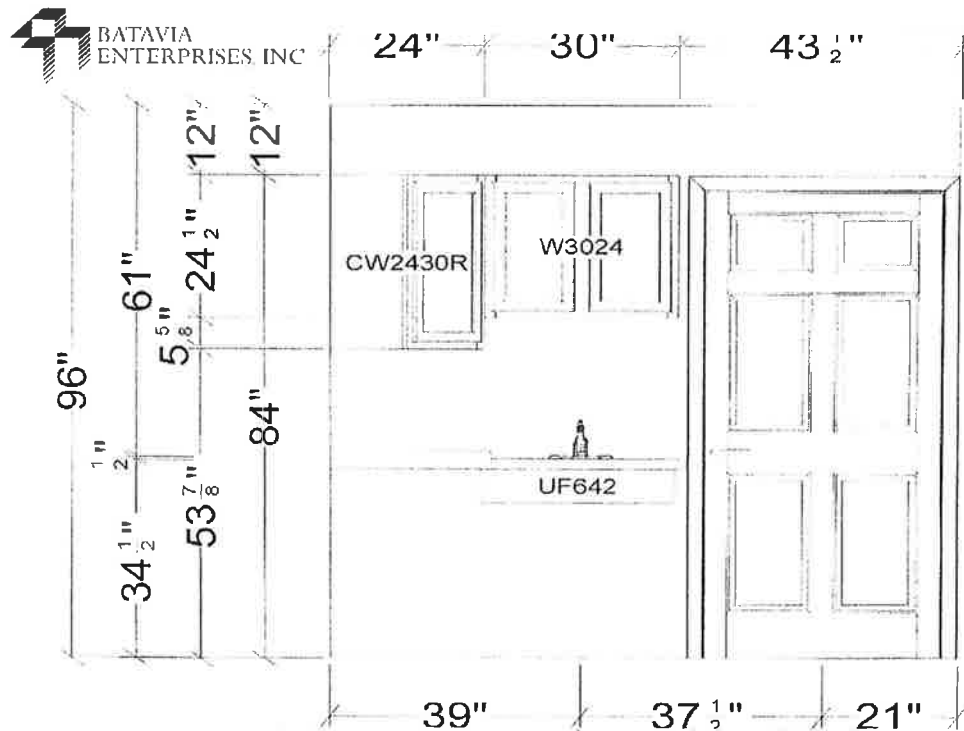


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EXHIBIT "C" Continued

Eye Level View #2



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THIS LEASE BETWEEN BATAVIA ENTERPRISES, INC., LESSOR,
AND MID-VALLEY SPECIAL EDUCATION COOPERATIVE, LESSEE**

EXHIBIT "D"

PRE-PAID CONSTRUCTION COSTS AGREEMENT

THIS PRE-PAID CONSTRUCTION COSTS AGREEMENT (the "Agreement") is made this 2nd day of June, 2012, by and between **BATAVIA ENTERPRISES, INC.**, (LESSOR), whose address for the purpose of this Agreement is 140 First Street, Batavia, Illinois 60510, and **MID-VALLEY SPECIAL EDUCATION COOPERATIVE**, (LESSEE), whose address for the purpose of this Agreement is 1304 Ronzheimer Avenue, St. Charles, Illinois 60174.

WITNESSETH

WHEREAS, the Lease Agreement by and between **BATAVIA ENTERPRISES, INC.**, LESSOR, and **MID-VALLEY EDUCATION COOPERATIVE**, LESSEE, for the Leased Premises located at: 210 S. Fifth Street, Suite #100, St. Charles, Illinois 60174 is currently being negotiated;

WHEREAS, LESSOR and LESSEE desire to enter into this Agreement prior to the execution of the above-referenced Lease Agreement due to time constraints and to expedite construction/drawing process.

WHEREAS, the Landlord and Tenant have agreed to make certain modifications to the above referenced Lease Agreement currently under negotiations, by including this executed Agreement as an Exhibit to the Lease Agreement currently in negotiations and by this reference made a part of said Lease Agreement;

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, effective the date that Batavia Enterprises executes this Agreement, the parties agree as follows:

1. PRE-PAYMENT – COSTRUCTION COSTS

LESSOR and LESSEE hereby agree to the following terms:

1. LESSEE hereby agrees to pay/advance LESSOR prior to finalization and execution of the above-referenced Lease Agreement, a partial payment of \$5,000.00 (FIVE THOUSAND DOLLARS and 00/100) towards Tenant Improvement Costs to expedite the construction and/or drawing process ("Pre-Construction Costs Partial Payment");

2. LESSOR and LESSEE hereby agree that the Pre-Construction Costs Partial Payment will be included in both the Estimated Construction Costs and the Final Construction Costs;

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Page 1 of 2

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**RIDER ATTACHED HERETO & THEREFORE MADE A PART OF
THIS LEASE BETWEEN BATAVIA ENTERPRISES, INC., LESSOR,
AND MID-VALLEY SPECIAL EDUCATION COOPERATIVE, LESSEE**

**PRE-PAID CONSTRUCTION COSTS AGREEMENT BY AND
BETWEEN BATAVIA ENTERPRISES, INC., LESSOR AND
MID-VALLEY SPECIAL EDUCATION COOPERATIVE**

3. LESSOR and LESSEE hereby agree that the Pre-Construction Costs Partial Payment will show as a credit towards both the Estimated Construction Costs and the Final Construction Costs to be amortized over the term of the Lease;

4. LESSOR and LESSEE both agree that the Pre-Construction Costs Partial Payment is not the Final Construction Costs figure to be amortized over the Lease Term and both parties agree that the Final Construction costs will be determined upon completion of the Tenant Improvements to the Leased Premises;

5. LESSOR and LESSEE both agree that the Final Construction Costs shall include, but are not limited to, materials, equipment, drawings, plans and permits, as well as, any and all fees for services by architectural and/or engineering firms and any other type of services or expenses required to complete the Work.

6. The Estimated Construction Costs are subject to change due to any changes made between the Parties, including, but not limited to, additions to plans, drawings, permits, change in materials, and equipment needed to provide any changes, and any increase in the materials used for said Work, between the date of this Agreement and the date the Lease Agreement is executed and the start of the Work.

7. The Final Construction Costs will be reflected in either an amendment to the Lease Agreement, or on a revised Exhibit "A" to the Lease Agreement (the "Final Costs Document"). The Final Costs Document will restate the true and actual construction costs and will reflect the new monthly Rental Payments due to LESSOR by LESSEE. The Final Costs Document will be drafted after the completion of the Work and the final submission of all invoices for any of the other vendors used in conjunction to complete the Work.

8. LESSOR and LESSEE hereby agree that any portion of the Pre-Construction Costs Partial Payment that is un-used or not allocated towards any and all outstanding/existing costs shall be refunded by LESSOR to LESSEE if the above-referenced Lease Agreement is not executed and the Lease Agreement currently being negotiated.

WITNESS the hands and seals of the parties hereto, as of the Date of Lease stated above.

LESSEE:

**MID-VALLEY SPECIAL EDUCATION
COOPERATIVE**

BY: 

Dr. Carla Cumblad, Executive Director

Date 6-12-12

LESSOR:


BATAVIA ENTERPRISES, INC.

BY: 


Austin Demspey, Vice President

Date 6/12/12


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Lessor's Initials


Lessee's Initials


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