

## GROUND LEASE

THIS GROUND LEASE ("Lease") is entered into effective as of the \_\_\_\_ day of \_\_\_\_\_, 2011 (the "Effective Date"), by and between **City of Milwaukee, Wisconsin (the "City")** on behalf of and in trust for the **MILWAUKEE BOARD OF SCHOOL DIRECTORS ("MPS")**, a body politic, organized and existing under Chapter 119, Wis. Stats., with its principal offices located at 5225 West Vliet Street, Milwaukee, Wisconsin (hereinafter collectively referred to as "Landlord"), and **JOURNEY HOUSE, INC.**, a Wisconsin nonprofit corporation organized under Chap. 181 Wis. Stats., with its principal offices at 1900 West Washington Street, Milwaukee, Wisconsin 53204 (hereinafter referred to as "Tenant").

### **R E C I T A L S:**

A. Landlord is the fee owner of certain real property and the improvements located at 1021 South 21<sup>st</sup> Street, Milwaukee, Wisconsin 53221, and more particularly described on **Exhibit A** attached hereto and incorporated herein (the "Property"), which Property consists, in part, of the existing Longfellow School Building (the "Original Building").

B. The Property includes certain real property located contiguous to the Original Building and generally depicted on **Exhibit B** attached hereto and incorporated herein (the "Project Site"). The Project Site currently is included as part of the campus for Longfellow School ("Longfellow School"). The portion of the Property that does not include the Project Site is herein referred to as the "Longfellow Site".

C. Tenant is a nonprofit corporation that, among other things, provides programs to the community, in particular, the community and neighborhood surrounding Longfellow School and is the current operator of the Longfellow School community learning center program (the "Longfellow CLC").

D. MPS and Tenant entered into that certain Amended and Restated Longfellow School Tenant Joint Project Development Agreement dated as of \_\_\_\_\_, 201\_\_ (as amended from time to time, the "Development Agreement"), pursuant to which Tenant was granted the right to lease the ground of the Project Site pursuant to this Lease and to construct on the Project Site an addition to Longfellow School (the "Journey House Addition").

E. Pursuant to the Development Agreement, in general, MPS and Tenant agreed to share use of certain facilities in a manner to be detailed in an Operating Agreement (the "Operating Agreement").

F. The Journey House Addition would provide Longfellow School with the following: (i) a new kitchen and cafeteria located in one area with seating for additional students resulting in fewer and longer lunch seatings, which are needed because the existing kitchen and cafeteria do not adequately serve the existing population of the school; (ii) a new, adequately sized, ground floor gymnasium with bleachers, scoreboards and a new gym floor, together with locker rooms, restrooms and new equipment allowing for a higher quality and variety of physical

instruction and activities in a location that will not interfere with classroom instruction; and (iii) an all purpose room available for additional activities; all of which meet critical needs of Longfellow School as outlined above.

G. In addition to the importance to Longfellow School of having the right to use the cafeteria, kitchen, locker rooms, all purpose spaces and restrooms on the first floor of the Journey House Addition and the gymnasium included as part of the Journey House Addition (collectively, the “**Shared Facilities**”), the parties to this Lease anticipate that the shared use of the Journey House Addition as described in the Development Agreement, the Operating Agreement and this Lease will promote the educational goals and mission of both Longfellow School and Tenant by allowing Tenant to operate the Longfellow CLC in immediately adjacent space and to provide enhanced programming for Longfellow students, their parents and siblings and the surrounding community in a single primary location adjacent to Longfellow School, thus allowing students to take advantage of Tenant programming without leaving the safety of the building and fostering a holistic family approach to physical, practical and academic educational instruction in the Longfellow community. The portions of the Journey House Addition that are not a part of the Shared Facilities are referred to herein as the “**Journey House Space**”.

H. Pursuant to the terms of the Development Agreement, Landlord and Tenant have agreed to enter into this Lease and desire to do so on the terms and conditions set forth herein.

I. MPS, via action on \_\_\_\_\_, authorized its proper officers to execute the Development Agreement and all other agreements authorized therein, including this Ground Lease.

### W I T N E S S E T H:

For good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged by Landlord and Tenant, and the mutual covenants contained herein, and intending to be legally bound hereby, Landlord and Tenant hereby agree with each other as follows:

1. **Premises.** Landlord hereby leases and lets to Tenant, and Tenant hereby takes and hires from Landlord, upon and subject to the terms, conditions, covenants and provisions hereof, the Project Site, TOGETHER WITH (a) those rights and easements granted by Landlord to Tenant and more particularly described herein, together with those appurtenant easements, if any, over, under and adjoining the Property; (b) any and all buildings, improvements and structures located on the Project Site and not owned by Tenant; and (c) any and all appurtenances, rights, privileges and easements benefiting, belonging or pertaining to the Project Site, together with any strips and gores relating to said Project Site (all the foregoing being hereinafter referred to as the “**Premises**”). If Tenant shall at any time obtain a survey of the Project Site, Tenant and Landlord agree to amend this Lease by substituting a description of the Project Site based upon such Survey in place of the description or site plan attached hereto as **Exhibit B**.

2. Term.

(a) Subject to the terms and conditions set forth herein, the term of this Lease shall commence on \_\_\_\_\_, 2011 (such date being hereinafter referred to as the "**Commencement Date**"). Landlord hereby covenants that Landlord shall deliver full and exclusive possession of the Premises to Tenant on or before the Commencement Date. As provided in Paragraph 3 below, the base rent shall commence to accrue on the Commencement Date.

(b) The initial term of this Lease shall be for the period beginning on the Commencement Date and terminating on the last day of the month which is ninety-eight (98) years after the Commencement Date, unless sooner terminated or extended as herein provided. If legally required to do so, Tenant shall be responsible for the cost of obtaining a certified survey map ("Survey") of the Project Site. Landlord shall fully cooperate with Tenant in connection therewith.

(c) Tenant shall have the right, at its option, to extend the term of this Lease for three (3) additional, consecutive periods of twenty (20) years each (each an "**Option Period**", collectively, the "**Option Periods**"), at the rent and upon all of the other terms, conditions, covenants and provisions set forth herein, which option(s) will be deemed exercised and the term of this Lease shall be automatically extended unless Tenant gives Landlord written notice of termination on or prior to a date which is ninety (90) days before the expiration of the initial term of this Lease or any Option Period, as the case may be. The expression "term of this Lease" as hereinafter used shall mean and refer to the initial term of this Lease and any extensions thereof, as the context may permit or require. The first Lease year shall include the period from the Commencement Date through the last day of the month which is the twelfth (12<sup>th</sup>) month after the month in which the Commencement Date occurs.

3. Rent.

(a) Tenant covenants and agrees to pay Landlord for the Premises, without offset or deduction, base rent of One Dollar (\$1.00) for each Lease year, with Tenant having the right to pay in advance any or all base rent for the initial term of this Lease and any Option Period on the Commencement Date.

(b) As used herein, the term "**rent**" shall be deemed to include the base rent and the additional rent, if any, payable by Tenant to Landlord hereunder.

(c) In the event that rent commences hereunder on other than the first calendar day of a month, or if the last day of the term of this Lease is other than the last calendar day of a month, the rent due hereunder for the first and/or last month, as the case may be, shall be prorated on a daily basis.

4. Place of Payment. All amounts payable under Paragraph 3 of this Lease, as well as all other amounts payable by Tenant to Landlord under the terms of this Lease, shall be paid at the office of Landlord set forth above, or at such other place as Landlord may from time to time designate by written notice to Tenant, in lawful money of the United States which

shall be legal tender for the payment of all debts and dues, public and private, at the time of payment.

5. Use of Premises and Original Building. As more particularly set forth in the Operating Agreement, the Premises shall be used in accordance with the uses described therein, together with related and/or appurtenant uses and/or such other uses as may be permitted by applicable law and the Operating Agreement.

6. Easements. Landlord hereby grants to Tenant during the term of this Lease, the following assignable, non-exclusive, permanent, perpetual easements:

(a) an easement for vehicular and pedestrian ingress and egress by Tenant, its Agents (as defined below), clients, participants and invitees (collectively, the “**Journey House Parties**”) to and from the Journey House Addition and to and from Scott Street in the location generally depicted on Exhibit C. Notwithstanding the foregoing and provided that vehicular access to and from the Journey House Addition and to and from either Scott Street or, via the Public Alley (as hereinafter defined) or an easement granted in place of the Public Alley, to Mineral Street remains open and accessible, Landlord may temporarily interrupt such use of this easement by the Journey House Parties for emergency purposes or for: (i) maintenance, repairs, and replacements of the accessways and alleyways or (ii) relocating such easement, provided the relocation of such easement and the new location thereof does not unreasonably interfere with Tenant’s and the other Journey House Parties’ access to and use and operation of the Journey House Addition and the relocation is consented to by Tenant, which consent shall not be unreasonably withheld, conditioned or delayed. If at any time during the term of this Lease, the public alley located immediately adjacent to the west side of the Original Building and which runs from the south end of the Original Building to Mineral Street (the “Public Alley”) is no longer a public alley or is otherwise not open and accessible to the public for ingress and egress, then Landlord also hereby grants to Tenant a non-exclusive, permanent, perpetual easement in the same general location as the Public Alley for vehicular and pedestrian ingress and egress by the Journey House Parties to and from the Journey House Addition and to and from Mineral Street.

(b) an easement for pedestrian ingress and egress for Journey House Parties to and from 21<sup>st</sup> Street and 22<sup>nd</sup> Street and to and from the Journey House Addition along the sidewalks and pathways located on the Property. The existing sidewalks and pathways, together with any additional sidewalks or pathways constructed in connection with the Journey House Addition, that service or that will service the Journey House Addition shall not be altered or relocated without the consent of Tenant, which consent shall not be unreasonably withheld, conditioned or delayed.

(c) an easement for parking in the areas on the Property designated for parking on a first come, first serve basis provided that Landlord shall have the right to reserve all of the parking spaces during school hours and provided that, at the option of the parties hereto, the Operating Agreement may provide more detail as to the use of the parking spaces.

(d) an easement for constructing, staging and related and appurtenant purposes in the general area designated on Exhibit D attached hereto, as reasonably necessary or

desirable for the construction of the Journey House Addition, provided that the easement shall be temporary and shall become inactive upon completion of construction, but shall automatically be reactivated and reinstated as reasonably necessary for any repair, improvement, alteration, renovation, reconstruction or replacement of the Journey House Addition, or any portion thereof.

(e) an easement for maintenance, repair, improvement, alteration, renovation, reconstruction or replacement of the Journey House Addition, or any portion thereof, within an area of 15 feet from the exterior walls of the Journey House Addition.

(f) an easement for the installation, operation, use, maintenance, repair, improvement, alteration, renovation, reconstruction and/or replacement of a storm water management vault or vaults and related machinery, equipment, pipes, manholes and other appurtenances (collectively, the “**Journey House Storm Sewer Facility**”), which Journey House Storm Sewer Facility will be installed underground excluding only the manhole openings and related covers.

(g) an easement for access to and use of the elevator and any replacements or substitutes therefor located in the Original Building (the “**Elevator**”) for ingress and egress by the Journey House Parties to and from the first floor and the second floor and, if applicable, the third floor of the Journey House Addition, and Landlord agrees to maintain the Elevator during the term of this Lease in good working order and condition.

(h) an easement for access to and use of the stairs (the “**Stairs**”) located within the area depicted on **Exhibit E** (the “**Journey House Transition Area**”) for ingress and egress by the Journey House Parties to and from the first floor and the second and, if applicable, the third floor of the Journey House Addition for emergency purposes or as otherwise approved by the Longfellow Principal (as defined in **Paragraph 14(b)**) and Landlord agrees to maintain the Stairs during the term of this Lease in good order and condition.

(i) an easement for the use of the Journey House Transition Area by the Journey House Parties for ingress and egress to and from the door(s) from the outside into the Journey House Transition Area and the door(s) between the Original Building and the Journey House Addition on both the first and second floors and, if applicable the third floor. The Operating Agreement shall set forth any restrictions on such access and use of the Journey House Transition Area, including, without limitation, the Elevator. Landlord shall maintain said doors and the Journey House Transition Area in substantially the same condition as it is on the date hereof, together with any modifications resulting from the construction of the Journey House Addition, in good condition and repair and shall not alter, change, improve or otherwise modify the Journey House Transition Area in any way that would interfere with Tenant’s or the other Journey House Parties’ access to and use of the Journey House Transition Area and the Elevator and stairs without the consent of Tenant, which consent shall not be unreasonably withheld, conditioned or delayed.

(j) an easement for the right to attach and connect the Journey House Addition to the Original Building in the locations generally depicted on **Exhibit B** as described in the plans and specifications attached to the Development Agreement and Landlord agrees to

maintain those portions of the Original Building to which the Journey House Addition is attached during the term of this Lease in good order and condition.

For purposes of this Lease, the term “**Agents**” shall refer to a parties, its officers, directors, employees, and contractors.

7. Taxes.

The Property and Project Site are exempt from real and personal property taxes. In the event they should ever be placed on the tax rolls or lose their tax-exempt status, the following will apply:

(a) Tenant shall, during the term of this Lease, as additional rent, pay and discharge punctually, as and when the same shall become due and payable, all taxes, general and special assessments, and other governmental impositions and charges of every kind and nature whatsoever, extraordinary as well as ordinary, which arise or accrue from and after the Commencement Date and which shall or may during the term of this Lease be charged, levied, laid, assessed, imposed, become due and payable, or liens upon or for or with respect to the Ground Lease, the Journey House Addition or any part thereof, or any buildings, appurtenances or equipment owned by Tenant thereon or therein or any part thereof, together with all interest and penalties thereon incurred as a result of Tenant’s failure to timely pay the same (all of the foregoing being hereinafter referred to as “**Taxes**”).

(b) Landlord shall, during the term of this Lease, pay and discharge punctually, as and when the same shall become due and payable, all taxes, general and special assessments, and other governmental impositions and charges of every kind and nature whatsoever, extraordinary as well as ordinary, which arise or accrue prior to the Commencement Date on the Property and which shall or may during the term of this Lease be charged, levied, laid, assessed, imposed, become due and payable, or liens upon or for or with respect to the Longfellow Site, the Original Building, or any part thereof, or any buildings, appurtenances or equipment thereon or therein or any part thereof, together with all interest and penalties thereon incurred as a result of Landlord’s failure to timely pay the same (all of the foregoing being hereinafter referred to as “**Landlord Taxes**”).

(c) The parties hereto shall be deemed to have complied with the covenants of this Paragraph 7 if payment of such Taxes and/or Landlord Taxes, as applicable, shall have been made within any period allowed either by law or by the governmental authority imposing the same during which payment is permitted without penalty or interest, and the party required to make such payments shall produce and exhibit to the other party satisfactory evidence of such payment, if said other party shall demand the same in writing.

(d) If the Premises do not constitute a separate tax parcel, Landlord agrees that Tenant may apply for and follow such procedures as are necessary to have the Premises taxed as a parcel separate from the Longfellow Site by the applicable governmental authorities, and Landlord further agrees to use its reasonable and diligent efforts to cooperate with Tenant in such process. In the event that the Premises are not taxed or assessed as a parcel separate from the Longfellow Site, Tenant shall pay Landlord as additional rent within fifteen

(15) days after written demand therefor accompanied by evidence of Landlord's payment of such tax bill, an amount equal to Tenant's proportionate share of the Taxes. In the event that Landlord and Tenant are unable to cause a separate tax bill to be issued, Landlord and Tenant shall cooperate with one another to cause the taxing authority to either (i) issue separate tax bills for the improvements on the Project Site and for the improvements on the remainder of the subject tax parcel, or (ii) if no such separate tax bill is issued for such improvements, to provide Landlord and Tenant the supporting information used by such taxing authority for the valuation of such improvements. In all events, Landlord and Tenant shall cooperate with one another, in good faith, to determine Tenant's proportionate share of any such tax bill which shall, for the purposes of the assessments on the real property constituting the Property, be calculated based upon the number of square feet of land contained in the Project Site as compared to the total number of square feet, in each case which are the subject of the tax bill and which shall, for the purposes of the assessments on the improvements located on the Property, be calculated based upon either (i) the separate tax bills issued for the improvements, if applicable, (ii) the supporting information provided by the tax authority, if applicable, or (iii) Landlord's and Tenant's good faith determination of the relative values of the improvements on the Project Site and the remainder of the land which is the subject of the tax bill.

(e) All such Taxes which shall become payable during each of the calendar years in which the term of this Lease commences and terminates shall be apportioned pro rata between Landlord and Tenant in accordance with the respective portions of such years during which such term shall be in effect. In the event any of said Taxes are payable in installments, Tenant may pay the same as such installments become due and payable. Landlord shall pay all special assessments made or becoming a lien against or with respect to the Project Site and improvements thereon prior to the Commencement Date and thereafter as to the Longfellow Site and any improvements thereon. If any special assessments made after the Commencement Date shall be payable in installments, then Tenant shall pay only the amounts which are attributable to the Premises and which would have been payable during the term of this Lease if paid in installments over the longest period then available for the payment thereof.

(f) Tenant or its designees shall have the right to (i) challenge any governmental action that would place the Premises on the property tax roles or otherwise subject it to property taxes; and (ii) contest or review all such Taxes by legal proceedings, or in such other manner as it may deem suitable (which, if instituted, Tenant or its designees shall conduct promptly at its own cost and expense and free of any expense to Landlord, and, if necessary, in the name of and with the cooperation of Landlord, and Landlord shall execute all documents necessary to accomplish the foregoing). Notwithstanding the foregoing, Tenant shall promptly pay all such Taxes if at any time the Premises or any part thereof shall then be immediately subject to forfeiture, or if Landlord shall be subject to any criminal liability arising out of the nonpayment thereof. Landlord shall not be required to join in any proceedings referred to in Paragraph 7 hereof unless the provisions of any law, rule or regulation at the time in effect shall require that such proceedings be brought by or in the name of Landlord, in which event Landlord shall join and cooperate in such proceedings or permit the same to be brought in its name, but shall not be liable for the payment of any costs or expenses in connection with any such proceedings, and Tenant shall reimburse Landlord for, and indemnify and hold Landlord harmless from and against, any and all costs or expenses which Landlord may reasonably pay, sustain or incur in connection with any such proceedings.

The legal proceedings referred to above in this Subparagraph 7(f) shall include appropriate certiorari proceedings and appeals from orders therein and appeals from any judgments, decrees or orders. In the event of any reduction, cancellation or discharge, Tenant shall pay the amount finally levied to be due and payable on any such contested Taxes.

(g) Landlord covenants and agrees that if there shall be any refunds or rebates on account of the Taxes paid by Tenant under the provisions of this Lease, such refund or rebate, less the reasonable costs, if any, incurred by Landlord in obtaining such refund or rebate, shall belong to Tenant. Landlord will, upon the request of Tenant, sign any receipts which may be necessary to secure the payment of any such refund or rebate and will pay over to Tenant such refund or rebate as and when received by Landlord.

(h) Nothing contained in this Lease shall require or be construed to require Tenant to pay any inheritance, estate, succession, transfer, gift, franchise, income, gross receipts, excise or profit taxes that are or may be imposed upon or assessed against Landlord, its heirs, successors or assigns.

(i) Tenant will pay any and all sales or rent taxes assessed against the rent payable to Landlord hereunder as and when due to the taxing authority, so long as such sales or rent tax is in the true nature of a rent tax, and any such sale or rent taxes shall be deemed to be Taxes.

(j) Tenant agrees that it will not claim any federal tax ownership benefits based on tax ownership of the Shared Facilities portion of the Journey House Addition.

#### 8. Utilities and Security.

(a) During construction of the Journey House Addition, the provision and payment of utility service to the Project Site shall be as set forth in Section 13.4 of the Development Agreement.

(b) During the term of this Lease, the utilities serving the Shared Facilities shall, to the extent feasible, be separately metered and paid by Landlord and if separately metering is not commercially reasonable and/or practical, then Landlord shall pay its share of the utility costs attributable to the Shared Facilities that cannot be separately metered based on a reasonable allocation of the combined utility bills based on the consumption of such utilities by the portion of the Shared Facilities covered by the applicable combined bill as compared to the consumption of such utilities by that portion of the Journey House Space covered by the applicable combined bill. The payment of the utilities serving the Journey House Space shall be paid by Tenant. The water and sewer serving the Journey House Addition will be connected to the water and sewer serving the Original Building. The water and sewer for the kitchen and cafeteria will be included with the Original Building and will be paid by Landlord, and the water and sewer for the remainder of the Journey House Addition will be separately submetered and paid by Tenant. Such submeter will be installed as part of the costs incurred under the Development Agreement and maintained by Tenant at its cost. A representative of MPS and a representative of Journey House shall read and inspect the meter at least once every calendar quarter and more frequently if requested by either party hereto. Landlord shall bill



Tenant annually for the actual cost paid by Landlord for the uses and charges as set forth in such submeter as reasonably adjusted by Landlord and Tenant to reflect any error in said submetering. Said billing shall be on a calendar basis unless otherwise agreed to by Landlord and Tenant.

(c) During the term of this Lease, Landlord agrees to provide, operate, maintain, repair, and replace and to pay all costs associated with a building intrusion alarm or such other security system as Landlord selects, subject to the approval of Tenant, including without limitation, the procedures for working the system, which shall not be unreasonably withheld, conditioned or delayed. The responsibilities of the parties with respect to any such security system will be more particularly set forth in the Operating Agreement.

9. Property and Inspection Rights.

Tenant shall at all times before the Commencement Date have the privilege of going upon the Premises with its Agents as needed to inspect, examine, survey and otherwise do whatever Tenant deems necessary in the engineering and planning for development of the Premises. Said privilege shall include the right, at Tenant's sole expense, to make soil tests, borings and other tests to obtain other information necessary to determine surface, subsurface and topographic conditions. Tenant hereby indemnifies and agrees to hold Landlord harmless from and against any claims or damages incurred by Landlord as a result of Tenant's exercise of its rights under this Paragraph 9 not arising from pre-existing conditions or the negligence or willful misconduct of Landlord or third parties not acting on behalf of Tenant. Tenant's indemnity obligations under this Paragraph 9 shall survive the expiration or termination of this Lease.

10. Improvements, Repairs, Additions, Replacements.

(a) Tenant shall have the right to construct the Journey House Addition on the Project Site in accordance with the terms of the Development Agreement. Changes to the Journey House Addition prior to construction completion of the Journey House Addition shall be handled in accordance with the provisions of the Development Agreement. After construction completion of the Shared Facilities, any improvements, additions or alterations to the Shared Facilities that would impact, in any material adverse respect, the utility services to, or the cost of said services to, the Shared Facilities, the lay out of the Shared Facilities, the utility of the Shared Facilities for their intended purpose or any improvements, additions or alterations to the Journey House Addition that modifies in any material respect the exterior appearance of the Journey House Addition (each, collectively, a "**Material Change**"), shall require the prior written approval of the then Director of Facilities and Maintenance for MPS or an equivalent position as designated by Landlord in writing to Tenant or said Director's designee (the "**Facilities Director**"), which approvals shall not be unreasonably withheld, conditioned or delayed. Landlord hereby preapproves the construction of a third floor addition to the Journey House Addition subject to the approval of the Facilities Director to the exterior design in connection solely to its compatibility with the Original Building, which approval shall not be unreasonably withheld, conditioned or delayed. Landlord agrees to cause the Facilities Director to respond to any request for approval of any post construction change within thirty (30) days after receipt by the Facilities Director, and if Landlord or the Facilities Director fails to respond to any request by Tenant for such approval within such thirty (30) day period, then Tenant may send a final written notice to Landlord requesting a response. Landlord or the

Facilities Director shall have ten (10) to respond to the request. If Tenant does not receive any detailed objections to the request within ten (10) days of the second request, then such changes shall be deemed to be approved. Landlord's approval shall not be required for an alteration or replacement made to the improvements in order to cause the improvements to conform to the plans and specifications or for any modifications or alterations to the Journey House Space. Any such alteration or replacement shall be constructed in compliance with all applicable building codes and ordinances

(b) Tenant shall, at all times during the term of this Lease, and at its own cost and expense, keep and maintain or cause to be kept or maintained in adequate repair and condition, the Journey House Space, subject to ordinary wear and tear and damage from casualty or condemnation and further excluding any repair and replacements the need for which arise out of the willful misconduct of Landlord or its Agents, students, licensees and invitees. Tenant, at Tenant's cost and expense, shall be responsible for the capital repairs and replacement of the Journey House Addition, including, without limitation, roof, foundation, walls and building systems, excluding any repair and replacements the need for which arise out of the willful misconduct of Landlord or its Agents, students, licensees and invitees and excluding the maintenance, repair and replacement of the Shared Facilities to the extent such maintenance, repair and replacement is Landlord's obligation under this Lease or the Operating Agreement. Landlord shall be obligated to pay all costs and expenses arising out of the willful misconduct of Landlord or its Agents, students, licensees or invitees, including without limitation the cost and expenses of any maintenance, repairs and/or replacements.

(c) Landlord, at Landlord's cost and expense, shall be responsible for the capital repairs and replacement of the cafeteria and kitchen and the fixtures, furniture, equipment, venting and other systems serving only or primarily the kitchen and cafeteria, and the costs of repair and restoration of the Journey House Addition arising out of any such repairs and replacements by Landlord, excluding any repair and replacements the need for which arise out of the willful misconduct of Tenant or its Agents.

(d) Landlord and Tenant shall share equally in the costs of the repair and replacement of fixtures and equipment in the gymnasium/locker rooms/restrooms (excluding any rock climbing walls and other equipment that Tenant determines will not be used as part of its programming, which costs shall be borne entirely by Landlord).

(e) Until the expiration or sooner termination of this Lease, title to any building or buildings or improvements situate or erected on the Project Site, including, without limitation, the Journey House Addition, the building equipment and other items installed therein and thereon, excluding only kitchen, sports and other equipment owned by Landlord and any alteration, change or addition thereto shall remain solely in Tenant. Upon the expiration or sooner termination of the term of this Lease, title to any building or buildings or improvements situate or erected on the Project Site shall vest in and become the full and absolute property of Landlord, subject to and except as otherwise provided in this Lease.

(f) Landlord hereby agrees to cooperate, expedite and timely respond to any requests for information, approvals, expertise and/or input in connection with any of the foregoing or otherwise related to the Premises or this Lease.

(g) Landlord, at its sole cost and expense, shall be responsible for the operation, maintenance, repair and replacement of the Original Building, the security system or systems serving the Original Building and the Journey House Addition, the water and sewer system serving the Original Building and the Journey House Addition up to and including the submeter for the remainder of the Journey House Addition, the cafeteria and kitchen and the fixtures, furniture, equipment, venting and other systems serving only or primarily the kitchen and cafeteria and shall maintain all of the foregoing in good operating condition and repair.

11. Requirements of Public Authority.

(a) During the term of this Lease, and except to the extent arising out of the acts or omissions of Landlord or its Agents, students or invitees and except arising out of the use and occupancy by Landlord or its Agents, students or invitees of the Shared Facilities, Tenant shall, at its own cost and expense, promptly observe and comply with all present and future laws, ordinances, requirements, orders, directives, rules and regulations of the federal, state and county governments and of all other governmental authorities affecting Tenant's use and occupation of the Premises or appurtenances thereto or any part thereof whether the same are in force at the Commencement Date or may in the future be passed, enacted or directed, and Tenant shall pay all costs, expenses, liabilities, losses, damages, fines, penalties, claims and demands that may in any manner arise out of or be imposed because of the failure of Tenant to comply with the covenants of this Paragraph 11. The foregoing covenant of Tenant shall not impose any liability for the presence of Hazardous Materials on the Premises beyond the express liability of Tenant set forth in Paragraph 29 hereof.

(b) Tenant shall have the right to contest by appropriate legal proceedings diligently conducted in good faith, in the name of Tenant or Landlord (as legally required), or both (if legally required), without cost or expense to Landlord, the validity or application of any law, ordinance, rule, regulation or requirement of the nature referred to in Subparagraph (a) of this paragraph and if compliance therewith may legally be delayed pending the prosecution of any such proceeding, Tenant may delay such compliance therewith until the final determination of such proceeding.

(c) Landlord agrees to execute and deliver any appropriate papers or other instruments which may be necessary or proper to permit Tenant so to contest the validity or application of any such law, ordinance, order, directive, rule, regulation or requirement and to fully cooperate with Tenant in such contest.

12. Covenant Against Liens.

(a) If, as a result of work performed at or for the Project Site by or on behalf of Tenant, any mechanic's lien or other lien, charge or order for the payment of money shall be filed against Landlord or the interest of Landlord in and to any portion of the Premises, then provided Landlord has disbursed all of the funds to be disbursed by Landlord for the construction of the Journey House Addition under the Development Agreement, then Tenant shall, at its own cost and expense, (i) cause the same to be discharged of record or bonded or insured over or (ii) deposit with Landlord such funds as Landlord reasonably deems sufficient to cover the costs which may be payable by Tenant as a result thereof but in no event more than

125% of the lien amount, in each case, within sixty (60) days after written notice from Landlord to Tenant of the filing thereof; and Tenant shall indemnify and save Landlord harmless from and against all costs, liabilities, suits, penalties, claims and demands, including reasonable attorneys' fees, resulting therefrom. Notice is hereby given that all such liens shall relate and attach only to the interest of Tenant in the Premises.

(b) Notice is hereby given that no mechanic's or other lien for such work or materials shall attach to or affect the estate or interest of Landlord in and to the Premises or any part thereof or any property or assets (including, without limitation, any rent payable hereunder) of Landlord.

13. Access to Premises. Landlord or Landlord's Agents shall have the right, but not the obligation, to enter upon the Premises at all reasonable times after reasonable notice to Tenant to examine same and to exhibit the Premises to prospective purchasers and prospective tenants, but in the latter case only during the last six (6) months of the term of this Lease.

14. Assignment and Subletting.

(a) Consent Required. Except as permitted below, Tenant may not assign this Lease or enter into a sublease for all or any portion of the Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

(b) Affiliated Transfers. Tenant may assign this Lease and convey the Journey House Addition to an affiliate of Tenant or to a successor entity to Tenant by acquisition, merger, consolidation or similar structure, provided that the successor entity intends to continue to operate the Journey House Addition for substantially the same principal uses as Tenant (each, an "**Affiliated Transferee**") and provided that said assignment and conveyance shall be subject to MPS' prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed. For purposes herein, approval shall be deemed given if given by the current Facilities Director and, if Longfellow School continues to operating the original building as a public MPS school, the current principal or school leader of the same (the "**Longfellow Principal**"). If such approval is denied, Tenant shall have the right to take the issue of consent to the MPS Board.

(c) Unrelated Entity Transfers. Tenant shall also have the right to assign this Lease and convey the Journey House Addition to an unrelated entity that would continue to operate the Journey House Addition for substantially the same principal uses as Tenant, including, without limitation, adult education, community activities and before- and after-school programs (together with an Affiliated Transferee, a "**Permitted Provider Transferee**"), provided that such assignment and conveyance shall be subject to the prior written approval of MPS, which approval shall not be unreasonably withheld, conditioned or delayed. For purposes hereof, such approval shall be deemed given if given to by the Facilities Director and, if Longfellow School continues to operating the original building as a public MPS school, the Longfellow Principal. If such approval is denied, Tenant shall have the right to take the issue of approval to the MPS Board.

(d) Right of First Offer. If Tenant elects to or desires to assign this Lease and to convey the Journey House Addition or to lease the entire Journey House Addition to a third party that intends to use the Journey House Addition for purposes materially different than Tenant's principal uses, then prior to any such conveyance or lease, Tenant shall notify Landlord in writing of its intent to so convey, together with the price at which Tenant intends to market its rights under this Lease and in and to the Journey House Addition, which notice may also include other material terms of such proposed conveyance or lease. Landlord shall have a reasonable period of time, not to exceed sixty (60) days, to decide whether or not Landlord elects to purchase or to so lease the Journey House Addition on said terms or such other terms as may be agreed to by Landlord and Tenant. If Landlord does elect to exercise its right of first offer and purchase the Journey House Addition, then such closing shall take place within one hundred eighty (180) days after said notice on the terms and conditions set forth in the Tenant offer notice or at such later time as may have been set forth in such notice or such other date or on such other terms and conditions as may be agreed to by and between Landlord and Tenant. If Landlord does elect to exercise its right of first offer with respect to a lease and lease the Journey House Addition, then such lease shall be executed within the later of the date set forth in the Tenant offer notice or the date which is one hundred twenty (120) days after said notice on the terms and conditions set forth in the Tenant offer notice or at such other date or on such other terms and conditions as may be agreed to by and between Landlord and Tenant. If Landlord does not elect to exercise its right of first offer, then Tenant shall have the right to sell the Journey House Addition and to convey its rights under this Lease to a third party provided that the purchase price is not less than twenty percent (20%) of the purchase price at which the Journey House Addition was last offered to Landlord or that the lease rent is not less than ten percent (10%) of the annual rent including all additional rent and related costs, at which the lease of the Journey House Addition was last offered to Landlord, as applicable, and provided that in either case the use of the building by said third party would be compatible with the use of the Original Building as a school (provided that the Original Building is then being used as a school) as reasonably determined by Landlord. If the purchase price is to be less than eight percent (80%) of the purchase price last offered to Landlord or the rent to be reduced beyond the above referenced ten percent (10%) of the last rental rate offered to Landlord, then Tenant shall be required to reoffer the Journey House Addition to Landlord at the reduced purchase price or rent, as applicable, and Landlord shall have sixty (60) days to determine whether or not it elects to purchase the Journey House Addition at the reduced purchase price or rent, as applicable. If Landlord does not so elect to purchase or lease, then Tenant would have the right to offer the Journey House Addition and its rights under this Lease to third parties at the reduced purchase price or rent, as applicable, subject to the foregoing provisions. In addition, upon any such conveyance by Tenant to a third party who is operating the Journey House Addition for purposes materially different than Tenant's principal uses, then as a condition of such conveyance, the kitchen and cafeteria shall be closed off to the extent reasonably possible and the use thereof shall be exclusive to Landlord, and said third party buyer shall have no rights whatsoever to use the kitchen or the cafeteria, but shall continue to have all of the other rights granted hereunder, including, without limitation, to the Elevator and the Journey House Transition Area. If desired by said third party buyer, the third party buyer shall continue to have the right to shared use of the other Shared Facilities.

(e) Subleases. Tenant shall have the right from time to time to sublease portions of the Premises provided that Tenant shall provide MPS with written notice within ten (10) days after the effective date of any such sublease and provided further that any

subleases of all or any portion of the Shared Facilities shall be subject to the applicable terms of this Lease and MPS' prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed. For purposes hereof, MPS approval shall mean the approval of the Facilities Director and, if Longfellow School continues to operating the original building as a public MPS school, the Longfellow Principal. If such approval is denied, Tenant shall have the right to take the issue of consent to the MPS Board.

(f) Collateral Assignment. Tenant shall have the right from time to time to collaterally assign, pledge and/or mortgage any or all of its right, title and interest under this Lease pursuant to Paragraph 22 below as security solely for the purpose of obtaining financing on behalf of Tenant.

(g) Assumption by Transferee. It shall be a condition of any assignment that the assignee executes a written assignment and assumption agreement.

(h) Waiver by Landlord. If (i) Landlord no longer owns the Original Building or (ii) MPS is no longer occupying the Original Building and the Original Building is not operated as a school for K-12 students, then neither landlord nor MPS shall have no rights to approve any of the transfers or conveyances by Tenant and shall have no right of first offer.

(i) Ground Lease and Operating Agreement. Notwithstanding the foregoing, this Lease and Operating Agreement shall continue to be binding upon and inure to the benefit of the owner of the Original Building and the Property and the owner of the Journey House Addition and tenant under the Ground Lease, except as may be herein specifically provided with respect to the exclusive use of the kitchen and the cafeteria.

(j) Tax Status of QSCBs. Notwithstanding the foregoing, Tenant shall not assign or convey its interests in the Shared Facilities if MPS, after 30 days' notice from Tenant, provides Tenant with a written opinion from nationally recognized bond counsel that such assignment or conveyance will adversely affect the tax status of the QSCBs

15. Signs. Tenant shall have the right to install, maintain and replace on the exterior of the Journey House Addition and the Project Site such signs as Tenant may determine are desirable for conducting the business of Tenant on the Premises subject to the approval of the Facilities Director, which approval shall not be unreasonably withheld, conditioned or delayed. Tenant shall comply with any applicable requirements of governmental authorities having jurisdiction and shall obtain any necessary permits for such purposes. Landlord hereby consents to exterior building signs on the Journey House Addition identifying the Journey House Addition as "The Tenant Family Learning and Youth Athletics Center" or similar name provided the sign is in compliance with applicable law and is aesthetically compatible with the Original Building. Said determinations shall be made by the Facilities Director and shall not be unreasonably withheld, conditioned or delayed. If any such approval is denied, Tenant shall have the right to take the issue of consent to the MPS Board.

16. Indemnity and Reimbursement.

(a) Tenant shall indemnify and save Landlord harmless from and against any and all liabilities, damages, penalties or judgments arising from injury to person or

property sustained by anyone in and about the Premises resulting from (i) the negligence or willful misconduct of Tenant or Tenant's Agents and (ii) any breach of this Lease by Tenant, excluding from this indemnity any matters arising out of the negligence or willful misconduct of Landlord or Landlord's Agents or the use and occupancy of the Shared Facilities by Landlord. Nothing contained herein is intended to waive, limit or otherwise affect Tenant's rights to recreational immunity pursuant to its activities upon the Premises.

(b) Landlord shall indemnify and save Tenant harmless from and against any and all liabilities, damages, penalties or judgments arising from (i) any breach of this Lease by Landlord and (ii) the use and occupancy of the Shared Facilities by Landlord or Landlord's Agents. Nothing contained herein is intended to waive, limit or otherwise affect Landlord's right to maintain its sovereign immunity and recreational immunity in pursuing its activities upon the Premises.

(c) All indemnity provisions in this Lease shall survive termination or expiration of the term of this Lease and continue in effect until the expiration of all applicable statute of limitations (except in those cases for which a claim has been asserted prior to the expiration of such period, in which event the indemnification shall continue until such claim is finally resolved).

(d) Landlord hereby agrees to reimburse Tenant for any and all costs, penalties, fees or expenses, including court costs, and reasonable consultants' and attorneys' fees, incurred by Tenant as a result of any breach of this Lease by Landlord, the use and occupancy of the Shared Facilities by Landlord and any injury to person or properties sustained by anyone in and about the Premises resulting from any negligence or willful misconduct of Landlord or Landlord's Agents.

17. Insurance.

(a) During construction of the Journey House Addition, Tenant shall carry the insurance required to be carried by Tenant under the Development Agreement.

(b) After construction completion of the Journey House Addition, Tenant shall provide at its expense, and keep in force during the term of this Lease, commercial general liability insurance with an insurance company or companies licensed to do business in Wisconsin selected by Tenant:

(i) Commercial General Liability for Bodily Injury, Personal Injury, Property Damage, Advertising Injury, Contractual Liability, and Explosion, Collapse and Underground Hazards Coverage.

General Aggregate (other than Products - Completed Operations) per project	\$2,000,000
Products-Completed Operations	\$1,000,000
Personal and Advertising Injury Limit	\$1,000,000
Each Occurrence Limit	\$1,000,000
Fire Damage Limit - Any One Fire	\$ 50,000
Medical Expense - Any One Person	\$ 5,000

(ii) Automobile Liability for Owned, Non-Owned and Hired Autos with a minimum limit of \$1,000,000 combined single limit per accident for bodily injury and property damage.

(iii) Umbrella liability with a minimum limit of \$5,000,000 per occurrence; \$5,000,000 aggregate providing coverage as broad as the underlying Commercial General Liability, Automobile Liability and Employer's Liability. These limits shall be dedicated limits for the Journey House Addition and are not to be impaired by exhaustion of the aggregate.

(iv) Workers Compensation Statutory Limits

Employers Liability:

Bodily Injury by Accident	\$100,000 each accident
Bodily Injury by Disease	\$100,000 each employee
Bodily Injury by Disease	\$500,000 policy limit

(v) Coverage shall be modified to include a Waiver of Subrogation Endorsement in favor of the following parties including their directors, officers, agents and employees:

Tenant  
Milwaukee Board of School Directors  
City Of Milwaukee

(vi) At Landlord's written request, but no more often than once every five years, Tenant will adjust the above-referenced insurance amounts so that said amounts are commensurate with the amounts of liability coverage carried in connection with similar activities conducted in similar privately owned buildings in the Milwaukee area.

(c) Tenant agrees to deliver certificates of such insurance and evidences of payment of premiums on or before the date that the insurance required under the Development Agreement is terminated as a result of construction completion of the Journey House Addition and thereafter not less than thirty (30) days prior to the expiration of any such policy. Such insurance may not be cancelled without thirty (30) days written notice to Landlord and to each Leasehold Mortgagee.

(d) During the term of this Lease, Tenant shall keep all buildings and improvements erected by Tenant on the Project Site at any time insured for the benefit of Landlord, Tenant and any Leasehold Mortgagee, as their respective interests may appear, against loss or damage by fire and customary extended coverage in a minimum amount equal to one hundred percent (100%) of the replacement value of such buildings and improvements (less footings, foundations and excavations). All proceeds shall be paid directly to Tenant shall be held by Tenant for the purpose of paying the expenses of complying with its obligations under Paragraph 19 hereof. Landlord shall cooperate in good faith with Tenant in order to obtain the largest possible recovery and execute any and all consents and other instruments and take all other actions necessary or desirable in order to effectuate the same and to cause such proceeds to



be paid as provided herein. Landlord shall not carry any insurance concurrent in coverage and contributing in the event of loss with any insurance required to be furnished by Tenant hereunder if the effect of such separate insurance would be to reduce the protection or the payment to be made under Tenant's insurance.

(e) Any insurance required to be provided by Tenant pursuant to this Lease may be provided by blanket insurance covering the Premises and other locations of Tenant provided such blanket insurance complies with all of the other requirements of this Lease with respect to such insurance, and such blanket insurance is acceptable to any Leasehold Mortgagee. Unless otherwise agreed to in writing by Tenant and the Facilities Director insurance is to be placed with insurers who have a Best's Insurance Reports rating of no less than A- and a financial size of no less than Class VIII, and who are authorized as an admitted insurance company in the State of Wisconsin.

All insurance coverage for the additional insureds shall be on a primary and non-contributory basis. All policies shall provide that any insurance maintained by the additional insureds is excess and non-contributing with any insurance required hereunder. The insurance coverage for the additional insureds shall be at least as broad as that provided by the Additional Insured - Designated Person or Organization Endorsement, Insurance Services Office Form #CG 20 26 11 85, or the most recent State of Wisconsin approved version of this form unless otherwise agreed to in writing by the Facilities Director.

Any deductible or form of retention shall not be greater than \$10,000 unless otherwise approved in writing by Tenant and the Facilities Director.

(f) Not less than two weeks before the expiration of the insurance coverage required by this Lease, Tenant must provide to Landlord certificates of insurance which evidence renewal or continuation of the required insurance policies or certified copies of such insurance policies. If renewal is evidenced by certificates of insurance, Tenant must provide Landlord certified copies of the required insurance policies within 90 days of the expiration of coverage

(g) So long as Landlord owns the Property, Landlord shall provide or cause to be provided at no expense to Tenant, and keep or cause to be kept in force during the term of this Lease, (i) general liability insurance in a good and solvent insurance company or companies licensed to do business in the State of Wisconsin with a minimum rating of "A" from AM Best Insurance Reports in the amount of at least Five Million Dollars (\$5,000,000.00) in the aggregate and (ii) full replacement cost insurance covering the Original Building. Such policy or policies shall include Tenant as an additional insured. Landlord agrees to deliver certificates of such insurance and evidences of payment of premiums upon Tenant's request therefor. Such insurance may not be cancelled without thirty (30) days written notice to Tenant and to each Leasehold Mortgagee. MPS is a municipal body corporate that self funds for liability under Wis. Stat. § 893.80 and Wis. Stat. § 895.46(l). MPS reserves its right to self insure for purposes of comprehensive and general liability and property. If MPS or the City is no longer the Landlord hereunder, then Landlord shall not have the right to self insure hereunder.

18. Waiver of Subrogation. All insurance policies carried by either party covering the Premises, including but not limited to contents, fire and casualty insurance, shall expressly waive any right on the part of the insurer against the other party. As to any loss or damage which may occur upon the property of a party hereto and which is or is required to be covered (or required by the terms of this Lease to be covered) under any insurance policy(ies), including without limitation, through self insurance, such party hereby releases the other party from any amount of liability for such loss or damage. Such release shall include a release of liability for the full amount of any deductible or self insured retention maintained by a party under its insurance policy. Landlord and Tenant each waive and release each other from and against all claims for recovery against the other for any loss or damage to the property of such party arising out of fire or other casualty coverable by a standard “causes of loss special form” property insurance policy or such other insurance providing greater coverage as may be standard in the industry for the types of buildings comprising the Original Building and the Journey House Addition and the uses then made of such buildings, even if such loss or damage shall be brought about by the negligence of the other party, its officers, members, shareholders, directors, employees, agents, students, clients or representatives

19. Destruction.

(a) In the event that, at any time during the term of this Lease, the buildings and improvements on the Project Site shall be destroyed or damaged in whole or in part by fire or other cause, then, except as set forth below, Tenant shall cause the Shared Facilities to be repaired, replaced or rebuilt (with such changes in the design, type or character of the building and improvements as Tenant may deem desirable provided any such changes are subject to the approval of the Facilities Director, which approval shall not be unreasonably withheld, conditioned or delayed). Tenant may also repair, replace and rebuild all or any portion of the Journey House Space and/or add an additional floor or floors (with such changes in the design, type or character of the Journey House Space as Tenant may deem desirable provided any such changes do not affect the exterior aesthetic appearance of the Journey House Addition in a manner that negatively impacts the compatibility of the Journey House Addition with the Original Building, Tenant shall commence any repairs to the Shared Facility within one year after the date of payment of such insurance proceeds and shall thereafter diligently pursue such repairs, replacements and/or rebuilding to completion. Notwithstanding the foregoing, in the event the buildings and improvements on the Project Site are destroyed or damaged at any time so that the repair, reconstruction or rebuilding is estimated to take more than 180 days or any such damage occurs during the last five (5) years of the initial term of this Lease or any Option Period to the extent that, in Tenant’s reasonable judgment, the Premises are not usable in their damaged condition for the conduct of Tenant’s business or if the Original Building has been damaged or destroyed and Landlord fails to repair, replace and/or rebuild the Original Building, then Tenant may, upon written notice to Landlord, within one hundred twenty (120) days after the casualty, elect to terminate this Lease and assign to Landlord all insurance proceeds collected and all rights to collect the insurance proceeds in connection with such damage and destruction and which are attributable to the buildings and other improvements on the Premises and owned by Tenant unless Landlord has failed to repair, replace or rebuild the Original Building in which event all of the insurance proceeds shall be the property of Tenant and Landlord shall have no right or interest thereto. Upon such termination and except as to Landlord’s rights, if any, to said insurance proceeds, the parties shall have no further rights or obligations hereunder

(b) In the event that, at any time during the term of this Lease, the Original Building shall be destroyed or damaged in whole or in part by fire or other cause, then, except as set forth below, Landlord shall cause the Original Building to be repaired, replaced or rebuilt (with such changes in the design, type or character of the building and improvements as Landlord may deem desirable provided any such changes that might affect the exterior aesthetic appearance of the Original Building in a manner that negatively impacts the compatibility of the Journey House Addition with the Original Building or impacts the shared access between the buildings, the Journey House Transition Area, the Elevator and/or the shared utility systems and security systems shall be subject to the approval of Tenant, which approval shall not be unreasonably withheld, conditioned or delayed. Landlord shall commence any repairs to the Original Building within three (3) months after the date of such damage or repair and shall thereafter diligently pursue such repairs, replacements and/or rebuilding to completion. Notwithstanding the foregoing, in the event the Original Building is destroyed or damaged at any time so that the repair, reconstruction or rebuilding is estimated to take more than 45 days or cost more than \$50,000, Landlord may elect not to repair, replace or rebuild the Original Building, provided that Landlord restores, reconstructs, or replaces the Journey House Transition Area, including, without limitation, the exterior walls, Stairs and Elevator, subject to such modifications as approved by Tenant, which approval shall not be unreasonably withheld, conditioned or delayed and promptly razes the remainder of the Original Building and removes all debris and replaces the Original Building with paving, play ground areas, grass areas and/or landscaped areas designed to be compatible with the use of the Journey House Addition, subject to Tenant's approval, which approval shall not be unreasonably withheld, conditioned or delayed. If Landlord so elects not to repair, replace or rebuild the Original Building, then Tenant may, upon written notice to Landlord, given at any time thereafter elect to terminate this Lease by written notice to Landlord, whereupon this Lease shall terminate and the parties shall have no further rights or obligations hereunder.

20. Eminent Domain.

(a) As used herein, the term "Taking" shall mean and refer to the event of vesting of title in a competent authority vested with the power of eminent domain or condemnation pursuant to any action or proceeding brought by such authority in exercise of such power, including a voluntary sale to such authority, either under threat of, or in lieu of, condemnation or while a condemnation action or proceeding is pending. If, at any time during the term of this Lease, there shall be a Taking of all of the Premises, or a substantial part of the Premises such that the portion of the Premises remaining after such Taking would, in Tenant's sole business judgment, be impractical for use by Tenant, then Tenant shall be relieved of its obligations to pay rent and to perform its other covenants hereunder from and after the date of such Taking provided Tenant has given notice of its intent to terminate this Lease within one hundred twenty (120) days after said Taking, and Tenant shall surrender the remaining portion of the Premises, if any, to Landlord as of such date; provided that such release and surrender shall in no way prejudice or interfere with Tenant's right to an award for its loss or damage as hereinafter provided. The rent for the last month of Tenant's possession of the Premises shall be prorated and any rent paid in advance shall be refunded to Tenant.

(b) In the event of any Taking of all or any portion of the Premises, Tenant shall be entitled to any award based on the Taking of or injury to the Project Site and that

portion of any award based on any loss of the Journey House Addition and any building or other improvement constructed or placed on the Project Site by or behalf of Tenant, including awards for loss or interruption of business and the cost of any alterations or restoration resulting from any such Taking. Landlord shall deliver to Tenant any award paid to Landlord that is in any way attributable to the Journey House Addition or any such improvements.

(c) In the event of a Taking which does not result in a termination of this Lease pursuant to Subparagraph 20(a), the term of this Lease shall not be reduced or affected in any way to the extent Tenant's award attributable to such improvements is not sufficient to pay for the cost of restoration, replacement and reconstruction

21. Utility Easements. Tenant shall have the right to enter into reasonable agreements with utility suppliers creating easements in favor of such suppliers, including, without limitation, gas, electricity, telephone, telecommunications, water and sewer, as are required in order to service the buildings and improvements on the Property, subject, however, to Landlord's reasonable approval of the location of such utility lines. The form of any such easements shall require the utility supplier to restore the easement area following any construction or repair work. Landlord, with respect to the Property, covenants and agrees to consent thereto and to execute any and all documents, agreements, easements and instruments, and to take all other actions reasonably required in order to effectuate the same.

22. Leasehold Mortgages.

(a) Notwithstanding any other provision hereof to the contrary, Tenant shall have the right, from time to time, to convey or encumber by mortgage, deed to secure debt or similar financing instrument, Tenant's leasehold estate and interest in and to the Premises or any part thereof (each such leasehold mortgage, deed to secure debt or other financing instrument being herein referred to as a "**Leasehold Mortgage**" and the holder thereof as a "**Leasehold Mortgagee**"). The execution and delivery of a Leasehold Mortgage shall not be deemed to constitute an assignment or transfer of this Lease nor shall the Leasehold Mortgagee be deemed an assignee or transferee of this Lease so as to require such Leasehold Mortgagee to assume the performance of any of the covenants or agreements on the part of Tenant to be performed hereunder. Tenant shall also have the right from time to time to obtain financing by a "sale and leaseback" of Tenant's leasehold interest hereunder (*i.e.*, an assignment of Tenant's leasehold estate under this Lease simultaneously with or subsequent to the making of a sublease of all of the Premises to Tenant). If Tenant shall enter into any such financing arrangement, it shall deliver to Landlord true and complete copies of the instruments effecting such transaction. Simultaneously with the delivery to Landlord of the aforesaid instruments effecting such transaction, Tenant shall also give Landlord notice of the name and address of the party providing such financing.

(b) Tenant agrees that it shall not encumber its leasehold estate with more than two (2) Leasehold Mortgages at one time without the prior written consent of Landlord. With respect to any Leasehold Mortgagee or other person providing financing as to which Landlord shall have been given notice, the following shall apply notwithstanding any other provision of this Lease to the contrary:

(i) No voluntary termination by Tenant of this Lease shall be effective unless consented to in writing by such Leasehold Mortgagee; and any material amendment or material modification of this Lease or the exercise by Tenant of any option to terminate this Lease without the written consent of such Leasehold Mortgagee shall be voidable as against such Leasehold Mortgagee at its option.

(ii) Landlord shall give any and all notices given to Tenant hereunder simultaneously to any such Leasehold Mortgagee at the address of such Leasehold Mortgagee provided to Landlord, and no such notice shall be effective as to such Leasehold Mortgagee unless and until a copy thereof has been given to such Leasehold Mortgagee. In the event Landlord sends Tenant a notice of default, from and after the time that such notice has been delivered to such Leasehold Mortgagee, such Leasehold Mortgagee shall have the same period granted to Tenant (plus, with respect to monetary defaults, an additional ten (10) days in which to effect a cure, and with respect to nonmonetary defaults, an additional thirty (30) days to effect a cure) under this Lease (provided, however, that if such nonmonetary cure is of a nature that it cannot be effected by Leasehold Mortgagee within such a period of time, Leasehold Mortgagee shall have such additional time to cure said default as long as such Leasehold Mortgagee shall have commenced to cure such default within such period and shall thereafter be taking diligent steps to effect the same). Landlord shall accept performance of any and all of Tenant's obligations hereunder, including the obligations to pay rent, from any such Leasehold Mortgagee and the performance of such obligation by such Leasehold Mortgagee shall be deemed to have been a cure effected by Tenant. Landlord hereby consents to the entry into the Premises by any such Leasehold Mortgagee for the purpose of effecting the cure of any default by Tenant. In the event of a default by Tenant hereunder, any Leasehold Mortgagee may effect the cure of such default by foreclosing its Leasehold Mortgage, obtaining possession of the Premises and performing all of Tenant's obligations hereunder.

(iii) If it shall be necessary for any such Leasehold Mortgagee to obtain possession of the Premises to effect any such cure of a default by Tenant under this Lease, then Landlord shall not commence any proceeding or action to terminate the term of this Lease if (1) such Leasehold Mortgagee shall have informed Landlord within the grace period applicable to such Leasehold Mortgagee that such Leasehold Mortgagee has taken steps to foreclose its Leasehold Mortgage, or cancel its sublease or other financing arrangement, necessary to obtain possession of the Premises, (2) the rent shall be paid and all other provisions and requirements of this Lease which are capable of being observed and performed without obtaining possession of the Premises are so observed and performed while any such foreclosure, other action or other remedy is being prosecuted by any such Leasehold Mortgagee and for so long thereafter as such Leasehold Mortgagee shall have obtained possession of the Premises, and (3) such Leasehold Mortgagee shall be diligently prosecuting such foreclosure or cancellation and attempting to effect a cure of the default. Nothing herein contained shall be deemed to require the Leasehold Mortgagee to continue with

any foreclosure or other proceedings, or, in the event such Leasehold Mortgagee shall otherwise acquire possession of the Premises, to continue such possession, if the default in respect to which Landlord shall have given the notice shall be remedied.

(iv) Landlord agrees that in the event of the termination of this Lease by reason of any default by Tenant, and if Landlord has prior to such termination been given written notice of the name and address of such Leasehold Mortgagee, Landlord will enter into a new lease of the Premises with any Leasehold Mortgagee or its nominee for the remainder of the term of this Lease, effective as of the date of such termination, at the rent and upon the terms, options, provisions, covenants and agreements as herein contained, provided:

(A) Such Leasehold Mortgagee may make written request upon Landlord for such new lease after the date of such termination and such written request is accompanied by payment to Landlord of all sums then due to Landlord hereunder.

(B) Such Leasehold Mortgagee or its nominee shall pay to Landlord at the time of the execution and delivery of said new lease any and all sums which would at that time be due hereunder but for such termination, together with any expenses, including reasonable attorneys' fees, incurred by Landlord as a result of such termination, as well as in the preparation, execution and delivery of such new lease.

(v) No Leasehold Mortgagee shall become liable under the agreements, terms, covenants or conditions of this Lease unless and until it becomes the owner of the leasehold estate. Any assignment of the entire interest in this Lease by any owner of the leasehold estate whose interest shall have been acquired by, through or under any Leasehold Mortgage or from any holder thereof, shall not be subject to Paragraph 14 of this Lease, provided that the assignee shall execute and deliver to Landlord a recordable instrument of assumption wherein such assignee shall assume and agree to perform and observe the covenants and conditions in this Lease contained on Tenant's part to be performed and observed, including, as to future assignments, Paragraph 14, it being the intention of the parties that once the Leasehold Mortgagee or its nominee shall succeed to Tenant's interest hereunder, any and all subsequent assignments (whether by such Leasehold Mortgagee, its nominee, or any purchaser at a foreclosure sale or other transferee or assignee from Leasehold Mortgagee or its nominee) shall upon the aforesaid assumption and agreement by the assignee, effect a release of the assignor's liability hereunder.

(vi) If at any time there shall be two (2) or more Leasehold Mortgages constituting a lien on Tenant's interest in this Lease and the leasehold estate hereby created, the holder of the Leasehold Mortgage recorded prior in time shall be vested with the rights under Subparagraph 22(b)(iv) of this Lease to the exclusion of the holder(s) of the other Leasehold Mortgages; provided, however, that if the holder of a Leasehold Mortgage recorded prior in time to any other Leasehold Mortgage shall fail or refuse to exercise the rights set forth in this

Lease, the holder of the other Leasehold Mortgage next in time shall have the right to exercise such rights. All of the provisions contained in this Lease with respect to Leasehold Mortgages and the rights of Leasehold Mortgagees shall survive the termination of this Lease for such period of time as shall be necessary to effectuate the rights granted to all Leasehold Mortgagees by the provisions of this Lease.

(vii) Nothing herein contained shall require any Leasehold Mortgagee or its nominee to cure any default by Tenant hereunder.

23. Performance by Subtenant. Any act required to be performed by Tenant pursuant to the terms of this Lease may be performed by any permitted sublessee of Tenant occupying all or any part of the Premises and the performance of such act shall be deemed to be performance by Tenant and shall be accepted as Tenant's act by Landlord.

24. Quiet Enjoyment; Status of Landlord's Title.

(a) Tenant, upon paying the rent and additional rent and all other sums and charges to be paid by it as herein provided, and observing and keeping all covenants, warranties, agreements and conditions of this Lease on its part to be kept, all within applicable grace periods, shall quietly have and enjoy the Premises during the term of this Lease, without hindrance or molestation by anyone.

(b) Landlord represents and warrants to Tenant that Landlord owns fee simple title to the Premises free and clear of any liens, encumbrances and restrictions and that Landlord has the power and authority to execute and deliver this Lease and to carry out and perform all covenants to be performed by Landlord hereunder.

25. Defaults. The following events shall constitute an "**Event of Default**" by Tenant under this Lease:

(a) Tenant's failure to pay any installment of base rent or additional rent when the same shall be due and payable and the continuance of such failure for a period of thirty (30) days after receipt by Tenant of notice in writing from Landlord specifying the nature of such failure; or

(b) Tenant shall default in the performance or observance of any of the material terms to be performed by Tenant in this Lease and the continuance thereof for ninety (90) days following receipt and written notice from Landlord specifying such default and requesting that it be corrected, provided that if such default cannot reasonably be cured within said ninety (90) day period, then such longer period of time as may be reasonably necessary to cure such default. No default shall be deemed to continue if and so long as Tenant shall be delayed in or prevented from curing the same by any cause specified in the paragraph of this Lease entitled "Force Majeure";

(c) Tenant shall:

(i) Make a general assignment for the benefit of creditors or to an agent authorized to dissolve a substantial amount of its property; or

(ii) Become subject (either voluntarily or involuntarily unless dismissed within ninety (90) days after such filing) to an order for relief within the meaning of the bankruptcy code; or

(iii) File a petition to effect a plan or other arrangement with creditors; or

(iv) File an answer to a creditor's petition, admitting the material allegations thereof, for dissolution, reorganization or to effect a plan or other arrangements with creditors; or

(v) Apply to a court for the appointment of a receiver for any of its assets; or

(vi) Have a receiver appointed for any of its assets (with or without consent) and such receiver shall not be discharged within ninety days (90) after appointment;

(vii) Otherwise become the subject of any federal or state bankruptcy or insolvency proceedings unless dismissed within ninety (90) days after such filing; or

(viii) Assign the Ground Lease in violation of this Agreement.

(d) Tenant, its permitted subtenants under Paragraph 14 and its successor or assigns shall cease all operations from the Journey House Addition for a period of 24 months, which period shall be extended for the period of any cessation that arises from causes outside of the reasonable control of Tenant or its successors or assigns, as applicable.

26. Remedies. If an Event of Default shall occur, the aggrieved party may pursue any available remedy against the party in the default either at law or in equity, including, but not limited to, seeking specific performance, provided that Landlord shall not have the right to terminate the Ground Lease or the Operating Agreement, except pursuant to Section 704.31 of the Wisconsin Statutes. In the event Landlord successfully enforces the remedy granted pursuant to Section 704.31 of the Wisconsin Statutes, Landlord shall have no liability to Tenant for the cost or value of any improvements constructed upon any part of any property subject to the Ground Lease provided that, notwithstanding the provisions of Section 704.31, Tenant shall have no personal liability or obligation for any amounts then due MPS and/or the City and/or Landlord. The curing of any default(s) within the above time limits set forth in this Paragraph 26(a) or Subparagraph 22(b)(ii) by any of the permissible parties or combination thereof, shall constitute a curing of any default(s) hereunder with like effect as if Tenant had cured same hereunder.



27. Restrictions on Conveyance: Landlord.

(a) Leasing. Landlord shall have the right from time to time to lease portions of the Original Building, provided that Landlord shall provide Tenant with written notice within ten (10) days after the effective date of any such lease and provided that any use by any such tenant of the Original Building shall be compatible with the uses of the Journey House Addition by Tenant. If the Original Building is used as a school, but is not being used as a Landlord School, then Tenant will have the right to approve the operator of the school, which approval shall not be unreasonably withheld, conditioned or delayed. The lease of all or substantially all of the Original Building shall require the consent of Tenant, which approval shall not be unreasonably withheld, conditioned or delayed.

(b) Cessation of Use of Original Building As School. If Landlord ceases to use the Original Building for an Landlord school, then Landlord may use the Original Building for any Landlord purpose not incompatible with the use of the Journey House Addition with the consent of Tenant, not to be unreasonably withheld, conditioned or delayed.

(c) Conveyance. If Landlord intends to convey the Original Building or to lease the Original Building for uses unrelated to childhood education, then Landlord shall notify Tenant in writing of its intent to so convey or lease, together with the purchase price or rent that Landlord intends to market the Original Building or the lease rights therein, which notice may also include other material terms of such proposed conveyance or lease. Tenant shall have a reasonable period of time, not to exceed sixty (60) days, to decide whether or not Tenant elects to purchase or lease, as applicable, the Original Building on said terms or such other terms as may be agreed to by Landlord and Tenant. If Tenant does elect to exercise its right of first offer with respect to a conveyance and purchase the Original Building, then such closing shall take place within the later of the date set forth in the Landlord offer notice or 180 days after the date of said notice on the terms and conditions set forth in the Landlord offer notice or at such other date or on such other terms and conditions as may be agreed to by and between Landlord and Tenant. If Tenant does elect to exercise its right of first offer with respect to a lease and lease the Original Building, then such lease shall be executed within the later of the date set forth in the Landlord offer notice or the date which is 120 days after said notice on the terms and conditions set forth in the Landlord offer notice or at such other date or on such other terms and conditions as may be agreed to by and between Landlord and Tenant. If Tenant does not elect to exercise its right of first offer, then Landlord shall have the right to sell or lease the Original Building to a third party provided that the purchase price is not less than twenty percent (20%) of the purchase price at which the Original Building was last offered to Tenant or that the lease rent is not less than ten percent (10%) of the annual rent including all additional rent and related costs, at which the lease of the Original Building was last offered to Tenant and provided that in either such case that the use of the building by said third party purchaser or tenant would be compatible with the use of the Journey House Addition as reasonably determined by Tenant. If the purchase price or rent is to be reduced beyond the applicable percentages set forth above and last offered to Tenant, then Landlord shall be required to reoffer the lease or sale of the Original Building to Tenant at that reduced purchase price or rent, as applicable, and Tenant shall have sixty (60) days to determine whether or not it elects to purchase or lease the Original Building at the reduced purchase price or rent, as applicable. If Tenant does not so elect to purchase or rent, then Landlord would have the right to offer the Original Building to third parties at the reduced

purchase price or reduced rent, as applicable, subject to the foregoing provisions. In addition, upon any such conveyance or lease by Landlord to a third party, Tenant shall have the right to approve such third party for purposes of determining whether the third party's use will be compatible with the use of the Journey House Addition, which approval shall not be unreasonably withheld, conditioned or delayed. Any such conveyance or lease shall expressly restrict the use of the Original Building so that said use remains compatible with the use of the Journey House Addition as a covenant "running with the land" binding upon the Original Building for the benefit of the Journey House Addition during the term of the Ground Lease. This right of offer shall apply to any future buyer of the Original Building so long as the Ground Lease remains in effect.

28. Waivers. Failure of Landlord or Tenant to complain of any act or omission on the part of the other party or to take action in connection therewith no matter how long the same may continue, shall not be deemed to be a waiver by said party of any of its rights hereunder. No waiver by Landlord or Tenant at any time, express or implied, of any breach of any provision of this Lease shall be deemed a waiver of a breach of any other provision of this Lease or a consent to any subsequent breach of the same or any other provision.

29. Good Faith. Whenever the parties hereto are required to work together or approve or consent to any matter or item pursuant hereto, each party hereto shall act in good faith, reasonably and with due diligence

30. Brokerage Commissions. Landlord represents and warrants to Tenant that Landlord has not engaged or employed any real estate broker, agent or other intermediary in connection with this Lease.

31. Representations and Warranties/Releases; Hazardous Materials.

(a) To induce Tenant to enter into this Lease, Landlord does hereby expressly warrant and represent to Tenant the following:

(i) There are no actions, suits or proceedings of any kind or nature whatsoever, legal or equitable, pending or threatened against the Original building, the Project Site or Landlord in connection therewith in any court or before or by any federal, state, county or municipal department, commission, board, bureau or agency or other governmental instrumentality, including, without limitation, any condemnation or eminent domain proceedings that would be binding upon or otherwise negatively impact Tenant, the Project Site, the Original Building or the Journey House Addition.

(ii) No person, firm, corporation or other legal entity whatsoever (other than Tenant) has any right or option whatsoever to acquire or lease the Premises or any portion or portions thereof or any interest or interests therein.

(iii) To the best of Landlord's knowledge, there is no existing violation or breach of any ordinance, code, law, rule, requirement or regulation applicable to the Premises.

(b) Notwithstanding anything to the contrary contained in this Lease or elsewhere, Tenant shall have no responsibility or liability whatsoever as a result of any Hazardous Materials (as hereinafter defined) located on, in, under or in the vicinity of the Property and/or the Original Building except to the extent said Hazardous Materials are brought onto the Property or into the Original Building by Tenant or Tenant's Agents and Landlord hereby expressly releases Tenant and Tenant's Agents any and all such liability and responsibility and shall reimburse Tenant for any and all costs, penalties, fees or expenses incurred by Tenant or Tenant's Agents as a result thereof. For purposes hereof, the term "**Hazardous Materials**" means (i) any "hazardous wastes" as defined by the Resource, Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901 et. seq.), as amended from time to time, and regulations promulgated thereunder; (ii) any "hazardous, toxic or dangerous waste, substance or material" specifically defined as such in or for the purposes of the Comprehensive Environmental Response, Compensation, and Liability Act, any so-called "superfund" or "superlien" law, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, and specifically identified and known as a hazardous, toxic or dangerous waste, substance or material as of the date hereof including any petroleum, petroleum products or waste. Landlord hereby indemnifies and holds Tenant harmless from and against any loss, cost, damage or expense arising out of or relating to the presence of Hazardous Materials on the Property, excluding those matters caused by Tenant or Tenant's Agents, students or invitees.

(c) Promptly after its receipt of any report of or concerning the environmental condition of, or the presence or absence of Hazardous Materials at, upon or under, or the compliance or noncompliance with any environmental laws of, the Premises or any part thereof, Landlord will deliver a complete copy of such report to Tenant.

32. Intentionally Omitted.

33. Tenant Representations, Warranties and Covenants.

(a) Tenant represents and warrants that Tenant is authorized to do business in the State of Wisconsin and to lease the Premises and has full power and authority to enter into and perform this Lease in accordance with its terms. The person executing this Lease on behalf of Tenant has been duly authorized to do so. This Lease is a legal, valid and binding obligation of Tenant and is enforceable against Tenant in accordance with its terms.

(b) Tenant covenants that after the Effective Date: (i) Tenant shall not contaminate the Premises with any Hazardous Materials; (ii) Tenant shall not use or allow the Premises to be used for the manufacture, storage, generation or disposal of any Hazardous Materials except in compliance with all laws and only to the extent said Hazardous Materials are used in ordinary and customary course of Tenant's business; and (iii) Tenant shall not cause or permit to exist or occur any deposit, disposal, discharge, spillage, loss, emission, escape, migration, seepage or filtration of oil, petroleum, chemical liquids or solids, liquid or gaseous products, or any Hazardous Materials upon, under, above, from or within the Premises except in compliance with all laws and only to the extent said Hazardous Materials are used in ordinary and customary course of Tenant's business. Tenant hereby indemnifies and holds Landlord

harmless from and against any loss, cost, damage or expense arising out of or relating to the presence of Hazardous Materials within the Journey House Addition, excluding those matters caused by Landlord or Landlord's Agents, students or invitees. This Paragraph 31 will survive the termination or expiration of this Lease.

(c) Promptly after its receipt of any report of or concerning the environmental condition of, or the presence or absence of Hazardous Materials at, upon or under, or the compliance or noncompliance with any environmental laws of, the Premises or any part thereof, Tenant will deliver a complete copy of such report to Landlord.

34. Force Majeure. In the event that Landlord or Tenant shall be delayed, hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, the act, failure to act or default of the other party, war or any reason beyond their control, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. Lack of funds shall not be a basis for avoidance or delay of any obligation under this Lease.

35. Notices. Every notice, approval, consent or other communication authorized or required by this Lease shall not be effective unless the same shall be in writing and delivered (a) in person, (b) by courier, (c) by reputable overnight courier guaranteeing next day delivery, (d) if sent on a business day during the business hours of 9:00 a.m. until 5:00 p.m. C.S.T., via facsimile with a copy to follow by reputable overnight courier guaranteeing next day delivery, or (e) sent postage prepaid by United States registered or certified mail, return receipt requested, directed to the other party at its address hereinabove first mentioned, or such other address as either party may designate by notice given from time to time in accordance with this paragraph. Such notices or other communications shall be effective (i) in the case of personal delivery or courier delivery, on the date of delivery to the party to whom such notice is addressed as evidenced by a written receipt signed on behalf of such party; (ii) if by overnight courier, one (1) business day after the deposit thereof with all delivery charges prepaid with evidence of a written receipt signed by or on behalf of such receiving party; (iii) if by facsimile, on the date of transmission, provided that such facsimile transmission is sent on a business day, during the hours stated above, and provided that a confirmation sheet is received and a copy of the notice is simultaneously delivered by reputable overnight courier (with all charges prepaid) for receipt on the next succeeding business day with evidence of written receipt signed by or on behalf of such receiving party; and (iv) in the case of registered or certified mail, the date receipt is acknowledged on the return receipt for such notice.

36. Certificates. Either party shall, without charge, at any time and from time to time hereafter, within ten (10) days after written request of the other, certify by written instrument duly executed and acknowledged to any mortgagee or purchaser, or proposed mortgagee or proposed purchaser, or any other person, firm or corporation specified in such request: (a) as to whether this Lease has been supplemented or amended, and, if so, the substance and manner of such supplement or amendment; (b) as to the validity and force and effect of this Lease, in accordance with its tenor as then constituted; (c) as to the existence of any default under this Lease; (d) as to the existence of any offsets, counterclaims or defenses thereto

on the part of such other party; (e) as to the commencement and expiration dates of the term of this Lease; and (f) as to any other matters as may reasonably be so requested. Any such certificate may be relied upon by the party requesting it and any other person, firm or corporation to whom the same may be exhibited or delivered, and the contents of such certificate shall be binding on the party executing same.

37. Governing Law. This Lease and the performance thereof shall be governed, interpreted, construed and regulated by the laws of the State of Wisconsin.

38. Partial Invalidity. If any term, covenant, condition or provision of this Lease or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, condition and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

39. Memorandum of Lease. Landlord and Tenant shall execute and deliver a memorandum of lease in the form attached hereto as **Exhibit F** and made a part hereof by this reference (the "Memorandum of Lease") upon the establishment of the Commencement Date, which will constitute a memorandum of this Lease. Any and all recording costs required in connection with the recording of such Memorandum of Lease shall be paid by Tenant.

40. Interpretation. Wherever herein the singular number is used, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders, and vice versa, as the context shall require. The paragraph headings used herein are for reference and convenience only and shall not enter into the interpretation hereof.

41. Entire Agreement; Modification of Lease. No oral statement or prior written matter shall have any force or effect. Landlord and Tenant agree that they are not relying on any representations or agreements other than those contained in this Lease. This Lease shall not be modified or canceled except by writing executed by Landlord and Tenant.

42. Parties. Except as herein otherwise expressly provided, the covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of Landlord and Tenant and their respective successors and permitted assigns. The permitted assigns of the Landlord and Tenant shall be limited to entities approved in writing by each of the other Parties, acting reasonably and as more particularly set forth in Paragraph 14 and Paragraph 26.

43. Surrender at End of Term.

(a) On the last day of the term of this Lease, Tenant shall surrender and deliver to Landlord the Premises in the condition the Premises are required to be maintained under Paragraph 10, except for (i) ordinary wear and tear; (ii) damage by fire or other casualty or by condemnation or other taking; and (iii) free and clear of all liens, security interests, charges and encumbrances created by Tenant other than those that were created by or consented to by Landlord. Tenant shall be permitted to remove Tenant's installed equipment, signs, trade fixtures, light fixtures, furniture, equipment and any other items utilized in Tenant's operations.

(b) On the last day of the term of this Lease or upon a re-entry by Landlord upon the Premises pursuant to Paragraph 25 hereof, Tenant shall deliver to Landlord, to the extent Tenant is then in possession or control of same, Tenant's executed counterparts of any subleases, any service and maintenance contracts in effect, all maintenance records for the Premises, all original licenses and permits then pertaining to the Premises, permanent or temporary certificates of occupancy then in effect for any buildings, and any and all warranties and guarantees then in effect which Tenant has received in connection with any work or services performed or equipment installed in any of the buildings, together with a duly executed assignment thereof, to the extent assignable to Landlord.

44. Counterpart Execution; Effective Date. This Lease may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same agreement. The Effective Date of this Lease shall be the date upon which this Lease shall have been fully executed by both Landlord and Tenant and each of Landlord and Tenant have received a fully executed counterpart hereof. The party last executing this Lease shall deliver a fully executed counterpart to the other party by overnight courier for receipt on the next succeeding business day and shall insert as the Effective Date on all counterparts of this Lease such next succeeding business day.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

LANDLORD:

MILWAUKEE BOARD OF SCHOOL  
DIRECTORS

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

TENANT:

JOURNEY HOUSE, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**

**DESCRIPTION OF LAND**

**EXHIBIT B**  
**PROJECT SITE**



**EXHIBIT C**

**ACCESSWAYS**

**EXHIBIT D**

**TEMPORARY CONSTRUCTION EASEMENT**

**EXHIBIT E**

**JOURNEY HOUSE TRANSITION AREA**

**EXHIBIT F**

**MEMORANDUM OF GROUND LEASE**

THIS MEMORANDUM OF GROUND LEASE, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between \_\_\_\_\_ (hereinafter referred to as "**Landlord**"), and \_\_\_\_\_ (hereinafter referred to as "**Tenant**").

**WITNESSETH:**

WHEREAS, Landlord and Tenant have entered into that certain Ground Lease dated \_\_\_\_\_, 2011 (the "**Lease**"); and

WHEREAS, the parties hereto desire to file this Memorandum of Lease for record in the Office of the Register of Deeds of Milwaukee County, Wisconsin to provide record notice of the Lease and the terms and conditions contained therein with respect to the Premises (as hereinafter defined).

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein and in the Lease, Landlord and Tenant hereby agree as follows:

1. **Premises.** [Paragraph 1 of Lease to be inserted upon recordation.]
2. **Term.** The term of the Lease commenced on \_\_\_\_\_, 2011, and shall terminate on the last day of the month which is \_\_\_\_\_ (\_\_\_\_\_) years after the Commencement Date (as such term is defined in the Lease) unless sooner terminated or extended as provided in the Lease. Tenant has the right to extend the term of the Lease for \_\_\_\_\_ (\_\_\_\_\_) consecutive periods of \_\_\_\_\_ (\_\_\_\_\_) years each pursuant to the terms of the Lease. Landlord and Tenant agree to record an amendment to this Short Form Lease setting forth the Commencement Date once the same is determined in accordance with the terms of the Lease. Pursuant to the terms of the Lease, in no event shall the Commencement Date be later than \_\_\_\_\_.
3. **Incorporation of Lease.** The provisions set forth in the Lease are hereby incorporated into this Short Form Lease as if set out in full herein. In the event of any conflict or inconsistency between the terms of this Short Form Lease and the terms of the Lease, the terms of the Lease shall govern and control for all purposes.
4. **Defined Terms.** All capitalized terms and words of art which are used but not defined herein shall have the same respective meaning designated for such terms and words of art in the Lease.
5. **Restrictions on Adjoining Property.** [Paragraph 28 to be inserted upon recording.]

6. Cancellation of Memorandum of Lease. Upon the request of Landlord following the expiration or termination of the Lease, Tenant shall promptly execute and deliver to Landlord an appropriate release and/or cancellation instrument acknowledging the expiration or termination of the Lease and releasing any and all right, title and interest of Tenant in and to the Premises under the Lease. Such release and/or cancellation instrument shall be executed in proper form for recordation in the Deed Records of \_\_\_\_\_l County, Wisconsin.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Short Form Lease to be executed and sealed the day, month and year first above written.