

LEASE AGREEMENT

Agreement of Lease, made as of this 7th day of March, 2018, between **CRYSTAL LAKE CIVIC CENTER AUTHORITY**, an Illinois municipal corporation, 100 West Municipal Complex, Crystal Lake, Illinois 60014 (hereinafter referred to as "Lessor") and **HOME STATE BANCORP, INC.**, an Illinois corporation, 40 Grant Street, Crystal Lake, Illinois 60014 (hereinafter referred to as "Lessee"), the terms "Lessor" and "Lessee" to include its successors and assigns, wherever the context so requires or permits.

**I.
DESCRIPTION OF PROPERTY**

In consideration of the mutual covenants contained herein, Lessor hereby leases to Lessee, and the Lessee hereby leases from Lessor that portion (described below) of the property commonly known as 26 N. Williams Street, Crystal Lake, Illinois 60014, which is the following described property located in the City of Crystal Lake, County of McHenry and State of Illinois, as follows:

PARCEL 1:

LOT 1 IN THE CRYSTAL LAKE CIVIC CENTER RESUBDIVISION, BEING A SUBDIVISION OF LOT 8 AND PART OF LOT 9 IN BLOCK 15 OF THE ORIGINAL PLAT OF NUNDA, BEING A SUBDIVISION OF PART OF THE EAST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 32, TOWNSHIP 44 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MAY 12, 2000 AS DOCUMENT NUMBER 2000R0024406 AS CORRECTED BY CERTIFICATE OF CORRECTION RECORDED AUGUST 3, 2000 AS DOCUMENT NUMBER 2000R0042129, IN MCHENRY COUNTY, ILLINOIS.

P.I.N.s: 14-32-482-028
14-32-482-029

PARCEL 2:

LOT 10 IN BLOCK 15 IN THE ORIGINAL PLAT OF NUNDA, BEING A PART OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 32, TOWNSHIP 44 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT

THEREOF RECORDED AUGUST 13, 1868 IN BOOK 43 OF DEEDS,
PAGE 296, IN MCHENRY COUNTY, ILLINOIS.

P.I.N.: 14-32-482-002

The “demised premises” are the above-described property which includes commercial improvements that have been designated as a landmark property under the Municipal Code of the City of Crystal Lake (the “Crystal Lake Code”).

II.
TERM OF LEASE AND RENT

Subject to the terms and provisions of this Lease, this Lease shall be for a term of ninety-nine (99) years commencing on March 7, 2018 and ending on February 28, 2117. The Lessee shall hold said premises hereby leased during the full term of this Lease and paying as rent, except only in case of fire or other casualty, or breach of this Lease by Lessor, the sum of \$100.00 per year and other good and valuable considerations including the terms of this Lease, for said term payable annually on the 15th day of March of each year. Lessor may impose, and Lessee agrees to pay, a late charge not exceeding ten percent (10%) of any lease payment which is paid more than ten (10) days beyond the payment due date and which Lessor elects to accept.

III.
LESSEE'S COVENANTS

The Lessee agrees:

- (a) That it will pay the said rent at the times and in the manner aforesaid.
- (b) Lessee agrees that they will pay immediately when due and payable and prior to the date when the same shall become delinquent, all general and special taxes, special assessments, water charges, sewer service charges and other taxes, fees, liens, and charges levied, assessed, or charged against the premises and will furnish Lessor with original or duplicate receipts therefor. Failure to make the payments required hereunder shall constitute a breach of this Agreement.

(c) That it will pay all special assessments for improvements not yet completed.

(d) That it will carry, during the entire term or any extended term hereof, at its own cost and expense, dram shop (at such time as any alcoholic beverages shall be served), public liability and casualty insurance in an amount reasonably approved by Lessor, insuring Lessee and Lessor (as an additional insured) against any covered liability that may accrue against them or either of them on account of any occurrences in or about the demised premises during the term or in consequence of Lessee's occupancy thereof and resulting in personal injury or death or property damage. In addition, Lessee shall carry, at its own cost and expense, property insurance to cover the full replacement value of the premises against any casualty loss, which policy shall also name Lessor as an additional insured and shall be in an amount reasonably approved by Lessor; proceeds from such insurance shall be payable to Lessor, and such proceeds shall be used exclusively for repairing, replacing, and restoring the premises, unless Lessee terminates this Lease pursuant to paragraph VI hereof. Lessee shall annually furnish to Lessor certificates of all insurance and shall further provide Lessor any cancellation notices regarding insurance required under this paragraph. Anything in this paragraph III or elsewhere in this Lease to the contrary notwithstanding, neither Lessee nor Lessee's insurers shall have any liability for any claims, demands or actions arising out of or in connection with any negligent act or misconduct of Lessor or Lessor's employees, contractors, agents, licensees or invitees.

(e) That it will, during the entire term or any extended term hereof, at its own cost and expense, pay the cost of keeping the building improvements on the demised premises adequately insured in an amount reasonably approved by Lessor, in reliable companies against damages caused by fire and against other risks covered by standard extended coverage endorsements.

(f) That subject to paragraph IV hereof, it will at all times during the term or any extended term hereof, keep the demised premises with the appurtenances, fixtures, installations and equipment attached and related thereto, in good repair and condition as existed on the possession date of this Lease, ordinary wear and tear, fire and other casualty, and breach by Lessor hereunder excepted. Lessee shall be responsible for the complete or substantially complete replacement of the roof and other portions of the

exterior structure of the property of which the demised premises are a part, and certain portions of the systems servicing such property, in the event it should become necessary.

(g) That it will save, hold harmless and indemnify the Lessor from and against all loss, liability or expense that may be incurred by reason of any act or neglect of the Lessee or any of its agents, servants or employees in, on or about the demised premises.

(h) That, if directly metered for the demised premises only, it will promptly pay all gas, electric light, water rates or charges and refuse removal which may become payable, with respect to the demised premises only, during the continuance of this Lease for gas, electric, light or water used on the demised premises.

(i) That it will not make any alterations or additions in or to the premises without the written consent of the Lessor.

(j) That at the expiration of the said term, Lessee will peaceably yield up to the Lessor the premises and all improvements and additions made upon the same in good repair in all respects, reasonable use and wear and damage by fire and other unavoidable casualties excepted.

(k) That no assent, express or implied, by the Lessor to any breach of any of the Lessee's covenants, shall be deemed to be a waiver of any succeeding breach of the same covenant.

(l) That it will keep the interior of the demised premises in good repair and shall make all necessary repairs and replacements upon the demised premises, and shall replace broken globes, glass and fixtures provided if the demised premises shall not be kept in good repair, Lessor may enter the same, itself or by its agents, servants or employees, without such entering causing or constituting a termination of the Lease or an interference with the possession of the premises by Lessee, and Lessor may repair or replace the same, and Lessee agrees to pay Lessor, in addition to the rent hereby reserved, the reasonable expenses of Lessor in repairing or replacing the premises.

(m) That it shall have the right to erect such signs upon the building occupied by the Lessee provided that such signs shall be erected at the sole expense of the Lessee and shall comply with the Crystal Lake Code and be approved by Lessor, which approval shall not be unreasonably withheld. In no event

shall the designation of the premises be changed to a name that does not prominently include "Raue" in its signage and other identification materials.

(n) That it will not, nor will any sublessees, store any hazardous materials on the premises. Any storage on the premises will be done in compliance with federal and state laws and city or local ordinances or building codes. The Lessee shall be responsible for the clean-up of any hazardous material spilled on the premises at Lessee's sole expense.

(o) Lessee shall be entitled to use the demised premises for any purpose, provided such purpose is:

- i. Permissible under the Crystal Lake Civic Center Law of 1997 [70 ILCS 200/70-1 *et seq.*];
- ii. Permissible under the zoning ordinance and other provisions of the Crystal Lake Code; and
- iii. Does not otherwise impair the title interests of the Lessor in the demised premises.

IV. LESSOR'S COVENANTS

The Lessor agrees:

- (a) That it is seized in fee simple title to the premises free, clear and unencumbered,
- (b) That so long as Lessee fulfills the conditions and covenants required of it to be performed,

Lessee will have peaceful and quiet possession of the premises.

(c) That it has good right, full power and lawful authority to make this Lease for the full term and any extensions thereof,

(d) That in the event that the premises are not free, clear and unencumbered or become burdened through no act or neglect of the Lessee, Lessor will pay all costs and damages resulting therefrom to the Lessee, including reasonable attorney's fees, and Lessee, in addition to any and all remedies available to it at law or in equity, shall have the right and the option of cancelling this Lease thereby being released of all of the covenants herein contained as of the date that notice of exercise of such option is given to the Lessor.

(e) That Lessor shall indemnify, defend and hold harmless Lessee, its respective directors, officers, shareholders, employees, contractors, agents, licensees, invitees, successors, heirs and assigns, from and against any and all liabilities, losses, damages, claims and expenses (including, without limitation, reasonable attorneys' fees and costs) arising out of or in connection with any negligent acts or misconduct of Lessor or Lessor's employees, contractors, agents, licensees or invitees.

(f) That no assent, express or implied, by the Lessee to any breach of any of the Lessor's covenants, shall be deemed to be a waiver or any succeeding breach of the same covenant.

V.
RIGHT OF RE-ENTRY OR HOLD OVER

If the Lessee or its representatives or assigns shall neglect or fail to perform and observe any covenants which on the Lessee's part is to be performed, or if its leasehold estate shall be taken on execution, or if the Lessee shall be declared bankrupt or insolvent according to law, or shall make an assignment for the benefit of its creditors, then the Lessor may, immediately or at any time thereafter and without notice or demand, enter into and upon the premises or any part thereof and repossess the same as of their former estate and expel the Lessee and those claiming under it and remove their effects, forcibly if necessary, without being taken or deemed to be guilty of any manner of trespass; and thereupon this Lease shall terminate, but without prejudice to any remedies which might otherwise be, used by the Lessor for arrears of rent or any breach of the Lessee's covenants.

VI.
TERMINATION OF LEASE IN CASE OF FIRE

(a) If during the term of this Lease, the demised premises shall be substantially destroyed by fire, the elements or other causes, then this Lease, at the option of Lessee as provided in this paragraph VI, shall cease and terminate. Thereupon, each of Lessor and Lessee shall be released from any further obligations hereunder. Lessee may exercise this option to terminate, if at all, by giving written notice thereof to Lessor, at Lessor's address set forth in this Lease, by registered or certified mail, return receipt requested, no later than sixty (60) days after the date that the substantial destruction occurred. Such notice of exercise shall be effective upon Lessee's mailing of such notice as aforesaid. If the demised premises

shall only be partially destroyed by fire, the elements or other causes, then Lessor shall repair such destruction and restore the demised premises to its prior condition as soon as practicable, but Lessor shall only be required to undertake such repair and restoration work to the extent of insurance proceeds received from Lessee's policy under paragraph III(d) of this Lease.

(b) Damage to such an extent as to render 70% or more of the floor space of the demised premises unusable for Lessee's business shall be conclusively deemed to be "substantial destruction". Damage which renders less than 70% of such floor space unusable for Lessee's business, but which cannot (after the exercise of due diligence) be repaired within one hundred twenty (120) days, shall likewise be conclusively deemed to be "substantial destruction". Damage which renders less than 70% of such floor space unusable for Lessee's business, but which can be repaired within one hundred twenty (120) days, shall be conclusively deemed to be "partial destruction" within the meaning of this Lease.

(c) If the work of repairing any damage (either substantial destruction, if Lessee has not elected to terminate pursuant to this paragraph VI, or partial destruction) shall not have commenced within one hundred twenty (120) days after the date of a substantial destruction or sixty (60) days after the date of a partial destruction, then Lessee shall have the option to terminate this Lease. Lessee shall exercise this option to terminate, if at all, by giving written notice thereof to Lessor, at Lessor's address set forth in the printed portion of this Lease, by registered or certified mail, return receipt requested, no less than thirty (30) days prior to the effective date of any such termination. Such notice of exercise shall be effective upon Lessee's mailing of such notice as aforesaid. Upon the expiration of the time fixed in such notice, if such repair work shall not have been commenced, then this Lease shall terminate (unless Lessee has revoked, its notice of termination).

VII.
TERMINATION OF LEASE BY EMINENT DOMAIN

In case the whole or a substantial part of the premises shall be taken by the City, State or other public authority, for any public use, then this Lease shall terminate from the time when possession of the whole, or of the part so taken, shall be required for such public use. All rents, properly apportioned, shall

be paid up to that time. Lessee and Lessor shall each be entitled to receive compensation for the damages to their respective interests in the premises as part of such taking. Such taking shall not be deemed a breach of the Lessor's covenants for quiet enjoyment hereinbefore described.

VIII.
LIENS

Lessee shall not suffer or permit any mechanics' lien, judgment lien or other lien of any nature whatsoever to attach to or be against the property which shall or may be superior to the rights of the Lessor.

If any act or omission of Lessee or claim against Lessee results in a lien or claim of lien against Lessor's title, Lessee upon notice thereof shall promptly remove or release same by posting of bond or otherwise. If not so released in fifteen (15) days after notice to Lessee to do so, Lessor may, (but need not) pay or discharge the same without inquiry as to the validity thereof at Lessee's expense. Lessee may contest said lien by first furnishing Lessor with a good and sufficient surety bond issued by a reputable surety or title insurance company.

IX.
COSTS AND FEES

Lessee or Lessor shall pay upon demand all costs, charges and expenses, including fees of attorneys, agents and others retained by Lessor or Lessee, incurred by the other successfully in enforcing any of the obligations of the other under this Lease. Lessee or Lessor shall also pay upon demand all costs, charges and expenses, including fees of attorneys, agents and others retained by Lessor or Lessee in any litigation in which Lessor or Lessee shall become involved without their fault because of the actions of the other on account of this Lease.

X.
POSSESSION

The Lessee shall have the right to possession of the subject premises on March 7, 2018.

XI.
NOTICES

Notices may be served on either party at the respective addresses given at the beginning of this

Lease, by mailing (by certified or regular mail, postage prepaid), personally delivering, sending by facsimile, or sending by email of a notice to the president of either party. Any notice mailed, faxed, or emailed as provided herein shall be deemed to have been given or made on the date of mailing, faxing, or emailing.

XII.
MISCELLANEOUS

(a) Provisions typed on this Lease and all Riders attached to this Lease and signed by Lessor and Lessee are hereby made a part of this Lease.

(b) All covenants, promises, representation and agreements herein contained shall be binding upon, apply and inure to the benefit of Lessor and Lessee and their respective heirs, legal representatives, successors and assigns.

(d) The rights and remedies hereby created are cumulative and the use of one remedy shall not be taken to exclude or waive the right to the use of another.

(e) If Lessee shall fail to pay rent or any other charges payable by Lessee hereunder within ten (10) days after the same is due, Lessee shall be in default under the Lease.

(f) If Lessor or Lessee shall fail to fulfill any of its covenants or agreements under this Lease (other than Lessee's covenant to pay rent or other charges payable by Lessee hereunder), Lessor or Lessee, as the case may be, shall give to the other party (the "defaulting party") written notice of such failure. The defaulting party shall then have an opportunity to cure any such failure. In the event that any such failure shall continue after the expiration of a thirty (30) day period after the defaulting party's receipt of the aforesaid written notice, or in the case of a failure that cannot with due diligence be cured within a period of thirty (30) days, if the defaulting party fails to proceed promptly after the receipt of such notice and with all due diligence to cure, the defaulting party shall be in default hereunder.

(g) At the option and sole cost of Lessee, this Lease or a memorandum hereof may be recorded.

(h) Lessor and Lessee intend for this Lease to be deemed a capital lease for all purposes.

(i) Lessee shall have the right to sublet this Lease, provided that: (i) any sublease shall bind

the sublessee to all the obligations of Lessee under this Lease; (ii) no such sublease shall absolve Lessee of any of its obligations or responsibilities under this Lease; and (iii) Lessee shall not enter into a sublease with any person unless and until Lessee has made a good faith effort to sublease the premises to the Raue Center for the Arts, Inc.

XIII.
SEVERABILITY

In any clause, phrase, provision or portion of this Lease or the application thereof to any person or circumstance shall be invalid or unenforceable under applicable law, such event shall not affect, impair or render invalid or unenforceable the remainder of this Lease nor any other clause, phrase, provision or portion hereof, nor shall it affect the application of any clause, phrase, provision or portion hereof to other persons or circumstances.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the said parties have hereunto set their hands and seals this 7th day of March, 2018.

LESSOR:

Crystal Lake Civic Center Authority

By Thomas Hayden
Its Chairman

LESSEE:

Home State Bancorp, Inc.

By [Signature]
Its Vice President

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CERTIFICATE OF REPRESENTATION

THIS REPRESENTATION is made this 7th day of March, 2018 by Home State Bancorp, Inc., an Illinois corporation (the "Bancorp") for the benefit of the CRYSTAL LAKE CIVIC CENTER AUTHORITY, an Illinois municipal corporation (the "CLCCA").

RECITALS

- A. The CLCCA is currently the beneficial owner of a certain land trust known as Home State Bank, N.A. Trust #4498 dated June 15, 1998 (the "Land Trust").
- B. The Bancorp, together with its subsidiaries, including but not limited to Home State Bank, N.A., a national association bank (collectively, "HSB"), in consideration of the CLCCA entering into a Lease Agreement dated March 7, 2018 with the Bancorp (the "Lease"), has agreed to release that certain Collateral Assignment of Beneficial Interest in the Land Trust dated July 20, 2001 granted by the CLCCA in favor of HSB (the "CABI").
- C. Further, HSB agreed to cancel that certain Promissory Note in the principal amount of \$2,308,111.57 dated November 24, 2015 entered into by the Raue Center for the Arts, Inc., an Illinois not for profit corporation in favor of HSB (the "Note"), as well as the CLCCA's guaranty of the underlying indebtedness described in the Note.

REPRESENTATION

The Bancorp represents that the Note describes any and all indebtedness owed or guaranteed by the CLCCA to HSB and the effect of the release of the CABI and the cancellation of the Note will be to extinguish any indebtedness or other obligation, except as described in the Lease, by the CLCCA in favor of HSB.

Home State Bancorp, Inc.

By 
Its Vice President

TERMINATION OF LEASE AGREEMENT

This Termination of Lease Agreement is entered into this 7th day of March, 2018 between CRYSTAL LAKE CIVIC CENTER AUTHORITY, an Illinois Municipal Corporation ("Lessor"), and RAUE CENTER FOR THE ARTS, INC., an Illinois Not-For-Profit Corporation, ("Lessee"), as follows:

WHEREAS, Lessor and Lessee entered into a Lease Agreement, dated January 28, 1998; and

WHEREAS, Lessor and Lessee desire to terminate said Lease Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Termination of Lease.** The Lessor, CRYSTAL LAKE CIVIC CENTER AUTHORITY, an Illinois Municipal Corporation, and the Lessee, RAUE CENTER FOR THE ARTS, INC., an Illinois Not-For-Profit Corporation, hereby agree to terminate their Lease Agreement dated January 28, 1998, effective upon execution of this document.

IN WITNESS WHEREOF, the parties have executed this Termination of Lease Agreement on the date stated above.

LESSOR:

**CRYSTAL LAKE CIVIC CENTER
AUTHORITY**

By: Thomas Hoyle
Its chairman

LESSEE:

**RAUE CENTER FOR THE ARTS,
INC.**

By: [Signature]
Its BOARD President