

**SUBLEASE AGREEMENT**

Agreement of Sublease, made as of this 7<sup>th</sup> day of March, 2018, between **HOME STATE BANCORP, INC.**, an Illinois corporation, 40 Grant Street, Crystal Lake, Illinois 60014 (the "Sublessor") and the **RAUE CENTER FOR THE PERFORMING ARTS, INC.**, an Illinois not for profit corporation, 108 Minnie Street, Crystal Lake, Illinois 60014 (the "Sublessee"), the terms "Sublessor" and "Sublessee" to include its successors and assigns, wherever the context so requires or permits.

**RECITALS**

- A. Sublessor is the lessee of a certain lease dated March 7, 2018 for the property described in this Sublease from the Crystal Lake Civic Center Authority, an Illinois municipal corporation (the "Lease").
- B. Sublessor now desires to sublet the property to Sublessee as an operating lease upon the terms and conditions described in this Sublease.

**I.  
DESCRIPTION OF PROPERTY**

In consideration of the mutual covenants contained herein, Sublessor hereby sublets to Sublessee, and the Sublessee hereby sublets from Sublessor 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.

**II.**  
**TERM OF SUBLEASE AND RENT**

The term of this Sublease shall be for twenty-five (25) years commencing effective March 7, 2018 and ending on February 28, 2043. The Sublessee shall hold said premises hereby sublet during the full term of this Sublease and paying as gross rent, except only in case of fire or other casualty, or breach of this Sublease by Sublessor, the sum of \$100.00 per year and other good and valuable considerations including the terms of this Sublease, for said term payable annually on the 1st day of January of each year.

Following the expiration of the initial term and provided Sublessee is not then in default, Sublessee shall have five successive options to renew the term for five (5) years each. Sublessee shall provide Sublessor with written notice of its intent to renew the term at least sixty days prior to the expiration of the then current term. Otherwise, Sublessee shall forfeit its right to renew the term and the term shall terminate at the conclusion of the then current term, unless otherwise agreed to by Sublessor in writing. If Sublessee exercises its option to renew the term, the then current terms and provisions of this Sublease shall also renew.

Sublessor may impose and Sublessee agrees to pay a late charge not exceeding ten percent (10%) of any rent payment which is paid more than ten (10) days beyond the payment due date and which Sublessor elects to accept.

**III.**  
**SUBLESSEE'S COVENANTS**

The Sublessee agrees:

- (a) That it will pay the said rent at the times and in the manner aforesaid.
- (b) That it will pay all special assessments for improvements not yet completed.
- (c) 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 Sublessor, insuring Sublessee and Sublessor (as an additional assured) 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 Sublessee's occupancy thereof and resulting in personal injury or death or property damage. Sublessee shall furnish to Sublessor certificates of all insurance and any cancellations of insurance required under this paragraph. Anything in this paragraph III or elsewhere in this Sublease to the contrary notwithstanding, neither Sublessee nor Sublessee's insurers shall have any liability for any claims, demands or actions arising out of or in connection with any act or omission of Sublessor or Sublessor's employees, contractors, agents, licensees or invitees.
- (d) 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 Sublessor, in reliable companies against damages caused by fire and against other risks covered by standard extended coverage endorsements.
- (e) That subject to paragraph IV hereof, it will at all times during the term or any extended term hereof, perform basic maintenance of the demised premises with the appurtenances, fixtures, installations and equipment attached and related thereto, striving to keep them in the same condition as existed on the possession date of this Sublease, ordinary wear and tear, fire and other casualty, and breach by Sublessor hereunder excepted.
- (f) That it will save, hold harmless and indemnify the Sublessor from and against all loss,

liability or expense that may be incurred by reason of any act or neglect of the Sublessee or any of its agents, servants or employees in, on or about the demised premises.

(g) That, if directly metered for the demised premises only, it will 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 Sublease for gas, electric, light or water used on the demised premises.

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

(i) That at the expiration of the said term, Sublessee will peaceably yield up to the Sublessor 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.

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

(k) That it will maintain the interior of the demised premises in good condition, and shall replace broken globes, glass and trade fixtures, provided that if the demised premises shall not be maintained in good condition, Sublessor may enter the same, himself or by his agents, servants or employees, without such entering causing or constituting a termination of the Sublease or an interference with the possession of the premises by Sublessee, and Sublessor may perform such maintenance, and Sublessee agrees to pay Sublessor, in addition to the rent hereby reserved, the reasonable expenses of Sublessor maintaining the premises in that condition.

(l) That it shall have the right to erect such signs upon the building occupied by the Sublessee provided that such signs shall be erected at the sole expense of the Sublessee and shall comply with the sign ordinance of the City of Crystal Lake.

(m) That it will not, nor will any approved further 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 Sublessee shall be responsible for the clean-up of any hazardous material spilled on the premises at Sublessee's sole expense.

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

- i. Permissible under Section 501(c)(3) of the Internal Revenue Code of 1986, or its successor;
- ii. Permissible under the Crystal Lake Civic Center Law of 1997 [70 ILCS 200/70-1 *et seq.*];
- iii. Permissible under the zoning ordinance or other provisions of the City Code of the City of Crystal Lake; and
- iv. Does not otherwise impair the title interests of the Sublessor in the demised premises.

#### IV. SUBLESSOR'S COVENANTS

The Sublessor agrees:

(a) That it is the Lessee under a certain Lease with the Crystal Lake Civic Center Authority, an Illinois municipal corporation, dated March 7, 2018, covering the property subleased hereunder, and that pursuant to said Lease the Sublessor has full power and authority to enter into this Sublease for the term and conditions stated herein.

(b) That so long as Sublessee fulfills the conditions and covenants required of it to be performed, Sublessee will have peaceful and quiet possession of the premises.

(c) Sublessor shall at its expense, unless caused by Sublessee's negligence (i) keep the foundations, exterior walls and structure (including the roof) of the premises in good order, repair and condition. All repair and replacements to the electrical, plumbing, heating and air conditioning systems shall be the responsibility and cost of the Sublessor, unless caused by the negligent use thereof by Sublessee.

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

(e) That in the event that the premises are not free, clear and unencumbered or become burdened through no act or neglect of the Sublessee, Sublessor will pay all costs and damages resulting therefrom to the Sublessee, including reasonable attorney's fees, and Sublessee, 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 Sublease

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 Sublessor.

(f) That Sublessor shall indemnify, defend and hold harmless Sublessee, 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 acts or omissions of Sublessor or Sublessor's employees, contractors, agents, licensees or invitees.

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

(h) That Sublessor shall pay when due and payable, and prior to the date when the same shall become delinquent, all general and special real estate taxes on the property which is the subject of this Lease.

(i) That Sublessor will carry, during the entire term and any extended term hereof, at its own cost and expense, liability insurance covering occurrences resulting in personal injury, death or property damage during Sublessor's use of the premises for its own purposes pursuant to Article X.

**V.**  
**SUBLESSOR'S LIEN**

Sublessee grants Sublessor a lien on and security interest in the property of Sublessee now or later placed in or upon the demised premises. The property shall be and remain subject to the lien and security interest of Sublessor for payment of all rent and other sums agreed to be paid by Sublessee.

The provisions of this paragraph V relating to the lien and security interest shall constitute a security agreement under and subject to the Illinois Uniform Commercial Code, so that Sublessor shall have and may enforce a security interest on all property of Sublessee now or later placed in or on the demised premises, in addition to and cumulative of Sublessor's liens and rights provided by law or by the other terms and provisions of this Sublease.

Sublessor may file a financing statement or statements and any other documents that Sublessor

may now or later deem necessary or desirable in order to protect or further perfect Sublessor's security interest.

**VI.**  
**RIGHT OF RE-ENTRY OR HOLD OVER**

If the Sublessee or its representatives or assigns shall neglect or fail to perform and observe any covenants which on the Sublessee's part is to be performed, or if its leasehold estate shall be taken on execution, or if the Sublessee shall be declared bankrupt or insolvent according to law, or shall make an assignment for the benefit of its creditors, then the Sublessor 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 Sublessee and those claiming under it and remove their effects, forcibly if necessary, wit out being taken or deemed to be guilty of any manner of trespass; and thereupon this Sublease shall terminate, but without prejudice to any remedies which might otherwise be, used by the Sublessor for arrears of rent or any breach of the Sublessee's covenants.

**VII.**  
**TERMINATION OF SUBLEASE IN CASE OF FIRE**

(a) If during the term of this Sublease, the demised premises shall be substantially destroyed by fire, the elements or other causes, then this Sublease, at the option of Sublessee as provided in this paragraph VII, shall cease and terminate and each of Sublessor and Sublessee shall be released from any further obligations hereunder. Sublessee may exercise this option to terminate, if at all, by giving written notice thereof to the Sublessor, at the Sublessor's address set forth in this Sublease, 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 Sublessee's mailing of such notice as aforesaid. If the demised premises shall only be partially destroyed by fire, the elements or other causes, then Sublessor shall repair such destruction and restore the demised premises to its prior condition as soon as practicable.

(b) Damage to such an extent as to render 70% or more of the floor space of the demised premises unusable for Sublessee's business shall be conclusively deemed to be "substantial destruction". Damage which renders less than 70% of such floor space unusable for Sublessee'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 Sublessee'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 Sublease.

(c) If the work of repairing any damage (either substantial destruction, if Sublessee has elected to terminate pursuant to this paragraph VII, 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 Sublessee shall have the option to terminate this Sublease. Sublessee shall exercise this option to terminate, if at all, by giving written notice thereof to Sublessor, at Sublessor's address set forth in the printed portion of this Sublease, 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 Sublessee'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 Sublease shall terminate (unless Sublessee has revoked, its notice of termination).

#### **VIII.** **LIENS**

Sublessee 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 Sublessor.

If any act or omission of Sublessee or claim against Sublessee results in a lien or claim of lien against Sublessor's title, Sublessee 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 Sublessee to do so, Sublessor may, (but need not) pay or discharge the same without inquiry as to the validity thereof at Sublessee's and sufficient surety bond issued by a reputable surety or title insurance company.

#### **IX.** **COSTS AND FEES**

Sublessee or Sublessor shall pay upon demand all costs, charges and expenses, including fees of



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

**X.**  
**POSSESSION; RESERVATION OF USE**

The Sublessee shall have the right to possession of the subject premises on March 7, 2018. Sublessor, however, reserves the right to use the demised premises for its own purposes throughout the term of this Sublease during regular banking hours, however, Sublessor agrees that its use will coordinate its use so as to not interfere with Sublessee's programming.

**XI.**  
**FURTHER SUBLEASE OR ASSIGNMENT**

Except as set forth below, Sublessee may not, whether voluntarily, or by operation of law, or otherwise: (a) assign or otherwise transfer this Sublease; (b) further sublet any part of the demised Premises, or allow the same to be used or occupied by anyone other than Sublessee; or (c) mortgage, pledge, encumber, or otherwise hypothecate this Sublease or the demised premises, in any manner whatsoever, without in each instance obtaining the prior written consent of Sublessor, such consent to be given in Sublessor's reasonable discretion. Any purported assignment, mortgage, transfer, pledge, or sublease made without the prior written consent of Sublessor will be absolutely null and void and of no legal force or effect. No assignment of this Sublease will be effective and valid unless and until the assignee executes and delivers to Sublessor any and all documentation reasonably required by Sublessor in order to evidence assignee's assumption of all obligations of Sublessee hereunder. Any consent by Sublessor to a particular assignment, sublease or mortgage does not constitute consent or approval of any subsequent assignment, sublease or mortgage, and Sublessor's written approval is required in all such instances. Any consent by Sublessor to any assignment or sublease does not release Sublessee from its obligation under this Sublease and Sublessee will remain fully liable for performance of all obligations under this Sublease. If Sublessor

elects to reject any proposed sublease or assignment, Sublessee's sole and exclusive remedy is to seek a declaratory judgment against Sublessor so as to enable Sublessee to avoid a termination of this Sublease.

Notwithstanding the foregoing, Sublessee shall have the right to permit its corporate sponsors with whom it has partnered (*e.g.*, Northwest Herald) to use the premises for multiple days or weeks during the course of a calendar year, provided said use does not interfere with Sublessor's right under Article X, above.

## **XII. NOTICES**

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

## **XIII. MISCELLANEOUS**

(a) Provisions typed on this Sublease and all Riders attached to this Sublease and signed by Sublessor and Sublessee are hereby made a part of this Sublease.

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

(c) 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.

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

(e) If Sublessor or Sublessee shall fail to fulfill any of its covenants or agreements under this Sublease (other than Sublessee's covenant to pay rent or other charges payable by Sublessee hereunder), Sublessor or Sublessee, 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.

(f) At the option and sole cost of Sublessee, this Sublease or a memorandum hereof may be recorded.

(g) The parties agree that this Sublease Agreement is and shall be deemed an operating lease, not a capital lease. In the event accounting standards change during the term of this Sublease, including any extension term, in a way which disallows Sublessor from capitalizing the premises as an asset on its balance sheet, the parties agree to amend the Sublease to effectuate this intent, while retaining the spirit of the terms which currently exist.

**XIII.**  
**SEVERABILITY**

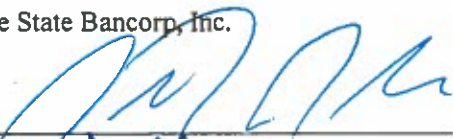
In any clause, phrase, provision or portion of this Sublease or the application thereof to any person or circumstance shall be invalid or unenforceable under applicable law, such event shall not affect, impair or render invalid or unenforceable the remainder of this Sublease nor any other clause, phrase,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

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

SUBLESSOR:

Home State Bancorp, Inc.

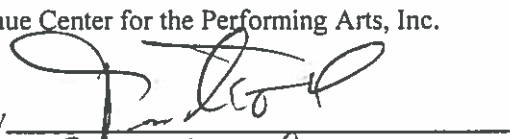
By  
Its

  
Vice President

SUBLESSEE:

Raue Center for the Performing Arts, Inc.

By  
Its

  
Board President