

SAMPLE
LICENSE AGREEMENT

This Agreement entered as of this ___ day of _____, 2013, by and between the Board of Trustees of McHenry County College, a body politic and corporate, County of McHenry, State of Illinois (hereinafter called the "College"), as Licensor, and _____ an Illinois _____ corporation, (hereinafter called "Licensee"), as Licensee, both of said parties having previously been authorized to execute said agreement by resolutions passed at regular or special meetings of their respective duly authorized governing boards.

SUMMARY OF LICENSE PROVISIONS

Premises: Childcare Educational Facility & Playground located at 8900 US Highway 14, Crystal Lake, Illinois 60012

Area of Premises: Classrooms C107, C108, C113, C115, C117, C119, the Men's and Women's Washroom adjacent to Room C108 for a total of 2,891 square feet of interior space, in Building C, and approximately 5,593 square feet, of contiguous fenced exterior playground area.

Exclusive Use: Children's Learning Center
License Commencement Date: July 1, 2013

Term: Five Years to June 30, 2018

Extension of Term: Five years from July 1, 2018 to June 30, 2023

Base Fee: For the license year commencing July 1, 2013 and ending June 30, 2014, the base fee [based upon \$7.50 per square foot for 2,891 indoor square feet and 5,593 square feet of playground space with two outdoor storage structures] is \$63,630.00.

For each license year commencing July 1, 2014 and ending June 30, 2018, the immediately preceding license year base fee, shall be increased by two (2%) percent as follows:

2014 to 2015 is \$64,902.60	[\$63,630.00 x 1.02]
2015 to 2016 is \$66,200.65	[\$64,902.60 x 1.02]
2016 to 2017 is \$67,524.67	[\$66,200.65 x 1.02]
2017 to 2018 is \$68,875.16	[\$67,524.67 x 1.02]

Upon six (6) month prior written notice to Licensor, the license shall be extended from July 1, 2018 to June 30, 2023. Fee shall be based upon the mutual agreement of the parties.

Licensee's Notice Address/Contact:

College's Notice Address/Contact:

Chief Financial Officer
McHenry County College
8900 U.S. Highway 14
Crystal Lake, Illinois 60012
Phone: 815-455-8585

Exhibits to this Agreement:

- Exhibit A Survey of Premises
- Exhibit B Inventory of Equipment
- Exhibit C College Once A Day Routine Cleaning and Trash Removal
- Exhibit D Integration of MCC Early Childhood Curriculum
- Exhibit E Nursing Care Services
- Exhibit F Food Services

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* * *

LICENSE AGREEMENT

In consideration of the mutual promises contained in this agreement, the parties agree as follows:

1. GRANT OF LICENSE: DESCRIPTION OF PREMISES: The College hereby grants to Licensee and Licensee agrees to license from the College, for the Term and at the Use Fee set forth in paragraphs 2 and 6 hereof, respectively, the space located at McHenry County College, 8900 US Highway 14, Crystal Lake, Illinois, consisting of the following Rooms in Building C: C107, C108, C113, C115, C117, C119, the Men's and Women's washroom adjacent to Room C108 for a total of 2,891 square feet of interior space, and 5,593 square feet of contiguous fenced outside playground area with two storage structures which are depicted on Exhibit A, a copy of which is attached hereto and made a part hereof (the "Premises"). The parties agree that this license is subject to all of the terms and conditions of this Agreement.

2. TERM: The initial term of this License shall commence July 1, 2013 and terminate June 30, 2018, subject to earlier termination and extension as herein provided. Licensee may elect, upon written notice to the College on or before June 30, 2017, to extend the term of this Agreement for an additional five years through June 30, 2023.

3. TERMINATION: The Agreement may be terminated by the College for its convenience at any time. College will endeavor to give Licensee six (6) months written notice of its intent to terminate this license, but is not bound to do so. Either party may terminate this License, as of June 30, 2018 provided that written notice thereof shall be given no later than January 1, 2018.

4. PARKING AND EQUIPMENT: Playground and other equipment listed in Exhibit B, is included in this License. Inclusion of such equipment on said list constitutes Licensee's approval of said equipment "as is" after inspection and acceptance of the equipment "as is." College makes no representation or warranty as to the quality or condition of the equipment. Licensee shall be solely and exclusively responsible for maintaining said listed equipment.

5. USE AND PROHIBITED USE: Licensee holds an appropriate Day Care Provider License issued by the State of Illinois. Licensee will not allow the Premises to be used for any purpose other than as an early childcare education service and to supplement the College's early childhood curriculum and such other purposes related to its early childhood care and educational activities, its fund-raising activities, and other purposes incidental and related to any of the above stated purposes.

Licensee will not allow the Premises to be used for any purpose that will increase the rate of insurance thereon, or for any purpose other than herein specified, and will not permit the

Premises to be used for any unlawful purpose or a purpose that will injure the reputation of the Premises or the building of which they are a part, and, except as herein provided, will not permit any alteration of or upon any part of Premises. Licensee shall be solely and exclusive responsible for all persons within its jurisdiction and control, including but not limited to employees, agents, students, parents and visitors, and that all such persons shall comply with the terms of this agreement.

6. USE FEE: As used herein the term "License Year" shall mean the twelve (12) month period commencing July 1 of each calendar year during the term hereof and terminating June 30 of the next succeeding calendar year. The term "Base Use Fee" shall mean:

For the license year commencing July 1, 2013 and ending June 30, 2014, the base fee [based upon \$7.50 per square foot for 2,891 indoor square feet and 5,593 square feet of playground space with two outdoor storage structures] is \$63,630.00.

For each license year commencing July 1, 2014 and ending June 30, 2018, the immediately preceding license year base fee, shall be increased by two (2%) percent as follows:

2014 to 2015 is \$64,902.60	[\$63,630.00 x 1.02]
2015 to 2016 is \$66,200.65	[\$64,902.60 x 1.02]
2016 to 2017 is \$67,524.67	[\$66,200.65 x 1.02]
2017 to 2018 is \$68,875.16	[\$67,524.67 x 1.02]

Upon six (6) month prior written notice to Licensor, the license shall be extended from July 1, 2018 to June 30, 2023. Fee shall be based upon the mutual agreement of the parties.

7. UTILITIES: The base license Use Fee includes all costs for building utilities, including, but not limited to, natural gas, electric, water, storm and sanitary water disposal, licenses and fees for fire and security alarm service and for refuse disposal and extermination services. College does not guarantee an uninterrupted supply of water, steam, electricity, gas, heat or air conditioning. The College shall not be liable for any actual, compensatory or consequential damages arising due to interruption of utility services as defined herein. The College shall be diligent in restoring service following any interruption of service. Licensee shall reimburse College for Telephone services.

8. COLLEGE CLEANING AND MAINTENANCE: College shall provide routine custodial cleaning service and trash removal on a once a day basis, lawn and landscaping maintenance in the playground area on a weekly basis, snow removal from the parking lots and public sidewalks when appropriate, appropriate insect and pest control in all areas of Premises, removal of trash, garbage and recycled materials in compliance with Exhibit C. College shall provide waste and recycling containers in sufficient quantity to maintain sanitary standards for trash disposal and recycling. College shall furnish and maintain fire

extinguisher equipment and supplies. Licensee shall promptly notify the College of fire extinguisher use.

9. LICENSEE CLEANING AND MAINTENANCE: It shall be the sole and exclusive responsibility of Licensee at all times to keep and maintain the Premises to the highest standards of cleanliness, sanitation and safety practices in accordance with applicable laws, and in accordance with all directions, rules and regulations of the Illinois Department of Children and Family Services, health officers, fire marshal, building inspectors, or other proper officials of governmental agencies having jurisdiction or such other rules, regulations and standards established for early childcare facilities. Licensee shall not permit the accumulation of waste or refuse matter on the Premises. There shall not be allowed, kept, or used on the Premises any inflammable or explosive liquids or materials except such as may be necessary for use in the operation of the Premises and in such case, any such substances shall be delivered, stored, and used in accordance both with the rules of the applicable Board or Underwriters and with the applicable statutes, ordinances and regulations now or hereafter in force. Licensee shall keep waste and recycling containers in a clean and sanitary condition at all times and provide and use at Licensee's expense, College approved trash bag liners as required.

10. SAFETY AND INSPECTION PROGRAM: Licensee shall establish a safety and maintenance inspection program for the Premises, site playground equipment, and play surfaces located on the Premises. Licensee shall be solely and exclusively responsible at its sole cost and expense for Premises safety, maintenance and repair should it become necessary, except as otherwise provided herein, including but not limited to the replacement of playground equipment and play surfaces, located on the Premises.

Licensee shall promptly notify College of any deterioration of the condition of the building roof, structural members, exterior walls, interior load bearing walls, structural elements of floors, flashings, downspouts, storm drains, gutters, exterior tuckpointing, foundation and fencing which is believed to require investigation and possible repair.

The College upon notice from Licensee shall inspect and take necessary action to maintain and repair the building roof, structural members (to the extent such maintenance is required to maintain the building's structural integrity), exterior walls, interior load bearing walls (to the extent such maintenance is required to maintain the building's structural integrity), structural elements of floors (to the extent such maintenance is required to maintain the structural integrity), as well as flashings, downspouts, storm drains, gutters, exterior tuckpointing, foundation and fencing repairs as reasonably necessary.

11. COLLEGE ACCESS TO THE PREMISES: The College may at any and all times inspect the Premises. Upon notice of deficiencies and subsequent failure by Licensee to remedy any identified and communicated deficiencies, the College may, but is not required to, remedy any deficiencies, at Licensee expense.

12. LICENSEE IMPROVEMENTS:

A. REQUIREMENTS. Upon College's express written approval, Licensee shall have the right to install and construct, at its sole cost and expense, alterations to the Premises, such as lighting and electrical and communication systems, permanent classroom fixtures, and plumbing improvements. In the event Licensee makes any Alteration to the Premises, all contracts shall contain the following provisions: (i) all contractors shall be required to provide Commercial General Liability with primary, non-contributory coverage of no less than \$2,000,000 per occurrence, \$2,000,000 aggregate coverage; Worker's Compensation and Employer's Liability of no less than \$2,000,000; Commercial Vehicle Insurance of no less than \$2,000,000; (ii) College, its officers, agents, employees, volunteers and their successors and assigns, shall be "additional insureds" on all coverage; (iii) Licensee shall procure Performance and Payment Bonds, Builder's Risk Insurance or other Property Insurance on the Full Replacement Value of the Premises; (iv) all contractors as a condition precedent to payment shall be required to provide Licensee current contractor sworn statements, including the names, addresses, the amount due and to become due all contractors; (v) to the extent required by law, laborers shall be paid the prevailing wage in accordance with Illinois law; (vi) Final Payment shall not be made until all Final Waivers of Lien are provided by each entity listed on the contractor's sworn Schedule of Values; (vii) Licensee shall secure all necessary permits evidencing compliance with all applicable governmental rules, regulations and requirements for public and private school buildings; (viii) If requested by College, Licensee shall deposit with College, prior to commencement of the alteration, security for payment and completion of the alteration in form and amount required by College.

No financing agreement entered into by Licensee shall assign, pledge or encumber the buildings or site, any equipment, fixtures or improvements that are constructed upon, within or attached to the building or grounds. To the fullest extent permitted by law, Licensee shall defend, indemnify and hold harmless the College, its Board members, officers, agents and assigns from any loss or damage, including attorneys' fees, resulting from such alteration to the Premises.

B. LIENS. Upon completion of any Improvements, Licensee shall upon request of College promptly furnish College with a then current contractor's sworn statements as required by §5 of the Illinois Mechanics Lien Act, and full and final waivers of lien covering all labor and materials included in such alteration from each contractor and subcontractor listed. Licensee shall not permit any mechanic's lien to be filed against the Premises, or any part thereof, arising out of any alteration performed, or alleged to have been performed, by or on behalf of Licensee. If any such lien is filed, it shall only be against the Licensee's interest in the Premises, and Licensee shall within ten days thereafter have such lien released of record or deliver to College a bond, in form, amount and issued by a surety satisfactory to College, indemnifying College against all costs and liabilities including attorneys' fees resulting from such lien and the foreclosure or attempted foreclosure thereof. If Licensee fails to have such lien so removed, or to deliver a bond, irrevocable letter of credit, or other security satisfactory to College, such lien shall be a material breach of the contract and cause for immediate termination of the License.

College may elect, without investigating the validity of such lien, to pay or discharge the lien and Licensee shall reimburse College upon demand for the amount so paid by College, including College's expenses and attorneys' fees.

13. COMPLIANCE WITH LAWS:

(a) Except as provided herein, at its sole cost and expense, shall Licensee, shall be solely and exclusively responsible for compliance with all applicable licensing requirements of governmental authorities including but not limited to the Illinois Department of Public Health, the Office of the State Fire Marshall, the Illinois Department of Children and Family Services and all requirements of insurance companies providing coverage for the Building and/or the Premises or recommendations of the National Board of Fire Underwriters. Any and all work required or fees incurred by inspections of State, County and Village officials or by the College's architect under applicable building codes and regulations shall be the responsibility of Licensee.

(b) The costs of life safety remediation or other work required as a result of inspections by authorities with jurisdiction and required by laws and regulations of governmental agencies having jurisdiction, shall be at Licensee's sole cost and expense. The costs to repair other damage, normal wear and tear, and of repair, removal or remediation due to Licensee alterations, improvements or building modifications done at its discretion for reasons other than building code or regulation compliance shall be paid entirely by Licensee, and are not subject to Reimbursement upon Recapture as provided in Paragraph 17.

(c) ACCESSIBILITY: Both parties acknowledge that the building is accessible and is in compliance with Accessibility to Individuals with Disabilities.

(d) CRIMINAL BACKGROUND INVESTIGATIONS: Any and all employees of Licensee shall at licensee's expense submit to a Criminal Background Investigation as required by 225 ILCS 10/4.1 as well as a Child Abuse and Neglect Report Investigation as required by 225 ILCS 10/4.3.

(e) COMPLIANCE WITH MCHENRY COUNTY COLLEGE POLICIES: Licensee shall comply to the extent applicable with McHenry County College Policies adopted by the Board of Trustees.

14. TAXES: The Property is currently exempt from general real estate taxes by reason of the exemption accorded college property used for college purposes under Section 19.1 of the Revenue Act of 1939 (35 ILCS 200/35/15-135). On or before January 31, during each year of this License, College shall contemporaneously provide Licensee a copy of the Application for Tax Exemption filed with the McHenry County Assessor's Office. Licensee shall cooperate with College and provide any and all necessary information by affidavit or otherwise as required by the County Assessor.

In the event that any real estate taxes or special assessments shall become due as a result of Licensee's use and/or occupancy of the Premises or Property during the term of this

License as may be extended from time-to-time, then Licensee agrees to pay said real estate taxes or special assessments promptly when due and said taxes or assessments shall constitute an actionable debt against Licensee. Licensee further agrees to indemnify and hold College harmless from any special assessment, real estate or tax lawfully imposed with respect to the Premises, Building or Property or this License by reason of the use of or activities conducted from the Premises by Licensee or anyone using the Premises under Licensee. Licensee reserves the right to judicially challenge solely at its expense, any loss of tax exempt status on the Premises, Building or Property. The Licensee shall at College's request establish an escrow account in the amount of future taxes and penalties anticipated which accrue during the license period. Upon determination that the Premises, Building and Property are exempt from taxation the escrow shall be repaid to Licensee. If the Premises and the property in which the Premises is located are determined to be subject to taxes the escrow shall be paid over to the McHenry County Collector or to the College should the College pay the taxes, special assessment or penalty imposed. Licensee shall be liable for all taxes levied against personal property and trade fixtures placed by Licensee in the Premises, Building and Property.

15. **CONDITION AND CARE OF PREMISES:** Licensee has inspected the Premises, and by execution of this License accepts the Premises in its present "**As Is**" condition and acknowledges that no representations as to the condition or state of repair of the Premises have been made by the College or its agents, prior to or at the execution of the License agreement that are not herein expressed. College neither makes representations as to the condition of the Premises nor current compliance with applicable building codes and standards.

Licensee shall be responsible for all damage done to any of College's furniture, fixtures and equipment left on said premises for use by Licensee, ordinary wear and tear excepted. Licensee shall be responsible for any and all damage done to the Premises or to College property by Licensee's employees and invitees and Licensee shall promptly repair same or reimburse College for the full cost of repair of all damages or replacement.

16. **SIGNAGE:** Licensee may erect a sign on the interior and exterior of the building as approved by College in accordance with the College Signage and Branding Policy. Exterior signage provided that Licensee shall comply with all applicable zoning and signage laws.

17. **REIMBURSEMENT UPON RECAPTURE:** In the event the College exercises its right to terminate this Agreement pursuant to Paragraph 3, Licensee shall be entitled to Reimbursement for all Alterations to the Premises provided such alterations are (i) permanent capital improvements previously approved by the College in writing; (ii) agreed to by the College to be subject to Reimbursement upon Recapture; and (iii) the value and method of depreciation are established for each permanent capital improvement. For purposes of calculating the depreciated value of an improvement and method of depreciation, the parties shall depreciate such improvement using the straight line method, with the age of such improvement being the useful life of such improvement being determined in accordance with guidelines established by the Internal Revenue Service. Except as otherwise provided herein, Licensee shall not be entitled to any

RecaptureReimbursements without prior written College approval of any other improvements. In the event of a termination pursuant to Paragraph 21 of this Agreement, Licensee's reimbursement shall be limited to actual insurance proceeds received for the improvements pursuant to Paragraph 18 of this Agreement. In the event of a taking pursuant to Paragraph 22 hereof, Licensee's right of recapture shall be limited to the actual compensation paid to the College, prorated to reflect the value of the improvement.

18. INSURANCE:

A. LICENSEE COVERAGE. Licensee agrees to provide and maintain, with a reputable insurance company licensed in Illinois and approved by the College, which approval shall not be unreasonably withheld or delayed, at Licensee's sole cost and expense, primary, non-contributory commercial general liability and commercial automobile liability insurance, naming the College, the College's trustees, members, officers, agents, employees, invitees, volunteers and College students participating in the early childhood education program, their successors and assigns as "Additional Insureds," insuring against any and all claims, demands or actions, for injury to or death of one or more persons in any one occurrence in an amount of not less than One Million Dollars (\$2,000,000.00) for each occurrence, Two Million (\$2,000,000) Aggregate and for property damage in an amount of not less than One Million Dollars (\$2,000,000.00), made by or on behalf of any person, firm or corporation, arising from, related to or connected with the conduct and operation of Licensee's use or occupancy of the Premises, and in addition and in like amounts covering Licensee's contractual liability under the aforesaid hold harmless defense and indemnification provisions. Licensee shall also provide primary umbrella excess liability coverage in an amount of not less than Five Million Dollars (\$5,000,000.00). Licensee shall also maintain a sexual harassment and sexual molestation endorsement, as well as carry Worker's Compensation and Employer's Liability Insurance in the amount of One Million (\$2,000,000) dollars at its sole cost and expense.

Prior to commencement of the License and annually thereafter thirty (30) days before each anniversary date, Licensee shall provide the College with certificates of insurance showing the required coverage to be in effect prior to occupancy of the Premises. Said policies of insurance shall provide for at least thirty (30) days written notice to the College of termination and cancellation of the policies. Licensee shall provide the College with policies of insurance upon demand of the College. The parties further agree that the minimum insurance coverage amount shall be reviewed and adjusted, if necessary, every five (5) years during the Agreement to adequately protect the parties. All such policies shall contain a waiver of any rights of subrogation thereunder.

B. COLLEGE COVERAGE. The College shall provide and maintain property insurance on a Special Perils Form and Boiler and Machinery Insurance, both for 100% of the Replacement Cost of the Building (including Improvements and Betterments), on a replacement Costs and Agreed Amount basis, and with such other coverages the College may require; provided, however, that the College shall provide and maintain coverage for all improvements made to the Premises by Licensee which are incorporated into the

building as a fixture and which are not insurable by Licensee as a Licensee improvement. Licensee shall pay or reimburse the College for the payment of the cost of the increase in the premium for such insurance for such improvement. The College shall name Licensee as an additional insured and as a loss payee with respect to any such improvements so insured. Except for the right to receive the proceeds of insurance with respect to such Licensee improvements, Licensee waives any rights to any proceeds under the College's property insurance policy or policies.

The College shall take out and maintain secondary, non-contributing Commercial General Liability insurance policy against Property Damage and Bodily Injury growing out of the license, use or occupancy of or about the Premises by the College or others whenever the Premises or any portion thereof are used for election, public or other purposes as provided herein at its own cost and expense with a per occurrence and general aggregate limit in an amount of not less than \$1,000,000, which insurance shall name Licensee as an "Additional Insured." The College shall also carry at its own cost and expense Workers' Compensation insurance with statutory limits and employer's liability coverage with limits of not less than \$500,000 per occurrence. The College shall also maintain at its own cost and expense a commercial automobile liability policy naming Licensee as an "Additional Insured" with per occurrence and general aggregate limits of not less than \$1,000,000.

Prior to commencement of the License and annually thereafter thirty (30) days before each anniversary date, College shall provide the Licensee with certificates of insurance showing the required coverage to be in effect prior to Licensee's occupancy of the Premises. Said policies of insurance shall provide for at least thirty (30) days written notice to Licensee of termination and cancellation of the policies. The College shall provide Licensee with policies of insurance upon demand by Licensee. The parties further agree that the College's minimum insurance coverage shall be reviewed and adjusted, if necessary, every five (5) years during the Agreement to adequately protect the parties. All the foregoing insurance shall be purchased as of the commencement date hereof and shall be maintained throughout the term of this License as extended.

19. INDEMNIFICATION: To the fullest extent permitted by law Licensee agrees to defend, indemnify and hold harmless the College, from and against any and all liability or claims of any type, nature or description, including claims for liabilities arising out of or in connection with, any damage to property or injury to person, including death, and which arise out of Licensee's use or occupancy of, on or about the Premises owned or Licensed by Licensee, and in connection with, any aspect of the existence or operation of this Agreement; provided, however, that Licensee shall have no liability under this Paragraph 19 with respect to any claim, loss, expense or damage arising from, out of or in connection with the negligence of the College or any of its officers, directors, trustees, employees, or agents or the breach by the College of any of its obligations hereunder.

The College agrees to defend, indemnify and hold harmless Licensee from and against any and all liability or claims of any type, nature or description, including claims for liabilities arising out of or in connection with, any damage to property or person, including death, and which arise out of College's use or occupancy of, on or about the Premises or any portion thereof; provided, however, that the College shall have no liability under this Paragraph 19

with respect to any claim, loss, expense or damage arising from, out of or in connection with the negligence or misconduct of Licensee or any of its officers, directors, trustees, employees, or agents or the breach by Licensee of any of its obligations hereunder.

Notwithstanding anything herein contained to the contrary, no recourse shall be had for the payment or performance of any obligation, liability, covenant or agreement of the College hereunder against any past, present or future member, officer, director, trustee, employee, agent, volunteer or student engaged in the early childhood program of the College, as such, and all such liability of any such officer, director, trustee, employee, agent, volunteer or student engaged in the early childhood program as such, is hereby expressly waived and released.

College shall neither be liable for any damage occasioned by failure to keep the Premises in repair nor shall it be liable for any damage done, or occasioned by, or from plumbing, gas, water, steam, or other pipes or sewage, or the bursting, leaking of any water pipe or waste pipe in, upon, or about the Premises nor for damage occasioned by water, snow or ice being on, or coming through the roof, or otherwise.

20. RIGHTS UPON DEFAULT: If default be made in the payment of the above fees, or any part thereof, or in any of the covenants herein contained to be kept by Licensee and such default is not cured within thirty (30) days after notice in the case of a default in the payment of money or ninety (90) days after notice in the case of a default of any other covenant (provided, however, that if such default is not susceptible of cure within such ninety (90) day period, such ninety (90) day period shall be extended to the extent necessary to permit such cure if Licensee shall promptly commence such cure within such ninety (90) day period and shall thereafter prosecute such cure to completion diligently), it shall be lawful for the College at any time thereafter at its election, without notice, to declare said Term ended, and to re-enter the premises, or any part thereof, with or without process of law, and to remove Licensee, or any persons occupying the same, without prejudice to any remedies which otherwise can be used for arrears of Use Fees. The College at its discretion may waive a particular default or breach of covenant on the part of Licensee, but any waiver shall not be construed as or presumed to be a waiver of any or all subsequent defaults or violations by the Licensee.

21. FIRE OR CASUALTY: In the event the Premises are damaged or destroyed by fire or other casualty to the extent that 20% or more of the building or the Premises shall be uninhabitable, either College or Licensee may, by written notice to the other within sixty (60) days after the damage or loss, terminate the License. If this License is not so terminated, College shall commence promptly and proceed diligently to restore the Premises to substantially the same condition that existed prior to such damage or destruction. In the event the Premises are so damaged, but not to the extent that 20% or more of the building on the Premises are uninhabitable, this License shall not be terminated, and College shall commence promptly and proceed diligently to restore the Premises as aforesaid. In the event of damage or destruction referred to in this paragraph, if the License is not terminated, all Fees shall abate from the date of such damage or destruction in proportion to the uninhabitable portion of the Premises. The rights afforded

by this paragraph shall be forfeited by either party should it be determined that the fire or other casualty was caused by the intentional conduct of that party.

22. EMINENT DOMAIN: In the event any portion of the Premises is taken or condemned for a public or quasi-public use or purpose by any competent authority, which taking shall render the Premises uninhabitable for Licensee's purposes this license shall terminate as of the date possession is required for such purpose.

23. ATTORNEY FEES: The parties agree that in the event legal action is required to enforce the terms of this Agreement, the non-prevailing party will pay and discharge the prevailing party's reasonable costs, attorney fees and expenses incurred in enforcing the covenants and agreements of this Agreement.

24. BINDING EFFECT; SUCCESSORS AND ASSIGNS. The rights of each party under this agreement are personal to that party and may not be assigned or transferred to any other person, firm, corporation or other entity without the prior express, and written consent of the other party. All covenants and agreements herein contained shall be binding upon, apply and inure to the respective successors, administrators, and assigns of all parties to this Agreement.

25. ABANDONMENT: Licensee shall not, without first obtaining the written consent of the College, abandon the Premises, or allow the Premises to become vacant or deserted. Licensee shall not, without first obtaining the written consent of the College assign, mortgage, pledge, or encumber this Agreement, in whole or in part, or sub-license the Premises or any part thereof. Licensee shall be allowed to enter into financing agreements for equipment and Licensee improvements whereby such equipment and Licensee improvements will be used as security and do not become fixtures to the Premises.

26. ACCESS: Throughout the term of this License, Licensee shall grant the College free unencumbered access to the Premises for the purpose of examining the same, provide oversight and evaluation of the College's early childhood education program, as well as the right to make any repair, improvement or alterations in, to or upon the Premises which the College may deem necessary or desirable; provided that College shall use its best efforts not to interfere with Licensee's operations.

27. COLLEGE EARLY CHILDHOOD EDUCATION PROGRAM: Licensee acknowledges and agrees at all time to provide College faculty and early education enrolled college students access and participation in the Licensee's Early Childhood Program as set forth in College's Curriculum, a copy of which is attached hereto and incorporated by reference herein as Exhibit D.

28. COLLEGE HEALTH CARE SERVICES: Licensee may separately contract for nursing services from the College under the terms and conditions set forth in Exhibit E.

29. COLLEGE FOOD SERVICES: Licensee may separately contract for food services from the College under the terms and conditions set forth in Exhibit F.

30. EDUCATIONAL OBSERVATION. Vendor will allow McHenry County College students who have completed and passed a background check the opportunity to observe, participate, and complete hands-on educational activities with children. In addition, the McHenry County College Early Childhood Education program may access the center during evening and weekend hours for educational purposes with prior approval of vendor.

31. ENTIRE AGREEMENT. This License and the riders and exhibits, if any attached hereto which are hereby made a part of this License, represent the complete agreement between College and Licensee; and College has made no representations or warranties except as expressly set forth in this Agreement. No modification or amendment of or waiver under this Agreement shall be binding upon College or Licensee unless in writing signed by College and Licensee.

BOARD OF TRUSTEES OF MCHENRY COUNTY COLLEGE, A BODY POLITIC AND CORPORATE, MCHENRY COUNTY, STATE OF ILLINOIS

LICENSEE,
STATE OF ILLINOIS

BY:

President

By: _____
President

ATTEST:

Authorized in meeting of:

Secretary

ATTEST:

Authorized in meeting of:

Secretary

EXHIBITS TO AGREEMENT

- Exhibit A Survey of Premises
- Exhibit B Inventory of Equipment
- Exhibit C College Once A Day Routine Cleaning and Trash Removal
- Exhibit D MCC Early Childhood Curriculum
- Exhibit E Nursing Care Services
- Exhibit F Food Services

EXHIBITS TO AGREEMENT

Exhibit A

Survey of Premises

Field Code Changed

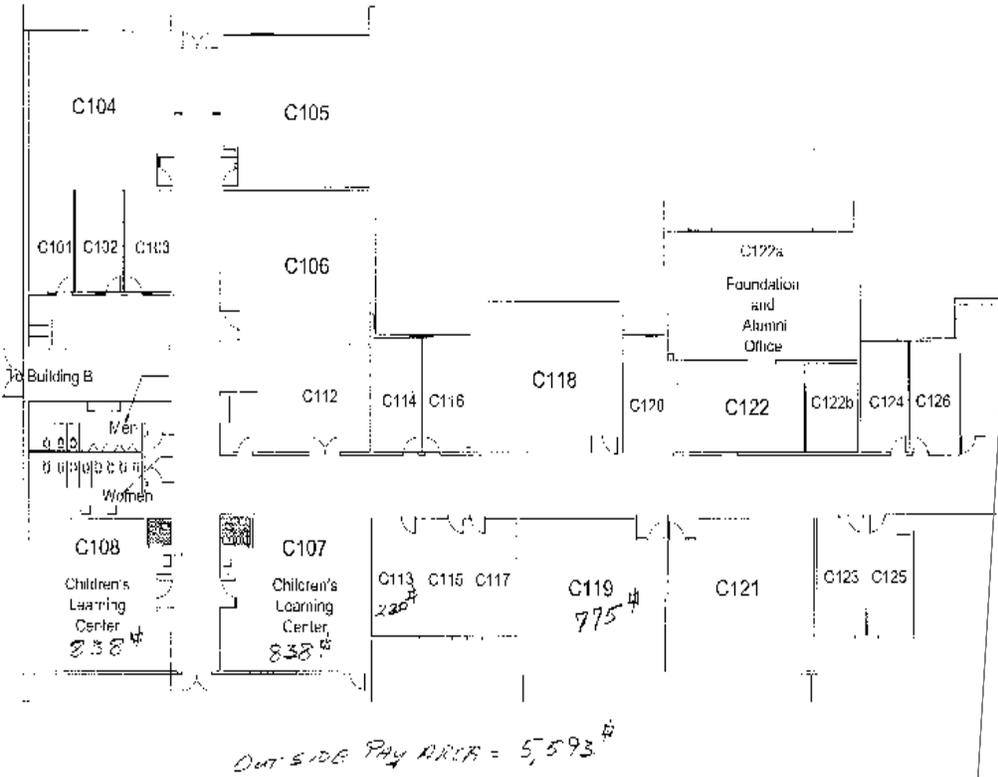


Exhibit B
Inventory of Equipment

Exhibit C
College Services and Trash Removal

- C.1 MCC shall provide premise pest control services, equipment and supplies on an as needed basis.
- C.2 MCC shall provide premise snow removal service, equipment and supplies.
- C.3 Licensee shall put rubbish and trash in MCC approved containers. MCC shall on a once a day basis remove rubbish and garbage from the Child Care Center. Upon approval of MCC a more frequent schedule of rubbish and garbage removal may be established.
- C.4 Licensee shall put recycled items in MCC approved containers. MCC shall on a once a day basis remove recycled items from the Child Care Center. Upon approval of MCC a more frequent schedule of recycled items may be established.
- C.5 MCC shall provide and maintain fire extinguisher equipment and supplies. Vendor shall immediately notify MCC of extinguisher use.

Exhibit D
Integration of MCC Early Childhood Curriculum

D.1 Licensee is an independent contractor of Early Child Care Services. It is intended that Licensee's Child Care Services shall primarily service the students, staff and families of the MCC community.

D.2 Licensee shall provide a full time Director of Child Care with appropriate experience and training in early child care, development and administration.

D.3 The current operational capacity of the Early Child Care Services are as follows:
Total number of possible child care placements: 55
Toddlers (15 months through 36 months of age): 15
Preschoolers (30 months through six years of age): 40

D.4 Minimal Operational Days & Hours:
Monday through Friday when the college is in session.
7:00 a.m. to 6:00 p.m.
Licensee shall provide an annual schedule of operations to the Executive Dean of Education Career and Technical Education and the Office of Public Safety on or before May 1st of each year.

D.5 Licensee must comply with the minimum staff to child ratios established by the Department of Children and Family Services.

D.6 Licensee shall develop and implement a curriculum developmentally appropriate, focusing on the individual social, cognitive and physical needs of the children consistent with minimum standards established by the National Association for the Education of Young Children. Licensee acknowledges that McHenry County College provides courses in Early Childhood Education and it is intended that the Licensee's services will be coordinated to afford students in the College's Early Childhood Education Program observation opportunities and hands-on participation with Licensee's services to meet the College's curriculum requirements and its strategic education plan.

D.7 Licensee shall allow McHenry County College students enrolled in the College's Early Childhood Education Program who have completed and passed a criminal background check to observe, participate and complete hands-on educational activities with children as required by McHenry County College's curriculum.

D.8 To the extent required by law, Licensee shall not discriminate against any employee applicant or employee based upon race, color, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap unrelated to ability, or unfavorable discharge from military service.

D.9 Licensee acknowledges that McHenry County College is a tobacco and drug free workplace. Licensee shall inform employees, invitees and parents of this restriction and enforcement by McHenry County College.

D.10 Licensee shall regularly meet with the Executive Dean of Education Career and Tech Education to establish a cooperative relationship with the MCC Community and achieve operations, efficiencies and public relations which meet their respective needs.

D.11 Licensee shall submit all written complaints to the Executive Dean of Education Career and Tech Education and report how they were resolved.

D.12 Licensee shall notify the Executive Dean of Education Career and Tech Education of school closings, change of hours and pricing changes 30 days in advance; In the event of an emergency closing, notice shall be immediate.

D.13 Licensee shall be solely and exclusively responsible for obtaining all required permits, licenses and bonding to comply with College Regulations and Policies (www.mchenry.edu/board) and the minimum standards established by municipal, county, state and federal laws, as well as the following standards:

- National Association for Education the Young Child best practice standards;
- Department of Children and Family Service compliance requirements;
- Onsite maintenance and update of employee certifications;
- Department of Health Rules and Regulations.

D.14 Licensee shall be solely and exclusively responsible for maintaining and updating employee applicant files and employment documentation regarding verification of credentials and current certifications, including but not limited to (i) name, address, social security number and telephone number; (ii) title or position; (iii) employment start and end date; (iv) verification of criminal background check; (v) proper educational requirements; (vi) other [medical] credentials. All employment files shall be kept current. Upon request of either the College Director of Human Resources or the Executive Dean of Education, Career & Technical Education, Licensee shall supply a current listing of each employee and such other information as requested.

D.15 Licensee shall promptly notify Executive Dean of Education, Career & Technical Education of any scheduled compliance audit of records or operations of the Child Care Center. The College shall have the option to participate in Licensee's audits and shall promptly provide College with copies of any audit reports.

D.16 Licensee's management and staff shall be identifiable while on campus by uniform dress or name tag as approved by MCC, and shall at all times present a professional, positive, pleasant, and courteous attitude.

D.17 Licensee upon prior written approval of the College may use the gymnasium and library.

D.18 Licensee is solely and exclusively responsible for the safety and welfare of children enrolled in its Child Care Services. Licensee shall initiate and maintain an aggressive program of accident prevention and safety education by training its employees, including location and use of first aid supplies, fire alarms and fire extinguishers. All accidents and injuries to children or staff requiring immediate medical attention, or incidents requiring DCFS notification or 911 emergency calls shall be immediately orally reported to the College Campus Public Safety Office. A detailed written report of any significant incident and/or life safety issue(s) shall be delivered to the Director of Campus Public Safety with a copy to Executive Dean of Education, Career and Technical Education by Vendor within two hours of the incident.

D.19 Licensee shall develop and implement as necessary an Evacuation Plan in collaboration with the Campus Public Safety Office. Licensee shall provide to College written plans for crisis response, site evacuation and emergency drills.

Exhibit E
Nursing Care Services

Licensee may utilize the Nursing Services available at the College on an as needed and as available basis. The hours of the licensed nurse are 8:00 a.m. to 4:30 p.m. daily. Nursing service is not available during periods of vacation or absence.

Nursing services will be charged to the Licensee on an hourly basis.

Exhibit F
Food Services

Licensee may separately contract for college food services.