

Lessor: _____

Lease Agreement

This Lease Agreement ("Lease") is made and effective July 1, 2012, by and between the Catholic parish identified on the Signature Page (Exhibit A to this Lease) (hereinafter referred to as "Lessor") and Green Bay Area Catholic Education Inc. (GRACE) (hereinafter referred to as "Lessee").

Lessor is the owner of land and improvements used for school purposes (hereinafter referred to as the "Facility"), the name and address of which are identified on the Signature Page in Exhibit A.

Lessor makes available for lease a portion of the Facility designated as the "Leased Premises." "Leased Premises" is defined as "any and all items used in the operation of the Pre-K - 8 school programs, including but not limited to the items and facilities set forth on Exhibit B attached to this Lease."

Lessor desires to lease the Leased Premises to Lessee, and Lessee desires to lease the Leased Premises from Lessor for the Lease Term, for the compensation and upon the covenants, conditions and provisions herein set forth.

THEREFORE, in consideration of the mutual promises herein, contained and other good and valuable consideration, it is agreed:

1. Lease Term

A. Lessor hereby leases the Leased Premises to Lessee, and Lessee hereby leases the same from Lessor, for a Lease Term of one year beginning July 1, 2012 and ending June 30, 2013.

B. The Lessee shall have the first right of refusal to the Leased Premises, and any other premises that would be used for expansion of the services provided by the Lessee. Should Lessee desire to exercise this right, Lessee shall do so by providing written notice to Lessor not less than 90 days prior to the expiration of the Lease Term. The renewal terms and conditions shall be as mutually agreed between said Lessor and Lessee. The Lessor shall not lease, convey, or alter any of the Leased Premises without first obtaining the consent of the Lessee.

2. Reduction in Subsidy

In addition to the relationship of the parties related to this Lease, Lessor has a contribution obligation to pay to Lessee a parish subsidy related to Lessee's operations. As consideration for Lessor providing to Lessee the Leased Premises, Lessee shall reduce the subsidy of the Lessor in exchange for use and occupancy of the Leased Premises. The reduction in subsidy shall be adjustments to the contribution to be made to Lessee by the Parish that owns the Leased Premises. The reduction in subsidy shall be calculated as follows:

Three-year rolling average of the number of K-8 students enrolled in GRACE day school in the Leased Premises on the third Friday of September (average of the preceding year and the two prior years) multiplied by Operations Credit and Utility Credit figures determined annually by the GRACE Board of Trustees. The three-year rolling average figures for all GRACE Schools are provided in Exhibit C to this Lease.

The calculations result in a reduction in subsidy, deducted from subsidy payments from Lessor to Lessee as established in the GRACE operating budget. Reduction in subsidy shall be taken proportionally from all subsidy payments to Lessee throughout the year. The Operations Credit and Utility Credit per student, and three-year rolling average student count and annual Reduction in Subsidy figures for Lessor's Facility, are provided on the Signature Page (Exhibit A).

3. Use

Parish school buildings and adjoining playgrounds and parking lots have historically been a multi-purpose resource for the communities that they serve; and the parties wish to continue that tradition of shared use under this Lease in a spirit of cooperation.

With that understanding, the Lessee shall have primary and initial use of the Leased Premises for education-related activities during the entire Lease Term. The Lessor may have use of all or part of the Leased Premises for Lessor-approved activities at certain times upon no less than seven (7) days prior written notice to Lessee, and with consent of Lessee, which consent shall not be unreasonably withheld. Refer to Exhibit B and Exhibit D for details regarding the Leased Premises. Lessee shall cooperate with Lessor's requests and grant use of Leased Premises to the extent feasible. The notice and agreement provisions of this section will be governed by the Facility Rules section of this agreement.

4. Facility Rules

Lessee will comply with the rules of the Facility adopted and altered by Lessor from time to time and will cause all of its agents, employees, invitees and visitors to do so; all changes to such rules will be sent by Lessor to Lessee in writing. The rules for the Facility are attached hereto as Exhibit D and incorporated herein for all purposes. Lessee shall have initial right of refusal for use of all leased space during regular operating hours and will be notified in writing of any requests for alternative use by the Lessor no less than seven (7) days prior to the scheduled event, or as far in advance as possible for a particular event.

5. Sublease and Assignment

With the Lessor's consent, the Lessee shall have the right to sublease the Leased Premises or assign this Lease to another party, including but not limited to a corporation with which Lessee may merge or consolidate. Such consent may not to be unreasonably withheld or delayed.

6. Janitorial & Cleaning Services

During the Lease Term, Lessor shall, at Lessor's expense, provide janitorial and cleaning services to the Leased Premises as required by the applicable health and safety regulations of federal, state, local and accreditation agencies, and school district policies and procedures.

Janitorial and cleaning services shall include but not be limited to, such items as daily cleaning of floors and bathrooms; daily removal of trash and recycling; periodic cleaning of walls and ceilings; landscaping maintenance, including snow removal; all subject to the obligations of the parties otherwise set forth in this Lease. A detailed list of the Lessor's specific obligations for the Leased Premises is attached hereto as Exhibit E and incorporated herein for all purposes. Lessor and Lessee may, with consensus, amend Exhibit E during the Lease Term, and Lessee agrees to promptly notify the Lessor of any amendments or deficiencies.

7. Repairs

During the Lease Term, Lessor shall make, at Lessor's expense, all necessary repairs to the Leased Premises as required by applicable building, health and safety regulations and laws of federal, state, local and accreditation agencies. Repairs shall include such items as repairs of floors, walls, ceilings, electrical systems, plumbing, heating & ventilation systems, telephone/communications and security systems, and other parts of the Leased Premises damaged or worn through normal occupancy, subject to the obligations of the parties otherwise set forth in this Lease.

The Lessor agrees to make repairs within a reasonable period of time except for repairs that impact occupant safety or practical use of space. Repairs impacting occupant safety or practical use of space shall be completed by Lessor promptly upon notification by the Lessee.

The Lessee agrees to promptly notify the Lessor of any needed repairs and allow the Lessor a reasonable period of time to make such repairs, except as noted above. If the Lessee makes repairs without providing the Lessor with notice or a reasonable period of time for completion, the Lessee will bear the cost of the repair. Lessor shall not be responsible for repairs resulting from an act of negligence of Lessee or any of Lessee's agents, guests or employees, and reasonable and actual costs of repairs made by Lessor resulting from the same shall be promptly reimbursed by Lessee to Lessor.

8. Alterations and Improvements

Lessee, at Lessee's expense, shall have the right following Lessor's consent to remodel, redecorate, and make additions, improvements and replacements of and to all or any part of the Leased Premises from time to time as Lessee may deem desirable, provided the same are made in a workmanlike manner and utilizing good quality materials.

Lessee shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Leased Premises, and fasten the same to the premises. All personal property, equipment, machinery trade fixtures and temporary installations placed or installed on the Leased Premises by Lessee during the Lease Term shall remain Lessee's property free and clear of any claim by Lessor. Lessee shall have the right to remove the same at any time during the Lease Term provided that all damage to the Leased Premises caused by such removal shall be repaired by Lessee at Lessee's expense.

9. Property Taxes

Lessor shall pay, prior to delinquency, all general real estate taxes and installments of special assessments coming due during the Lease Term on the Leased Premises, and all personal property taxes with respect to Lessor's personal property, if any, on the Leased Premises. Lessee shall be responsible for paying all personal property taxes with respect to Lessee's personal property at the Leased Premises.

10. Insurance

A. Insurance Carrier

Parties to this Lease agree to be insured by the same insurance carrier.

B. Property Insurance

Lessor shall maintain special form property insurance to include boiler & machinery perils at the Facility and the Leased Premises (as defined in this Lease) in such amounts as Lessor shall deem appropriate. Lessee shall be responsible, at its expense, for special form property insurance to include boiler & machinery perils on all of its personal property, including removable trade fixtures, located in the Leased Premises.

If the Leased Premises or any other part of the Facility is damaged by fire or other casualty resulting from any act or negligence of Lessee or any of Lessee's agents, employees, subsidy reduction shall not be diminished or abated while such damages are under repair, and Lessee shall be responsible for the costs of repair not covered by insurance as well as any deductible applicable to the Lessor in the event of a covered loss.

C. Comprehensive General Liability Insurance

Lessee and Lessor shall, each at its own expense, maintain a policy or policies of commercial general liability insurance, covering the activities of each. Such insurance shall be approved by the Lessor and provide minimum limits of \$1,000,000 / \$2,000,000.

11. Utilities

Lessor shall pay all charges for water, sewer, gas, and electricity on the Leased Premises during the Lease Term. Lessee acknowledges that the Leased Premises are designed to provide standard office use electrical facilities and standard office lighting. Lessee shall not use any equipment or device that utilizes excessive electrical energy or which may, in Lessor's reasonable opinion, overloads the wiring or interferes with electrical services to the Lessor or other Lessees.

12. Signs

Following Lessor's consent, Lessee shall have the right to place on the Leased Premises, at locations selected by Lessee, any signs which are permitted by applicable zoning ordinances and private restrictions. Lessor may refuse consent to any proposed signage that is in Lessor's opinion too large, deceptive, unattractive or otherwise inconsistent with or inappropriate to the Leased Premises or use of any other Lessee. Lessor shall assist and cooperate with Lessee in obtaining any necessary permission from governmental authorities or adjoining owners and occupants for Lessee to place or construct the foregoing signs. Lessee shall repair all damage to the Leased Premises resulting from the removal of signs installed by Lessee.

13. Entry

Lessee shall have the right to restrict entry to the Leased Premises to teachers, students, registered visitors and employees during school hours. Lessor shall have the right to enter upon the Leased Premises at reasonable hours to inspect the same, provided Lessor shall not thereby unreasonably interfere with Lessee's educational and education-related activities on the Leased Premises. Lessor's janitorial and maintenance staff may be on the Leased Premises at all times.

14. Security

Lessor shall provide reasonable security equipment and take reasonable measures to ensure the Facility can support the restrictions to entry addressed in the preceding section.

15. Parking

During the Lease Term, Lessee shall have the non-exclusive use in common with Lessor, other Lessees of the Facility, their guests and invitees, of the non-reserved common automobile parking areas, driveways, and footways, subject to rules and regulations for the use thereof as prescribed from time to time by Lessor. Lessor reserves the right to designate parking areas in reasonable proximity to the Facility for Lessee and Lessee's agents and employees.

16. Quiet Possession

Lessor covenants and warrants that upon performance by Lessee of its obligations hereunder, Lessor will keep and maintain Lessee in exclusive, quiet, peaceable and undisturbed and uninterrupted possession of the Leased Premises during the Lease Term.

17. Condemnation

If any legally, constituted authority condemns the Facility or such part thereof which shall make the Leased Premises unsuitable for leasing, this Lease shall cease when the public authority takes possession, and Lessor and Lessee shall account for appropriate compensation as of that date. Such termination shall be without prejudice to the rights of either party to recover compensation from the condemning authority for any loss or damage caused by the condemnation. Neither party shall have any rights in or to any award made to the other by the condemning authority.

18. Damage and Destruction

Subject to Section 8 above, if the Leased Premises or any part thereof or any appurtenance thereto is so damaged by fire, casualty or structural defects that the same cannot be used for Lessee's purposes then Lessee shall have the right within ninety (90) days following damage to elect by notice to Lessor to terminate this Lease as of the date of such damage.

In the event of minor damage to any part of the Leased Premises and if such damage does not render the Leased Premises unusable for Lessee's purposes nor was the damage resulting from an act of negligence of Lessee or any of Lessee's agents, guests, or employees, Lessor shall promptly repair such damage at the cost of the Lessor. In making the repairs called for in this paragraph, Lessor shall not be liable for any delays resulting from strikes, governmental restrictions, inability to obtain necessary materials or labor or other matters which are beyond the reasonable control of Lessor.

Lessee shall be relieved from paying the subsidy reduction and other charges during any portion of the Lease Term that the Leased Premises are inoperable or unfit for occupancy, or use, in whole or in part, for Lessee's purposes. Subsidy reduction and other charges paid in advance for any such periods shall be credited on the next ensuing payments, if any, but if no further payments are to be made, any such advance payments shall be refunded to Lessee.

The provisions of this paragraph extend not only to the matters aforesaid but also to any occurrence which is beyond Lessee's reasonable control and which renders the Leased Premises, or any appurtenance thereto inoperable or unfit for occupancy or use in whole or in part, for Lessee's purposes.

19. Subordination

Lessee accepts this Lease subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter arising upon the Leased Premises, or upon the Facility and to any renewals, refinancing and extensions thereof, but Lessee agrees that any such mortgagee shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this Lease on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion.

Lessor is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust, or other lien now existing or hereafter placed upon the Leased Premises of the Facility, and Lessee agrees upon demand to execute such further instruments subordinating this Lease or attorning to the holder of any such liens as Lessor may request. In the event that Lessee should fail to execute any instrument of subordination herein required to be executed by Lessee promptly as requested, Lessee hereby irrevocably constitutes Lessor as its attorney-in-fact to execute such instrument in Lessee's name, place and stead, it being agreed that such power is one coupled with an interest.

Lessee agrees that it will from time to time upon request by Lessor execute and deliver to such persons as Lessor shall request a statement in recordable form certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), stating the dates to which subsidy reduction and other charges payable under this Lease have been paid, stating that Lessor is not in default hereunder (or if Lessee alleges a default stating the nature of such alleged default) and further stating such other matters as Lessor shall reasonably require.

20. Security Deposit

The Lessor and Lessee agree to require no Security Deposit for this Lease.

21. Default

If default shall at any time be made by Lessee in the providing of subsidy reduction when due to Lessor as herein provided, and if said default shall continue for fifteen (15) days after written notice thereof shall have been given to Lessee by Lessor, or if default shall be made in any of the other covenants or conditions to be kept, observed and performed by Lessee, and such default shall continue for thirty (30) days after notice thereof in writing to Lessee by Lessor without correction thereof then having been commenced and thereafter diligently prosecuted, Lessor may declare the Lease Term ended and terminated by giving Lessee written notice of such intention, and if possession of the Leased Premises is not surrendered, Lessor may re-enter said premises. Lessor shall have, in addition to the remedy above provided, any other right or remedy available to Lessor on account of any Lessee default, either in law or equity. Lessor shall use reasonable efforts to mitigate its damages.

22. Notice

Any notice required or permitted under this Lease shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, addressed as follows:

If to Lessor to:

The Catholic parish and at the address identified on the Signature Page (Exhibit A)

If to Lessee to:

Green Bay Area Catholic Education Inc. (GRACE)
1087 Kellogg Street
Green Bay, WI 54303

Lessor and Lessee shall each have the right from time to time to change the place notice is to be given under this paragraph by written notice thereof to the other party.

23. Waiver

No waiver of any default of Lessor or Lessee hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by Lessor or Lessee shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

24. Memorandum of Lease

The parties hereto contemplate that this Lease should not and shall not be filed for record, but in lieu thereof. At the request of either party, Lessor and Lessee shall execute a Memorandum of Lease to be recorded for the purpose of giving record notice of the appropriate provisions of this Lease.

25. Headings

The headings used in this Lease are for convenience of the parties only and shall not be considered in interpreting the meaning of any provision of this Lease.

26. Successors

The provisions of this Lease shall extend to and be binding upon Lessor and Lessee and their respective legal representatives, successors and assigns.

27. Consent

Neither party shall unreasonably withhold or delay its consent with respect to any matter for which such party's consent is required or desirable under this Lease.

28. Performance

If there is a default with respect to any of Lessor's covenants, warranties or representations under this Lease, and if the default continues more than thirty (30) days after notice in writing from Lessee to Lessor specifying the default, Lessee may, at its option and without affecting any other remedy hereunder, cure such default and deduct the cost thereof from the next accruing installment or installments of subsidy reduction provided hereunder until Lessee shall have been fully reimbursed for such expenditures, together with interest thereon at a rate equal to the Lessor of twelve percent (12%) per annum or the then highest lawful rate. If this Lease terminates prior to Lessee's receiving full reimbursement, Lessor shall pay the unreimbursed balance plus accrued interest to Lessee on demand.

29. Compliance with Law

Lessee shall comply with all laws, orders, ordinances and other public requirements now or hereafter pertaining to Lessee's use of the Leased Premises. Lessor shall comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Leased Premises.

30. Final Agreement

This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.

31. Governing Law

This Agreement shall be governed, construed and interpreted by, through and under the Laws of the State of Wisconsin.

32. Signatures

Refer to Signature Page (Exhibit A)

Exhibit A – Signature Page
[INSERT TEMPLATE (Word Doc)]

Exhibit B – Identification of “Leased Premises”
[INSERT EXCEL SHEET]

Exhibit C – Three-Year Rolling Average Student Count Figures

| Facility | Three-Year Rolling Average Student Count |
|-------------------------|---|
| Holy Cross | 166 |
| Our Lady of Lourdes | 202 |
| Prince of Peace | 43 |
| Resurrection | 173 |
| Holy Family | 321 |
| St. Bernard | 412 |
| St. John the Baptist | 283 |
| Notre Dame – Elementary | 143 |
| Notre Dame – Middle | 143 |
| St. Thomas More | 115 |
| St. Matthew | 188 |
| TOTAL | 2,189 |

Exhibit D - Facility Rules

[INSERT FACILITY-SPECIFIC SHEET]

Exhibit E – Specific Janitorial & Cleaning for Leased Premises

As stated in the Lease, during the Lease Term, Lessor shall, at Lessor's expense, provide janitorial and cleaning services to the Leased Premises as required by federal, state, local and accreditation agency health and safety regulations applicable to schools and day care facilities.

Specific Lessor responsibilities include, but are not limited to:

| Description of Janitorial & Cleaning Activity | Required Frequency and Timing |
|--|---|
| Cleaning of Bathrooms | Daily |
| Cleaning of Hallway Floors | Daily |
| Cleaning of Classroom Floors | Daily |
| Cleaning of Floors of Cafeterias and Lunchrooms | Daily after lunch period |
| Cleaning of Floors of Offices & Other Spaces | Daily |
| Removal of Trash and Recycling from Bathrooms | Daily |
| Removal of Trash and Recycling from Classrooms | Daily |
| Removal of Trash and Recycling from Offices & Other Spaces | Daily |
| Cleaning of Walls and Ceilings | As needed, but at least once per year |
| Cleaning of Windows | As needed, but at least once per year |
| Landscaping & Parking Lot Maintenance – Snow Removal | As needed, prior to start of school day |
| Landscaping Maintenance – Lawn Mowing | As needed |
| Landscaping & Parking Lot Maintenance - Other | As needed |