(PCSSCA) HOA + CONDO LICENSE Agreement

LICENSE AGREEMENT

This License Agreement (the "Agreement") is made between PRAIRIE CROSSING HOMEOWNERS ASSOCIATION, a not-for-profit Illinois corporation, whose address is at 32400 N. Harris Road, Grayslake, Illinois 60030 ("Licensor"), and PRAIRIE HOLDINGS CORPORATION, whose address is 32400 N. Harris Road, Grayslake, Illinois 60030 ("Licensee").

WHEREAS, Pursuant to that certain Declaration of Covenants, Conditions, Restrictions, Easements and Rights filed December 20, 1994 with the Recorder of Deeds of Lake County, Illinois as Document No. 36217263, as amended (the "Declaration"), Licensor is the owner of certain property located within the community of Prairie Crossing in Grayslake, Illinois which property includes: (a) natural areas containing prairies, meadows, flora, fauna, landscaped areas, wetlands, ponds, ditches, culverts, swales, lakes and other ecologically and geologically significant features of scientific, educational, scenic and aesthetic interest; (b) pedestrian and equestrian trails; and (c) landscaping, sprinkler systems, lighting, spaces for the parking of motor vehicles, walkways, paths, gazebos, wetlands, meadows, prairies, piers, pump houses, sheds, fencing, gates, benches, berms, walking trails, signs, monuments, sculptures, play lots, recreational facilities, storm water retention or detention basins, ponds, lakes and other amenities and improvements (collectively the "Common Area").

WHEREAS, Licensee is the owner of certain property adjacent to the Common Area which property is being developed by Licensee as a condominium and retail project. The project will include three buildings containing 36 residential condominium units ("Units") and will be known as Prairie Crossing Station Square Condominium (the "Condominium").

WHEREAS, Licensee and Licensor desire to make the Common Area available to the owners of Condominium units in exchange for Licensee's contribution to the cost of maintenance and preservation of the Common Area.

1. GRANT. Licensor hereby irrevocably grants to Licensee, and Licensee accepts, a license to use in common with Licensor, the same amenities of the Common Area available from time to time to the members of Licensor, upon the following TERMS and CONDITIONS.

2. TERM. The license shall be effective on January 1, 2005, and shall terminate at 12:00 midnight on December 31, 2104 (said ninety-nine (99) year term is referred to herein as the "License Term").

3. MAINTENANCE. Licensor shall maintain the Common Area in a clean, safe and unobstructed condition, and all maintenance, repair or replacement thereof shall be done in a high quality manner in compliance with applicable laws and in accordance with the Declaration. If Licensor and Licensee are unable to agree on any matter regarding the maintenance and repair required by this Paragraph 3 including without limitation, the necessity of any item of maintenance or repair, or quality of the performance thereof, the matter in dispute shall be referred for resolution to the engineer of the Village of Grayslake (the "Village") or if the engineer is unwilling to resolve such dispute, to another civil engineer mutually agreed upon by the Licensor and Licensee. The determination of the Village engineer (or other civil engineer, if applicable) shall be binding on both Licensor and Licensee.

4. LICENSE FEES AND PAYMENT. Commencing on the first day of the quarter (that starts with January, April, July or October) following the date of the last conveyance of a Unit by Licensee and continuing throughout the License Term, Licensee shall pay to Licensor a fee (the "License Fee") in an amount equal to the quarterly Association Assessment paid by each Residential Lot

Owner (as defined in the Declaration) pursuant to Section 7.01 of the Declaration multiplied by the total number of Units conveyed by Licensee.

Commencing on the date of the first conveyance of a Unit and continuing through the quarter that includes the last conveyance of a Unit by Licensee, Licensee shall pay to Licensor an Interim License Fee in an amount equal to the monthly Association Assessment paid by each Residential Lot Owner (as defined in the Declaration) pursuant to Section 7.01 of the Declaration multiplied by the total number of Units conveyed by Licensee. The Interim License Fee shall be calculated as of the last day of each month and shall be paid quarterly in arrears prior to the tenth day of January, April, July and October of each year. The License Fee and the Interim License Fee shall not include the amount of any Special Assessments, Landscape Assessments or Open Space Preservation Fund Assessments, each as defined in the Declaration.

5. NO ASSIGNMENT. Licensor hereby consents to the Assignment of this Agreement by Licensee to the Condominium Association. Licensee shall not otherwise assign this License without the prior express written consent of Licensor which consent may be granted or withheld in Licensor's sole and absolute discretion. Any attempted assignment in violation of this Paragraph 5, shall, in Licensor's sole and absolute discretion, be voidable.

6. INDEMNIFICATION OF LICENSOR. Licensor shall not be liable for any damage, fire, theft or injury to Licensee, or any other person, or to any property, arising from the use of the Common Area by Licensee. Licensee assumes the risk of such loss and shall indemnify, defend and hold Licensor harmless from and against any and all loss, cost, damage or liability of any nature (including attorneys' fees) arising out of or in any way related to this Agreement or to Licensee's use of the Common Area. This indemnity shall survive the termination or expiration of this License.

7. RULES AND REGULATIONS. Licensee, its employees, tenants, visitors and guests shall be bound by and shall observe the rules and regulations which Licensor, in its sole discretion, may reasonably promulgate from time to time during the License Term relating to the Common Area of which notice in writing shall be given to Licensee within thirty (30) days at which time they will become effective. All such rules and regulations as changed from time to time shall be deemed to be incorporated into and form a part of this Agreement. In the event of any default in the performance or observance of such rules and regulations Licensor shall have, in addition to the remedies provided hereunder, the right to enforce the rules and regulations against Licensee as it is authorized to enforce them against Licensor in accordance with the Declaration. Licensor shall enforce the rules and regulations against Licensee and against Licensor, its members, licensees, assigns, guests and visitors in a non-discriminatory manner and in a manner designed to preserve, maintain and enhance the Common Area and to provide adequately for a first-class residential community.

8. REMEDIES ON DEFAULT. If Licensee defaults in the payment of the Licensee Fee, or defaults in the performance of any of the other covenants or conditions hereof, in addition to all other remedies that Licensor may have at law or in equity, Licensor may give Licensee written notice of such default and if Licensee does not cure any such default within thirty (30) business days, after the giving of such notice, then Licensor may terminate this Agreement on not less than three days' written notice. In the event of such termination, access to the Common Area by Licensee, its visitors, tenants, guests or invitees shall be denied and Licensor shall be entitled to recover all past due License Fees and any and all costs and reasonable attorneys' fees incurred by Licensor to terminate Licensee's use of the Common Area.

9. WAIVER. No term or condition of this License will be deemed to have been waived, nor will there be any estoppel against the enforcement of any provision of this Agreement, except by a written instrument signed by the party charged with such waiver or estoppel.

10. NOTICE. All notices required or permitted hereunder shall be in writing and shall be served on the parties at the addresses set forth below. Any such notice shall be either (1) sent by overnight delivery using a nationally recognized overnight courier, in which case notice shall be deemed delivered one business day after deposit with such courier, or (2) sent by personal delivery, in which case notice shall be deemed delivered upon receipt. Any notice sent by personal delivery and delivered after 5:00 p.m. local time shall be deemed received on the next business day. A party's address may be changed by written notice to the other party; provided, however, that no notice of a change of address shall be effective until actual receipt of such notice.

LICENSOR: Prairie Crossing Homeowners' Association
32400 N. Harris Road
Grayslake, Illinois 60030
Attention: John Breen

LICENSEE: Prairie Holdings Corporation
32400 North Harris Road
Grayslake, Illinois 60030
Attention: George A. Ranney, Jr.

Such notice shall be deemed to have been received by Licensor or Licensee, as the case may be, on the earlier of actual receipt or the third business day after the date on which it shall have been so mailed.

11. HEIRS, ASSIGNS, SUCCESSORS. This Agreement is binding upon and shall inure to the benefit of Licensor and the permitted assignees of Licensee, their respective heirs, assigns and successors in interest.

12. SUBORDINATION. This License is and shall be subordinated to all existing and future liens and encumbrances against the Common Area. In confirmation of such subordination, Licensee agrees to execute such documents as may be required by Licensor or any Mortgagee to evidence the subordination of its interest herein to any such liens and encumbrances described above.

13. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties and may be modified only by a writing signed by both parties.

14. GOVERNING LAW. The validity and interpretation of this Agreement shall be governed by and interpreted in accordance with the laws of the State of Illinois.

15. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute collectively but one agreement.

IN WITNESS WHEREOF, the parties have caused this License Agreement to be duly executed as of this _____ day of _____, 2004.

LICENSEE:

PRAIRIE HOLDINGS CORPORATION, an Illinois corporation

By: _____
Name: George Ranney IV
Title: Chairman & CEO

Date: September 5, 2004

LICENSOR:

PRAIRIE CROSSING HOMEOWNERS' ASSOCIATION, an Illinois not-for-profit corporation

By: _____
Name: John V Burns Jr
Title: President

Date: Sept 3, 2004