

LEASE
Between the
TOWN OF GREENWICH
and
CHILDREN'S DAY SCHOOL, INC.

This Lease, made this _____ day of _____, 2007, between the TOWN OF GREENWICH (the "TOWN"), a municipal corporation organized and existing under the laws of the State of Connecticut, and CHILDREN'S DAY SCHOOL INC. ("CDS"), 8 Riverside Avenue, Riverside, CT 06878, a non-profit corporation organized and existing under the laws of the State of Connecticut and described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, acting herein by Sherry Myer, its Chairman of the Board, hereunto duly authorized.

RECITALS

Whereas, the TOWN is the fee simple owner of, and desires to lease a portion of, the building known as the Bendheim Western Greenwich Civic Center ("WGCC") and related site improvements located at 449 Pemberwick Road, Greenwich, Connecticut 06831 (which real property is more particularly described on the attached Schedule "A") (collectively, the "Project") for a public purpose and to a non-profit entity;

Whereas, CDS desires to operate a children's child care facility ("Child Care Facility") in a space designated for child care at the WGCC and as more fully described in Paragraph 1 titled Premises;

Whereas, the TOWN desires to lease 4,781 square feet of space on the first floor of the WGCC (which space is more fully described in Paragraph 1 titled Premises) in furtherance of meeting the child care needs of parents in the community; and

Whereas, the TOWN and CDS hereby enter into this Lease to provide for a Ten (10) year lease term with two options to renew as provided in Paragraph 15.

WITNESSETH:

1. PREMISES

In consideration of the covenants on the part of CDS in this Lease, the TOWN hereby leases to CDS the following premises (collectively, the "Premises"):

A. An area comprising 4,781 square feet of space located on the first floor of the WGCC, as shown on a plan entitled "Western Greenwich Civic Center, First Floor Child Care, December 2006," attached hereto as Exhibit A, which space is to be referred to as "Interior Premises."

B. An area comprising 2,137 square feet located in the rear of the WGCC, as shown on a plan entitled "Western Greenwich Civic Center Revised Playground, Prepared for Town of Greenwich, July 10, 2006"; attached hereto as Exhibit B, which space is to be referred to as "Playground Premises."

C. The additional rooms and/or common areas located in the WGCC that are more particularly identified on the attached Exhibit C, which areas are sometimes referred to herein as the "Additional Space Premises".

2. TERM

The term of this Lease shall be for a period commencing on July 1, 2007 (the "Commencement Date") and ending on the tenth anniversary of the Commencement Date subject to renewal as set forth in paragraph 15 hereof for two (2) additional five (5) year lease terms; provided, however, in the event that the TOWN does not complete the Landlord's Work (in accordance with and as defined in Section 6, below) and/or in the event that a final unconditional certificate of occupancy has not been issued for the Premises by July 1, 2007, then rent shall be abated on a per diem basis commencing on

July 1, 2007 and continuing for each day thereafter until the Landlord's Work is complete and the TOWN has issued an unconditional final certificate of occupancy for the Premises. Notwithstanding the foregoing, in the event that the Landlord's Work is not completed and the final unconditional certificate of occupancy for the Premises is not issued by August 1, 2007, then CDS shall have the option, in its sole discretion, to terminate this Lease upon the giving of written notice to the TOWN and upon receipt of such notice this Lease shall immediately terminate and neither party shall have any further liability hereunder.

3. RENT

CDS shall pay the TOWN an annual Base Rent in the amount of Forty Thousand and Nine Hundred (\$40,900.00) Dollars for each of the first three (3) years of the Lease term, payable in equal monthly payments of Three Thousand Four Hundred and Eight Dollars and Thirty Three Cents (\$3,408.33), on the first day of each month, in advance, to the TOWN OF GREENWICH, or to such other person, firm or entity as the TOWN may, from time to time, designate in writing. The check should be sent to Town of Greenwich, Department of Parks and Recreation, Attn: Director, 101 Field Point Road, Greenwich, Connecticut 06830, Attn: Roy L. Carey, Accounts Payable Supervisor, Greenwich, CT 06830.

Beginning with year four (4) of the initial term and every three (3) years thereafter, including throughout any renewal terms, the Base Rent shall be increased by seven and one-half percent (7.5%) and shall be payable monthly in accordance with the foregoing terms and in the amounts set forth on the attached Schedule B.

4. USE OF PREMISES

The Premises will be used for the following purposes only: CDS shall use the Premises for the operation of a Child Care Facility conditional upon CDS complying with the applicable Connecticut General Statutes licensing requirements and/or all other applicable regulations for such use including the maintenance of the appropriate licenses for a Child Care Facility as required by the Connecticut Department of Health and other any local or other licensing requirements as well as the TOWN zoning regulations and in accordance with the Municipal Improvement Approval granted by the Planning and Zoning Commission. A copy of the Municipal Improvement Approval is attached hereto as Exhibit D. CDS shall use best efforts to keep fully informed and to comply with all existing and future federal, state, and local laws, ordinances, rules, regulating the use of the Premises as a Child Care Facility. CDS shall further use best efforts to be non-discriminatory as to race, color, national origin, or sex in the operation of such facility.

The TOWN shall use best efforts to keep fully informed and to comply with all existing and future federal, state and/or local laws, ordinances, rules, and/or regulations applicable to the public use of the Project. In the event that any improvements and/or alterations are necessary to the base Building so as to bring the Project into compliance with, or to otherwise maintain such compliance, for public use or in the event that any such improvements and/or alterations are necessary for the satisfaction of CDS' Child Care licensing requirements (or any rules, regulations and/or ordinances relating thereto), then, the TOWN shall make all such alterations and improvements, at its sole cost and expense and within a time period that is satisfactory to CDS. In the event that the TOWN fails to make such alterations and/or improvements to the Project, at its sole cost and expense and within the period of time that is agreed to by CDS, then CDS shall have the right to

terminate this Lease by the giving of written notice to the TOWN. Upon receipt of such notice this Lease shall immediately terminate and neither party shall have any further liability hereunder.

CDS staff at the Premises will include an on-site administrator or manager, who is responsible for the overall operation of the Child Care Facility including compliance with state and local child care licensing requirements.

In addition to the use of the Premises as a Child Care Facility, CDS shall further have the right to use the Interior Premises and/or the Additional Space Premises for parent/teacher meetings, board/committee meetings and/or fundraising events; provided, however, that the use of the Additional Space Premises shall be subject to CDS' prior request to the TOWN Recreation Supervisor for the WGCC and the availability of the requested space. The use of the Additional Space Premises may also be subject to additional cost or expense to CDS. Any other activity proposed for the Premises other than as set forth in this section requires prior permission from the TOWN Director of Parks and Recreation or his authorized agent. Any failure by CDS to use the Premises as set forth in this section shall constitute a default under this lease.

It is understood by and between the parties that nothing contained in this Lease is intended to establish or create, or shall be construed as creating or establishing the relationship of co-partners or joint ventures hereto, or as constituting CDS as the agent or representative of the TOWN for any purpose, or in any manner whatsoever.

5. CONDITION OF PREMISES

It is expressly agreed between the TOWN and CDS that, subject to the representations set forth herein, the completion of the Landlord's Work, and the inspection of the Premises by all applicable State and local agencies and departments for purposes

of satisfying CDS' child care licensing requirements, CDS has examined the Premises and accepts it in its present condition, and that the Premises leased from the TOWN as depicted in Exhibit A is accepted for the purposes herein specified (except as set forth above), and that, except as set forth below, the TOWN has made no representations as to the present or future condition of the Premises, including latent defects. Notwithstanding the foregoing, the TOWN represents and warrants to CDS that (i) there are no violations or alleged violations of building codes, zoning ordinances or other applicable laws with respect to the Project (which specifically includes the Premises); (ii) the proposed use of the Premises as a Child Care Facility is a permitted use within the current zoning classification of the Project and no variances or other approvals are necessary for such use, (iii) there are no pending or threatened condemnation proceedings with respect to the Project; (iv) there is no condition with respect to the Project (specifically including, without limitation, the Premises) that requires correction, mitigation, abatement or other action for the proposed use of the Premises as a Child Care Facility (including, without limitation, radon, lead based paint or conditions governed by the Americans with Disabilities Act of 1990, as amended), and (v) the TOWN has received all requisite approvals and has the authority to enter into this Lease on the terms and conditions set forth herein. While it is understood that the TOWN has worked with CDS to customize the Premises to CDS' specifications, including alteration of walls, final finishes and installation of cabinetry and office furniture, the TOWN makes no representation that the Premises is in the condition legally required for the specific purposes set forth in paragraph 4. Except for the completion of the Landlord's Work, the matters set forth in Section 4, above, the inspection of the Premises by all applicable State and local agencies and departments for purposes of satisfying CDS' child care licensing requirements, and except for the matters

included in the TOWN's representations set forth in this Section 5, CDS expressly assumes the responsibility of examining the Interior Premises for all other matters and for undertaking any and all additional work to the Interior Premises, at its sole cost and expense, to render the Interior Premises habitable and fit, as required by law, for the specified uses set forth in paragraph 4. CDS shall maintain the Interior Premises and the Playground Premises (including equipment servicing and cleaning) as habitable and legally fit for the use specified in paragraph 4.

6. IMPROVEMENTS AND ALTERATIONS

This Lease is contingent upon (i) the TOWN's completion of the following work on or prior to the Commencement Date: (a) the relocation and installation of the interior fencing within the Playground Premises as depicted on the attached Exhibit B so as to provide for a minimum area of 600 square feet (which area is based on the formula of 75 square feet per child for children under the age of 3 years, so as to permit CDS to accommodate at least eight (8) children in this age group), at the TOWN's sole cost and expense and to the satisfaction of CDS so as to permit CDS to satisfy its Child Care licensing requirements, and (b) the work described on the attached Exhibit E, at the TOWN's sole cost and expense (the work described in the foregoing subsections (a) and (b) are collectively referred to as the "Landlord's Work"); and (c) the issuance of a final unconditional certificate of occupancy for the Premises, and (ii) the receipt by CDS of the required authorizations and/or licensure from the State of Connecticut on or prior to August 29, 2007, for the use of the Premises as a Child Care Facility. The TOWN and CDS agree to cooperate with each other in the making and filing of all applications for any approvals that are a condition precedent to the performance by either party hereunder and to provide

any documentation that is reasonably requested or that is necessary to support any such application(s).

In the event the contingencies required by this Paragraph are not accomplished by the dates set forth herein, then this Lease shall terminate by the delivery of written notice by the terminating party, unless CDS and the TOWN opt to further extend the contingency time period in this Lease so as to permit the non-compliant party an additional thirty (30) day period of time to satisfy the applicable contingency(ies). Upon the delivery of any termination notice, this Lease shall immediately terminate and neither party shall have any further liability hereunder.

CDS, during the term of this Lease, shall not make any improvements or alterations to the Premises without the prior written approval of the Director of Parks and Recreation of the TOWN and the Commissioner of Public Works of the TOWN, which consent shall not be unreasonably withheld, conditioned or delayed. However, any improvements or alterations to the Premises authorized by the TOWN at the request of CDS shall be executed by the TOWN at the sole cost and expense of CDS, including any costs or expenses associated with obtaining permits and other regulatory or administrative approvals, as are normally incidental to the progress and satisfactory conclusion of the same. Without limiting the foregoing, CDS and the TOWN acknowledge and agree that CDS intends to install a playground surface and playground equipment in the Playground Premises and the Director of Parks and Recreation of the TOWN and the Commissioner of Public Works of the TOWN, agree not to unreasonably withhold, condition or delay their approval for the installation of such surface or equipment. The installation of such surface and the equipment shall be completed by a third party playground equipment vendor, at the sole cost and expense of CDS; provided, however, that any such vendor must be

approved by the TOWN and must satisfy the TOWN's insurance requirements, which insurance requirements shall not be unreasonably imposed or applied by the TOWN. At the end of the Lease term, the playground equipment may be removed by CDS, at its sole option. In the event that the playground equipment is not removed by CDS within forty-five (45) days subsequent to the end of the Lease term (including any renewal option(s)), then such equipment shall become the property of the TOWN.

Subject to the requisite TOWN approvals, CDS shall further have the right to install signage at the Premises at the locations set forth on the attached Exhibit H. The cost and installation of the signage shall be at the sole cost and expense of CDS except for the main entrance sign, which shall be the cost and responsibility of the TOWN. Any approvals required by the TOWN for the signage shall not be unreasonably withheld, delayed and/or conditioned. Any contractor/vendor that is retained by CDS for the installation of the foregoing signage must be approved by the TOWN and must satisfy the TOWN's insurance requirements, which requirements shall not be unreasonably imposed or applied by the TOWN.

Any other improvements or alterations to the Premises shall be the property of the TOWN and shall remain upon and be surrendered with the Premises on the expiration or termination of the Lease without compensation to CDS. Notwithstanding the foregoing, CDS shall have the right to place and install at the Premises, and remove therefrom at the end of the Term, its personal property, furniture, equipment and removable furnishings including, without limitation, any supplemental cabinetry installed by CDS.

7. **MAINTENANCE OF THE PREMISES**

Except as otherwise provided herein, CDS at its sole cost and expense shall maintain the Interior Premises and the Playground Premises (including the playground surface and the equipment) in good repair and safe condition for the purposes set forth in this Lease and shall surrender the Interior Premises and the Playground Premises on the expiration or termination of the Lease in as good order and condition as it is now in, or as it may be placed by reason of any alteration made hereunder, subject to reasonable use, wear and tear as a Child Care Facility; and CDS agrees to commit no waste or injury to the Premises nor make any use of it except as provided in this Lease. The TOWN agrees that it shall repair and/or replace the exterior and/or inferior fencing for the Playground Premises but it shall not be responsible for cleaning any such fencing.

The TOWN will provide for snow and ice removal for the Project (including, without limitation, the traffic flow and parking areas) designated on Exhibit F, at its sole cost and expense, according to the TOWN's priority and schedule for the WGCC. Notwithstanding the foregoing, CDS shall have the right to retain a third party vendor to provide snow and ice removal to such traffic flow and parking areas in the event that CDS opts to open, or remain open, for business during any time(s) when the WGCC is otherwise closed by the TOWN or in the event that the TOWN's priority and schedule for the snow and ice removal at the WGCC is not consistent with CDS' Business Hours. Any such service provider must be approved by the TOWN and must satisfy the TOWN's insurance requirements, which requirements shall not be unreasonably imposed or applied by the TOWN. CDS will further provide for snow removal, at its sole cost and expense, to the Playground Premises (including the bridge); provided, however, that the TOWN will provide snow and ice removal for the ramp.

CDS shall dispose of regular refuse in the main trash dumpster at WGCC, the removal of which is to be paid for by the TOWN. CDS shall at its own expense remove any refuse that requires special handling, such as medical, hazardous or contaminated waste.

The TOWN agrees to provide and maintain landscaping services at the WGCC and to keep all stairs, sidewalks, parking lots, driveways and playgrounds (other than the Playground Premises) clear of leaves.

The TOWN agrees to provide, at its sole cost and expense, all necessary maintenance and repair of the Project (including, without limitation, the Premises), including the maintenance, repair and/or replacement of the exterior and interior fencing in and around the Playground Premises, all windows, all heating, cooling, electrical, plumbing and ventilation systems, all toilets and sinks, all telephone and Ethernet wiring and related systems (including jacks), and any structural repairs to the WGCC building including, without limitation, all walls, ceilings and floors that form the boundary of the Interior Premises, provided, however, that the TOWN shall not be responsible for custodial or cleaning services related to the Interior Premises or the Playground Premises (such as the replacement of light bulbs or minor repairs to cabinets, and other fixtures that are located within the Interior Premises). CDS shall have the right to retain a third party provider for such custodial services; provided, however, that any such service provider must satisfy the TOWN's insurance requirements, which shall not be unreasonably imposed or applied by the TOWN.

8. UTILITIES AND OTHER SERVICES

The TOWN shall provide all necessary utilities to the Premises, including without

limitation, heat, water (including hot water), sewer, electricity and natural gas. The TOWN

shall provide the foregoing utilities to the Premises so as to permit CDS to operate the Child Care Facility from 7:00 am to 6:30 pm Monday through Friday weekly during the Lease term (including all renewal options) (the "Business Hours") and at all other times requested by CDS pursuant to Section 4, above. The TOWN shall locate within the Interior Premises the control mechanisms for the regulation of all heat and hot water that is provided to the Interior Premises so as to permit CDS to comply with all State and local licensing requirements related thereto. The TOWN has provided telephone and Ethernet jacks to serve the Interior Premises. In this regard, the TOWN, at its cost and expense, shall be responsible for the installation, maintenance, repair and replacement of all telephone and Ethernet wires, cables and jacks that serve the Interior Premises; provided, however, that CDS, at its sole expense, shall directly pay for such telephone and internet services. As to the utilities (i.e. water, sewer, electricity and natural gas), CDS agrees to pay fifteen (15%) percent of the monthly cost of such utilities billed to the TOWN for the WGCC, as its pro rata share of such expenses. The TOWN, through its Department of Public Works, shall forward a monthly invoice to CDS for its pro rata share together with a copy of the utility bills for payment; CDS shall pay its pro rata share of such bills within 30 days of receipt. The provision of utilities by the TOWN pursuant to this Lease shall not include janitorial services for the Interior Premises. CDS agrees that it shall be responsible for all janitorial services to the Interior Premises and will sufficiently maintain the Interior Premises to the standards of the WGCC. CDS shall also provide all operating supplies such as toilet paper, hand towels, soap, garbage cans and dispensers for the restrooms contained within the Interior Premises. The TOWN agrees to install the dispensers if so requested by CDS.

The TOWN shall also provide and maintain, at its cost and expense, a computerized door access system ("Access System") at main Child Care Facility door #106A as show on Exhibit F with One Hundred (100) non-printed (white) card access keys, subject to the following conditions:

a. Any card access keys over the 100 originally provided will be the responsibility of CDS; provided, however, that the TOWN agrees to issue additional access keys upon request to the TOWN Superintendent of Building Maintenance and Construction and upon payment of the then applicable replacement cost.

b. CDS, at its cost and expense, shall provide an updated Windows based PC to operate the Access System and the TOWN, at its cost and expense, shall provide, maintain and/or replace the software program to run the Access System during the Lease term.

c. The TOWN shall provide preliminary and on-going training (as requested by CDS) to designated employees of CDS for the operation of the Access System software, at no additional cost or expense to CDS.

d. The Access System shall be for the clients of CDS only. All CDS employees shall be issued TOWN of Greenwich card keys that will open the building as well as the Child Care Center.

e. Certain employees, as designated by CDS, in its sole discretion, shall be provided access to the Premises 24/7 and all other full-time CDS employees shall have access to the Premises during CDS Business Hours.

f. CDS employees shall be subject to a \$10 replacement fee if any personal access key is misplaced or lost.

g. The perimeter burglar alarm for the Premises will be included as part of the main security system for WGCC, at no additional cost or expense to CDS.

h. The TOWN, at its sole cost and expense, shall install and maintain a wireless doorbell at a location to be mutually agreed to by the TOWN and CDS.

CDS agrees that it shall not change the locking and/or Access System without prior permission from the Superintendent of Building Construction and Maintenance of the TOWN.

9. INSURANCE AND PROPERTY LOSS

A. In addition to any insurance coverage required under state law for operation of the Child Care Facility as specified in paragraph 4, CDS shall procure and maintain at its own expense, at all times during the term of this Lease, insurance of the types and amounts specified below insuring and protecting CDS and the TOWN from any and all claims for bodily injury, including accidental death, and for property damage arising out of the use of the Premises depicted in Exhibit A [First Floor Child Care Plan] by CDS or its officers, agents, employees, members, licensees and invitees. All policies shall name the TOWN as an additional insured and shall contain appropriate "loss payee" provisions in favor of the TOWN. The insurance required shall be as follows:

(1) All risk commercial property insurance, including extended coverage, vandalism, malicious mischief, boiler and machinery, and flood, insuring for an amount not less than the then current replacement cost for the value of the Premises including improvements, alterations, and additions made to the Premises by CDS and insuring CDS's own personal property. The TOWN will not carry insurance on personal property of CDS or improvements to the Premises made by CDS, and shall not be liable for any damage to such personal property and/or improvements to the Premises.

(2) Commercial general liability insurance, including bodily injury and property damage liability and "personal and advertising liability injury" on an occurrence basis with respect to CDS's use and occupancy of the Premises depicted in Exhibit A [First Floor Child Care Plan] for any occurrence of not less than One Million (\$1,000,000) Dollars combined single limit for bodily injury and property damage, One Million (\$1,000,000) Dollars "personal injury and advertising injury," One Million (\$1,000,000) Dollars aggregate for products and completed operations and Two Million (\$2,000,000) Dollars general aggregate or such greater amount as the TOWN may reasonably require from time to time. Such insurance shall contain a provision including coverage for all liabilities assumed by CDS under this Lease and shall name the TOWN and its employees, officers and agents, as an additional insured. Such insurance shall also waive subrogation against the TOWN.

(3) Comprehensive Automobile Liability, with minimum coverages of One Million Dollars (\$1,000,000) combined single limit for bodily injury and property damage, including, where applicable, coverage for any vehicle, all owned vehicles, scheduled vehicles, hired vehicles, non-owned vehicles and garage liability.

(4) Insurance for the benefit of the TOWN against damage to the Premises by fire and other casualty, including coverage for vandalism and malicious mischief, with extended coverage endorsement, the amount of such policy to be reasonably sufficient and not less than the replacement cost of the Premises. The TOWN shall be a named insured in such policy as loss payee as its interests may appear.

(5) Workers compensation insurance for all of CDS's employees, temporary employees or independent contractors, working in or around the Premises in an amount sufficient to meet statutory payments (unlimited), employers liability insurance with

minimum limits of Five Hundred Thousand (\$500,000) Dollars per accident, Five Hundred Thousand (\$500,000) Dollars per employee for disease and a Five Hundred Thousand (\$500,000) Dollars policy limit for disease. The policy shall be endorsed to waive subrogation against the TOWN.

(6) Umbrella liability, on an occurrence basis, in the amount of Five Million (\$5,000,000) Dollars each occurrence, Five Million (\$5,000,000) Dollars aggregate supplementing all coverages as set forth in Subparagraphs (2), (3) and (4) of this Paragraph 8A. Such umbrella insurance will be no more restrictive than the terms provided in Paragraph 9A, and will not contain a cross liability, employers liability, or similar exclusion. The policy must be endorsed to recognize aggregate limits for coverages set forth in Subparagraphs (2), (3), (4) and (5) of Paragraph 9A.

(7) Professional liability for the limits set forth in the commercial general liability policy as described in Subparagraph (2) above. Such insurance shall contain a provision naming the TOWN and its employees, officers and agents, as an additional insured.

The TOWN shall have the right to require CDS to increase the above mentioned insurance coverages from time to time as and to the extent that the TOWN Comptroller may require, but no such increase shall be arbitrary or unreasonable.

CDS shall furnish three (3) certificates to the TOWN of each insurance policy or policies on an Acord certificate of insurance form upon the commencement of this Lease and thereafter within thirty (30) days prior to the expiration of each such policy. CDS shall also furnish the TOWN with an original endorsement letter from its insurance agent(s), in the form attached hereto as Exhibit G. All insurance shall be carried by a company or companies authorized to do business in the State of Connecticut and having a rating of no

less than A-/X1 as graded by Best's Rating Service. The TOWN shall receive at least 60 days' written notice of termination, non-renewal, or any material alteration of each insurance policy referred to in this Lease. All such policies shall be written as primary policies which do not contribute to and are not to be merely excess coverage over that which the TOWN may carry. If CDS maintains a policy that is in excess of a self-insured retention, the self-insured retention must be disclosed prior to the execution of this Lease.

CDS shall not do or permit any act or thing to be done in or to the Premises which is contrary to law or which will invalidate or be in conflict with public liability, fire or other policies of insurance at any time carried by or for the benefit of the TOWN with respect to the Premises, or which might subject the TOWN to any liability or responsibility to any person for property damage, nor shall CDS keep anything in the Premises except as now or hereafter permitted by the Greenwich Fire Department, the Connecticut Board of Fire Underwriters and any other authority having jurisdiction over the Premises, and then only in such manner and such quantity so as not to increase the rate of fire insurance applicable to the Premises, nor use the Premises in a manner which shall increase the fire insurance rates for the Building or any property located therein because of any special risk over those in effect on the commencement date.

B. The TOWN and its employees, agents, and officers shall not be liable for:

(1) any damage to or loss of property of CDS, CDS's employees, agents, tenants, lessees, licensees, invitees, or trespassers whether by theft, casualty or otherwise, including without limitation damage to personal property of CDS and improvements to the Premises made by CDS; and

(2) any injury or damage to property or persons including without limitation CDS's employees, agents, tenants, lessees, licensees, invitees, or

trespassers resulting from any cause whatsoever in connection with the use of the Premises as depicted in Exhibit A [First Floor Child Care Plan], unless caused by or due to the negligence or affirmative or willful act of the TOWN, its employees, agents or officers.

Any damage to the Premises by reason of the moving of equipment or furnishings, or the installation thereof by or on CDS's behalf, shall be promptly repaired by CDS to the reasonable satisfaction of the TOWN and at CDS's sole cost and expense.

10. INDEMNIFICATION

CDS shall indemnify, defend and save the TOWN harmless from and against all liabilities, obligations, damages, penalties, claims, loss, costs and expenses, including reasonable attorneys' fees, paid, suffered or incurred as a result of (i) any breach by CDS, its officers, agents, contractors, employees, tenants, lessees, licensees or invitees, of any covenant or condition of this Lease; and/or (ii) any negligence or willful act of CDS, its officers, agents, contractors, employees, tenants, residents, lessees, licensees or invitees, and/or (iii) the use and occupancy of the Premises by CDS, its officers, agents, employees, tenants, lessees, licensees or invitees.

CDS shall keep fully informed and comply with all existing and future federal, state and local laws, ordinances, rules and regulations affecting, controlling and governing the use of the Premises depicted in Exhibit A [First Floor Child Care Plan] and shall indemnify and hold harmless the TOWN, its officers, employees and agents, from and against any and all claims, demands, suits, proceedings, liabilities, judgments, penalties, losses, damages, costs and expenses, including reasonable attorneys' fees, arising from or based upon any violation or claimed violation of any such laws, ordinances, rules and regulations,

whether committed by CDS or any of its officers, agents, employees, tenants, residents, lessees, licensees or invitees.

11. SUBLETTING AND ASSIGNMENT

CDS shall not sublet the demised Premises, or any portion thereof without consent of the TOWN, nor shall the Lease be assigned without consent of the TOWN and all agencies and boards as appropriate, which consent shall not be unreasonably withheld, delayed or conditioned. If at any time following the commencement of operating the Child Care Facility, the Premises shall be deserted or vacated for a period of sixty (60) days or more, and such desertion or vacation is not caused by (i) an act or a failure to act by the TOWN, (ii) an act of God, (iii) terrorism, or (iv) the events covered by Section 16, below, then the First Selectman of the TOWN may declare the Lease in default, and this Lease shall terminate upon written notice to CDS.

12. INSPECTION AND EMERGENCY REPAIRS

The First Selectman of the TOWN, and/or his authorized agents, shall have the right to enter and inspect the Premises at all reasonable times. In the case of an emergency requiring repairs to the building, the TOWN shall take all necessary steps to respond to the emergency and to stabilize the conditions of the Premises. As soon as practicable under such emergency condition, the First Selectman shall notify the Executive Director of CDS of the need to make emergency repairs. If the TOWN is unable to reach the Executive Director of CDS or if an emergency condition of the building requires a more immediate response, CDS hereby agrees that the TOWN may direct any repairperson or company to make any immediate repairs in the Premises at the sole cost and expense of the party responsible for the repairs.

13. TERMINATION

The TOWN may terminate this Lease prior to the expiration of the Lease term, as provided in this paragraph.

A. The TOWN'S Right to Terminate

The TOWN shall have the right to terminate this Lease upon the following events of default by CDS:

- (a) If CDS does not procure and maintain insurance as required by this Lease;
- (b) If the Premises are abandoned or deserted for a period of sixty (60) or more consecutive days following the opening of the Child Care Facility, and such abandonment or desertion is not caused by (i) an act or failure to act by the TOWN, (ii) an act of God, (iii) terrorism, or (iv) the events set forth in Section 16, below;
- (c) If any lien, attachment or other encumbrance is lodged against the Premises by a party claiming loss, through or under CDS and is not discharged within (90) days or otherwise provided for to the TOWN'S reasonable satisfaction within such time;
- (d) If CDS fails within a reasonable time to cure any non-compliance with the conditions of valid licensure of the Child Care Facility as required by law provided that such conditions pertain to the Interior Premises and are within CDS' reasonable control and ability to satisfy;
- (e) If CDS fails to comply with any provision of this Lease and does not cure such default within thirty (30) days of the receipt of written notice thereof from the TOWN.

In any of the foregoing events, this Lease and the term thereof may terminate and expire at the option of the TOWN and CDS shall quit and surrender the Premises as provided herein.

In the event of a default under Subparagraph 13A, if the TOWN shall serve upon CDS a written notice specifying the nature of the default and upon the expiration of thirty (30) days thereafter CDS shall have failed to remedy such default; or if such default or omission complained of is of a nature that the same cannot be completely cured or remedied within such thirty (30) day period, and the TOWN determines CDS shall not have diligently commenced curing such default within such thirty (30) day period and shall not thereafter with diligence and in good faith proceed to remedy or cure such default, then this Lease and the term thereof shall at the TOWN'S option and upon notice to CDS terminate and expire, and CDS shall quit and surrender the Premises to the TOWN, but CDS shall remain liable to the TOWN as hereafter provided.

In the event of a default by CDS under this Lease, the TOWN shall have the right of injunction and the right to invoke any remedy allowed at law or in equity as if re-entry, summary process and other remedies were not herein provided for. The recitation in this Lease of any particular right or remedy shall not preclude the TOWN from any other remedy available at law or in equity. CDS acknowledges that this Lease constitutes a commercial transaction within the meaning of section 52-278a of the Connecticut General Statutes. Pursuant to section 52-278f of the Connecticut General Statutes, to the extent permitted by law, CDS hereby waives and relinquishes all rights to notice and hearing as provided in section 52-278a through section 52-278g of the Connecticut General Statutes prior to the TOWN obtaining any prejudgment remedy against CDS in connection with the enforcement by the TOWN of any of its rights or remedies under this Lease. CDS

expressly waives notice to quit possession or occupancy of the Premises upon termination of this Lease pursuant to section 47a-25 of the Connecticut General Statutes.

Upon termination as provided above, the TOWN may without further notice re-enter the Premises and dispossess CDS by summary process or otherwise and remove CDS's effects and hold the Premises as if this Lease had not been made, and CDS hereby waives the service of any notice to quit or notice of intention to re-enter or any other notice for condition broken as at common law.

B. CDS shall have the right to immediately terminate this Lease if any act or failure to act by the TOWN results in the inability of CDS to obtain and/or maintain its license for the use of the Premises as a Child Care Facility pursuant to all applicable State, local and/or municipal statutes, rules and/or regulations (including, without limitation, the conditions precedent set forth in Section 2 and 6). In all other events, CDS shall have the right to terminate this Lease by giving one hundred twenty (120) days advance written notice.

C. Effect of Termination or Expiration on Lease Obligations

If this Lease is terminated prior to the full Lease term, neither party shall thereafter have by obligations whatsoever to the other, except as provided in this Lease, and except that CDS shall be obliged to pay for any rent obligations or liabilities under this Lease which have accrued prior to the date of such termination or expiration.

D. Effect of Termination or Expiration on Return of the Premises

Upon termination of the Lease, the TOWN may require CDS at its sole cost and expense to return the Premises in as good order and condition as it is now in, or as it may be placed by reason of any alteration made hereunder, subject to reasonable use,

wear, and tear as a Child Care Facility and provided that CDS may opt to leave the playground equipment at the Playground Premises.

E. TOWN'S Performance Upon Default by CDS

If CDS is in material default under this Lease beyond the expiration of all applicable notice and cure periods, then, the TOWN may at its option but without obligation so to do immediately, or at any time thereafter, and without notice, remedy the same at the sole cost and expense of CDS in lieu of enforcing its other rights hereunder.

If the TOWN makes any expenditures or incurs any obligations for the payment of money in connection therewith, including but not limited to, costs, fines, penalties, interest, damages and reasonable attorney's fees in instituting, prosecuting or defending any action or proceeding, such sums paid or obligations incurred shall be paid immediately by CDS to the TOWN upon the rendition of any bill or statement to CDS therefore, together with interest thereon at a rate equal to twelve percent (12%) per annum.

Nothing herein contained shall be construed as to require the TOWN to incur any expenses or obligations on behalf of CDS.

F. No Waiver

The failure of the TOWN to seek redress for any violation of or to insist upon the strict performance of, any of the terms of this Lease or of any of the rules and regulations set forth herein or hereafter adopted by the TOWN, shall not waive the effect of or excuse such violation or performance or any subsequent violation or performance.

No act or thing done by the TOWN or its agents during the Lease Term shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid, except in writing signed by the TOWN.

Except as provided in Paragraph 12 above, no employee or agent of the TOWN shall have any power to accept the keys to the Premises prior to the termination of this Lease, and the delivery of keys to any such agent or employee shall not operate as a termination of this Lease or a surrender of the Premises.

14. HOLDING OVER

In the event that CDS shall remain in the demised Premises after the expiration of the term of this Lease without having executed a new written lease with the TOWN, such holding over shall not constitute a renewal or extension of this Lease. The TOWN may, at its option, elect to treat CDS as one who has not removed at the end of its term, and thereupon be entitled to all the remedies against CDS provided by law in that situation, or the TOWN may elect, at its option, to construe such holding over as a tenancy from month to month, subject to all the terms and conditions of this Lease, except as to duration thereof, and in that event CDS shall pay rent in advance at the rate provided herein as effective during the last period of the Lease term.

15. LEASE RENEWAL

CDS shall have the right, privilege and option to renew this lease for two additional terms of Five (5) years each, provided that it shall give written notice to the Board of Selectmen of the TOWN of its intention to so renew at least six months prior to the expiration date of this Lease or any renewal thereof, and provided further that such renewal term shall be subject to such conditions as the TOWN may then deem necessary or appropriate; provided, however, that any such conditions shall not be unreasonably imposed by the TOWN and must be confirmed in writing to CDS no later than forty-five (45) days after the delivery of the renewal notice, any such conditions must be within the reasonable control of CDS to satisfy, and rent shall be payable in the amounts and

pursuant to the terms of Section 3, above. In the event that CDS is not able to satisfy any such conditions imposed by the TOWN or in the event that such conditions are unreasonable, if imposed, then CDS shall have the right to revoke its notice to renew upon the delivery of written notice to the TOWN. Upon receipt of such notice, the exercise of the renewal option shall be automatically revoked and the Lease shall thereafter terminate on the later of (i) the then scheduled Lease termination date, or (ii) sixty (60) days after the delivery of CDS' notice of revocation to the TOWN.

16. DAMAGE BY FIRE OR OTHERWISE

If the Premises are destroyed or damaged by fire or other cause to the extent which in the opinion of the TOWN and CDS renders the repair and reconstruction thereof imprudent or impractical, taking into consideration the aforesaid fire insurance, then and in such case the Lease and term hereby created shall, at the option of the TOWN and/or the Board of Selectmen, cease and become null and void, and CDS shall immediately surrender the Premises and all CDS's interest therein to the TOWN and the TOWN may re-enter and repossess the Premises thus discharged from this Lease.

If it is determined by CDS and the TOWN, with approval from the Board of Selectmen if required pursuant to §150 et seq. of the TOWN Charter, that the Premises should be repaired or reconstructed and the proceeds of the policy are not adequate to repair or reconstruct the Premises, then CDS shall be obligated to contribute such additional sum as may be required to repair or reconstruct the Premises in conformity with such requirements.

Allocation between the parties of any insurance proceeds paid or payable to the TOWN and CDS in the event of any such damage by fire or other cause shall be determined by agreement between the TOWN and CDS.

17. TRAFFIC FLOW AND PARKING

The TOWN will provide to CDS during the Lease term, eight (8) parking spaces, at the locations identified on the attached Exhibit F, that will be exclusively assigned to CDS for use by its staff during CDS Business Hours. The TOWN, at its cost, shall provide and post appropriate signage to clearly identify and reserve such parking space for such exclusive use. All other parking for the employees, invitees and agents of CDS shall be available through the use of the municipal lot that is located directly across from the Project on Pemberwick Road. The traffic flow for the drop-off and pick-up of children to and from the Child Care Facility shall be directed through the area that is identified on the attached Exhibit F.

18. QUIET ENJOYMENT

Subject to the foregoing, CDS shall peaceably and quietly have, hold and enjoy the Premises for the terms aforesaid, conditioned upon CDS's performance of its covenants of this Lease in all respects.

19. NOTICES

Any written notice required to be sent under the provisions of this Lease shall be sent by postage prepaid, certified mail to the respective parties at the following addresses:

(a) To the TOWN: First Selectman, TOWN of Greenwich, TOWN Hall, 101 Field Point Road, Greenwich, Connecticut 06830.

(b) To CDS: Executive Director

20. ENTIRE AGREEMENT

This Lease is entire and complete and embodies all understandings and agreements between the parties. No representation, warranty, agreement or undertaking of any kind or nature has been made to either party to induce the making of this Lease,

except as is expressly set forth herein. The parties acknowledge that there is no other agreement, oral or written, existing between them. No oral statement or prior written matter outside of this Lease shall have any force or effect.

21. MODIFICATIONS

No modification or waiver of any of the terms of this lease shall be valid unless in writing and duly executed by the parties hereto with the same formality as this Lease.

22. BINDING EFFECT

All of the terms, covenants and conditions of this Lease shall inure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the parties hereto.

23. SAVINGS CLAUSE

If any term, condition, clause or provision of this Lease shall be determined or declared to be void or invalid by any court or other tribunal of competent jurisdiction, the parties specifically agree that such determination or declaration shall be applicable only to such term, condition, clause or provision and that term, condition, clause or provision shall be stricken from this Lease as though it had never been included and all other portions of this Lease shall be valid and enforceable and shall continue in full force, effect and operation.

24. MEMORANDUM OF LEASE

The TOWN and CDS agree to execute a Memorandum of Lease in the form of the attached Exhibit "I". CDS is authorized to record the Memorandum of Lease on the Greenwich Land Records at its sole cost and expense.

25. HEADINGS

The Paragraph headings of this Lease are for purposes of reference and are not intended to limit in any way the provisions of this Lease.

26. SCHEDULES AND EXHIBITS

The following Schedules and Exhibits are attached hereto and are incorporated into and made a part of this Lease by this reference:

Schedule A	Legal Description
Schedule B	Rent Schedule
Exhibit "A"	First Floor Child Care Plan
Exhibit "B"	Playground Premises
Exhibit "C"	Additional Space Premises
Exhibit "D"	Municipal Improvement Approval
Exhibit "E"	Landlord's Work
Exhibit "F"	Traffic Flow and Designated Parking
Exhibit "G"	Form of Insurance Endorsement Letter
Exhibit "H"	Signage
Exhibit "I"	Memorandum of Lease

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and
seals on this _____ day of _____, 2007.

Signed, Sealed and Delivered
In the Presence of:

TOWN OF GREENWICH

By: _____
James A. Lash
First Selectman

CHILDREN'S DAY SCHOOL, INC.

By: . _____
Sherry Myer
Its Chairman of the Board
Hereto Duly Authorized

STATE OF CONNECTICUT)

COUNTY OF FAIRFIELD)

) ss: Greenwich

On this_____ day of _____ 2007, personally appeared James A. Lash, First Selectman of the TOWN of Greenwich, signer and sealer of the foregoing instrument, and acknowledged the same to be his free act and deed, and the free act and deed of said TOWN OF GREENWICH, before me.

Notary Public

My Commission Expires:

STATE OF CONNECTICUT)

COUNTY OF FAIRFIELD)

) ss: Greenwich

On this_____ day of _____ 2007, personally appeared Sherry Myer in her capacity as Chairman of the Board of CHILDREN'S DAY SCHOOL, INC., signer and sealer of the foregoing instrument, and acknowledged the same to be her free act and deed, and the free act and deed of CHILDREN'S DAY SCHOOL, INC., before me.

Notary Public

My Commission Expires:

SCHEDULE "A"

[Legal Description of 449 Pemberwick Road, Greenwich, Connecticut
a/k/a The Bendheim Western Greenwich Civic Center; Lot 15; #09-4405S; 3.25 acres]

SCHEDULE "B"

[Rent Schedule]

**SCHEDULE OF LEASE PAYMENTS
WGCC**

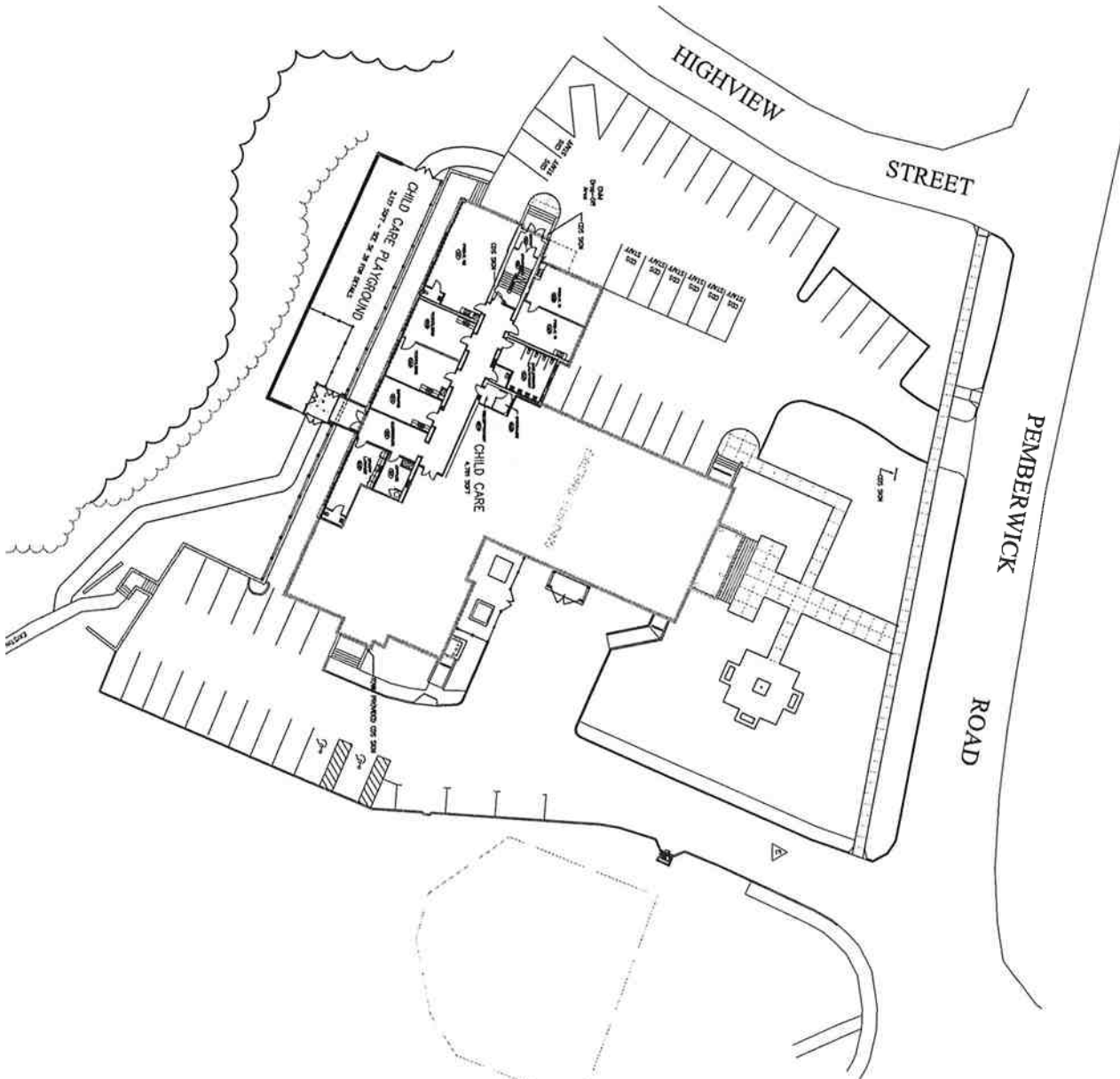
revise: 1/8/07

YEARS	ANNUAL RENT	MONTHLY RENT
Q 0 0 0 4	0 0 0 0 0 0 0 0	3,408.33
T U) M p o)	1	3,664.00
w 44 44 w w vt	N	3,938.84
0		4,234.25
Z		4,234.25
0		4,551.84
OPTION #2 - 16 TO 18	\$	\$
19 TO 20	\$	\$

EXHIBIT "A"

[First Floor Child Care Plan]

Drawing: SP1 dated 3-14-2007 SITE PLAN



1. All work shall be in accordance with the latest edition of the relevant standards and specifications.
 2. All work shall be in accordance with the latest edition of the relevant standards and specifications.
 3. All work shall be in accordance with the latest edition of the relevant standards and specifications.

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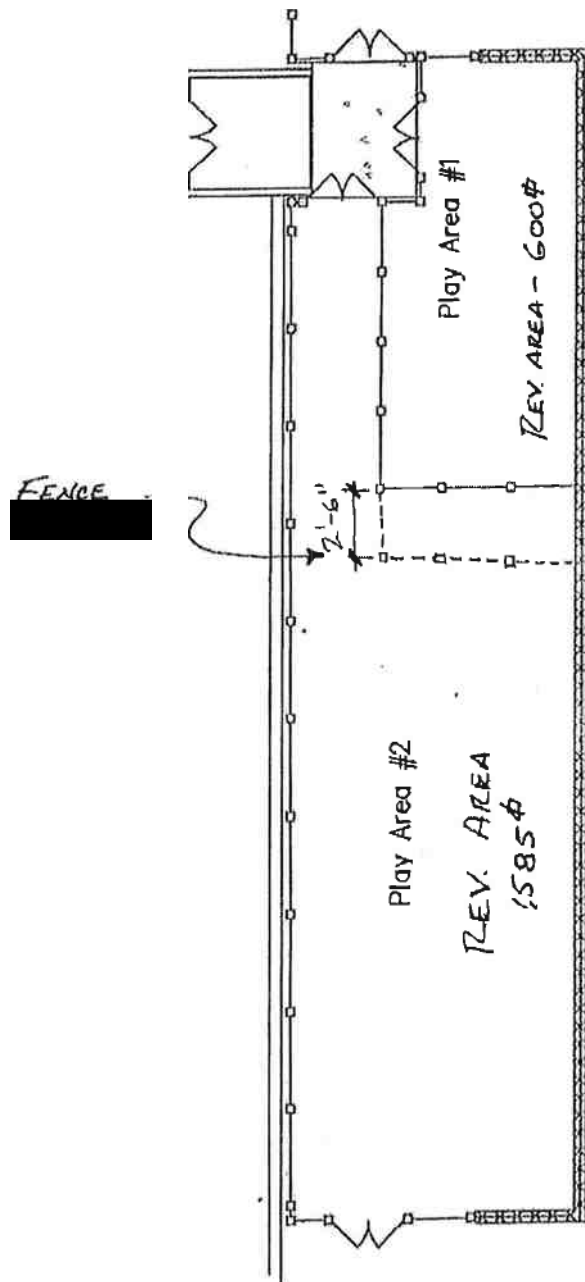
PUSTOLA & ASSOCIATES
ENGINEERS/CONSULTANTS

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EXHIBIT "B"

[Playground Premises]



JOB: BW0CC - PLAYGROUND 3 Q U ARE FOOTt n

SHEET N©: SK -- 38 -----

DATE: FEBRUARY 16, 2007 { g v, ~ 3 : ~ 0-

SCALE: NTS -----

EXHIBIT "C"

[Additional Space Premises]

1. Gym/Multi-Purpose Room [First Floor]
2. Dance Studio [Second Floor]
3. Community Room [Lower Level]

Exhibit "D"

[Municipal Improvement Approval granted by the Town of Greenwich Planning and
Zoning Commission on _____ 1

[TO BE ATTACHED]

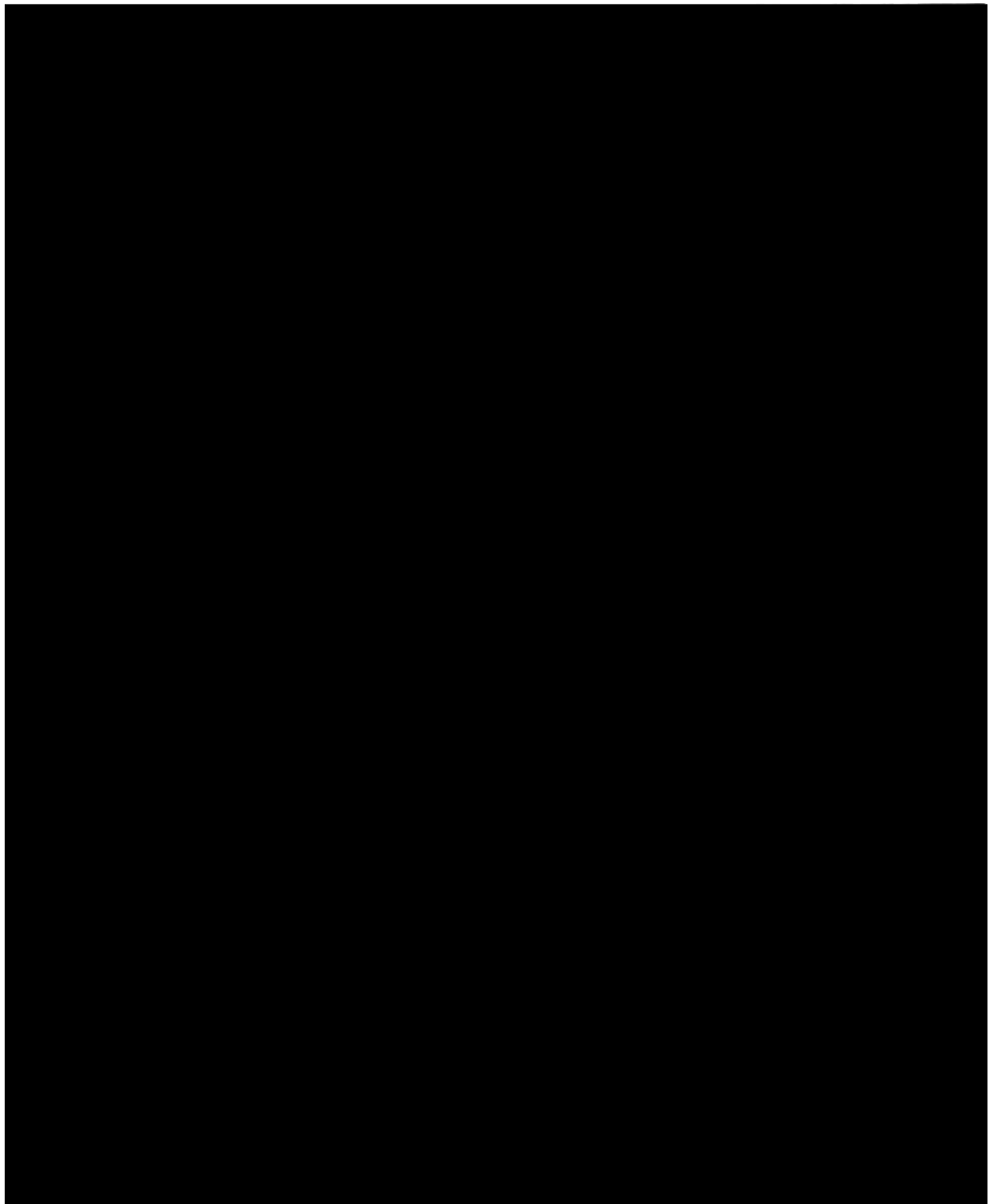
EXHIBIT "E"

[Landlord's Work]

1. As a condition precedent to the performance of this Lease by CDS, the Town, at its sole cost and expense, shall perform a radon test in the Premises and shall deliver a satisfactory radon inspection report from a reputable inspector on or before March 31, 2007. It is understood between the parties hereto, if there is evidence of radon in the Premises at a level that is at or above 4.0 pico curies per litre and at or above 5000 pico curies per litre in the water supply, then the Town hereby agrees to take all necessary action to remediate this problem and further agrees to deliver to CDS satisfactory documentation evidencing that the level of radon is within the Environmental Protection Agency's acceptable standards or such other standards as may be applicable for purposes of satisfying CDS' licensing requirements.
2. Installation of carpet and flooring in class rooms
3. Installation of storage units in class rooms and hallway
4. Completion of office furniture and installation (subject to carpet installation)
5. Installation of door bell at entrance door to stairwell (i.e. CDS stairway entrance)
6. Light fixture switching revision at room 12/12A (add a switch and separate the circuits into two sides of the room)

EXHIBIT "F"

[Traffic Flow and Designated Parking]



JOB: BWGCC - DAYCARE PARKING
SHEET NO SK - 37
DATE: FEBRUARY 15. 2007
SCALE: NTS

EXHIBIT "G"

[Form of Insurance Endorsement Letter]

AGENT/BROKER (LETTERHEAD)

(Date)

Town of Greenwich
Joan T. Sullivan, Director of Purchasing
101 Field Point Road
Greenwich, CT 06830

Re: (Name of the Insured)
Town of Greenwich Contract No. XXXX

Dear Mrs. Sullivan:

The undersigned hereby certifies as follows:

- (1) I am a duly licensed insurance agent under the laws of the State of [insert state] and an authorized representative of all companies affording coverage under the Acord form submitted herewith;
- (2) The Town of Greenwich has been endorsed as an additional insured under general liability policy no. [insert policy number], issued by [insert company affording coverage] to [name of insured];
- (3) The general liability policy referenced in paragraph (2) above meets or exceeds the coverage in Commercial General Liability ISO form CG 00 01 10 01, including contractual liability;
- (4) The policies listed in the Acord form submitted to the Town of Greenwich in connection with the above referenced contract have been issued to the insured in the amounts stated and for the periods indicated in the Acord form; and
- (5) The Town of Greenwich shall be given thirty (30) days prior written notice of cancellation, lapse or restrictive amendment (except ten days notice of nonpayment) of the policies listed in the Acord form.

Sincerely,

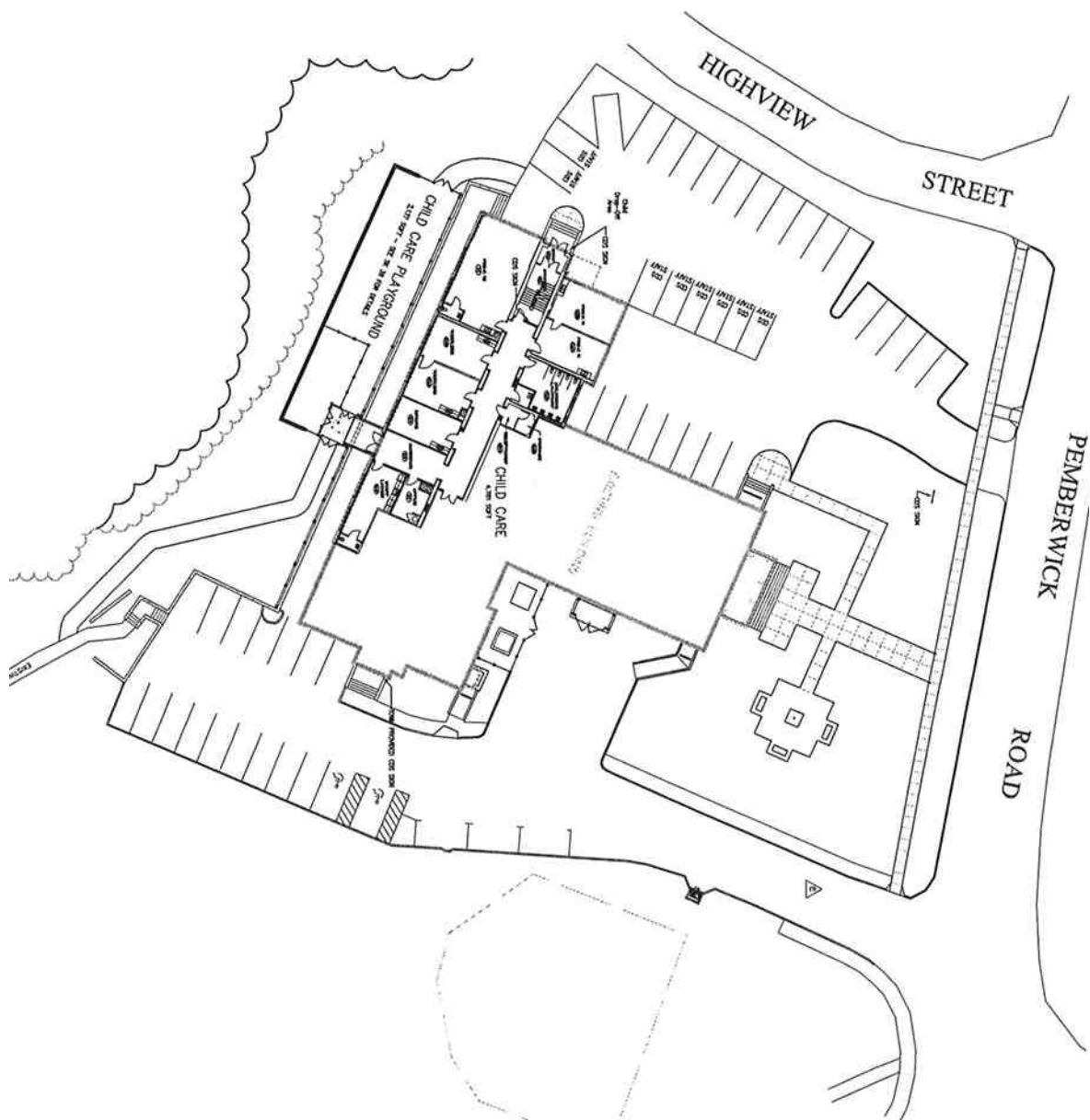
(Signature)

Authorized Representative for all companies listed in the Acord form

EXHIBIT "H"

[Signage]

Drawing: SP1 dated 3-14-2007 SITE PLAN



REHABILITATION
OF THE
BENDISH WESTER
GREENWICH CIVIC CE
444 KENNEDY ROAD
GREENWICH, CONNECTICUT
PROVIDED FOR
TOWN OF GREENWICH
Department of Public Works
100 State Street
Greenwich, Connecticut 06830

P u m & Assoc r A m s
ENGINEERS/CONSTRUCTORS

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EXHIBIT "I"

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE is entered into effective as of _____ 2007, by and between THE TOWN OF GREENWICH ("**Landlord**"), and CHILDREN'S DAY SCHOOL, INC. ("**Tenant**").

RECITALS:

A. Landlord is the owner of the land together with the buildings and improvements located thereon known as the Western Greenwich Civic Center with an address of 449 Pemberwick Road, Greenwich, Connecticut, as more particularly described on the attached Exhibit "A" (collectively, the "**Land**").

B. Landlord and Tenant have entered into a lease dated _____, in which Landlord has agreed to lease a portion of the Land to Tenant (the "**Demised Premises**").

C. The parties wish to give notice of

the existence of the Lease.

PROVISIONS:

IN CONSIDERATION of the sum of One Dollar (\$1.00), the execution of the Lease, the mutual covenants contained therein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **TERM:** The initial term of the Lease shall commence on _____, and shall continue for a period of ten (10) years, unless earlier terminated as provided pursuant to the Lease (the "**Lease Term**"). Tenant further has the option to extend the term of the Lease for two (2) successive periods of five (5) years each.
2. This Memorandum of Lease has been executed and delivered by the parties for the purpose of recording and giving notice that a contractual relationship has been created between Landlord and Tenant regarding leasing of the Demised Premises, all in accordance with the terms, covenants and conditions of the Lease.
3. The terms and conditions of the Lease are incorporated by reference into this Memorandum of Lease as if set forth fully herein at length.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the parties hereto has caused this Memorandum of Lease to be duly executed as of the day and year first above written.

Signed, Sealed and Delivered
In the Presence of:

TOWN OF GREENWICH

By: _____
James A. Lash First Selectman

CHILDREN'S DAY SCHOOL, INC.

By: _____
Sherry Myer
Its Chairman of the Board
Hereto Duly Authorized

STATE OF CONNECTICUT)

COUNTY OF FAIRFIELD) ss: Greenwich
)

On this _____ day of _____ 2007, personally appeared James A. Lash, First Selectman of the TOWN of Greenwich, signer and sealer of the foregoing instrument, and acknowledged the same to be his free act and deed, and the free act and deed of said TOWN OF GREENWICH, before me.

Notary Public
My Commission Expires:

STATE OF CONNECTICUT)

COUNTY OF FAIRFIELD)) ss: Greenwich

On this _____ day of _____ 2007, personally appeared Sherry Myer in her capacity as Chairman of the Board of CHILDREN'S DAY SCHOOL, INC., signer and sealer of the foregoing instrument, and acknowledged the same to be her free act and deed, and the free act and deed of CHILDREN'S DAY SCHOOL, INC., before me.

Notary Public
My Commission Expires:

EXHIBIT "A"
(the "Land")

