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Taylor C-2 Rental – 11/20/07

This instrument was prepared by:

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Doc#: 0734409040 Fee: \$178.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 12/10/2007 11:21 AM Pg: 1 of 78

After recording, this instrument should be returned to:

Carol Turner, Esq.
Office of the General Counsel
Chicago Housing Authority
60 East Van Buren St., 12th Floor
Chicago, Illinois 60605

4374876⁵/21mJ

GROUND LEASE

This Ground Lease (this "Lease") is made as of the 1st day of December, 2007, by and between:

Chicago Housing Authority, an Illinois municipal corporation ("Landlord"), having an office at 60 East Van Buren, Chicago, Illinois 60605

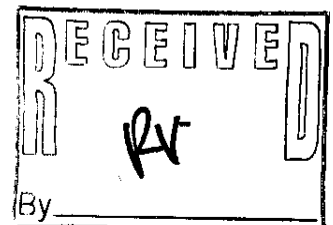
and

Legends C-2, LLC, an Illinois limited liability company ("Tenant"), having an office at c/o Brinshore Development, L.L.C., 666 Dundee Road, Suite 1102, Northbrook, Illinois 60062.

RECITALS:

A. Landlord is the owner of fee simple title to certain parcels of land located in the City of Chicago, Illinois, more particularly described in Exhibit A attached hereto (the "Land"). In accordance with appropriate resolutions adopted by Landlord, Landlord desires to facilitate the development on the Land of residential rental housing containing 118 dwelling units and related improvements in a development to be known as "Legends South Phase C-2" (the "Development").

B. Landlord is entering into this Ground Lease with Tenant in order to implement the Development and to facilitate the construction, operation and financing thereof.



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AGREEMENT:

ARTICLE 1

Lease of Property-Term of Lease

1.01. **Lease; Term.** Landlord, for and in consideration of the rents to be paid and of the covenants and agreements hereinafter contained to be kept and performed by Tenant, hereby leases to Tenant, and Tenant hereby leases from Landlord, the Land;

Together with all right, title and interest of Landlord, if any, in and to any Improvements (as that term is hereinafter defined) now existing on the Land, and in and to any streets, driveways, sidewalks, parkways or alleys adjacent thereto or included within the Land; and

Together with all right, title and interest of Landlord, if any, in, to and under all agreements, easements, rights of way, gores of land, air rights, sewer rights, water courses and water rights, and all privileges, liberties, tenements, and appurtenances whatsoever in any way belonging, relating or appertaining to the Land or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Landlord, and the estate, rights, title, interest, property, possession, claims and demands whatsoever, at law or in equity of Landlord in and to the same (the Land and all of the foregoing is hereinafter collectively referred to as the "Premises");

Subject, however, to all agreements, easements, encumbrances and other charges or matters affecting the Land listed on Exhibit B attached hereto (the "Permitted Exceptions"), and subject to the provisions of Section 1.02.

TO HAVE AND TO HOLD the same, subject to the Permitted Exceptions, for a Term of ninety-nine (99) years (the "Term") commencing on the date of this Lease referenced on Page 1 (the "Commencement Date") and ending on November 30, 2106 (the "Expiration Date"), unless this Lease shall sooner be terminated as hereinafter provided, upon and subject to the covenants, agreements, terms, provisions, conditions and limitations hereinafter set forth, all of which Tenant covenants and agrees to perform, observe and be bound by.

1.02. **Addition of Vacated Public Alleys and Rights-of-Way.** The parties acknowledge that all vacations and dedications necessary for, or contemplated in connection with, the Development have been completed prior to the execution of this Lease. In the future, land lying within or comprising existing public alleys and rights-of-way adjacent to portions of the Land may be vacated by the City of Chicago (the "City") and acquired by Landlord and certain streets, passages and other rights-of-way may be dedicated to Governmental Authorities (as that term is hereinafter defined). In each case, with the prior written approval of Tenant and all Leasehold Mortgagees, which shall not be unreasonably withheld or delayed, and HUD, the foregoing shall automatically, and without the necessity of amending this Lease, be included (or excluded, in the event of any such dedication of a portion of the Land to a Governmental Authority) in the Land. Upon completion of the alleys and rights-of-way vacation process, however, if requested by Landlord or Tenant or any Leasehold Mortgagee or HUD, the parties

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shall promptly execute an amendment to this Lease to include a revised legal description for the Land conforming to the revised configuration of the Land, including such vacated portions of the alleys and rights-of-way (or excluding such dedicated portions of the Land). Following completion of construction of the Development, no such dedication shall be permitted without the prior written consent of Tenant and all Leasehold Mortgagees, which consent shall not be unreasonably withheld or delayed.

ARTICLE 2

Definitions

2.01. The terms defined in this Section shall, for all purposes of this Lease, have the following meanings:

(a) "ACC" shall mean whichever of the following is in effect from time to time with respect to the Public Housing Units: (1) the Consolidated Annual Contributions Contract C-1150, dated December 11, 1995, among HUD, the Receiver and CHA; (2) the Consolidated Annual Contributions Contract C-1014, dated December 11, 1995, between HUD and CHA; or (3) any successor Annual Contributions Contract; including any Mixed Finance Amendment to any of the foregoing, as and to the extent made applicable to the Public Housing Units by a specific amendment referring thereto.

(b) "Additional Rent" shall mean all sums due and payable or required to be reimbursed to Landlord under this Lease, other than Ground Rent.

(c) "Affiliate" shall mean, with respect to any person or entity, any other person or entity directly or indirectly controlling, controlled by or under common control with such person or entity. A person or entity shall be deemed to control another person or entity if such person or entity possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such person or entity, whether through the ownership of voting securities, partnership or limited liability company interests, by contract or otherwise and shall include, with respect to any so-called "Illinois land trustee" that is at any time the landlord or tenant under this Lease, such land trustee's beneficiary and all persons or entities having the power of direction under such land trust, but shall not include any Leasehold Mortgagee.

(d) "All Applicable Public Housing Requirements" shall mean the Housing Act and HUD regulations thereunder (except to the extent that HUD has granted waivers of regulatory requirements); the ACC (including the Mixed-Finance Amendment), as amended; the HOPE VI Grant Agreement having an effective date of August 29, 1997 between the Authority and HUD, as amended; the HOPE VI Revitalization Plan (if applicable); the Mixed-Finance Proposal to HUD dated November 7, 2007, as amended, as approved by HUD; the Declaration of Restrictive Covenants; this Agreement; the Gautreaux Court Orders; the Moving to Work Demonstration Agreement; and all other pertinent Federal statutes, executive orders, and regulatory requirements, as such requirements may be amended from time to time.

(e) "Building" shall mean a building comprising a portion of the Development.

(f) "CHA" shall mean the Chicago Housing Authority, or any successor thereto.

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(g) "CHA Mortgage Loan" shall mean a loan secured by a Leasehold Mortgage in favor of CHA (or a nominee for CHA).

(h) "CHA Tenants" shall mean tenants who qualify as being eligible to occupy "public housing" (as defined in Section 3(b) of the Housing Act) and who are determined, in accordance with All Applicable Public Housing Requirements, to be eligible to occupy the Public Housing Units in the Development.

(i) "City" shall mean the City of Chicago.

(j) "Code" shall have the meaning given in Section 9.01(b).

(k) "Construction Completion Deadline" shall mean December 31, 2009, the date by which Tenant must complete the construction of all Buildings and Improvements comprising the Development, which date shall be extended by the period of any Unavoidable Delay.

(l) "Declaration of Restrictive Covenants" shall mean that certain Declaration of Restrictive Covenants, dated as of December 1, 2007, made by Tenant and CHA for the benefit of HUD, which is being recorded concurrently herewith.

(m) "Deductible" shall have the meaning given in Section 8.01.

(n) "Default" shall mean any condition or event that constitutes or would, after notice or lapse of time, or both, constitute an Event of Default.

(o) "Development" shall have the meaning given in Recital A.

(p) "Encumbrances" shall have the meaning given in Section 9.02.

(q) "Environmental Event" shall mean a disposal, release, threatened release or the presence or management of Hazardous Substances on, over, under, from or affecting the Property, or any portion thereof, in violation of any Environmental Laws that was caused or permitted by, attributed or related to or otherwise arose or occurred during the use or occupancy of the Property by Tenant or by anyone acting by, through or under Tenant and that requires Remediation.

(r) "Environmental Laws" shall mean any and all applicable federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force as amended and hereafter amended, including but not limited to: (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §9601 et seq.); (ii) any so-called "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. §1801 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.); (v) the Clean Air Act (42 U.S.C. §7401 et seq.); (vi) the Clean Water Act (33 U.S.C. §11251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. §2601 et seq.); (viii) the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §136 et seq.); (ix) Executive Order 11738; (x) regulations of the United States Environmental Protection Agency (40 C.F.R. Part 15); (xi) the

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Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (xii) the Municipal Code of Chicago to the extent relating to the protection of the environment.

(s) "Event of Default" shall have the meaning given in Section 10.01.

(t) "Excluded Environmental Condition" shall mean: (i) all Pre-Existing Environmental Conditions except to the extent any such Pre-Existing Environmental Condition is exacerbated by the actions or conduct of Tenant and/or its agents, contractors, subcontractors, employees, tenants or invitees; (ii) any environmental conditions in any public streets or rights of way in or adjacent to any portion of the Land except to the extent such environmental conditions in such public streets or rights of way are caused or exacerbated by the actions or conduct of Tenant and/or its agents, contractors, subcontractors, employees, tenants or invitees; (iii) any migration of Hazardous Materials to the Land from another site or location not within the Land after the date of this Lease; (iv) any environmental condition caused by CHA or its agents or contractors; and (v) with respect to any Tenant, any environmental condition that occurs after a Terminating Event with respect to such Tenant.

(u) "First Leasehold Mortgagee" shall mean the Leasehold Mortgagee whose Leasehold Mortgage is most senior in priority of lien, as identified on Exhibit C attached hereto.

(v) "Full Insurable Value" shall mean the replacement cost (excluding, as to the property damage insurance covering the Improvements, foundation and excavation costs) of the Improvements, as determined, at the request of Landlord (not more frequently than at three-year intervals), at Tenant's expense, by an architect, engineer, contractor, appraiser, appraisal company, or insurance company, selected by Tenant and approved by Landlord, which approval shall not be unreasonably withheld.

(w) "Full Restoration" shall have the meaning given in Section 8.01.

(x) "Gautreaux Court Orders" shall mean applicable orders of the United States District Court for the Northern District of Illinois relating to Gautreaux vs. CHA et al., Case Nos. 66 C 1459 and 1460 (Note: Gautreaux v. CHA et. al., No. 66 C 1460, and the consent decree thereunder was terminated in 1997).

(y) "Governmental Authority" or "Governmental Authorities" shall mean any one or more of the federal, state and local governmental or quasi-governmental body or bodies having jurisdiction at any time or from time to time during the Term over the Property or the Development or the construction, repair, maintenance, operation or use thereof.

(z) "Ground Rent" shall have the meaning given in Section 3.01

(aa) "Hazardous Condition" shall mean the presence of any pollutant, contaminant, toxic substance, hazardous substance, hazardous waste, or other substances or conditions which are the subject of Environmental Laws, including, without limitation, any USTs and any contamination related thereto and any other environmental condition which must be investigated or remediated in order to obtain an NFR Letter required for the Property.

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(bb) "Hazardous Substance" shall mean and include: (1) any friable asbestos or asbestos-containing material, polychlorinated biphenyls, dioxins or urea formaldehyde foam insulation; (2) any petroleum or petroleum-derived products; (3) any lead-based paint; (4) any waste, substance, material, pollutant or contaminant defined as hazardous or toxic in (or for purposes of) any Environmental Law, and (5) any waste substance, material, pollutant or contaminant, the presence, disposal, release or threatened release of which on, onto or from the Property (or any other property), is or would constitute an Environmental Event or is prohibited or restricted by any applicable Environmental Law.

(cc) "Housing Act" shall mean the United States Housing Act of 1937, as amended and as may hereafter be amended from time to time or any successor legislation.

(dd) "HUD" shall mean the United States Department of Housing and Urban Development, or any successor thereto.

(ee) "Impositions" shall mean all taxes, assessments, special assessments, use and occupancy taxes, water and sewer charges, rates and rents, charges for public utilities, excises, levies, license and permit fees and other charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind or nature whatsoever, which shall or may during the Term be assessed, levied, charged, confirmed or imposed upon or become payable out of or become a lien on the Property, or any part thereof, or any appurtenances thereto; provided, however, that if at any time during the Term the present method of taxation or assessment shall be so changed that there shall be substituted in whole or in part for the types of taxes, assessments, levies, assessed or imposed on real estate and the Improvements thereon a capital levy or other tax levied, assessed or imposed on the rents received by Landlord from said real estate or the rents reserved herein or any part thereof, then any such capital levy or other tax shall, to the extent that it is so substituted, be deemed to be included within the term "Impositions." Impositions affecting the Property shall be those attributable to the Improvements, the Leasehold Estate, and/or the fee simple ownership of the Land.

(ff) "Improvements" shall mean the buildings, structures and other improvements, including equipment, fixtures, furnishings and appurtenances, now or at any time hereafter erected or located on the Land.

(gg) "Investor" shall mean TRGHT, Inc., a Delaware corporation, which is the investor in Tenant, and its successors and permitted assigns. The address of TRGHT, Inc. for purposes of notices is c/o The Richman Group Capital Corporation, 340 Pemberwick Road, Greenwich, CT 06831, Attention: Joanne Flannagan, Esq.

(hh) "Land" shall mean the parcels of land described in Exhibit A, exclusive of the Improvements, and the appurtenant rights of Landlord.

(ii) "Landlord" shall mean Chicago Housing Authority, or its successors in interest.

(jj) "Lease Interest Rate" shall mean a floating interest rate equal to (i) 3% plus the rate announced from time to time by JPMorgan Chase Bank, N.A. (or any successor thereto), as its "corporate base rate," "prime rate," "reference rate" or other similar rate and in effect on the date interest first begins to accrue with respect to any sum that becomes payable pursuant to any

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provision or provisions of this Lease, or (ii) in the event such bank has ceased announcing any such rate, then such rate as may be announced by the Chicago branch of such other national bank as Landlord shall reasonably designate as its "prime rate" "reference rate" or other similar rate, plus 3%, or (iii) if Landlord fails to designate another bank, then the rate of interest on 90-day Treasury Bills issued by the United States government having an issue date as near as may be practicable to and preceding such date, plus 6%; provided, however that if the Lease Interest Rate as so determined shall exceed the maximum rate allowed by law, then the "Lease Interest Rate" shall mean the maximum contract rate permitted by law at such time. The Lease Interest Rate shall change concurrently with each announced change in such "corporate base rate," "prime rate," "reference rate" or other similar rate, or Treasury Bill rate.

(kk) "Leasehold Estate" shall mean the leasehold estate of Tenant created by this Lease.

(ll) "Leasehold Mortgage" shall mean any mortgage, deed of trust, assignment of rents and leases, Uniform Commercial Code security agreement and financing statement, or similar security instrument created by Tenant pursuant to and in accordance with the provisions of Section 9.03 and which constitutes a lien or security interest on the Tenant Property or any part thereof.

(mm) "Leasehold Mortgage Loan" shall mean a loan secured by a Leasehold Mortgage.

(nn) "Leasehold Mortgagee" shall mean the owner or owners, holder or holders from time to time of any Leasehold Mortgage (including trustees under deeds of trust).

(oo) "Lender" shall mean any commercial real estate lender, state or national bank, commercial or savings bank, pension fund, real estate investment trust, or governmental agency or instrumentality, or any HUD-approved mortgagee, or any Affiliate of the foregoing, authorized to make loans secured by real property located in the State of Illinois.

(pp) "Managing Member" shall mean Legends C-2 Manager, LLC, an Illinois limited liability company, the managing member of Legends C-2, LLC, or any permitted successor managing member of Legends C-2, LLC.

(qq) "Mixed Finance Amendment" shall mean whichever of the following is in effect from time to time with respect to the Public Housing Units: (1) that certain Mixed Finance Amendment to the Consolidated ACC that amends that certain Consolidated Annual Contributions Contract C-1150, dated December 11, 1995, among HUD, the Receiver and CHA or that certain Consolidated Annual Contributions Contract C-1014 dated December 11, 1995 between HUD and CHA; and (2) any Mixed Finance Amendment to any ACC that is applicable to the Public Housing Units.

(rr) "MTW Agreement" shall mean that certain Moving to Work Demonstration Agreement between CHA and HUD, dated February 6, 2000, as amended.

(ss) "Net Insurance Proceeds" shall have the meaning given in Section 8.02.

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(tt) "NFR Letter" shall mean a "No Further Remediation" letter issued by the Illinois Environmental Protection Agency pursuant to the Site Remediation Program, 415 ILCS 5/58 et. seq., as amended from time to time, with respect to any portion of the Property.

(uu) "Organizational Documents" shall mean: (i) with respect to a corporation, its articles of incorporation and by-laws; (ii) with respect to a general partnership, its partnership agreement; (iii) with respect to a limited partnership, its certificate of limited partnership and limited partnership agreement; and (iv) with respect to a limited liability company, its articles of organization and operating agreement; in each case as amended prior to such entity becoming Tenant under this Lease and as amended from time to time thereafter; provided, however, that no amendment to any Organizational Document that materially adversely affects the rights of Landlord may be made after such entity becomes Tenant hereunder except as required by law, unless such amendment is consented to in writing by Landlord or is made to effect a transfer or substitution of interests in Tenant which does not otherwise require the consent of Landlord hereunder, and any amendment that contravenes this prohibition shall be null and void.

(vv) "Partial Restoration" shall mean all work in connection with a Restoration that is less than a Full Restoration (see Article 8). A Partial Restoration may be applicable when the sum of the Net Insurance Proceeds plus Deductible plus all other monies provided by any Person for such Restoration are insufficient to accomplish a Full Restoration. Examples of Partial Restorations include: (1) if a six-flat is destroyed, building a three-flat or townhomes on the lot; (2) if the top unit in a three-flat is destroyed, making the Building into a two-flat; and (3) if an end townhome unit is destroyed, not rebuilding that unit and making the adjoining unit into an end unit.

(ww) "Permitted Exceptions" shall have the meaning given in Section 1.01. "Permitted Exceptions" shall also include the easements and licenses, if any, hereafter granted or consented to by Landlord in accordance with Section 9.01(d).

(xx) "Permitted Refinancing" shall mean: (a) with respect to any loan secured by a Leasehold Mortgage, after the PHU Purchase Date, any refinancing of such loan or any additional loan secured by a Leasehold Mortgage (no consent of Landlord to such refinancing or additional loan is required under this Lease); (b) with respect to any loan secured by a Leasehold Mortgage, on or prior to the PHU Purchase Date, any refinancing of such loan, provided that the aggregate of the unpaid principal balance plus accrued interest of the new loan on the PHU Purchase Date will not exceed what it would have been under the loan being refinanced (plus reasonable costs of such refinancing), assuming timely payments of principal and/or interest due under both loans (no consent of Landlord to such refinancing is required under this Lease); (c) with respect to any loan secured by a Leasehold Mortgage, any refinancing of such loan permitted under the documents evidencing or securing a CHA Mortgage Loan; (d) with respect to any loan secured by a Leasehold Mortgage, any refinancing of such loan (other than as provided in (a), (b) or (c)) consented to in writing by Landlord, which consent may be withheld, granted or granted with such conditions as Landlord may require, in Landlord's sole and absolute discretion; and (e) any additional loan secured by a Leasehold Mortgage that is either expressly permitted under the terms of this Lease or consented to in writing by Landlord, which consent may be withheld, granted or granted with such conditions as Landlord may require, in Landlord's sole and absolute discretion. Notwithstanding the foregoing, during the Public Housing Use

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Period, no such refinancing or additional loan shall constitute a "Permitted Refinancing" without the prior written consent of HUD.

(yy) "Permitted Transfer" shall mean: (a) after the completion of the construction of the Development, a sale or transfer of the Tenant Property or any portion thereof to a Person reasonably acceptable to Landlord; (b) a sale or transfer of interests in Tenant or interests in investors in Tenant permitted under the Regulatory and Operating Agreement; (c) the removal of a general partner, limited partner, member, managing member or manager of Tenant pursuant to a Removal Right in accordance with the provisions of Tenant's Organizational Documents, and the substitution of a replacement general partner, limited partner, member, managing member or manager, as the case may be, reasonably acceptable to Landlord; (d) the transfer of the Tenant Property or any portion thereof to a Leasehold Mortgagee (or any nominee of such Leasehold Mortgagee) by foreclosure or deed in lieu of foreclosure or to a third party purchaser at a foreclosure sale in accordance with Section 9.03(a); and (e) any other transfer consented to by Landlord in writing. Notwithstanding the foregoing, during the Public Housing Use Period: (1) no sale, assignment or transfer of the Tenant Property, or any portion thereof, whether voluntary, involuntary or by operation of law, shall constitute a "Permitted Transfer" without the prior written consent of HUD, unless permitted under the Regulatory and Operating Agreement; and (2) a transfer of a "Controlling Interest" or a "Non-Controlling Interest" (as those terms are defined in the Regulatory and Operating Agreement) shall constitute a "Permitted Transfer" only if made in compliance with the Regulatory and Operating Agreement.

(zz) "Person" shall mean any person, corporation, partnership, limited liability company or other legal entity.

(aaa) "Phase" shall mean a phase of construction of the Development (if the Development is to be construed in phases as indicated on the Rider) that includes one or more of the dwelling units comprising a portion of the Development.

(bbb) "PHU Purchase Date" shall mean the earlier of: (i) the date that Landlord purchases the Public Housing Units (pursuant to the Right of First Refusal Agreement or otherwise); and (ii) the date by which Landlord must purchase the Public Housing Units, if at all, under the Right of First Refusal Agreement.

(ccc) "Plans and Specifications" shall mean the plans and specifications for the Buildings and other Improvements comprising the Development, which have been approved by Landlord the Receiver and HUD and are described on Exhibit G attached hereto and made a part hereof, as such plans and specifications are amended from time to time with the written consent of Landlord.

(ddd) "Pre-Existing Environmental Condition" shall mean any Hazardous Condition present on, under or about the Land on the date of execution of this Lease, whether known or unknown except to the extent such Hazardous Condition has been exacerbated by the actions or conduct of Tenant and/or its agents, contractors, subcontractors, employees, tenants or invitees. To the extent such Hazardous Condition has been so exacerbated, it is not a Pre-Existing Environmental Condition.

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(eee) "Premises" shall have the meaning given in Section 1.01.

(fff) "Proceeds" shall mean, in the case of damage to or destruction of the Improvements, the sum of the Net Insurance Proceeds plus the Deductible, and, in the case of a condemnation or other taking (or conveyance in lieu thereof), the awards (or compensation paid) therefor.

(ggg) "Property" shall mean the Land and the Improvements.

(hhh) "Protected Persons" shall mean Landlord or Tenant, as the context so requires, and such party's respective members, managers, partners, officers, directors, agents, employees, advisors, attorneys, consultants and Affiliates, and, in the case of Landlord, shall include its officials and members of its Board.

(iii) "Public Housing Tenant" shall mean a CHA Tenant leasing a unit in the Development pursuant to a Public Housing Use Agreement.

(jjj) "Public Housing Units" shall mean the units in the Development that are to be leased by Tenant to CHA Tenants pursuant to the Regulatory and Operating Agreement or any other Public Housing Use Agreement.

(kkk) "Public Housing Use Agreement" shall mean the Declaration of Restrictive Covenants and the Regulatory and Operating Agreement, whereby Tenant is obligated to lease units in the Development to CHA Tenants.

(lll) "Public Housing Use Period" shall mean the term of the Regulatory and Operating Agreement and any other period during which Tenant is obligated to lease units in the Development to CHA Tenants pursuant to a Public Housing Use Agreement.

(mmm) "Receiver" shall mean The Habitat Company LLC and Daniel E. Levin, jointly, as court appointed receiver in Gautreaux et. al. v. Secretary of Housing and Urban Development et. al. 66C1459 and 66C1460.

(nnn) "Regulatory and Operating Agreement" shall mean that certain Regulatory and Operating Agreement, dated as of December 1, 2007, between CHA and Tenant relating to the Public Housing Units within the Development.

(ooo) "Remediation" shall mean the cleanup activity or other remedial action required by any Environmental Law or any applicable Governmental Authorities under any Environmental Law.

(ppp) "Removal Right" shall mean the right, if any, given in Tenant's Organizational Documents, to remove an officer, director, general partner, manager or managing member of Tenant, and designate a substitute.

(qqq) "Rent" shall mean all Ground Rent and Additional Rent payable by Tenant under this Lease.

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(rrr) "Requirements" shall mean any and all present and future laws, statutes, ordinances, codes, rules, regulations, orders or other requirements of any Governmental Authority and of any applicable fire rating bureau or other body exercising similar functions, applicable to or affecting the Property or any part thereof, including without limiting the generality of the foregoing, the ordinances of the City.

(sss) "Restoration" shall have the meaning given in Section 8.01.

(ttt) "Rider" shall mean the Rider to Ground Lease attached hereto and made a part hereof.

(uuu) "Right of First Refusal Agreement" shall have the meaning given in Section 23.01.

(vvv) "Substantially Commenced" shall mean, with respect to any Building to be constructed, that the footings and foundation walls of such Building have been completed (including all necessary excavation work).

(www) "Successor Tenant" shall mean any successor to Legends C-2, LLC as Tenant under this Lease.

(xxx) "Tenant" shall mean the Tenant named in the first paragraph of this Lease; provided, however, that whenever this Lease and the Leasehold Estate shall be assigned or transferred in the manner specifically permitted herein, then from and after such assignment or transfer and until the next such assignment or transfer, the term "Tenant" shall mean the permitted assignee or transferee named therein, as if such transferee or assignee had been named herein as Tenant.

(yyy) "Tenant Property" shall mean the Improvements and the Leasehold Estate.

(zzz) "Term" shall mean the term of this Lease described in Section 1.01.

(aaaa) "Terminating Event" shall mean, with respect to any Tenant: (i) transfer of such Tenant's interest in the Tenant Property to another party not affiliated with such Tenant; (ii) transfer of title to such Tenant's interest in the Tenant Property pursuant to foreclosure of, or deed in lieu of foreclosure with respect to, any mortgage or other security instrument securing loans or advances with respect to the Development; (iii) termination of this Lease; or (iv) loss of such Tenant's possession of the Tenant Property pursuant to the appointment of a receiver or pursuant to the exercise by any Leasehold Mortgagee of its right to become a mortgagee in possession. In the event that any of the foregoing occur with respect to less than all of the Tenant Property, or if there is a partial termination of this Lease, then a Terminating Event shall be deemed to have occurred only with respect to such portion of the Tenant Property or that portion of the Property affected by such partial termination.

(bbbb) "Unavoidable Delay" shall mean a delay beyond the reasonable control of Tenant and without the fault or negligence of Tenant, such as: (1) an act of God; (2) fire; (3) flood; (4) epidemic; (5) quarantine restriction; (6) civil disorder; (7) enemy action; (8) strike, lockout or other labor dispute; (9) unavailability of labor or materials; (10) freight embargo; (11) the act or

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failure to act of a contractor in the performance of a contract with Landlord; (12) the act or failure to act of any Governmental Authority; (13) injunctive relief or other legal proceedings of any court; (14) war; (15) terrorism; (16) the failure or delay of the City in completing the Public Improvements necessary for Tenant to construct the Buildings; (17) unforeseen soil conditions, such as underground storage tanks and building foundations; (18) delays caused by CHA, the City or the Receiver affecting the construction of the Development; and (19) unusually severe weather.

(cccc) "UST(s)" shall mean underground storage tank(s) whether or not subject to Title 16 of the Illinois Environmental Protection Act, including without limitation (i) any underground storage tank as defined in 415 ILCS 5/57.2, (ii) any farm or residential tank of 1,100 gallons or less capacity used for storing motor fuel for noncommercial purposes, (iii) any tank used for storing heating oil for consumption on the premises where stored, (iv) any septic tank, (v) any tank that is excluded from the definition in 415 ILCS 5/57.2 based upon the existence of any hazardous waste therein and (vi) any pipes connected to items (i) through (v) above.

2.02. "The words "herein," "hereof" or "hereunder" and words of similar import refer to provisions contained in this Lease as a whole and not to any particular section or subdivision thereof. The recitals and all exhibits and riders referred to in the text of this Lease and attached hereto are incorporated into this Lease by this reference.

ARTICLE 3

Rent

3.01. **Rent.** From and after the Commencement Date through the Term, Tenant shall pay to Landlord at the place for which notices to Landlord are to be sent in accordance with Article 16, or to such other Person and/or at such other place as shall be designated from time to time by written notice from Landlord to Tenant, fixed ground rent at the rate of One Dollar (\$1.00) for each year ("Ground Rent"). Landlord acknowledges that such Ground Rent, in the amount of \$99.00, has been prepaid in full concurrently with the execution of this Lease. Landlord and Tenant acknowledge and agree that, given the restrictions on the use of the Land, the Rent represents the fair market rent for the Land during the period of such restrictions.

3.02. **No Partnership.** Landlord and Tenant agree that they are not partners or joint venturers and that, except in respect to the proceeds of insurance and condemnation awards under the provisions of Articles 8 and 12, they do not stand in any fiduciary relationship to each other.

3.03. **Payment of Rent.** All payments of Rent made to Landlord hereunder shall be in lawful money of the United States of America and shall be paid to Landlord or to such other Person and/or at such other place as Landlord may designate from time to time in writing.

3.04. **Net Lease.** Tenant shall pay to Landlord throughout the Term all Rent, free of any charges, assessments, impositions or deductions of any kind and without abatement, deduction or set-off. Under no circumstances or conditions, whether now existing or hereafter arising, or whether beyond the present contemplation of the parties, shall Landlord be expected

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or required to make any payment of any kind whatsoever hereunder or be under any other obligation or liability hereunder except as otherwise expressly set forth herein.

3.05. **No Abandonment.** Except to the extent provided in Section 8.01 and Article 12, no happening, event, occurrence, or situation during the Term, whether foreseen or unforeseen, and however extraordinary, shall relieve Tenant from its liability to pay the full Rent, or relieve Tenant from any of its other obligations under this Lease. Tenant waives any rights now or hereafter conferred upon it by statute, proclamation, decree, or otherwise, or to claim any abatement, diminution, reduction or suspension of the Rent on account of any such event, happening, occurrence or situation.

3.06. **Reimbursements to Landlord; Arrearages.** Tenant shall reimburse Landlord for all reasonable expenditures, costs, expenses and fees, including reasonable attorneys' fees, made or incurred by Landlord in curing any Event of Default of Tenant for which Landlord has given Tenant the written notice required under Section 10.01, if any. Such amounts shall become due upon delivery by Landlord, after the expiration of the notice and cure period afforded Tenant, if any, of written notice stating the amount of such expenditures, costs, expenses and fees by Landlord. Tenant shall also pay to Landlord upon delivery of notice by Landlord, all amounts payable to Landlord as reimbursements or indemnities pursuant to Sections 6.03 and 6.04.

3.07. **Interest on Overdue Amounts.** All Rent and other amounts due to Landlord hereunder that are not paid prior to the expiration of the applicable cure period, if any, shall bear interest at the Lease Interest Rate from time to time in effect from the due date to the date received by Landlord. Such interest shall be payable by Tenant to Landlord upon demand. The collection of such interest by Landlord shall not limit or modify any other right or remedy of Landlord under this Lease or otherwise available to Landlord by reason of Tenant's failure to pay such amount when due or by reason of any other Event of Default.

ARTICLE 4

Impositions

4.01. **Payment.** Throughout the Term, subject to the provisions of Section 4.03, Tenant shall pay or cause to be paid, as and when the same become due, all Impositions, except that:

(a) all Impositions attributable on the accrual basis to a calendar year or other period for which this Lease is in effect for less than the entire calendar year or other period shall be apportioned;

(b) where any Imposition is permitted by law to be paid in installments, Tenant may pay such Imposition in installments, as and when each such installment becomes due (Tenant acknowledges and agrees that Tenant is obligated to pay all such installments of any Imposition from which Landlord is or would be exempt, whether such installment is due prior to or after the Expiration Date or the date of any earlier termination of this Lease); and

(c) where any Imposition is entitled to an abatement, refund, exemption or other diminution or reduction under law, whether available to Landlord or Tenant, the parties shall use

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their best efforts, at Tenant's sole expense, to cause such benefits to be afforded to Tenant under this Lease.

4.02. Deposit of Impositions.

(a) Tenant shall timely pay, as Additional Rent, all Impositions, and all premiums on insurance required to be carried under Article 7, as and when the same are ascertainable, billed, and/or due and payable without interest, penalty or fine. Within thirty (30) days after Landlord's written request, Tenant shall deliver reasonable proof of such payment to Landlord.

(b) During the continuance of any Event of Default, Tenant agrees to deposit with Landlord on the first day of each and every month thereafter during the Term one-twelfth (1/12) of (a) all Impositions due and payable from Tenant during the next succeeding 12-month period, based on the most recent ascertainable Impositions, plus (b) annual premiums on insurance policies required to be carried by Tenant under Article 7. Further, upon the occurrence and continuance of any Event of Default, Tenant shall deposit, at least thirty (30) days prior to the due date of any Imposition, such additional amount as may be necessary to provide Landlord with sufficient funds in such deposit account to pay each such Imposition and annual insurance premium at least thirty (30) days in advance of the due date thereof. The rights granted hereunder to Landlord shall not be exclusive to Landlord's rights and remedies following an Event of Default by Tenant. Landlord shall have no obligation to pay interest to Tenant on any amounts deposited by Tenant. Landlord shall apply any such deposits for the purpose held not later than the last day on which any such charges may be paid without interest or penalty. If, at any time, the amount of any Imposition or insurance premium is increased or Landlord receives reliable information from a Governmental Authority or insurer, as applicable, that an Imposition or insurance premium will be increased, and if the monthly deposits then being made by Tenant pursuant to this Section 4.02(b) for such item (if continued) would not produce a fund sufficient to pay such item thirty (30) days prior to its due date, such monthly deposits shall thereupon be increased and Tenant shall deposit with Landlord, on demand by Landlord, additional sums in an amount which, when added to the monies then on hand for the payment of said item plus the increased one-twelfth (1/12) payments, shall be sufficient to pay such item at least thirty (30) days before the same becomes due and payable. For purposes of determining whether Landlord has on hand sufficient monies to pay any particular Imposition or insurance premium at least thirty (30) day prior to the due date therefor, deposits for each item shall be treated separately, it being the intention that Landlord shall not be obligated to use monies deposited for the payment of any item for the payment of another that is due and payable.

Tenant shall not be required to make any specific deposit required under this Section if a deposit for the same purpose is made by Tenant to an escrow or otherwise to Persons pursuant to a requirement by any Leasehold Mortgagee.

This Section 4.02(b) shall not apply to any Leasehold Mortgagee that becomes Tenant hereunder through foreclosure or transfer by deed in lieu of foreclosure unless: (i) the Event of Default arises after such Leasehold Mortgagee becomes Tenant hereunder; or (ii) the Event of Default arises prior to such Leasehold Mortgagee becoming Tenant hereunder and such Event of Default is not an Incurable Default and is an Event of Default that such Leasehold Mortgagee is obligated to cure under the provisions of this Lease, and such Leasehold Mortgagee fails to

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commence or cure such Event of Default within the time and in the manner required by this Lease.

4.03. **Contest of Impositions.** Tenant may, if it desires, contest the validity or amount of any Imposition, in whole or in part, by an appropriate proceeding diligently conducted in good faith. Tenant may conduct such a contest only after payment of the challenged Imposition unless Tenant shall, at least fifteen (15) days prior to the date such Imposition is due: (i) have deposited with the First Leasehold Mortgagee or an escrow agent acceptable to Landlord an amount sufficient to pay such contested Imposition, together with interest and penalties thereon, which amount shall be applied to the payment of such Imposition, interest and penalties when the amount thereof shall be finally fixed and determined; or (ii) have provided to the First Leasehold Mortgagee or to Landlord a bond, letter of credit or other security reasonably acceptable to Landlord. Nothing herein contained, however, shall be construed as to allow such Imposition to remain unpaid for such length of time as shall permit the Property, or any part thereof, or the lien thereon created by such Imposition, to be sold or forfeited for the nonpayment of the same. If the amount so deposited as aforesaid shall exceed the amount of such Imposition, interest and penalties when finally fixed and determined, the excess (or the entire amount if no such payment is required) shall be released from the escrow to Tenant, or in case there shall be a deficiency, the amount of such deficiency shall be forthwith paid by Tenant.

4.04. **Reduction of Impositions.** Tenant, at its expense, may, if it shall so desire, endeavor at any time or times, upon prior written notice to Landlord, to obtain a lowering of the assessed valuation upon the Property for the purpose of reducing taxes thereon and, in such event, Landlord will offer no objection and, at the request of Tenant, will cooperate with Tenant, but without expense to Landlord, in effecting such a reduction. Tenant shall be authorized to collect any tax refund payable as a result of any proceeding Tenant may institute for that purpose and any such tax refund shall be the property of Tenant to the extent to which it may be based on a payment made by Tenant, subject, however, to the apportionment provisions contained in Section 4.01, after deducting from such refund the costs and expenses, including legal fees, incurred in connection with obtaining such refund.

4.05. **Joinder of Landlord.** Landlord shall not be required to join in any action or proceeding referred to in Sections 4.03 or 4.04 unless required by law or any rule or regulation in order to make such action or proceeding effective, in which event, any such action or proceeding may be taken by Tenant in the name of, but without expense to, Landlord. Tenant hereby agrees to indemnify, defend and hold Landlord's Protected Persons harmless from and against all costs, expenses, claims, loss or damage, including reasonable attorney's fees, by reason of, in connection with, on account of, growing out of, or resulting from, any such action or proceeding. Notwithstanding the first sentence of this Section 4.05, Landlord shall execute and submit such documents as may be required of Landlord to enable the Public Housing Units to qualify for an abatement and/or exemption of real estate taxes, including approval of a certificate of Real Estate Tax Abatement in accordance with the Illinois Revenue Code, 35 ILCS 200/18-177 (1999), as the same may hereafter be amended; provided, however, that Landlord's obligation shall be conditioned on the following conditions being met: (i) the timely submission to Landlord by Tenant of all required documentation; (ii) the maintenance by Tenant of the Public Housing Units in the condition required to qualify for such abatement or exemption; (iii) the ownership of the Public Housing Units by Tenant does not prevent the Public Housing Units from being

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eligible to receive such abatement or exemption, or the benefits thereof; (iv) Tenant is not ineligible to receive such abatement or exemption, or the benefits thereof; and (v) Tenant performs or complies with all other requirements within the control of the owner of the Public Housing Units in order for the Public Housing Units to be eligible for such abatement or exemption.

4.06. **Tax Divisions.** Tenant shall, with the cooperation of Landlord, promptly following the execution and delivery of this Lease, file for a real estate tax division segregating the Landlord's fee interest in the Land from Tenant's Leasehold Estate and ownership of the Improvements. Landlord and Tenant acknowledge that portions of the Land are or may be included in tax parcels ("Shared Tax Parcels") that include land owned by Landlord other than the Land (the "Other Land"). The parties have heretofore caused to be recorded plats of subdivision, the result of which will be the assignment of new, separate tax parcel designations for each new subdivided lot comprising the Land, but excluding the Other Land. Until such tax parcel redesignation occurs, Landlord agrees to pay or cause to be paid, when due, all property taxes assessed against the Other Land, and Tenant agrees to pay or cause to be paid, when due (or, if paid by Landlord, to reimburse Landlord upon demand for) any property taxes attributable to the Land, or any portion thereof, and any Improvements thereon that are taxed as part of a Shared Tax Parcel. Landlord or Tenant may, if either shall so desire, contest the validity or amount of any such taxes, in whole or in part, by an appropriate proceeding diligently conducted in good faith. Any such contest by Tenant shall be in accordance with Section 4.01. Tenant will promptly forward on to Landlord copies of any property tax bills it receives covering the Other Land.

ARTICLE 5

Improvements

5.01. **Required Improvements.** Tenant hereby covenants and agrees to commence and diligently pursue the construction of the Improvements comprising the Development on the Land, complete construction of the Improvements, and obtain certificates of occupancy or its equivalent for all such Improvements from the City. Landlord agrees that upon receipt of written request from Tenant or a Leasehold Mortgagee, Landlord will cooperate with Tenant in applications for permits, licenses or other authorizations required for such Improvements; provided, however, that all expenses in connection therewith shall be borne by the requestor.

5.02. **Other Capital Improvements.** With respect to any Major Capital Improvement other than the Development that Tenant desires to construct on the Land, Tenant shall not commence construction unless Landlord and, during the Public Housing Use Period, HUD, shall have specifically approved such Major Capital Improvement and Tenant has complied with Section 5.03, provided that Landlord's approval shall not be unreasonably withheld or delayed. A "Major Capital Improvement" is a capital improvement involving, as to any parcel of real estate constituting the Land, an estimated cost of more than \$100,000.00, and shall include additional buildings and additions, alterations, renovations, restorations, replacements or re-buildings, whether or not required to be made in compliance with Tenant's obligations under this Article, or in connection with a Restoration made under Article 8 as a result of damage or destruction, or under Article 12 as a result of a Taking. Notwithstanding the foregoing,

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Landlord's consent under this Article 5 shall not be required in connection with a Restoration of the Improvements under Article 8 or Article 12 to the condition that existed immediately prior to the casualty or condemnation or if a capital improvement is required pursuant to All Applicable Housing Requirements or other applicable law.

5.03. **Major Capital Improvements Requirements.** Prior to the commencement of any Major Capital Improvement, the following shall be submitted to Landlord:

- (a) complete plans and specifications for the Major Capital Improvement prepared by a licensed architect, which plans shall also include landscaping plans and specifications;
- (b) copies of all permits and licenses for the construction of the Major Capital Improvement issued by the appropriate Governmental Authority;
- (c) a signed construction contract or contracts for all of the work, material and equipment comprising the Major Capital Improvement in accordance with the plans and specifications delivered pursuant to Section 5.03(a), together with appropriate liability insurance policies; and
- (d) a copy of one or more commitments from a Lender or Lenders for loans to be made available to Tenant, on both a construction loan and long-term take-out loan basis, in an amount that, together with equity that is available and specifically allocated thereto, is sufficient to pay the budgeted costs of construction of the Major Capital Improvement.

5.04. **Demolition.** Except in connection with a Restoration under Articles 8 or 12, or as may otherwise be required by law or under an order of a Governmental Authority, Tenant shall not demolish the Improvements, including any improvements to such Improvements required under Section 5.01 or any Major Capital Improvement permitted under Section 5.02, without the prior written consent of Landlord.

5.05. **Accessibility and Visitability Requirements.** All units in the Development that are subject to the accessibility requirements of the Fair Housing Act shall be designed and constructed in accordance with such requirements. To the greatest extent feasible, all other units in the Development shall be built in accordance with the concept of visitability, which recognizes that persons with disabilities should be able to enjoy the same privileges of accessibility to other living quarters outside their residence. "Visitability" means that: (a) at least one entrance is at grade (i.e. no steps), approached by an accessible route; and (b) the entrance door and all interior doors on the first floor are at least 34 inches wide, offering 32 inches of clear passage space. Landlord acknowledges that the Development, as designed, complies with the requirements of this Section 5.05.

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ARTICLE 6

Use, Maintenance, Alterations, Repairs, Etc.

6.01. **Condition of Land and Property.** Tenant has leased the Land after a full and complete examination thereof, as well as the title thereto and its present uses and restrictions, and, except for Excluded Environmental Conditions (for which responsibility shall be determined under applicable law), Tenant accepts the same without any representation or warranty, express or implied, in fact or by law, by Landlord, and without recourse to Landlord as to the title thereto, the nature, condition or usability thereof or the use or uses to which the Property or any part thereof may be put; provided, however, that upon the commencement of this Lease, title to the Land shall be subject only to the Permitted Exceptions. Except for Excluded Environmental Conditions (the responsibility for which shall be determined under applicable law), Landlord shall not be required to furnish any services or facilities or to make any repairs or alterations in or to the Property, throughout the Term. Other than the obligations of Landlord, if any, under any Public Housing Use Agreement, Tenant hereby assumes the full and sole responsibility for the condition, operation, repair, replacement, maintenance and management of the entire Property; provided, however, that Tenant does not assume responsibility for Excluded Environmental Conditions (the responsibility for which shall be determined under applicable law).

6.02. **Use of Property.** The Property shall be used and occupied only for single family or multi-family residential uses and for uses incidental thereto, and for no other purpose, unless Landlord has consented in writing to such other use, which consent may be granted, withheld or granted with such conditions as Landlord may require, in Landlord's sole and absolute discretion.

6.03. **Prohibited Use.** Tenant shall not use or occupy the Property, or permit the same to be used or occupied, nor do or permit anything to be done in, on or to the Property, or any part thereof, in a manner that would in any way: (a) materially violate any construction permit or certificate of occupancy affecting the Property or any Requirement; (b) make void or voidable any insurance then in force, or make it impossible to obtain fire or other insurance required to be furnished by Tenant hereunder; (c) cause or be apt to cause structural injury to the Property, or any part thereof; or (d) materially violate any material provision of this Lease. Notwithstanding anything to the contrary contained in this Lease, Landlord may not terminate this Lease by reason of an act or omission of a resident of the Development. Tenant shall promptly and diligently take all reasonable steps, in accordance with the provisions of such resident's lease and applicable Requirements, to evict such resident who materially violates any material provision of his or her lease, which violation constitutes a material violation of a material provision of this Lease. Notwithstanding the first sentence of this Section 6.03, Tenant may, in good faith, upon prior written notice to Landlord (and where necessary in the name of, but without expense to, Landlord) and, after having secured Landlord to its reasonable satisfaction against loss or damage, by cash or by a letter of credit or surety bond in an amount, with an issuer or surety, and in form and substance reasonably satisfactory to Landlord, contest the validity of any Requirement and, pending the determination of such contest may postpone compliance therewith, provided that in no event shall such act or omission of Tenant: (i) subject Landlord to any fine or penalty or to prosecution for a crime; (ii) cause the Property, or any part thereof, to be

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condemned or to be vacated; or (iii) cause any material interference with the operation of the Development for the purposes set forth in Section 6.02 or the occupancy, use, benefit and enjoyment thereof by any resident of the Development. Tenant shall indemnify, defend and hold harmless Landlord's Protected Persons from and against any recovery or loss to which any Landlord's Protected Person may be subject or which any Landlord's Protected Person may sustain, including reasonable attorneys' fees and expenses incurred by any Landlord's Protected Person arising from any breach of this covenant or by reason of any action or proceeding which may be brought against any Landlord's Protected Person or against the Property, or any part thereof, by virtue of any Requirement, which do not arise out of any negligent act or willful misconduct of Landlord, or any event of default by Landlord hereunder. Landlord shall provide notice to Tenant of any action brought against Landlord that affects the Property, or any part thereof.

6.04. **Maintenance of Property.** Subject to Section 8.01, Article 12, Tenant shall make all necessary repairs to and replacements of the Improvements, interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen, and shall maintain and keep the Improvements in good and safe order, repair and condition. Tenant covenants and agrees that throughout the Term: (a) all building systems, facilities and equipment, including HVAC systems, common area lighting and the like, shall be maintained in good operating order and repair; and (b) the Property shall, at all times, have adequate means of ingress and egress to and from the abutting public streets and alleys. Tenant shall indemnify, defend and hold Landlord's Protected Persons harmless from and against any and all claims and demands arising from the failure of Tenant to perform the covenants contained herein or arising from any accident, injury or damage to any person or property that shall or may happen in or upon the Property or any part thereof, however caused, other than Landlord's negligent act or willful misconduct or any Excluded Environmental Condition (the responsibility for which shall be determined under applicable law), and shall keep the Property free and clear of any and all mechanics' liens or other similar liens or charges incidental to work done or material supplied in or about the Property.

6.05. **Waste.** Tenant shall not do, permit or suffer any waste, damage, disfigurement or injury to or upon the Property, or any part thereof, without repairing the same within a reasonable period of time. Tenant shall have the right, at any time and from time to time, to sell or dispose of any equipment or fixtures subject to this Lease that may have become obsolete or unfit for use or that is no longer useful, necessary or profitable in the conduct of Tenant's business; provided, however, that Tenant shall have substituted or shall promptly substitute for the property so removed from the Property other equipment or fixtures at least of equal quality and utility in the performance of the particular function in question as that of the property so removed unless, in Tenant's reasonable opinion set forth in written notice to Landlord, the property so removed was performing an obsolete function and replacement thereof is not necessary or appropriate to maintain the operation or character of the Development, or its use and occupancy by residents of the Development and licensees or its overall value without impairment.

6.06. **Compliance with Requirements.** Except for Excluded Environmental Conditions (for which responsibility shall be determined under applicable law), Tenant shall comply, at its own expense, with all Requirements during the Term and with the reasonable

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requests of any insurance company having a policy outstanding with respect to the Property, or any part thereof, whether or not such Requirements or requests require the making of structural alterations or the use or application of portions of the Property for compliance therewith, or interfere with the use and enjoyment of the Property, and shall indemnify, defend and hold harmless Landlord's Protected Persons from and against all fines, penalties, and claims for damages of every kind and nature arising out of any failure to comply with any such Requirement or request. It is the intention of the parties that Tenant during the Term shall discharge and perform all obligations of Landlord, as well as all obligations of Tenant, arising as aforesaid, and hold harmless Landlord's Protected Persons therefrom (except for Excluded Environmental Conditions, the responsibility for which shall be determined under applicable law), so that at all times the Rent shall be net to Landlord without deductions or expenses on account of any such Requirement or request, whatever it may be. Tenant may, in good faith upon prior written notice to Landlord (and wherever necessary, in the name of, but without expense to, Landlord) and, after having secured Landlord to its reasonable satisfaction against loss or damage, by cash or by a letter of credit or surety bond in an amount, with an issuer or surety, and in form and substance reasonably satisfactory to Landlord, contest the validity of any such Requirement or request and pending the determination of such contest, may postpone compliance therewith, provided that in no event shall such contest or postponement: (i) subject Landlord to any fine or penalty or to prosecution for a crime; (ii) cause the Property, or any part thereof, to be condemned or to be vacated; or (iii) cause any material interference with the operation of the Development for the purposes set forth in Section 6.02 or the occupancy, use, benefit and enjoyment thereof by any resident of the Development. Notwithstanding anything to the contrary in this Section 6.06, Tenant has no compliance responsibility or liability for matters existing prior to the commencement of the Term.

6.07. **Exculpation of Landlord.** Landlord shall not be responsible or liable for any destruction, damage or injury to any property or to any person or persons at any time on the Property resulting from any casualty, occurrence or condition occurring or existing during the Term of this Lease (except for Excluded Environmental Conditions, for which responsibility shall be determined under applicable law), including without limitation those from steam, gas or electricity, or from water, rain or snow, whether the same may leak into, issue or flow from or within any part of the Property or from the pipes or plumbing of the same, or from any other place or quarter; nor shall Landlord be in any way responsible or liable in case of any accident or injury (including death) to any of Tenant's subtenants, employees or agents, or to any person or persons in or about the Property or the streets, driveways, sidewalks, parkways or alleys adjacent thereto; and Tenant agrees that it will not hold Landlord in any way responsible or liable therefor (except for actions caused by Landlord's negligent act or willful misconduct) and will further indemnify, defend and hold Landlord's Protected Persons harmless from and against any and all claims, liability, penalties, damages, expenses and judgments arising from injury to persons or property of any nature and also for any matter or thing arising out of or resulting as a direct or indirect consequence from the use or occupancy of the Property; provided, however, that the foregoing obligations shall not apply to Excluded Environmental Conditions. Nothing herein contained shall be deemed to release Landlord from providing contracted services to Tenant and the Development, or from the consequences to Tenant and the Tenant Property of Landlord's negligent act or breach of its representations, warranties and covenants set forth or for liability arising from Excluded Environmental Conditions (for which responsibility shall be determined under applicable law).

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6.08. **Landlord's Right of Entry.** Landlord shall have the right, upon reasonable advance notice to Tenant and subtenants, when appropriate, on any business day, to enter upon the Property, or any part thereof, for the purpose of ascertaining the condition thereof, or whether Tenant is observing and performing the obligations assumed by it under this Lease, or to make any repairs or perform any work, all without hindrance or molestation from Tenant, or anyone claiming by, through or under Tenant, whether as subtenant or otherwise. The above mentioned rights of entry shall be exercisable at reasonable times, at reasonable hours and on reasonable advance notice; provided, however, that entry may be made at any time without notice in the event of an emergency (although Landlord shall endeavor to give Tenant prior notice thereof). Nothing contained herein, however, shall impose or imply any duty on the part of Landlord to make any such repairs or perform any such work.

6.09. **No Liens.** Notice is hereby given that Landlord shall not be liable for any labor or materials furnished or to be furnished to Tenant upon credit, and that no mechanics' or other lien for any such labor or material shall attach to or affect the estate or interest of Landlord in and to the Property or any part thereof.

ARTICLE 7

Insurance

7.01. **Maintenance of Insurance.** During the Term, Tenant shall, at its sole expense, obtain and maintain, or cause to be obtained and maintained policies of insurance satisfying the requirements set forth on Exhibit F;

7.02. **Form of Policies.** Except as provided in Section 8.02, any policies of insurance covering the Development during construction, shall expressly provide that any losses thereunder shall be adjusted with Tenant and the First Leasehold Mortgagees (or, absent a Leasehold Mortgagee, with Landlord). All such insurance shall be carried in the name of Tenant and loss thereunder shall be payable to Tenant and the Leasehold Mortgagees, if any, and Landlord as their respective interests may appear. All such insurance may be in the form of a so-called "blanket policy" covering more than two properties, provided that the amount of coverage shall be not less than the aggregate of the Full Insurable Values of all covered properties and the policy shall include an "agreed amount" endorsement on a no-coinsurance basis.

7.03. **Evidence of Insurance and Payment.** Upon the execution and delivery of this Lease, and thereafter not later than fifteen (15) days prior to the expiration date of an expiring policy theretofore furnished pursuant to this Article, certificates of insurance evidencing the required coverages, bearing notations evidencing the payment of premiums or accompanied by other evidence satisfactory to Landlord of such payment, shall be delivered by Tenant to Landlord. Upon request from Landlord, Tenant shall deliver to Landlord duplicate originals or certified copies of the policies required by this Article 7.

7.04. **Separate Insurance.** Tenant shall not obtain separate insurance concurrent in form or contributing in the event of loss with that required in this Article to be furnished by or that may reasonably be required to be furnished by Tenant unless Landlord is included therein as an additional insured, with loss payable as required in this Lease. Tenant shall immediately

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notify Landlord of the obtaining of any such separate insurance and shall deliver duplicate originals or certified copies of the policy or policies so obtained as provided in Section 7.03.

7.05. **Cancellation.** Each policy of insurance delivered hereunder shall contain an agreement by the insurer that such policy shall not be cancelled or materially altered without at least thirty (30) days' prior written notice given to Landlord and to each Leasehold Mortgagee named in such policy.

ARTICLE 8

Damage and Restoration

8.01. Damage or Destruction.

(a) In the event of any damage to or destruction of the Improvements during the Term, Tenant shall give Landlord immediate notice thereof and, unless the Insurance Proceeds are applied by a Leasehold Mortgagee to reduce its debt in accordance with Section 8.05, Tenant shall promptly and diligently restore, replace, rebuild and repair the same as nearly as possible to their condition, quality and character immediately prior to such damage or destruction, in accordance with the following provisions of this Article 8. Landlord shall in no event be called upon to restore, replace, rebuild or repair such Improvements, or any portion thereof, or to pay any of the costs or expenses thereof. All work in connection with such restoration, replacement, rebuilding and repairing, including all temporary repairs to the Improvements or repairs made for the protection of the Improvements pending the completion of the permanent restoration, replacement, rebuilding and repairing, is hereinafter collectively referred to as "Full Restoration." In the event of any damage to or destruction of the Improvements occurring during the Term, Tenant shall, upon demand, deposit with the First Leasehold Mortgagee (or, if none, with Landlord, or into the Restoration Escrow (as that term is hereinafter defined), the amount of any applicable deductible or self-insurance (the "Deductible"). If the Net Insurance Proceeds (as that term is hereinafter defined) available for a particular Restoration (as that term is hereinafter defined) plus the amount the Deductible, are insufficient to accomplish the Full Restoration, then Landlord may terminate this Lease with respect to the parcel or parcels on which such damaged or destroyed Improvements were situated (and any related open space parcels), by written notice to Tenant and all Leasehold Mortgagees, unless: (1) within ninety (90) days after the amount of Net Insurance Proceeds has been determined, Tenant deposits with the First Leasehold Mortgagee (or, if none, with Landlord) cash, a letter of credit and/or evidence satisfactory to the First Leasehold Mortgagee (or, if none, to Landlord) of the availability of funds (from a loan or otherwise) in an amount equal to the Restoration Deficiency (as that term is hereinafter defined); or (2) within ninety (90) days after the expiration of said 90-day period, any one or more of the Leasehold Mortgagees and/or any other Person so deposits the Restoration Deficiency with the First Leasehold Mortgagee (or, if none, with Landlord) or into the Restoration Escrow; or (3) within one hundred eighty (180) days after the amount of Net Insurance Proceeds has been determined, the First Leasehold Mortgagee agrees to a Partial Restoration and agrees to make the Net Insurance Proceeds available for such Restoration; or (4) at least one Leasehold Mortgagee is diligently

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proceeding to obtain such insurance proceeds and, if applicable, to exercise its rights with respect to the Restoration. The First Leasehold Mortgagee shall consult with all subordinate Leasehold Mortgagees with respect to the application of the Net Insurance Proceeds; provided however that in the event of any disagreement between the First Leasehold Mortgagee and any subordinate Leasehold Mortgagee over the application of the Net Insurance Proceeds, the decision of the First Leasehold Mortgagee, in its sole discretion, shall prevail, subject to Section 8.01(b). The Full Restoration or Partial Restoration, as applicable, is hereinafter referred to as the "Restoration". As used herein, the term "Restoration Deficiency" shall mean additional funds in an amount sufficient, when added to the Net Insurance Proceeds available for a Restoration plus the Deductible, to complete such Restoration. If this Lease is terminated pursuant to this Section 8.01(a) with respect to a parcel or parcels then, at the option of Landlord, Tenant shall, at Tenant's sole expense, demolish and/or remove such of the Improvements on such parcel or parcels as are designated by Landlord, provided that, if the costs of such demolition and removal exceed the Deductible, sufficient Net Insurance Proceeds are made available to Tenant for that purpose.

(b) The determination of whether the Proceeds are sufficient to rebuild and repair the Improvements so damaged or destroyed to a value, condition and character that is not materially different from what existed immediately prior to such damage or destruction (i.e. a Full Restoration) and that such Restoration is feasible, shall be reasonably made by the First Leasehold Mortgagee in accordance with the requirements of its Leasehold Mortgage (or, if none, by Landlord). The First Leasehold Mortgagee shall consult with all subordinate Leasehold Mortgagees with respect to application of Net Insurance Proceeds; provided however that in the event of any disagreement between the First Leasehold Mortgagee and any subordinate Leasehold Mortgagee over the application of Net Insurance Proceeds, the decision of the First Leasehold Mortgagee, in its sole reasonable discretion, shall prevail. If there is to be a Restoration, all Proceeds shall be deposited in an account with First Leasehold Mortgagee or, if there is no First Leasehold Mortgagee, in a construction disbursement escrow among Landlord, Tenant, the Leasehold Mortgagees, if any, and a mutually acceptable title company (the "Restoration Escrow"), and disbursed to pay the costs of such Restoration. By accepting a Leasehold Mortgage, each Leasehold Mortgagee agrees to be bound by such determination and to make the Net Insurance Proceeds available for such Restoration. In the event of any such damage to or destruction of the Improvements, Tenant, Landlord or any Leasehold Mortgagee shall have the right (but shall not be obligated) to deposit the Restoration Deficiency into the Restoration Escrow. Unless the Restoration Deficiency is deposited with the First Leasehold Mortgagee (or, if none, with Landlord) or into the Restoration Escrow, or all of the Leasehold Mortgagees agree to a Partial Restoration, within the time periods provided in Section 8.01(a), this Lease shall terminate as to the parcel or parcels on which the damaged or destroyed Improvements are or were situated (and any related open space lots) and the provisions of Section 8.05 shall apply.

8.02. Adjustment of Insurance Claims and Disbursements. Adjustment of any insurance claim shall, subject to the terms of any Leasehold Mortgage, be negotiated by Tenant. All insurance proceeds shall be deposited with the First Leasehold Mortgagee (or, if none, with Landlord) or into a Restoration Escrow, and administered as hereinafter set forth. All insurance

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proceeds received by Landlord or Tenant on account of such damage or destruction, less the actual costs, expenses and fees, if any, incurred in connection with the adjustment of the loss (the "Net Insurance Proceeds"), shall be applied in accordance with the terms of this Article. Such Net Insurance Proceeds plus the Deductible shall be paid out from time to time as such Restoration progresses and is approved. All Proceeds held by the First Leasehold Mortgagee shall be held in trust in a separate bank account.

8.03. **Deficiencies.** If, at any time during the course of a Restoration, the projected Restoration Deficiency increases, Tenant shall either, before proceeding with the Restoration, deposit with the First Leasehold Mortgagee (or, if none, with Landlord) cash, a letter of credit and/or evidence satisfactory to Landlord of the availability of funds (from a loan or otherwise) in an amount equal to the increase in the Restoration Deficiency, or deliver to the First Leasehold Mortgagee (or, if none, to Landlord) a surety bond from a company and in form and substance satisfactory to the First Leasehold Mortgagee (or, if none, to Landlord), for such increase in the Restoration Deficiency, the premium for which shall have been paid by Tenant. Thereupon, Tenant may proceed with the Restoration.

8.04. **Landlord's Right to Complete.** Subject to any rights of the First Leasehold Mortgagee under Section 8.01, if a Restoration is commenced or required to be commenced, and if Tenant shall fail to promptly and diligently commence and complete such Restoration, Landlord, after first giving all Leasehold Mortgagees written notice and at least sixty (60) days thereafter to commence such Restoration and thereafter promptly and diligently complete such Restoration, may complete the same and apply the Net Insurance Proceeds plus the Deductible and any additional funds provided by Tenant to the cost of Restoration.

8.05. **Leasehold Mortgages.** Except as provided in Section 8.01: (1) all provisions of this Article 8 are subject to the rights of the First Leasehold Mortgagee and the provisions of the Leasehold Mortgage of the First Leasehold Mortgagee; (2) the provisions of such Leasehold Mortgage of the First Leasehold Mortgagee shall govern in the event of any conflict or inconsistency between the provisions of this Article 8 and the provisions of such Leasehold Mortgage; and (3) application of Net Insurance Proceeds shall be subject to the terms of the Leasehold Mortgages, and the respective priorities of the Leasehold Mortgagees thereunder, including the Leasehold Mortgagees' rights, if any, to apply proceeds of insurance to the payment of outstanding debt owed by Tenant to such Leasehold Mortgagees in lieu of Restoration. In such an event, Landlord and Tenant shall adjust any remaining balance of insurance proceeds as their respective interests may be affected by such damage or destruction, and this Lease shall terminate as to the lot or lots on which the damaged or destroyed Improvements were situated. No termination of this Lease shall occur under this Article 8 so long as at least one Leasehold Mortgagee is diligently proceeding to obtain such insurance proceeds and, if applicable, to exercise its rights with respect to the Restoration; provided, however, that the foregoing prohibition against termination shall no longer be applicable when the First Leasehold Mortgagee elects to apply such insurance proceeds to repay outstanding debt in lieu of Restoration.

8.06. **Mixed Finance Amendment Provision Controls.** Notwithstanding the foregoing provisions of this Article 8, if any provision of this Article 8, other than the first sentence of Section 8.01 (b), conflicts with Section 11 of the Mixed Finance Amendment, during

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the Public Housing Use Period the provisions of Section 11 of the Mixed Finance Amendment will control.

ARTICLE 9

Title and Ownership; Leasehold Mortgage

9.01. Restrictions on Transfer.

(a) Except for Permitted Transfers and Permitted Refinancings: (i) Tenant shall not at any time without the prior written consent of Landlord and, during the Public Housing Use Period, the prior written consent of HUD: (A) sell, assign, transfer, or convey all or any part of its interest under this Lease; or (B) sell, assign, transfer or convey all or any part of any structure or other Improvement located on the Land; or (C) sublet all or any part of the Tenant Property except for subletting of the dwelling units to subtenants pursuant to subleases with a term (including options to extend or renew) not in excess of one (1) year; and (ii) there shall not be a change of control of Tenant or the sale, assignment, transfer or conveyance of any interest in Tenant. Landlord's consent to any of the foregoing may be granted, withheld or granted with such conditions as Landlord shall require, in its sole and absolute discretion.

(b) If a Permitted Transfer consisting of a sale, assignment, transfer or other conveyance of the Leasehold Estate occurs, the transferee or assignee shall enter into an assumption agreement with Landlord by which it assumes all of Tenant's rights and obligations under this Lease. Upon the consummation of such Permitted Transfer and the delivery to Landlord of such assumption agreement executed by the transferee or assignee, the transferee or assignee shall succeed to all rights and obligations of Tenant under this Lease, and shall be deemed a permitted assignee of Tenant, and Tenant making such sale, assignment, transfer or other conveyance shall be and hereby is relieved of any continuing obligations hereunder arising thereafter. Upon any assignment of the Tenant Property, the assignor shall be relieved of any obligations hereunder arising after such assignment, and the assignee, by accepting such assignment, shall be deemed to have assumed all obligations hereunder arising after such assignment. Landlord acknowledges that Tenant intends the Improvements, or a portion thereof, to qualify for housing "low income families" and/or "very low income families," for the period required under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"). Tenant may cause the Improvements, or a portion thereof, to qualify for other state and/or federal assistance, including but not limited to financing arranged through or insured by HUD. To the extent required by the Code and/or HUD as a condition to such qualification, and as may be required under Article 15, Tenant is authorized to enter into restrictive covenants encumbering the Tenant Property pertaining to the use of the Tenant Property. Landlord agrees to enter into a subordination agreement relating to this Lease as to such restrictive covenants as may be required to obtain and maintain such qualifications.

(c) Landlord shall not, without the prior written consent of Tenant and all Leasehold Mortgagees, mortgage or create a lien upon (i) all or any part of the Land, or (ii) all or any part of its interest in this Lease or any Improvement.

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(d) The parties acknowledge that it may become necessary to grant easements and/or licenses over, under, upon and across the Land for the provision of gas, electricity, telephone service, cable television, Internet access, water, sewer, and other utilities to serve the Improvements. All such easements and licenses shall be subject to the prior written consent of Landlord, which shall not be unreasonably withheld, conditioned, or delayed. If required, Landlord shall grant or join with Tenant in the grant of such easements and licenses, so as to subject Landlord's interest in the Land to such easements and licenses. All costs in connection with such easements and licenses shall be borne by Tenant.

9.02. **Liens.** Other than the Permitted Exceptions and the encumbrances listed on Exhibit D (the "Encumbrances"), and any Permitted Refinancing, Tenant shall not create or permit to be created or to remain, and shall promptly discharge, any lien (including but not limited to any mechanic's, contractor's, subcontractor's or materialman's lien or any lien, encumbrance or charge arising out of any Imposition, conditional sale, title retention agreement, chattel mortgage, security agreement, financing statement or otherwise) upon the Property or any part thereof or the income therefrom, and Tenant shall not suffer any matter or thing whereby the estate, rights and interests of Landlord in the Property or any part thereof will be impaired. Notwithstanding the foregoing prohibitions, Tenant shall have the right to contest any such lien upon compliance with the same conditions as are applicable to the contest of any Imposition under Section 4.03. If Tenant shall fail to cause any such matter to be discharged of record or contested in the foregoing manner, then Landlord may, but shall not be obligated to, in addition to any other right or remedy, discharge such lien at any time after delivery of notice to Tenant, either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or bonding proceedings or otherwise, and in any such event Landlord shall be entitled, if it so elects, to compel the prosecution of an action for foreclosure of such lien by the lienor and to pay the amount of judgment in favor of the lienor with interest, costs and allowances. Any amount so paid by Landlord and all costs, expenses and fees incurred by Landlord in connection therewith shall be reimbursed by Tenant to Landlord. This Lease shall constitute notice that Landlord shall not be liable for any work performed or to be performed, or any materials furnished or to be furnished, at the Land for Tenant or any subtenant upon credit, and that no mechanic's or other lien for such work or materials shall attach to or affect the estate or interest of Landlord in and to the Land, unless such work or materials is specifically ordered by Landlord in writing. Notwithstanding anything to the contrary contained in this Section 9.02, the obligations of Tenant under this Section 9.02 shall not apply to any lien arising from an Excluded Environmental Condition.

9.03. **Leasehold Mortgage.**

(a) In order to enable Tenant to finance a portion of the cost of construction of the Development, Tenant shall have the right, at or prior to commencement of construction of the Improvements required under Section 5.01, to mortgage its Leasehold Estate, together with its ownership interest in the Improvements, and execute and record a Leasehold Mortgage or Mortgages with respect to both such estates, respectively (collectively, the "Initial Leasehold Mortgages"), to secure the repayment of a loan or loans made to Tenant by a Lender or Lenders (collectively, the "Initial Leasehold Mortgagees") in an aggregate amount not to exceed the estimated cost of the

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Development, or such other amount as is reasonably approved by Landlord. The Initial Leasehold Mortgagees and their addresses for purposes of notices are listed on Exhibit C. In addition to the Initial Leasehold Mortgages, Tenant shall have the right, provided that Tenant first obtains all consents and/or approvals required under All Applicable Public Housing Requirements and under this Lease, at any time and from time to time, to grant one or more Leasehold Mortgages. Landlord's interest in the Land or this Lease shall at no time be encumbered by and shall at no time be subject or subordinate to any Leasehold Mortgage (i.e. the foreclosure of any such Leasehold Mortgage shall not divest Landlord of its fee simple title or reversionary interest), except as to rights expressly granted to any Leasehold Mortgagee in this Lease. For purposes of this Article 9, the making of a Leasehold Mortgage shall not be deemed to constitute an assignment or transfer of this Lease or the Leasehold Estate, nor shall any Leasehold Mortgagee, as such, be deemed to be an assignee or transferee of this Lease or of the Leasehold Estate so as to require such Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants or conditions on the part of Tenant to be performed hereunder. A Leasehold Mortgagee may become the holder of the Leasehold Estate and succeed to Tenant's interest under this Lease by foreclosure of its Leasehold Mortgage (either in its own name or in the name of its nominee) or as a result of the assignment of the Tenant's interest under this Lease in lieu of foreclosure, and any purchaser at any sale of Tenant's interest under this Lease in any proceeding for the foreclosure of any Leasehold Mortgage or the assignee or transferee of Tenant's interest under this Lease under any instrument of assignment or transfer in lieu of the foreclosure of any Leasehold Mortgage shall be deemed to be an assignee or transferee approved by Landlord and shall be deemed to have agreed to perform all of the terms, covenants and conditions on the part of Tenant to be performed hereunder from and after the date of such assignment, but only for so long as such purchaser, assignee or transferee is the owner of the Leasehold Estate.

(b) In addition to the Initial Leasehold Mortgagees identified on Exhibit C, if Landlord shall be notified in writing of the existence of any other Leasehold Mortgage, and provided that such Leasehold Mortgagee shall have designated in a written notice to Landlord its address for the service of notices, then notice of any Event of Default by Tenant in the performance of the covenants of this Lease shall simultaneously be given to such Leasehold Mortgagee, and such Leasehold Mortgagee shall have the right, within the respective periods as prescribed in Subsection 9.03(c), to take such action or to make such payments as may be necessary to cure any such default to the same extent and with the same effect as though done by Tenant.

(c) If there shall be an Event of Default by Tenant under this Lease, Landlord agrees that it will not terminate this Lease or invoke its right to take possession of the Tenant Property if: (i) any Leasehold Mortgagee shall cure the default within 180 days after expiration of the time for Tenant to cure said default, or if such default cannot reasonably be cured within said 180-day period, and any Leasehold Mortgagee in good faith commences within said 180-day period and thereafter diligently prosecutes all actions required to cure such default, such longer period as may be reasonably necessary; or (ii) within 180 days after notice of such default by Landlord to a Leasehold Mortgagee, such Leasehold Mortgagee commences legal proceedings (herein called "foreclosure proceedings") to foreclose the lien of its Leasehold Mortgage and if such Leasehold

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Mortgagee diligently proceeds with its foreclosure proceedings (including seeking to be put in possession as mortgagee-in-possession or seeking to obtain the appointment of a receiver in such foreclosure proceedings); or (iii) such Event of Default cannot, by its nature, be cured by any Leasehold Mortgagee. The foregoing 180-day periods shall be extended for so long as such Leasehold Mortgagee is enjoined or stayed in any bankruptcy or insolvency proceedings filed by or against Tenant. Nothing in this Article 9 shall require any Leasehold Mortgagee, as a condition to the exercise of rights provided under this Article 9, to cure any Event of Default of Tenant not reasonably susceptible of being cured by such Leasehold Mortgagee. The foregoing shall not be deemed to excuse a Leasehold Mortgagee from performing covenants relating to the construction (provided that no Leasehold Mortgagee has elected to discontinue or reduce the funding of its loan) or condition of Improvements on the Land or other similar matters requiring access to and/or control of the Property from and after such time as such Leasehold Mortgagee acquires the Leasehold Estate by foreclosure or otherwise, provided that the Construction Completion Deadline shall be extended accordingly during any such period given to initiate and complete any foreclosure proceeding. Landlord may invoke any or all of its remedies under this Lease, including the remedy of termination, if no Leasehold Mortgagee commences and prosecutes either curative action or foreclosure proceedings as provided above. In the event the purchaser at foreclosure sale or the assignee of such purchaser acquires the Leasehold Estate and Tenant's interest in the Improvements, such purchaser or assignee shall thereupon become Tenant under this Lease and hereby agrees to assume and perform each and all of Tenant's obligations and covenants hereunder from and after the date that such purchaser or assignee acquires the Leasehold Estate and Tenant's interest in the Improvements.

(d) In the event there is a Leasehold Mortgage listed on Exhibit C or a Leasehold Mortgage of which Landlord has received notice as provided in Subsection 9.03(b), Landlord agrees that it will not accept a surrender of the Tenant Property or a cancellation of this Lease from Tenant prior to the expiration of the Term of this Lease and will not amend this Lease without in each case the prior written consent of each such Leasehold Mortgagee.

(e) If this Lease shall be terminated by reason of the rejection of this Lease by a debtor in possession or a trustee or receiver appointed by a court of competent jurisdiction in bankruptcy or insolvency proceedings involving Tenant, then Landlord shall immediately seek to obtain possession of the Premises and title to the Improvements. Upon acquiring such possession and title, Landlord shall notify all Leasehold Mortgagees. Each of the Leasehold Mortgagees (in the order of priority of their respective Mortgages), or a nominee of a Leasehold Mortgagee designated by such Leasehold Mortgagee by written notice to Landlord, shall have ninety (90) days from the date of such notice of acquisition to elect to take a new lease on the Premises and a conveyance of Landlord's interest, if any, in the Improvements. Landlord shall, subject to applicable bankruptcy laws and/or the order of a court of competent jurisdiction, enter into a new lease with a Leasehold Mortgagee (or with the nominee of such Leasehold Mortgagee) and convey title to the Improvements to such Leasehold Mortgagee (or such nominee) by quitclaim deed, provided that:

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(i) such Leasehold Mortgagee has made written request of Landlord for a new lease on the Premises and a conveyance of the Landlord's interest in the Improvements within the ninety (90) days next following the date of termination of this Lease aforesaid and either the prior written consent of any superior Leasehold Mortgagee is obtained or the ninety (90) days have expired without such superior Leasehold Mortgagee requesting a new lease and conveyance of Improvements hereunder; and

(ii) at the time of termination of this Lease, and at the time of such Leasehold Mortgagee's written request for a new lease and deed, and at the time of execution and delivery of such new lease by and between Landlord and such Leasehold Mortgagee (or the nominee of such Leasehold Mortgagee, as the case may be), such Leasehold Mortgagee (or such nominee) shall have cured all defaults of Tenant under this Lease that can reasonably be cured by such Leasehold Mortgagee; and

(iii) such Leasehold Mortgagee's Leasehold Mortgage has not been paid in full prior to such Leasehold Mortgagee notifying Landlord of its election to take a new lease under this Section 9.03(e); and

(iv) In consideration of Landlord's execution and delivery of the new ground lease, concurrently with the recordation thereof, such Leasehold Mortgagee shall: (A) cause the tenant's leasehold estate under the new ground lease and the fee simple title to the Improvements (collectively, the "New Lease Property") to be made subject to the lien of all Leasehold Mortgages (and related documents) that encumbered the Property immediately prior to the termination of this Lease (the "Existing Documents"); and/or (B) execute or cause to be executed, and recorded, new leasehold mortgages (and related documents), with the same terms as the Existing Documents, encumbering the New Lease Property; and (C) take all other actions necessary to place such Leasehold Mortgagees in the same position under the new ground lease as immediately prior to the termination of this Lease.

Such new lease shall have a term equal to the unexpired portion of the Term of this Lease and shall, except as otherwise provided herein, be on the same terms and conditions as contained in this Lease. Landlord shall deliver possession of the Premises and Improvements immediately upon execution of the new lease. Upon executing a new lease, the Leasehold Mortgagee (or the nominee of the Leasehold Mortgagee, as the case may be) shall pay to Landlord the amount by which (A) the sum of any unpaid Rent due under this Lease (or which would have been due under this Lease if it had not been terminated) from the date that Landlord obtains possession of the Premises and Improvements to the commencement date of the new lease, plus any Taxes that were liens on the Premises and/or the Improvements and which were paid by Landlord, exceeds (b) any rent or other income received by Landlord from the Premises and/or the Improvements during the period after Landlord obtains possession to (but not including) the commencement date of the new lease. A Leasehold Mortgagee shall not have the right to elect to take a new lease if its Leasehold Mortgage is paid in full prior to the Leasehold Mortgagee notifying Landlord of its election to take a new lease.

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Concurrently with the execution, delivery and recording of the new lease, this Lease shall be deemed to have terminated. The rights granted to Leasehold Mortgagees pursuant to this Section 9.03(e) shall be exercisable by Leasehold Mortgagees in the same priority as the liens of their respective mortgages.

(f) Each Leasehold Mortgagee, by accepting its Leasehold Mortgage, agrees for the benefit of Landlord:

(i) that such Leasehold Mortgagee will use reasonable efforts to give to Landlord notice of all events of default declared by such Leasehold Mortgagee with respect to its Leasehold Mortgage Loan that give such Leasehold Mortgagee the right of acceleration, concurrently with or promptly after notice thereof is given to Tenant; and Landlord shall have the right, but shall not be obligated, to cure any such defaults on the part of Tenant within the time period, if any, allowed by the Leasehold Mortgage; and

(ii) prior to commencing foreclosure proceedings or accepting a deed in lieu of foreclosure, such Leasehold Mortgagee shall give Landlord a written notice describing the action proposed to be taken by such Leasehold Mortgagee and stating the aggregate amount of the indebtedness then due and secured by the Leasehold Mortgage, and setting forth in reasonable detail the respective portions of said indebtedness attributable to principal, interest, attorneys' fees and expenses and other costs, fees and expenses. Landlord shall have a period of twenty (20) days after Landlord receives such notice from such Leasehold Mortgagee within which Landlord, at its election, may purchase from such Leasehold Mortgagee, without representation, warranty or recourse (other than as to the purchase price), the Leasehold Mortgage, the indebtedness secured thereby, and any other security held by such Leasehold Mortgagee for such indebtedness, for a purchase price equal to the amounts due such Leasehold Mortgagee under the Leasehold Mortgage.

(g) So long as any Leasehold Mortgage is in existence, unless all Leasehold Mortgagees shall otherwise expressly consent in writing, the fee title to the Land and the Leasehold Estate shall not merge, but shall remain separate and distinct, notwithstanding the acquisition of said fee title and Leasehold Estate by any single owner, other than by termination of this Lease by Landlord in compliance with the provisions of this Article 9.

(h) Notwithstanding any provisions to the contrary in Sections 6.03, 6.04, 6.06, 9.01, 9.02, 9.03 or 11.02, Landlord agrees (without waiving any rights that Landlord may have against any former Tenant) that: (i) any Leasehold Mortgagee that succeeds to the Leasehold Estate and becomes a successor Tenant hereunder shall not be responsible for any then existing indemnification of the former Tenant; (ii) such Leasehold Mortgagee shall not be required to cure a default that cannot be cured by the payment of money or the taking of affirmative action (an "Incurable Default"); and (iii) failure by such Leasehold Mortgagee to cure an Incurable Default or to assume such existing indemnification obligations of the former Tenant shall not constitute a basis for not recognizing such Leasehold Mortgagee as the successor Tenant or for terminating this

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Lease. Notwithstanding any provisions to the contrary in Sections 6.03, 6.04, 6.06, 9.01, 9.02, 9.03, 11.02 or 22.04, Landlord agrees (without waiving any rights that Landlord may have against any former Tenant) that any Leasehold Mortgagee that succeeds to the Leasehold Estate and becomes a successor Tenant hereunder shall not be responsible for any then existing environmental remediation obligations of the former Tenant.

ARTICLE 10

Tenant Default: Rights and Remedies of Landlord

10.01 **Tenant's Event of Default.** Each of the following events shall be an "Event of Default" by Tenant under this Lease:

(a) Tenant's failure to pay, when due, any installment of Rent or any other amount to be paid by Tenant under this Lease, and such failure shall continue for a period of thirty (30) days after written notice from Landlord specifying such failure;

(b) Tenant shall be in default under Section 9.01(a);

(c) if any insurance required to be maintained by Tenant shall lapse without replacement, so that any required coverage is not in effect;

(d) Tenant shall fail to perform or observe any other material obligation, term or provision under this Lease, and such failure continues beyond sixty (60) days after written notice from Landlord to Tenant specifying such Event of Default; provided, however, that if Tenant in good faith commences the cure of such default within said 60-day period and thereafter diligently prosecutes all actions required to cure such default, Tenant shall be allowed a reasonable additional period to effect such cure;

(e) a petition in bankruptcy is filed by or against Tenant, or if Tenant makes a general assignment for the benefit of creditors or is adjudged insolvent by any state or federal court, and in the case of any such involuntary petition, action or proceeding not initiated by Tenant such petition, action or proceeding is not dismissed or stayed within ninety (90) days after the commencement of such petition, action or proceeding; and

(f) Tenant shall fail to commence and complete the construction of the Development prior to the Construction Completion Deadline, and such failure continues for a period of thirty (30) days after written notice from Landlord specifying such failure; provided, however, that if Tenant in good faith commences within said 30-day period and thereafter diligently prosecutes all actions required to cure any such failure, Tenant shall be allowed a reasonable additional period to effect such cure.

10.02. **Termination.** If an Event of Default shall occur, Landlord may not terminate this Lease for so long as the provisions of Section 9.03, 10.14 or any other provision of this Lease that expressly limits Landlord's ability to terminate this Lease precludes such termination. Otherwise Landlord, at its option, at any time thereafter during the continuance of such Event of Default, may give to Tenant and all Leasehold Mortgagees a notice of termination of this Lease, and upon the date specified in such notice, which date shall be after all cure periods and

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foreclosure proceeding periods without a cure or foreclosure (or exercise by a Leasehold Mortgagee of other remedies contemplated by Section 9.03(c)) being effected, then this Lease and all of Tenant's rights under this Lease shall expire and terminate as if that date were the date herein originally fixed for the expiration of the Term of this Lease, and on the date so specified, Tenant shall vacate and surrender the Property to Landlord. If an Event of Default under Section 10.01(f) shall occur, then Landlord's rights to terminate the entire Lease by reason of such Event of Default shall be limited as hereinafter provided.

(a) If the construction of a Building on a lot (which for purposes of this Section 10.02 shall refer to any discrete part of the Land upon which a Building may be erected) has been Substantially Commenced and if a Leasehold Mortgagee has disbursed proceeds of its loan to pay for the so-called "hard costs" of such construction, then, Landlord may not terminate this Lease with respect to such lot.

(b) If any Event of Default under Section 10.01(f) shall occur with respect to a lot on which construction of a Building has not been Substantially Commenced, then subject to Section 9.03, Landlord may terminate this Lease with respect to such lot, but this Lease shall remain in effect with respect to the remainder of the Land.

(c) If an Event of Default under Section 10.01(f) shall occur with respect to a lot on which construction of the Building has been Substantially Commenced and no Leasehold Mortgagee has advanced proceeds of its loan to pay costs of such construction or any subsequent construction of such Building, then, subject to Section 9.03, Landlord may terminate this Lease with respect to such lot, but this Lease shall remain in effect with respect to the remainder of the Land.

10.03. **Transfer of Deposits, etc.** In the event of any termination of this Lease under Section 10.02, all unearned insurance premiums, all deposits theretofore made by Tenant with utility companies, any claims for refund of any Imposition, any pending claims for insurance proceeds or condemnation awards, and all fuel and supplies on the Property owned by Tenant shall, subject to the rights of the Leasehold Mortgagees, be deemed to be and are hereby assigned to and transferred to Landlord to be applied in payment of Tenant's liability under this Lease.

10.04. **Re-entry.** In the event of termination of this Lease under Section 10.02 or by operation of law or otherwise, Landlord may without further notice re-enter and repossess the Property.

10.05. **Injunctive Relief.** In the event of any breach or threatened breach by Tenant of any of the covenants, agreements, terms or conditions contained in this Lease, Landlord shall be entitled to injunctive relief against such breach or threatened breach, and shall have the right to invoke any right or remedy available at law or in equity or by statute or otherwise as though re-entry, summary proceedings and other remedies were not provided for in this Lease.

10.06. **Re-letting by Landlord.** If Landlord has terminated this Lease in accordance with Section 10.02, Landlord may re-let the Property or any part thereof and receive the rent therefor, whether such rent is in the aggregate greater than or less than the Rent payable hereunder. Landlord shall not be responsible or liable in any way for failure to re-let the

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Property or any part thereof or for failure to collect any rent due on such re-letting, except as required by law to mitigate Landlord's damages.

10.07. **Receipt of Monies: No Waiver.** No receipt of money by Landlord from Tenant after termination of this Lease shall reinstate, continue or extend the term of this Lease or of any notice of termination theretofore given to Tenant, or operate as a waiver of Landlord's right to enforce the payment of Rent and any other payments or charges herein reserved or agreed to be paid by Tenant, then or thereafter falling due, or operate as a waiver of Landlord's right to recover possession of the Property by proper remedy, it being agreed that after service of notice to terminate this Lease or the commencement of any suit or summary proceedings, or after final order for the possession of the Property, Landlord may demand and collect any monies due or thereafter falling due in any manner without affecting such notice, proceeding, order, suit or judgment, and all such monies collected shall be deemed paid on account of the use and occupancy of the Tenant Property or, at Landlord's election, on account of Tenant's liability hereunder.

10.08. **No Implied Waivers.** Landlord's granting of a consent under this Lease, or Landlord's failure to object to an action taken by Tenant without Landlord's consent under this Lease, shall not be deemed a waiver by Landlord of its right to require such consent for any further similar act of Tenant. No waiver by Landlord of any breach of any of the conditions, covenants or agreements of this Lease shall be construed, taken or held to be a waiver of any other breach or be a waiver, acquiescence in or consent to any further or succeeding breach of the same term, condition, covenant or agreement. None of Tenant's covenants, agreements, obligations or undertakings under this Lease, and no breach thereof, may be waived, altered or modified except by a written instrument executed by Landlord.

10.09. **Remedies Not Exclusive.** Subject to the provisions of Article 18 and other provisions of this Lease restricting Landlord's right to terminate this Lease, no right, power or remedy conferred upon or reserved to Landlord under this Lease or under law shall be considered exclusive of any other right, power or remedy, but such rights, powers and remedies shall be cumulative and shall be in addition to every other right, power and remedy given hereunder, or now or hereafter existing at law or in equity, or by statute or otherwise, and every right, power and remedy of Landlord may be exercised from time to time and as often as occasion may arise or as may be deemed expedient, without precluding Landlord's simultaneous or later exercise of any or all other rights, powers or remedies. No delay or omission of Landlord in exercising any right, power or remedy arising from any default shall impair any such right, power or remedy or shall be construed to be a waiver of any such default or an acquiescence therein.

10.10. **Waiver of Notice.** Tenant expressly agrees that any notice of intention to re-enter provided in any statute or to initiate legal proceedings to that end shall run concurrently with any applicable notice period provided hereby so that any required notice period shall not be longer than the longer of such statutory notice or notice required under this Lease. Tenant waives, for and on behalf of itself and all persons and parties claiming through or under it (other than any Leasehold Mortgagee), any and all right of redemption provided by any law or now in force or hereafter enacted or otherwise, for re-entry or repossession, or to restore the operation of this Lease, in case Tenant shall be dispossessed by a judgment or by warrant of any court or judge, or

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in case of re-entry or repossession by Landlord, or in case of any expiration or termination of this Lease.

10.11. **Suits for Damages.** Suits for damages or deficiencies, or for a sum equal to any installments of Rent, Impositions and other charges and payments hereunder shall be subject to the provisions of Article 18.

10.12. **Bankruptcy.** Nothing in this Article contained shall limit or prejudice the right of Landlord to prove and obtain as damages in any bankruptcy, insolvency, receivership, reorganization or dissolution proceeding an amount equal to the maximum allowed by any statute or rule of law governing such proceeding and in effect at the time when such damages are to be proved, whether or not such amount be greater, equal to or less than the amount of the damages referred to any of the preceding Sections.

10.13. **Leasehold Mortgagee's Rights.** Notwithstanding the remedies afforded to Landlord under this Article 10, such remedies shall be subject to and subordinate to the Leasehold Mortgagees' rights granted herein.

10.14. **Investor's Rights in the Event of Tenant Default.** The following provisions shall apply for so long as Investor is a member of Tenant and Tenant owns any of the dwelling units in the Development:

(a) Landlord shall give Investor a duplicate copy of all notices of default or other notices that Landlord may give to or serve in writing upon Tenant pursuant to the terms of this Lease. No notice by Landlord to Tenant under this Lease shall be effective unless or until a copy of such notice has been provided to Investor.

(b) Investor may, at its option and during the time specified for Tenant to cure any default hereunder, either pay any amount or do any act or thing required of Tenant by the terms of this Lease. All payments made and all acts performed by Investor during the cure period shall be effective to prevent a termination of this Lease to the same extent as if they had been performed by Tenant. Tenant hereby authorizes Investor to take any such action at the Investor's option and does hereby authorize entry upon the Property by Investor for such purpose.

(c) In addition to all other rights of Investor hereunder, Investor's commencement of proceedings to exercise its Removal Right shall be deemed initiation of a cure for purposes of Sections 10.01 and 10.14 provided that each of the following conditions is satisfied:

- (i) the default is one which cannot be cured only by payment of money;
- (ii) in the reasonable opinion of Investor, removal of the Managing Member is necessary;
- (iii) Investor notifies Landlord within 30 days following receipt of Landlord's default notice of Investor's intention to exercise the Removal Right and does in fact perform all required activity pursuant thereto; and

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- (iv) Investor performing all other good faith commercially reasonable activity necessary to cure the default.

ARTICLE 11

Additional Rights and Remedies of Landlord

11.01. **Performance by Landlord.** If Tenant shall at any time fail to make any payment or perform any act to be made or performed by Tenant under this Lease and such failure continues beyond the cure period, if any, applicable thereto under this Lease, and provided that no Leasehold Mortgagee or Investor has cured such failure within the time period provided herein for such cure (provided, in the latter case, that any notice of default required by the terms of this Lease to be given to such the Leasehold Mortgagee or Investor by Landlord has been given), Landlord may, at its option (but shall not be required to), make any such payment or perform any such act, and for such purpose Landlord may enter upon the Property and take all actions thereon as may be deemed by Landlord necessary or desirable therefor. Any amount paid or incurred by Landlord in effecting or attempting to cure such failure shall be Additional Rent due from Tenant to Landlord, and shall be payable by Tenant upon demand.

11.02. **Tenant to Provide Indemnification.**

(a) Unless arising from Landlord's negligent act or intentional misconduct or a breach of Landlord's obligations under this Lease or until Landlord shall have re-entered the Property upon expiration or termination of this Lease, Tenant agrees to indemnify, defend and save Landlord's Protected Persons harmless against and from all liabilities, claims, suits, fines, penalties, damages, losses, charges, costs, expenses and fees (including reasonable attorney's fees) which may be imposed upon, incurred by or asserted against Landlord's Protected Persons by reason of any of the following occurring during the Term:

(i) any use, non-use, possession, occupation, condition (other than Excluded Environmental Conditions, the responsibility for which shall be determined under applicable law), operation, repair, maintenance or management of the Property, or any part thereof, or any occurrence of any of the same;

(ii) any act or omission on the part of Tenant or any subtenant, licensee or invitee, or any of its or their agents, contractors, servants, employees, licensees or invitees relating to the Property or this Lease;

(iii) any accident, injury (including death) or damage, regardless of the cause thereof, to any person or property occurring in, on or about the Property or any part thereof;

(iv) any contest permitted pursuant to the provisions of Section 4.03 or 6.06;

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(v) any litigation or proceeding related to the Property or this Lease to which Landlord becomes or is made a party without fault on its part, whether commenced by or against Tenant; and

(vi) which may be incurred by Landlord in enforcing any of the covenants, agreements, terms and conditions of this Lease (provided Landlord prevails in the enforcement proceeding).

The obligations of Tenant under this Section 11.02(a) do not apply to Excluded Environmental Conditions.

(b) As to claims for which Tenant does not receive timely notice, there shall be no obligation of Tenant to indemnify.

Tenant's obligations under this Section 11.02 shall survive the expiration or termination of this Lease.

11.03. **Excluded Environmental Conditions.** All liability and responsibility with respect to Excluded Environmental Conditions shall be determined pursuant to applicable federal, state or local law.

ARTICLE 12

Eminent Domain

12.01. **Total Taking.** Subject to Section 12.05, if, during the Term of this Lease, the entire Property or Tenant Property, or such substantial portion of the Property or Tenant Property as shall in the reasonable good faith judgment of Tenant, subject to the approval of the First Leasehold Mortgagee, which shall not be unreasonably withheld, make it economically unfeasible to continue to operate the remaining portion for the purposes herein stated, shall be taken by the exercise of the power of eminent domain, this Lease shall terminate on the date of vesting of title in the condemnor under such eminent domain proceedings, and all Rent and other sums payable by Tenant hereunder shall be prorated to the date of such vesting, and thereafter Tenant shall be relieved of all obligations to pay the Rent and to otherwise perform its agreements, obligations and undertakings under this Lease except those that expressly survive the termination of this Lease. The award granted with respect to such eminent domain proceedings shall be divided between Landlord, Tenant and any Leasehold Mortgagees in the following order:

(a) to the First Leasehold Mortgagee, an amount sufficient to obtain the release and satisfaction of the First Leasehold Mortgage;

(b) to any and all other Leasehold Mortgagees, as their interests appear, an amount sufficient to obtain a release and satisfaction of the Leasehold Mortgages, with payment being made in full to such Leasehold Mortgagees according to the priorities of their Leasehold Mortgages;

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(c) to Tenant, an amount equal to the sum of: (y) the greater of: (1) the fair market value of the Improvements and the fair market value of the unexpired Leasehold Estate, reduced by the amount, if any, paid under the preceding Clauses (a) and (b); and (2) the replacement cost of the Improvements and the fair market value of the unexpired Leasehold Estate, reduced by the amount, if any, paid under the preceding Clauses (a) and (b); plus (z) the value of any low-income housing tax credits recaptured or not available in future years as a result of such taking; and

(d) the balance, if any, shall be paid to Landlord.

If this Lease is terminated under this Section, then Tenant shall, if so directed by Landlord, demolish and/or remove any damaged Improvements on any remaining Property at the sole cost and expense of Tenant provided that all condemnation proceeds allocable to the Tenant Property remaining after satisfaction of the indebtedness secured by any Leasehold Mortgages shall be available to Tenant. The obligation under this Lease to demolish and/or remove Improvements under the foregoing sentence shall not apply to any Leasehold Mortgagee that succeeds to Tenant's interest under this Lease through foreclosure of its Leasehold Mortgage or deed-in-lieu thereof.

12.02. Partial Taking.

(a) If, during the Term, less than the entire Property or Tenant Property shall be taken by the exercise of the power of eminent domain, and, in the reasonable judgment of the First Leasehold Mortgagee, condemnation proceeds attributable to Tenant's interest in the Property are sufficient to restore that portion of the Property remaining after the taking so as to be not materially different from the value, condition and character of the Property prior to such taking, this Lease shall not terminate but shall continue in full force and effect for the remainder of the Term, subject to the provisions of this Section 12.02. The amount of damages resulting to Landlord and Tenant, respectively, and to their respective interests in the Property and in, to and under this Lease, by reason of such exercise and partial taking under such eminent domain proceedings shall be separately determined and computed by the court having jurisdiction of such proceedings, and separate awards and judgments with respect to such damages to Landlord and Tenant shall be made and entered, and said awards shall, subject to Section 12.05, be paid to Landlord and Tenant, respectively, in accordance therewith; provided, however, that Tenant shall receive that portion of the award made as consequential damages to the Improvements located on the remaining portion of the Property and Tenant, at its expense, shall forthwith restore the remaining portion of the Improvements to substantially the same value, condition and character as existed prior to such taking (to the extent such restoration is possible, taking into account the extent to which a portion of the Improvements have been removed as a result of the taking), using such part of the award received by Tenant in said eminent domain proceeds as may be necessary therefor and, if the amount of such award is not sufficient, Landlord shall make its portion of the award available for such restoration. If Tenant is obligated to restore the Property, the proceeds of the award shall be deposited in the Restoration Escrow and disbursed to pay the costs of such restoration. If the sum of such awards is not sufficient, Tenant shall have the right, but not the obligation, to provide the additional funds required.

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(b) If the First Leasehold Mortgagee reasonably determines that condemnation proceeds are insufficient to restore that portion of the Property remaining after the taking so as to be not materially different than the value, condition and character of the Property prior to such taking, and neither Tenant nor any Leasehold Mortgagee deposits into the Restoration Escrow the additional funds necessary to satisfy such deficiency within ninety (90) days after the condemnation award, and Landlord makes no commitment to provide additional funds within such ninety (90) days and deposits into the Restoration Escrow the additional funds necessary to satisfy such deficiency within one hundred twenty (120) days after the condemnation award, then the condemnation proceeds shall be applied as set forth in Section 12.01 and the requirements of Section 8.05 shall apply.

12.03. **Temporary Taking.** In the event of a taking for a temporary use, this Lease and the Term shall continue and the Rent thereafter due and payable shall be equitably reduced or abated. Tenant shall continue to perform and observe all of the other covenants, agreements, terms and conditions of this Lease. The entire amount of any proceeds with respect to such temporary taking shall be paid to Tenant.

12.04. **Other Governmental Action.** In the case of any governmental action not resulting in the taking of any portion of the Property or Tenant Property but creating a right to compensation therefor, this Lease shall continue in full force and effect without reduction or abatement of any Rent thereafter due and payable. If such governmental action results in any damage to the Improvements, Tenant shall be entitled to receive such portion of the proceeds (or all of the proceeds, if required for such purpose) estimated to be necessary to remedy any such damage and to compensate for the loss of low-income housing tax credits, and Tenant shall proceed with reasonable diligence to make all repairs, replacements, restorations and improvements necessary so as to remedy such damage to the extent economically feasible, and, if the amount of such proceeds is not sufficient, Tenant shall have the right, but not the obligation, to provide the additional funds required. Any balance remaining from such proceeds, or if no damage is involved then all of such proceeds, shall be divided between Landlord and Tenant as their respective interests may appear.

12.05. **Leasehold Mortgagees.** The rights granted to Landlord, Tenant and HUD under this Article 12 shall be subject to the rights and interests of the Leasehold Mortgagees under their respective Leasehold Mortgages (except as provided in Section 12.02(b)).

12.06. **Mixed Finance Amendment Provision Controls.** Notwithstanding the foregoing provisions of this Article 12, if any provision of this Article 12 conflicts with Section 11 of the Mixed Finance ACC Amendment during the Public Housing Use Period, then the provisions of Section 11 of the Mixed Finance Amendment will control.

ARTICLE 13

Estoppel Certificates

Upon written request by either party or any Leasehold Mortgagee, the party to whom the request was made will promptly certify to the requesting Person, or to any proposed assignee or

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grantee or mortgagee or trustee under deed of trust or trust deed or the proposed assignee of such mortgagee, deed of trust or trust deed, whether or not this Lease is valid and subsisting, whether or not it has been modified (and if there are modifications, stating them) and whether or not the party executing the certificate has knowledge of any default or breach by the other party under any of the terms of this Lease (and if any exists, stating them). If the party to whom a written request is directed under the preceding sentence shall fail to furnish the requested certificate within twenty (20) days after the receipt of such request, then by such failure such party shall be deemed to have certified to the requesting Person and to any proposed assignee or grantee or mortgagee or trustee under a deed of trust or trust deed, that this Lease is valid and subsisting, that there have been no modifications to this Lease, and that there are no known defaults or breaches by the other party under the terms of this Lease. Upon the issuance of a certificate of occupancy for the Development by the City in its municipal capacity following completion of the construction of the Improvements, Landlord shall give to Tenant an estoppel certificate (in recordable form) certifying all obligations set forth in Section 5.01 have been satisfied, and Tenant shall cause such certificate to be recorded.

ARTICLE 14

Surrender at End of Term: Title to Improvements

14.01. **Surrender at End of Term.** Upon the expiration of the Term, all Improvements then on the Land shall, together with all fixtures, equipment and other personal property owned by Tenant and used in connection with the operation of the Development, shall become the property of Landlord without any payment or allowance whatever by Landlord on account of or for such Improvements, fixtures, equipment and personal property, whether or not the same or any part thereof shall have been constructed by, paid for, or purchased by Tenant. Tenant shall vacate and surrender possession of the Tenant Property to Landlord without delay, free and clear of all lettings, occupancies, and licenses, and free and clear of all liens, claims, encumbrances and security interests other than: (a) the Permitted Exceptions; (b) the Declaration of Restrictive Covenants; (c) the rights of tenants in possession under leases (which shall expire not later than one (1) year after the end of the Term); (d) those, if any, created by Landlord; and (e) those related to Excluded Environmental Conditions. Tenant agrees to execute and deliver to Landlord such quit claim deeds, bills of sale, assignments or other instruments of conveyance as Landlord may reasonably deem necessary to evidence such transfer of title to Landlord. Tenant hereby waives any notice now or hereafter required by law with respect to vacating the Property at any such termination date.

14.02. **Title to Improvements.** Landlord acknowledges and agrees that throughout the Term and until expiration or earlier termination of this Lease, title to all Improvements shall be in Tenant's name and that Tenant has, and shall be entitled to, all rights and privileges of ownership of such Improvements, including without limitation: (a) the right to claim depreciation or cost recovery deductions; (b) the right to claim the low-income housing tax credit described in Section 42 of the Code; (c) the right to amortize capital costs and to claim any other federal or state tax benefits attributable to the Tenant Property; and (d) the right to transfer such Improvements in accordance with the terms of this Lease; provided, however, that Tenant may not remove or substantially alter any of the Improvements (other than the disposition and replacement of equipment, appliances and other personal property in the ordinary course of

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business or in connection with the performance of its obligations under Section 6.04) without having first obtained the prior written consent of Landlord, which shall not be unreasonably withheld or delayed.

ARTICLE 15

Other Landlord Obligations; Landlord Defaults

15.01. **Use as Public Housing.** Landlord and Tenant acknowledge and agree that 52 of the dwelling units comprising the Development are being developed, constructed, owned, operated and managed, in part, to carry out certain of the programs, services and other requirements consistent with All Applicable Public Housing Requirements, as more particularly provided in the Regulatory and Operating Agreement for so long as the Regulatory and Operating Agreement is in force and effect. Tenant and Landlord shall enter into any restrictive covenants regulating the use, occupancy and disposition of portions of the Tenant Property as may be necessary to carry out such intents and purposes of All Applicable Public Housing Requirements during the term of the Regulatory and Operating Agreement.

15.02. **Regulatory and Operating Agreement.** Tenant is hereby authorized to enter into with Landlord a Regulatory and Operating Agreement for certain of the dwelling units in the Development, which shall be leased by Tenant to CHA Tenants. A material default by Landlord, or an Affiliate of Landlord, under the Regulatory and Operating Agreement that is not cured prior to the expiration of the applicable cure period, if any, provided therein, shall not constitute a default by Landlord under this Lease, but shall entitle Tenant to the right of offset, counterclaim and other legal or equitable defenses in regard to this Lease, in addition to all other rights and remedies as may be available to Tenant hereunder.

15.03. **Landlord's Default.** Each of the following events shall be an event of default by Landlord under this Lease:

- (a) Landlord's failure to lease by this Lease the Land; or
- (b) Landlord's failure to perform any other term or provision to be performed by Landlord under this Lease, not otherwise described in Subsection (a) hereof, and such failure shall continue beyond sixty (60) days after written notice received by Landlord from Tenant specifying such event of default; provided, however, that if Landlord in good faith commences within said 60-day period and thereafter diligently prosecutes all actions required to cure such default, Landlord shall be allowed a reasonable period to effect such cure.

Upon an event of default by Landlord hereunder, Tenant shall have all of the rights and remedies afforded at law or in equity.

15.04. **Injunctive Relief.** Upon any event of default by Landlord, Tenant shall, in addition to any other remedies available to Tenant at law or in equity, be entitled to enjoin such breach or threatened breach, and shall have the right of specific performance, it being the agreement of the parties hereto that in certain circumstances of Landlord's event of default,

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Tenant's remedies at law may be inadequate to afford it the practical realization of the agreements herein made by the parties.

15.05. **Remedies Not Exclusive.** No right, power or remedy conferred upon or reserved to Tenant under this Lease, or under law, shall be considered exclusive of any other right, power or remedy, but such rights, powers and remedies shall be cumulative and shall be in addition to every other right, power and remedy given hereunder, or now or hereafter existing at law or in equity, or by statute. Every right, power and remedy given by this Lease may be exercised from time to time and as often as occasion may arise or may be deemed expedient, without precluding Tenant's simultaneous or later exercise of any or all other rights, powers or remedies. No delay or omission of Tenant to exercise any right, power or remedy arising from Landlord's event of default shall impair any such right, power or remedy or shall be construed to be a waiver of any such default or an acquiescence therein.

15.06. **Waivers in Writing.** None of Landlord's covenants, agreements, obligations or undertakings, and no events of default of Landlord may be waived, altered, or modified except by a written instrument executed by Tenant, all Leasehold Mortgagees and HUD.

15.07. **Landlord's Representations.** Landlord hereby represents and warrants to Tenant that:

(a) the entry by Landlord into this Lease with Tenant, and the performance by Landlord of all of the terms and conditions contained herein will not, or with the giving of notice or the passage of time, or both, would not, violate or cause a breach or default under any other agreement relating to the Property to which Landlord is a party or by which it is bound;

(b) as of the Commencement Date, there is no tenant or other occupant of the Property having any right or claim to possession or use of the Property other than public or quasi-public utilities; and

(c) as of the Commencement Date, there are no special assessments of which Landlord has received notice for sewer, sidewalk, water, paving, gas electrical, or utility improvements or other capital expenditures, matured or unmatured, affecting the Property.

ARTICLE 16

Notices

All notices or demands under this Lease shall be in writing and shall be served and given by personal delivery or by certified mail, return receipt requested, or by nationally-recognized overnight courier, addressed (i) if to Landlord, to such person and at such address as Landlord may by notice in writing designate to Tenant, and in the absence of such designation, to Chicago Housing Authority, 60 East Van Buren St., 12th Floor, Chicago, Illinois 60605, Attention: Chief Executive Officer, with a copy to Chicago Housing Authority, 60 East Van Buren St., 12th Floor, Chicago, Illinois 60605, Attention: General Counsel, and (ii) if to Tenant to the address designated by Tenant in writing to Landlord, and in the absence of any such designation then:

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If to Tenant:

Legends C-2, LLC
c/o Brinshore Development, L.L.C.
666 Dundee Road – Suite 1102
Northbrook, Illinois 60062
Facsimile: 847-562-9401
Attention: David Brint

and

c/o The Michaels Development Company, Inc.
One East Stow Road
Marlton, New Jersey 08053
Attention: President

and

c/o The Michaels Development Company, Inc.
322 S. Green Street, Suite 212
Chicago, Illinois 60607
Attention: Whitney Weller

With a copy to:

Applegate & Thorne-Thomsen, P.C.
322 South Green Street
Suite 400
Chicago, Illinois 60607
Attention: Bennett P. Applegate

and

Levine, Staller, Skar, Chan, Brown & Donnelly
3030 Atlantic Avenue
Atlantic City, New Jersey 08401
Attention: Arthur M. Brown

If to First Leasehold Mortgagee, to:

JPMorgan Chase Bank, N.A.
c/o Community Development Group
999 Broad Street
Bridgeport, Connecticut 06604
Attn: David S. Watson, Vice President

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With a copy to:

JPMorgan Chase Bank, N.A.
Legal Department
270 Park Avenue, 39th Floor
New York, New York 10017
Attn: Michael R. Zients, Vice President
and Assistant General Counsel

If to HUD, to:

United States Department of Housing
and Urban Development
77 West Jackson Blvd., 26th Floor
Chicago, Illinois 60604
Attention: Regional Counsel

U.S. Department of Housing
and Urban Development
451 Seventh Street, S.W.
Washington, D.C. 20410
Attention: Assistant Secretary of Public and Indian Housing

In addition, concurrently with the giving of any written notice or demand by Landlord to Tenant, or by Tenant to Landlord, Landlord or Tenant, as the case may be, shall furnish a copy of such written notice to HUD (if any Leasehold Mortgage is then insured by HUD) as follows and to any Leasehold Mortgagee, including the Leasehold Mortgagees listed on Exhibit C, to Investor if Investor is entitled to such notice pursuant to Section 10.14 (Investor's address for notices is set forth in the definition of "Investor" in Article 2), and to any other party listed on Exhibit C:

United States Department of Housing and Urban Development
77 West Jackson Boulevard, 26th Floor
Chicago, Illinois 60604
Attention: Regional Counsel
HUD Project No. IL-06P **802243**

with a copy to:

United States Department of Housing and Urban Development
77 West Jackson Boulevard, 24th Floor
Chicago, Illinois 60604
Attention: Director of Public Housing
HUD Project No. IL-06P **802243**

By written notice served in the foregoing manner, any party entitled to receive notices shall have the right to designate another person and another address to which notices and demands shall thereafter be sent. Each such notice or demand shall be deemed served, given and received when

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received or, when given by mail, shall be deemed served, given and received on the third business day after the mailing thereof.

ARTICLE 17

Miscellaneous

17.01. **Covenants Running With Land.** All terms, provisions, conditions, covenants, agreements, obligations and undertakings contained in this Lease shall, except as herein specifically limited or otherwise provided, extend and inure to be binding upon Landlord's successors and assigns and Tenant's successors and permitted assigns, as if such successors and assigns were in each case specifically named, and shall be construed as covenants running with the land. Wherever reference is made in this Lease to either party, it shall be held to include and apply to such successors and assigns.

17.02. **Amendments in Writing.** In no event shall this Lease or any terms, provisions or conditions hereof be deemed to be amended, modified or changed in any manner whatsoever, except and unless set forth and provided for in writing executed by Landlord and Tenant, and consented to in writing by any Leasehold Mortgagee and by HUD.

17.03. **Quiet Possession.** Landlord represents and warrants that it has full right and power to execute and perform this Lease and to convey the rights and interest demised hereby. Landlord agrees that during the Term and so long as no Event of Default exists and is continuing hereunder, Tenant shall and may peaceably and quietly have, hold and enjoy the Land demised hereby, subject to the Permitted Exceptions, without molestation or disturbance by or from Landlord or any party claiming by, through or under Landlord, and free of any encumbrance created or suffered by Landlord except those expressly described herein to which this Lease is made subject and subordinate.

17.04. **Time of Essence.** Time is of essence of this Lease and of the performance of the respective obligations, covenants and agreements of Landlord and Tenant hereunder. If the day for the performance of any obligation hereunder occurs on a calendar day other than a business day, the time for such performance shall be extended to the next business day.

17.05. **Approvals.** All approvals or consents required under the provisions hereof shall be in writing. Unless herein expressly otherwise provided, any approval or consent of Landlord shall be sufficiently given if signed by Landlord's Chief Executive Officer. Tenant acknowledges and agrees that, in exercising any discretion granted to Landlord under this Lease, Landlord must take into account All Applicable Public Housing Requirements and its obligation to provide "public housing" under the Housing Act.

17.06. **Condition of Property.** Except as otherwise set forth herein, Landlord has made no warranties or representations whatever with respect to the Land and, except for Excluded Environmental Conditions (for which responsibility shall be determined under applicable law), Tenant accepts the Land "as is"; provided, however, that the foregoing shall not affect the obligations, if any, of Landlord under this Lease with respect to matters of title to the Land and

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liens arising out of labor and/or materials furnished to the Land, or any portion thereof, by or on behalf of Landlord.

17.07. **Captions.** The table of contents and captions of this Lease are for convenience of reference only and in no way define, limit or describe the scope or intent of this Lease nor in any way affect this Lease.

17.08. **Partial Invalidity.** If any term, provision or condition of this Lease or its application to any Person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease and the application of such term, provision or condition to Persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each term, provision and condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

17.09. **Applicable Law.** This Lease shall be construed and enforced in accordance with the law of the State of Illinois.

17.10. **Recording of Lease.** This Lease shall be recorded in its entirety with the Cook County Recorder of Deeds.

17.11. **Lease Not to be Construed Against Either Party.** The parties have each been represented by counsel in connection with the negotiation and drafting of this Lease. Accordingly, this Lease shall not be construed against or for either party.

17.12. **Cooperation.** Landlord and Tenant agree that they will cooperate with one another in all respects in furtherance of the Development. From time to time, Tenant may request modifications to this Lease to satisfy the requirements of financing sources, including without limitation government agencies and private lenders and equity sources. Landlord will use all reasonable efforts to accommodate such requests and will not unreasonably withhold or delay its approval and execution of modifications to this Lease that do not materially and adversely alter the basic terms hereof or Landlord's rights hereunder. Nothing herein shall impose upon Landlord any requirement to approve any modification or amendment to this Lease that would violate or contravene any applicable law (including All Applicable Public Housing Requirements) or any contract or agreement to which Landlord is a party or which is binding on Landlord. Landlord agrees that it will, upon request of Tenant, from time to time, enter into an amended and restated lease combining into one document the entire Lease and all modifications and amendments theretofore entered into. Tenant shall pay, or reimburse Landlord upon demand, for all reasonable out of pocket expenses incurred by Landlord in connection with any such modification or amendment.

17.13. **Landlord Bankruptcy:** Tenant shall not, without the prior written consent of the First Leasehold Mortgagee, elect to treat the Lease as terminated under Section 365(h) or any other applicable provision of the Bankruptcy Code. Any such election made without the First Leasehold Mortgagee's prior written consent shall be void.

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ARTICLE 18

Exculpatory Provisions

18.01. **Exculpatory Provision – Landlord.** It is expressly understood and agreed by Tenant that none of Landlord's covenants, undertakings or agreements herein set forth are made or intended as personal covenants, undertakings or agreements of Landlord, but are for the purpose of binding the premises demised hereby, and liability or damage for breach for nonperformance by Landlord shall be collectible only out of the Land demised hereby and no personal liability is assumed by nor at any time may be asserted or enforced against Landlord or any other Landlord's Protected Persons or any of its or their heirs, legal representatives, successors or assigns, all such personal liability, if any, being expressly waived and released by Tenant. Nothing contained in this Section 18.01, however, shall in any way or manner limit the full recourse of Tenant against Landlord under the Regulatory and Operating Agreement or any other Public Housing Use Agreement, or under any non-monetary remedy granted Tenant in Section 15.04. This Section 18.01 shall not apply to HUD at any time HUD is the Tenant under this Lease.

18.02. **Exculpatory Provision – Tenant.** Tenant, but not any partner, officer, director, shareholder, member or manager of Tenant, nor any employee or agent of any of the foregoing, shall be personally liable for payment or performance under this Lease, it being acknowledged that Landlord's exclusive rights and remedies hereunder shall be limited to Tenant's interest in this Lease and the Improvements and any other asset of Tenant and, to the extent provided for in Section 10.2, for the termination of this Lease and re entry and possession of the Property. No deficiency judgment shall be sought or obtained against Tenant or any partner, officer, director, shareholder, member or manager of Tenant, nor any employee or agent of any of the foregoing (collectively, "Exculpated Parties") for any amount due under this Lease; provided, however, that, except as hereinafter provided in this Section 18.02, nothing contained herein shall either relieve the Exculpated Parties from personal liability and responsibility, or limit Landlord's other rights and remedies against the Tenant hereunder, either at law or in equity: (i) for fraudulent acts; (ii) for the fair market value of any personal property or fixtures removed or disposed of from the Property in violation of the terms of this Lease; (iii) for waste committed by Tenant with respect to the Property other than waste resulting from the failure of Landlord to make any payment due under the Regulatory and Operating Agreement or any other Public Housing Use Agreement; (iv) for insurance proceeds and condemnation awards received by Tenant and not turned over to Landlord or used by Tenant for restoration or repair of the Property to the extent required under this Lease; and (v) for any rents or other income from the Tenant Property received by Tenant after an Event of Default under this Lease and not applied to the fixed and operating expenses of the Development. Notwithstanding the preceding sentence, if Tenant is a limited partnership, the liability of a limited partner of Tenant shall be limited to the extent provided in the Revised Uniform Limited Partnership Act (805 ILCS 210), or any successor thereto.

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ARTICLE 19

[Intentionally Omitted.]

ARTICLE 20

[Intentionally Omitted.]

ARTICLE 21

Regulatory Agreements

21.01. **Regulatory Agreements.** Concurrently herewith, Tenant has entered into those agreements described in Exhibit E (collectively, the "Regulatory Agreements") relating to the operation of the Development. Notwithstanding any other provision of this Lease, Landlord agrees that (i) in the event that Landlord acts to perform any covenants of Tenant under this Lease pursuant to Section 11.01, it will not take any action inconsistent with the obligations of Tenant under the Regulatory Agreements, and (ii) in the event that Landlord terminates this Lease pursuant to Section 10.02, Landlord will operate (and cause any assignee, lessee or purchaser of the Improvements to operate) the Improvements in a manner consistent with the terms of the Regulatory Agreements if such Regulatory Agreements are then extant pursuant to their terms. The provisions of this Section 21.01 shall survive any termination of this Lease. Nothing in this Section 21.01 shall be deemed to extend the provisions of the Regulatory Agreements beyond their stated terms or to impose greater obligations upon Landlord (or any assignee, lessee or purchaser of the Improvements) under the Regulatory Agreements than are imposed by such documents in accordance with their stated terms.

ARTICLE 22

Hazardous Materials

22.01. **Compliance with Environmental Laws.** During the entire Term of this Lease, Tenant shall comply with all Environmental Laws applicable to Tenant's ownership and operation of the Property, including without limitation any NFR Letters. Tenant shall not permit the Property, or any portion thereof, to contain, be used to store or otherwise used to generate, treat or handle in any manner Hazardous Substances, except as permitted under an NFR Letter and except for products stored in permitted containers or locations and in quantities normally associated with household maintenance uses permitted to be conducted on the Premises, including interior and exterior maintenance and cleaning and, in those instances, the Hazardous Substances shall be stored, generated, disposed of, managed or used in compliance with all applicable Environmental Laws. Tenant acknowledges that its compliance shall include, by way of illustration and not by way of limitation, the completion and timely filing of all reports and statements required pursuant to any applicable Environmental Laws and the payment of all charges, fees and costs that may be assessed or imposed from time to time in connection therewith; and the timely disclosure to Landlord upon request of any information required pursuant to the Illinois Environmental Protection Act, as may be amended or replaced from time to time, in order to permit Landlord or others to make full and complete assessments, disclosures

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or filings as required pursuant to such Acts. Landlord shall not take any actions that conflict with or impair Tenant's ability to comply with its obligations set forth in this Article 22. Nothing contained in this Section 22.01 shall be deemed or construed as an assumption by Tenant of any obligations with respect to any Pre-Existing Environmental Conditions or with respect to any Excluded Environmental Condition.

22.02. Environmental Tests and Remediation.

(a) Except as provided in Section 22.02(b) hereof, neither Tenant nor any Leasehold Mortgagee, nor any agent, representative or designee of either, may conduct environmental inspections or tests on the Mortgaged Property or any portion thereof without the prior written consent of Landlord, which shall not be unreasonably withheld.

(b) Upon the occurrence of an Environmental Event (other than an Excluded Environmental Event), Tenant or any Leasehold Mortgagee (to the extent permitted by its Leasehold Mortgage) may conduct environmental inspections or tests on the Property, or any portion thereof, without Landlord's prior consent provided that: (i) Landlord is given reasonable prior written notice thereof; (ii) the Tenant or Leasehold Mortgagee complies with Section 22.05 hereof; and (iii) such inspection or test is performed in compliance with all applicable Environmental Laws, NFR Letters, if any, and other applicable Requirements.

(c) Tenant or such Leasehold Mortgagee, as the case may be, shall promptly provide to Landlord the results or other information obtained in connection with any environmental inspections or tests (provided however, that no Leasehold Mortgagee shall be obligated to provide such results or other information to Tenant or any party other than Landlord). Tenant and any Leasehold Mortgagee shall treat such results and other information as confidential, and, unless disclosure is required by applicable law or court order, neither shall disclose or provide the results or other information obtained in connection with such environmental inspections or tests to any party (except to any of the following who agree to treat such results and other information as confidential: investors or potential investors, potential purchasers or assignees, lenders or potential lenders, its attorneys, its insurers, its engineers, and its contractors), without the prior written consent of Landlord, which shall not be unreasonably withheld.

(d) Before implementing any Remediation, Tenant or any Leasehold Mortgagee, as the case may be, shall obtain the prior written consent of Landlord thereto, which shall not be unreasonably withheld.

22.03. Tenant's Remediation Obligations.

(a) If any environmental assessment of the Property or any portion thereof, conducted by or on behalf of Tenant, any Leasehold Mortgagee, or any Governmental Authority discloses an Environmental Event (other than an Excluded Environmental Condition), Tenant shall, at Tenant's sole expense, as promptly as practicable in light of the nature of such Environmental Event, comply with the applicable requirements of any

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Governmental Authorities or applicable Environmental Laws with respect to such Environmental Event.

(b) Should an Environmental Event (other than an Excluded Environmental Condition) occur as a result of any intentional or unintentional act or omission on the part of Tenant or any other Person (other than Landlord or any employee or agent of Landlord), Tenant shall immediately notify Landlord thereof upon Tenant becoming aware of such Environmental Event and then as promptly as practicable, in light of the nature of such Environmental Laws and other relevant existing circumstances, complete any Remediation as required by applicable Environmental Laws and any applicable NFR Letter, provided, however, that the foregoing obligation shall not apply to any Excluded Environmental Condition.

(c) Tenant's failure to perform any Remediation required of Tenant pursuant to Sections 22.03(a) or 22.03(b) shall entitle Landlord, after expiration of the applicable notice and cure period referred to in Section 10.01(d), or such other time period as Tenant and Landlord shall agree is reasonable under the circumstances, to cause such Remediation to be conducted, and Tenant, immediately upon demand by Landlord, shall pay to Landlord all costs and expenses paid or incurred by Landlord as a result thereof. Landlord, in exercising its cure rights under Section 11.01, need not give any notice or cure period prior to commencing any Remediation that Tenant fails to perform if (i) Landlord is ordered to perform such Remediation by any Governmental Authority or (ii) there is an imminent risk of further contamination by Hazardous Substances of the Property or any other property or to the environment.

(d) Tenant shall have the right to contest, by appropriate legal or administrative proceedings, any required Remediation unless the failure of Tenant to immediately commence such Remediation would: (i) result in an imminent risk of further contamination by Hazardous Substances of the Property or any other property, or would endanger human health or the environment; or (ii) subject Landlord to any fine or penalty or to prosecution for a crime. In addition, Tenant's right to contest shall apply only if the nature of such proceedings is such that, during the pendency of such proceedings, they shall operate to prevent any portion of the Property from being condemned or vacated.

22.04. Landlord's Remediation Obligations. Landlord shall have no obligation under this Lease to Remediate, or pay the cost of any Remediation, of any Pre-Existing Environmental Condition, except that responsibility for Excluded Environmental Conditions shall be determined pursuant to applicable law.

22.05. Insurance Requirements. The Person that causes any environmental inspection or testing or any Remediation to be performed shall cause the Person performing such inspection, testing or Remediation to maintain insurance reasonably acceptable to Landlord (if performed or caused to be performed by Tenant or a Leasehold Mortgagee) or to Tenant (if performed or caused to be performed by Landlord). Such insurance shall include, at a minimum, commercial general liability insurance and professional liability insurance, both in the usual and customary forms, and shall name Landlord and Tenant as additional insureds on the commercial general liability insurance.

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ARTICLE 23

Public Housing Units

23.01. **Right of First Refusal Agreement.** Landlord and Tenant are, concurrently with the execution of this Lease, entering into a Right of First Refusal Agreement, dated December 1, 2007, with respect to the Public Housing Units. That Right of First Refusal Agreement is binding upon Tenant and each subsequent owner of a Public Housing Unit and shall survive the termination of this Lease.

ARTICLE 24

HUD-Required Provisions

24.01. **HUD-Required Provisions.** The following provisions shall be applicable during such period as the ACC and the Mixed Finance Amendment are in effect with respect to the Development or any portion thereof, and shall prevail over any other provision of this Lease:

(a) This Lease may not be amended without the prior written consent of HUD.

(b) The parties acknowledge that the proposed transfer of the site to Tenant (pursuant to this Lease), and the transfer of HOPE VI funds, public housing development and/or operating assistance from Landlord to Tenant shall not be deemed to be an assignment by Landlord of the right to receive any such funding from HUD, and Tenant shall not succeed to any rights or benefits of Landlord under the ACC, the Mixed Finance Amendment, or any HOPE VI Grant Agreement, nor shall Tenant attain any privileges, authorities, interests, or rights in or under the ACC, the Mixed Finance Amendment, or any HOPE VI Grant Agreement.

(c) The parties further acknowledge that nothing in the ACC, the Mixed Finance Amendment, any HOPE VI Grant Agreement, or any other contract or agreement between the parties shall be deemed to create a relationship of third-party beneficiary, principal and agent, limited or general partnership, joint venture, or any association or relationship involving HUD.

ARTICLE 25

AHP Loan

25.01. **Definitions.** As used in this Article, the following terms shall have the following meanings:

(a) "AHP Lender" shall mean a Federal Home Loan Member Bank, in its capacity as lender of the AHP Loan.

(b) "AHP Loan" shall mean a loan to be made by the AHP Lender to Tenant pursuant to the Affordable Housing Program.

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(c) "AHP Loan Documents" shall mean, collectively, the AHP Note, the AHP Mortgage and the other documents evidencing, governing, securing or relating to the AHP Loan.

(d) "AHP Mortgage" shall mean a mortgage granted by Tenant to the AHP Lender, securing the AHP Loan.

(e) "AHP Note" shall mean the note evidencing the AHP Loan.

25.02 AHP Loan. Tenant has applied for an AHP Loan in the principal amount of \$500,000.00, but such AHP Loan has not been approved prior to the execution and delivery of this Lease. The parties agree that the availability of the AHP Loan may be beneficial for the Development. Accordingly, provided that the following conditions are satisfied, CHA hereby consents to such AHP Loan:

(a) the terms of such AHP Loan and the form, content and execution of all of the AHP Loan Documents must be acceptable to CHA and to HUD, if required by HUD (CHA agrees that the form and content of the AHP Loan Documents will be acceptable to CHA if the AHP Loan Documents are in the form that was submitted to and approved by CHA prior to the execution and delivery of this Lease);

(b) the AHP Lender must execute and deliver to all of the parties thereto a Joinder (in form, content and execution acceptable to CHA and to HUD, if required by HUD) to the Subordination and Intercreditor Agreement among JPMorgan Chase Bank, N.A., CHA, the Receiver, the Illinois Housing Development Authority and Tenant;

(c) the Construction Loan Escrow and Disbursement Agreement shall provide, in a manner acceptable to CHA, for the deposit therein of the proceeds of such AHP Loan and the disbursement of such proceeds in a manner acceptable to CHA and to HUD, if required by HUD; and

(d) Tenant must cause the title insurer to issue an endorsement to each of CHA's loan title insurance policies (in form, content and execution acceptable to CHA and to HUD, if required by HUD) insuring that the AHP Mortgage and any other recorded AHP Loan Documents are subordinate to the CHA loan documents.

25.03 Conditions Satisfied. If the foregoing conditions are satisfied, then:

(a) Exhibit C shall be deemed to be amended to include the AHP Lender as an additional Initial Leasehold Mortgagee;

(b) the recorded AHP Loan Documents for such AHP Loan shall be deemed to be permitted Encumbrances for purposes of Exhibit D; and

(c) Tenant shall deliver to CHA copies of all of the executed AHP Loan Documents.

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[The remainder of this page is blank. Signatures appear on the following pages.]

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IN WITNESS WHEREOF, this Lease is executed as of the date first written above by the duly authorized officers or representatives of the parties hereto.

LANDLORD:

CHICAGO HOUSING AUTHORITY,
an Illinois municipal corporation

By: 
Martin H. Nesbitt
Chairman of the Board of Commissioners

TENANT:

Legends C-2, LLC,
an Illinois limited liability company

By: Legends C-2 Manager, LLC,
an Illinois limited liability company,
its managing member

By: Brinshore Holding, LLC,
an Illinois limited liability company,
a member

By: Brinshore Development, L.L.C.,
an Illinois limited liability company,
its sole member

By: Brint Development, Inc.,
an Illinois corporation,
its member

By: _____
David Brint, President

By: Michaels Chicago Holding Company, LLC,
an Illinois limited liability company,
a member

By: _____
Name: _____
Title: _____

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IN WITNESS WHEREOF, this Lease is executed as of the date first written above by the duly authorized officers or representatives of the parties hereto.

LANDLORD:

CHICAGO HOUSING AUTHORITY,
an Illinois municipal corporation

By:

Martia H. Nesbitt
Chairman of the Board of Commissioners

TENANT:

Legends C-2, LLC,
an Illinois limited liability company

By: Legends C-2 Manager, LLC,
an Illinois limited liability company,
its managing member

By: Brinshore Holding, LLC,
an Illinois limited liability company,
a member

By: Brinshore Development, L.L.C.,
an Illinois limited liability company,
its sole member

By: Brint Development, Inc.,
an Illinois corporation,
its member

By: _____
David Brint, President

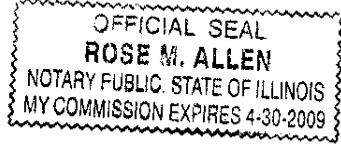
By: Michaels Chicago Holding Company, LLC,
an Illinois limited liability company,
a member

By: _____
Name: John O'Donnell
Title: VICE PRESIDENT

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STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

This instrument was acknowledged before me on December 4, 2007, by Martin H. Nesbitt, as Chairman of the Board of Commissioners of the Chicago Housing Authority.



Rose M. Allen
Notary Public

State of Illinois)
) SS
County of _____)

This instrument was acknowledged before me on _____, 2007, by David Brint, as President of Brint Development, Inc., in its capacity as member of Brinshore Development, L.L.C., in its capacity as sole member of Brinshore Holding, LLC, in its capacity as member of Legends C-2 Manager, LLC, in its capacity as managing member of Legends C-2, LLC.

Notary Public

State of Illinois)
) SS
County of _____)

This instrument was acknowledged before me on _____, 2007, by _____, as _____ of Michaels Chicago Holding Company, LLC, in its capacity as member of Legends C-2 Manager, LLC, in its capacity as managing member of Legends C-2, LLC.

My commission expires: _____

UNOFFICIAL COPY

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

This instrument was acknowledged before me on _____, 2007, by Martin H. Nesbitt, as Chairman of the Board of Commissioners of the Chicago Housing Authority.

Notary Public

State of Illinois)
) SS
County of Cook)

This instrument was acknowledged before me on December 5, 2007, by David Brint, as President of Brint Development, Inc., in its capacity as member of Brinshore Development, L.L.C., in its capacity as sole member of Brinshore Holding, LLC, in its capacity as member of Legends C-2 Manager, LLC, in its capacity as managing member of Legends C-2, LLC.

Lynnda Brosseau

Notary Public

State of New Jersey)
) SS
County of Burlington)

This instrument was acknowledged before me on Dec 3, 2007, by John O'Donnell, as VICE PRESIDENT of Michael's Chicago Holding Company, LLC, in its capacity as member of Legends C-2 Manager, LLC, in its capacity as managing member of Legends C-2, LLC.

Catherine A. Freas

My commission expires: _____

CATHERINE A. FREAS
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 6/30/2010

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RIDER TO GROUND LEASE

THIS RIDER is attached to and made a part of that certain Ground Lease, dated December 1, 2007 (the "Lease"), by and between Chicago Housing Authority ("Landlord"), and Legends C-2, LLC ("Tenant"). All of the capitalized terms used in this Rider that are not defined herein shall have the same meanings as defined in the Lease. In the event of a conflict, inconsistency or ambiguity between the provisions contained in the Lease and this Rider, the provisions of this Rider shall prevail.

R-1 The Development to be constructed by Tenant (and any Successor Tenant) on the Land consists of a total of 118 Units in 21 Buildings, with a management office, parking and other facilities and Improvements, as more particularly described on the Plans and Specifications. The number of Units in each type of Building and the number of each size (i.e. number of bedrooms) of Units in each type of Building and the number of each type of Building in the Development are as follows:

See attached.

R-2 Tenant (and any Successor Tenant) shall construct the Development in substantial accordance with the Plans and Specifications.

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EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

Tract 1:

Lots 1 through 7, both inclusive, in Legends Wabash (a resubdivision of the south 40 feet of Lot 2 and Lots 3, 4, 5, 6, 7, and 8 (except that part taken for the widening of Wabash Avenue) in Block 10 of Pryor and Hopkins Subdivision of the West ½ of the Northwest ¼ of Section 3, Township 38 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois), according to the plat thereof, recorded November 14, 2007 as document number 0731803070, in Cook County, Illinois.

PINs:

20-03-118-012	20-03-118-016	20-03-118-022
20-03-118-013	20-03-118-019	20-03-118-023
20-03-118-014	20-03-118-020	20-03-118-024
20-03-118-015	20-03-118-021	20-03-118-033

Commonly known as the following addresses, all in Chicago, Illinois:

4206 S. Wabash Ave.	4226 S. Wabash Ave.
4208 S. Wabash Ave.	4228 S. Wabash Ave.
4210 S. Wabash Ave.	4230 S. Wabash Ave.
4216 S. Wabash Ave.	4236 S. Wabash Ave.
4220 S. Wabash Ave.	

Tract 2:

Lots 1 through 9, both inclusive, in Legends 4100 Prairie (a resubdivision of Lots 1 through 13, both inclusive, in Owner's Subdivision of Lots 13 through 24, both inclusive, in Andrew's Subdivision of the Northwest ¼ of the Southeast ¼ of the Northwest ¼ of Section 3, Township 38 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois), according to the plat thereof, recorded November 14, 2007 as document number 0731803069, in Cook County, Illinois.

PINs:

20-03-115-019	20-03-115-022	20-03-115-029
20-03-115-020	20-03-115-023	20-03-115-032
20-03-115-021	20-03-115-026	20-03-115-033
20-03-115-034		

Commonly known as the following addresses, all in Chicago, Illinois:

223 E. 41st Street	4118 S. Prairie Ave	4134 S. Prairie Ave.
225 E. 41st Street	4120 S. Prairie Ave.	4136 S. Prairie Ave.
4108 S. Prairie Ave	4122 S. Prairie Ave.	4142 S. Prairie Ave.
4112 S. Prairie Ave	4128 S. Prairie Ave.	4148 S. Prairie Ave.
4116 S. Prairie Ave	4132 S. Prairie Ave.	

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Tract 3:

Lots 1, 2, 3 and 4 in Legends Indiana (a resubdivision of Lots 1 through 5, both inclusive, in Block 1 of Pryor and Hopkins Subdivision of the West ½ of the Northwest ¼ of Section 3, Township 38 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois), according to the plat thereof, recorded November 14, 2007 as document number 0731803068, in Cook County, Illinois.

PINs:

20-03-102-024

20-03-102-025

Commonly known as the following addresses, all in Chicago, Illinois:

123 E. Pershing Road

125 E. Pershing Road

3908 S. Indiana Ave.

3912 S. Indiana Ave.

3916 S. Indiana Ave.

3920 S. Indiana Ave.

Tract 4:

Lot 1 in Legends 4200 Prairie (a resubdivision of Lot 5 (except the north 1 ¼ inches thereof), all of Lots 6 and 7 and the North ½ of Lot 8 in Broad's Subdivision of the West 2/3 of the Southwest ¼ of the Southeast ¼ of the Northwest ¼ of Section 3, Township 38 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois), according to the plat thereof, recorded November 14, 2007 as document number 0731803067, in Cook County, Illinois.

PINs:

20-03-121-026

20-03-121-040

Commonly known as the following addresses, all in Chicago, Illinois:

4220 S. Prairie Ave.

4222 S. Prairie Ave.

4224 S. Prairie Ave.

4226 S. Prairie Ave.

4228 S. Prairie Ave.

4230 S. Prairie Ave.

4232 S. Prairie Ave.

4234 S. Prairie Ave.

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EXHIBIT B

PERMITTED EXCEPTIONS

1. General real estate taxes not delinquent.
2. Rights of Public and Quasi-Public utilities for maintenance of utility facilities.
3. Matters shown on the Plat of Subdivision.

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EXHIBIT C

INITIAL LEASEHOLD MORTGAGEES

1. JPMorgan Chase Bank, N.A.
2. CHA

Property of Cook County Clerk's Office

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EXHIBIT D

ENCUMBRANCES

1. Mortgages, Assignments of Leases, Assignments of Rent and UCC Financing Statements securing the loans for the construction and permanent financing of the Development being made by the Initial Leasehold Mortgagees described on Exhibit C.
2. Three separate Extended Use Agreements between Tenant and IHDA, encumbering three separate portions of the Development.
3. Regulatory Agreement between Tenant and the City of Chicago, encumbering the remainder of the Development.
4. The Declaration of Restrictive Covenants.

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EXHIBIT E

REGULATORY AGREEMENTS

- (1) Regulatory and Operating Agreement between Tenant and CHA.
- (2) Three separate Extended Use Agreements between Tenant and IHDA, encumbering three separate portions of the Development.
- (3) Regulatory Agreement between Tenant and the City of Chicago, encumbering the remainder of the Development.

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EXHIBIT F

INSURANCE REQUIREMENTS

Tenant shall procure and maintain, or cause to be procured and maintained, at all times during the term of this Lease, the types of insurance specified below:

I. CONSTRUCTION INSURANCE REQUIREMENTS

Except as may be otherwise specifically provided herein and/or in any document evidencing or securing a CHA Mortgage Loan (a "CHA Loan Document"), Tenant shall, prior to the date of this Lease, procure and maintain, directly or through Tenant's general contractor for the construction of the Development (the "General Contractor"), at all times the types of insurance specified below in order to protect Landlord, its Commissioners, Board, officers, agents and employees, and the Receiver from the acts, omissions and negligence of Tenant, any general contractor (including without limitation the General Contractor), any subcontractor, and their respective officers, officials, subcontractors, shareholders, partners, joint venturers, members, agents or employees. The insurance carriers used must be authorized to conduct business in the State of Illinois and, except where specially provided otherwise, shall have a BEST Rating of not less than an "A-XII". The insurance provided shall cover all operations under this Lease, whether performed by Tenant, any general contractor (including without limitation the General Contractor) or by any subcontractor.

A. Required Insurance Coverages for Subcontractors:

1. Workers Compensation and Occupational Disease Insurance in accordance with the laws of the State of Illinois (Statutory) Coverage A, and Employer's Liability, Coverage B, in an amount of not less than \$500,000/\$500,000/\$500,000.
2. Commercial Liability Insurance Commercial Liability Insurance provided is to have a limit of not less than One Million Dollars (\$1,000,000) per occurrence with an aggregate of not less than Two Million Dollars (\$2,000,000) (i.e. \$1,000,000/\$2,000,000). In addition to the stipulations outlined above, the insurance policy is to include coverage for Contractual Liability, Products-Completed Operations, Personal & Advertising Injury and will also cover injury to Tenant's and the General Contractor's respective officers, employees, agents, subcontractors, invitees and guests and their personal property. Products/Completed Operations to be maintained in full force and effect for a period of two (2) years following final completion of the Development. Landlord and the Receiver shall be endorsed as additional insureds on the policy and such insurance shall be endorsed as primary and non-contributory with any other insurance available to Landlord.
3. Automobile Liability Insurance. When any motor vehicles (owned, non-owned and/or hired) are used in connection with the construction to be

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performed for the Development, Comprehensive Automobile Liability Insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence CSL, for bodily injury and property damage. Landlord and the Receiver shall be endorsed as additional insureds on the policy and such insurance shall be endorsed as primary and non-contributory with any other insurance available to Landlord.

4. Professional Liability (Errors & Omissions). When any architects of record and/or lead architectural firm for the Development, engineers of record, construction managers, property managers, security companies or other professional consultants perform work in connection with the Development, Professional Liability insurance covering acts, errors or omissions shall be maintained with limits of not less than Five Million (\$5,000,000) per occurrence. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of Services under this Lease. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.
5. Lead/Asbestos Abatement Liability. When any lead and/or asbestos abatement liability work is performed in connection with the contract, Lead/Asbestos Abatement Liability Insurance shall be provided with limits of not less than \$5,000,000 per occurrence insuring bodily injury, property damage and environmental clean-up. Landlord and the Receiver shall be endorsed as additional insureds on the policy and such insurance shall be endorsed as primary and non-contributory with any other insurance available to Landlord.

B. Required Insurance Coverages for the General Contractor:

1. Workers Compensation and Occupational Disease Insurance in accordance with the laws of the State of Illinois (Statutory) Coverage A, and Employer's Liability, Coverage B, in an amount of not less than \$500,000/\$500,000/\$500,000.
2. Commercial Liability Insurance. Commercial Liability insurance provided is to have a limit of not less than One Million Dollars (\$1,000,000) per occurrence with a Per Project aggregate of not less than Two Million Dollars (\$2,000,000) (i.e. \$1,000,000/\$2,000,000). In addition to the stipulations outlined above, the insurance policy is to include coverage for Contractual Liability, Products-Completed Operations, Personal & Advertising Injury and will also cover injury to Tenant's and the General Contractor's respective officers, employees, agents, subcontractors, invitees and guests and their personal property. Landlord and the Receiver shall be endorsed as additional insureds on the policy and such insurance shall be endorsed as primary and non-contributory with any other insurance available to Landlord.

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3. Automobile Liability Insurance. When any motor vehicles (owned, non-owned and/or hired) are used in connection with the construction to be performed for the Development, Comprehensive Automobile Liability Insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence CSL, for bodily injury and property damage. Landlord and the Receiver shall be endorsed as additional insureds on the policy and such insurance shall be endorsed as primary and non-contributory with any other insurance available to Landlord.
4. Excess Liability. The General Contractor shall secure Excess Liability insurance in the amount of not less than Ten Million Dollars (\$10,000,000) on a per development basis with an endorsement specifically dedicating the not less than Ten Million Dollars (\$10,000,000) to the Development. This coverage will be excess of the General Liability, Auto Liability and Employers Liability coverages. The General Contractor's insurance coverage will be excess of the insurance provided by any subcontractor with which it contracts to provide services for the Development. Landlord, the Receiver, and Tenant shall be endorsed as additional insureds on the General Contractor's Excess Liability policy.

C. Required Insurance Coverages for Tenant :

1. Excess Liability. Tenant shall secure Excess Liability insurance in the amount of not less than Ten Million Dollars (\$10,000,000) on a per development basis with an endorsement specifically dedicating the not less than Ten Million Dollars (\$10,000,000) to the Development. This coverage shall be excess of the General Liability, Auto Liability and Employers Liability coverages. Tenant's excess coverage shall be excess over the General Contractor's policy and include the General Contractor's stipulation of being excess of the insurance provided by any subcontractor providing services for the Development. Landlord and the Receiver shall be endorsed as additional insureds on this insurance. Tenant shall provide proof of this insurance to Authority.
2. Contractors Pollution Liability. If the scope of work covers working with or around hazardous materials or pollutants, Tenant shall purchase, directly or through the General Contractor, a separate Contractor's Pollution Liability insurance policy, on an occurrence basis (claims made is not acceptable), covering any bodily injury, liability, and property damage liability, arising out of pollutants including hazardous materials such as asbestos, lead, etc. or contaminated soil, including while in transit to a permanent disposal facility which may arise from activities under or incidental to the contract, whether such activities be by Tenant or by the General Contractor or any of its subcontractors or by anyone directly or indirectly employed or otherwise contracted by any of them. This policy shall be maintained with limits of not less than Five Million Dollars (\$5,000,000) per occurrence. Landlord and the Receiver shall be endorsed

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as additional insureds on the policy and such insurance shall be endorsed as primary and non-contributory with any other insurance available to Landlord.

3. Workers Compensation and Employer's Liability. Workers Compensation and Occupational Disease Insurance in accordance with the laws of the State of Illinois (Statutory) Coverage A, and Employer's Liability, Coverage B, in an amount of not less than \$500,000/\$500,000/\$500,000.

4. Automobile Liability Insurance. When any motor vehicles (owned, non-owned and/or hired) are used in connection with the construction to be performed for the Development, Tenant shall provide, directly or through the General Contractor, Comprehensive Automobile Liability Insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence CSL, for bodily injury and property damage. Landlord and the Receiver shall be endorsed as additional insureds on the policy and such insurance shall be endorsed as primary and non-contributory with any other insurance available to Landlord.

5. Builders Risk. Tenant shall provide, directly or through the General Contractor, an All Risk Builders Risk Insurance in accordance with HUD's 5370 form (paragraph 36b), covering improvements, betterments, and/or repairs, at replacement cost, for all materials, supplies, equipment, machinery and fixtures that are or will be part of the Development.

6. Railroad Protective Liability Insurance. When, in connection with the Development, any work is to be done adjacent to or on property owned by a railroad or public transit entity, Tenant shall procure and maintain, or cause to be procured and maintained, with respect to the operations that Tenant, a general contractor or any subcontractor shall perform, railroad protective liability insurance in the name of such railroad or public transit entity. The policy shall have limits of not less than \$2,000,000 per occurrence, combined single limit, and \$6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

- D. Evidence of Insurance. Prior to the date of this Lease, and prior to the commencement of construction activities, Tenant directly or through the General Contractor shall furnish Landlord, for record keeping purposes only, with satisfactory evidence that Tenant, the General Contractor and all subcontractors have the insurance coverages set forth above. Tenant shall ensure, or shall cause the General Contractor to ensure, that all subcontractors comply with Landlord's minimum coverage requirements. It is the responsibility of Tenant to secure and maintain, or to cause the General Contractor to secure and maintain, proof of coverage for all entities that it contracts with that provide services to the

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Development. Proof of insurance records must be available for review by Landlord within twenty-four (24) hours of being requested. Said policies shall not be modified, canceled, non-renewed, or permitted to lapse until final completion and approval of the performance of the General Contractor's contract and shall contain a provision that the policy will not be modified, canceled non-renewed or permitted to lapse until not less than 30 days after Landlord has received written notice, by certified or registered mail, that the modification, cancellation, non-renewal or lapse of such policy is contemplated.

THE REQUIRED DOCUMENTATION MUST BE RECEIVED PRIOR TO TENANT'S COMMENCING WORK UNDER THIS LEASE AND RECEIVING NOTIFICATION FROM LANDLORD TO PROCEED.

- E. Tenant shall advise, and cause each general contractor for the Development to advise, all insurers of the provisions of this Lease regarding insurance. The failure of Tenant or any general contractor to notify insurers of such provisions shall not relieve Tenant from its insurance obligations under this Lease. Nonfulfillment of the insurance provisions of this Lease shall constitute a breach of the General Contractor's contract and of this Lease and Landlord retains the right to stop work until proper evidence of insurance is provided.
- F. Renewal Certificates of Insurance, requested endorsements, or such similar evidence is to be received by Landlord's Risk Management Department, with a copy to Landlord's designated representative under Section 1.7 of the Development Agreement, prior to expiration of insurance coverage. At Landlord's option, non-compliance may result in one or more of the following actions: (1) the Receiver or Landlord may purchase insurance on behalf of Tenant and charge back all costs to Tenant; (2) the General Contractor may be immediately removed from the property and its contract revoked; or (3) all payments due Tenant and the General Contractor may be held until Tenant has complied with the contract. The receipt of any certificate by Landlord or the Receiver does not constitute agreement by Landlord or the Receiver that the insurance requirements in this Lease have been fully met or that the insurance policies indicated on the certificate are in compliance with the requirements of this Lease. Tenant shall ensure, or cause the General Contractor to ensure, that all subcontractors comply with Landlord's minimum coverage requirements. It is the responsibility of Tenant to secure and maintain, or cause the General Contractor to ensure or maintain, proof of coverage for all entities that it contracts with that provide services to the Development. Proof of insurance records must be available for review by Landlord within twenty-four (24) hours of being requested.
- G. If any of the required insurance is underwritten on a claims-made basis, the retroactive date shall be prior to or coincident with the date of the General Contractor's contract, and the Certificate of Insurance shall state the coverage is "claims-made" and also the retroactive date. Any extended reporting period

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premium (tail coverage) shall be paid by Tenant, directly or through the General Contractor. It is further agreed that all insurance policies required hereunder shall provide Landlord with not less than a thirty (30) days notice in the event of the occurrence of any of the following conditions: aggregate erosion in advance of the retroactive date, cancellation and/or non-renewal.

- H. Tenant shall provide to Landlord, prior to the date of this Lease and upon each renewal or replacement of a policy required hereunder, and in any event not less than annually, a certified copy of the insurance policies required hereunder and all endorsements.
- I. Tenant shall require, directly or through the General Contractor, that all subcontractors performing work for the Development carry the insurance required herein. Tenant or the General Contractor may provide the coverage for any or all of its subcontractors, and if so, the evidence of insurance submitted shall so stipulate and adhere to the same requirements and conditions as outlined in Section "A" above. Evidence of such coverage shall be submitted to Landlord for record keeping purposes only.

II. TENANT'S INSURANCE REQUIREMENTS

Tenant agrees to procure and maintain, or cause to be procured and maintained, at all times during the term of this Lease the types of insurance specified below in order to protect Landlord, its Commissioners, Board, officers, agents and employees, and the Receiver from the acts, omissions and negligence of Tenant, any general contractor (including without limitation the General Contractor), any subcontractor, and their respective officers, officials, subcontractors, shareholders, partners, joint venturers, members, agents or employees. The insurance carriers used by Tenant must be authorized to conduct business in the State of Illinois and shall have a BEST Rating of not less than an "A-XII". The insurance provided shall cover all operations under this Lease, whether performed by Tenant, by any general contractor (including without limitation the General Contractor) or by any subcontractor.

A. Required Insurance Coverages:

1. Workers Compensation and Occupational Disease Insurance in accordance with the laws of the State of Illinois (Statutory) Coverage A, and Employer's Liability, Coverage B, in an amount of not less than \$500,000/\$500,000/\$500,000.
2. All-Risk Property Damage: Tenant shall obtain an all-risk property policy in the amount of the full replacement value, including improvements and betterments, covering damage to or loss of the Property. The insurance shall include the following extensions: business interruption/loss of rents, and boiler and machinery, if applicable. The policy shall list the Landlord as loss payee.

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3. Commercial Liability Insurance. Commercial Liability Insurance provided is to have a limit of not less than One Million Dollars (\$1,000,000) per occurrence with a Per Project aggregate of not less than Two Million Dollars (\$2,000,000) (i.e. \$1,000,000/\$2,000,000). In addition to the stipulations outlined above, the insurance policy is to include coverage for Contractual Liability, Products-Completed Operations, Personal & Advertising Injury and will also cover injury to Tenant's officers, employees, agents, subcontractors, invitees and guests and their personal property. Landlord and the Receiver shall be endorsed as additional insureds on the policy and such insurance shall be endorsed as primary and non-contributory with any other insurance available to Landlord.
4. Automobile Liability Insurance. When any motor vehicles (owned, non-owned and hired) are used in connection with the services to be performed, Tenant shall provide Comprehensive Automobile Liability Insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence CSL, for bodily injury and property damage. Landlord and the Receiver shall be endorsed as additional insureds on Tenant's policy and such insurance shall be endorsed as primary and non-contributory with any other insurance available to Landlord.
5. Professional Liability. When any architects of record and/or lead architectural firm for the Development, engineers of record, construction managers, property managers or other professional consultants perform work in connection with this Lease Professional Liability insurance covering acts, errors or omissions shall be maintained with limits of not less than Five Million Dollars (\$5,000,000) per occurrence. Coverage extensions shall include Blanket Contractual Liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of services under this Lease. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.
6. Blanket Crime. When any service agreement requires the handling of funds or valuable papers, Tenant shall provide Blanket Crime coverage covering all persons liable under this Lease, against loss by dishonesty, robbery, burglary, theft, destruction or disappearance, computer fraud, credit card forgery and other related crime risks. The policy limit shall be written to cover losses in the amount of the maximum monies collected, received and/or in Tenant's care at any given time.
7. Excess Liability coverage. If applicable, is to follow form of the Primary Insurance requirements outlined above.

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B. Related Requirements

1. Tenant shall advise all insurers of the provisions of this Lease regarding insurance. The failure of Tenant to notify insurers of the such provisions shall not relieve Tenant from its insurance obligations under this Lease. Nonfulfillment of the insurance provisions shall constitute a breach of this Lease and Landlord retains the right to stop work until proper evidence of insurance is provided.
2. Tenant shall furnish the Chicago Housing Authority, Risk Management Department, 626 West Jackson Blvd., Fifth Floor, Chicago, Illinois 60661, original Certificates of Insurance evidencing the required coverages to be in force on the date of this Lease. In addition, copies of the endorsement(s) adding Landlord and the Receiver to the policy as an additional insureds is required.
3. Renewal Certificates of Insurance, requested endorsements, or such similar evidence is to be received by the Risk Management Department prior to expiration of insurance coverage. At Landlord's option, non-compliance may result in one or more of the following actions: (1) Landlord may purchase insurance on behalf of Tenant and charge back all costs to Tenant; (2) all payments due Tenant may be held until Tenant has complied with this Lease; or (3) Tenant may be assessed Five Hundred Dollars (\$500) for every day of non-compliance. The receipt of any certificate does not constitute agreement by Landlord that the insurance requirements in this Lease have been fully met or that the insurance policies indicated on the certificate are in compliance with the requirements of this Lease. The insurance policies shall provide for thirty (30) days written notice to be given to Landlord in the event coverage is substantially changed, canceled or non-renewed.
4. If any of the required insurance is underwritten on a claims-made basis, the retroactive date shall be prior to or coincident with the date of this Lease and the Certificate of Insurance shall state the coverage is "claims-made" and also the retroactive date. Tenant shall maintain coverage for the duration of this Lease. Any extended reporting period premium (tail coverage) shall be paid by Tenant. Tenant shall provide to Landlord, annually, a certified copy of the insurance policies obtained pursuant hereto. It is further agreed that Tenant shall provide Landlord a thirty (30) days notice in the event of the occurrence of any of the following conditions: aggregate erosion in advance of the retroactive date, cancellation and/or non renewal.
5. Tenant shall require any general contractor to require all subcontractors to carry the insurance required herein or Tenant may provide the coverage for any or all of its subcontractors, and if so, the evidence of insurance

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submitted shall so stipulate and adhere to the same requirements and conditions as outlined in Section "A" above.

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EXHIBIT G

PLANS AND SPECIFICATIONS

See attached.

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EXHIBIT G

SPECIFICATIONS ROBERT TAYLOR OFF SITE PHASE C-2 LEGEND SOUTH

Scattered Sites Chicago, Illinois

Developer: BMT-1, LLC
322 S. Green Street
Chicago, IL 60607
(312) 455-0502

Architect: Johnson & Lee, Ltd.
828 S. Wabash Avenue – Suite 210
Chicago, IL 60605
(312) 663-0225 Phone
(312) 663-4491 Fax
Phillip C. Johnson
IL License 1-8269 Exp. 11.30.08

Contractor: Powers & Sons Construction Co., Inc.
2636 W. 16th Avenue
Gary, Indiana 46404
(219) 949-3100

Civil: Prism Engineering
122 S. Michigan Avenue
Chicago, Illinois 60602

Landscape Architect: McKay Landscape Architects
1417 North Dayton Street
Chicago, Illinois 60602

Structural: Virgilio & Associates, Ltd.
765 Elba Road
Zurich, Illinois 60047

Mechanical/Electrical/Plumbing: Galloway, Ltd.
1528 S. Wabash Avenue – Suite 209
Chicago, Illinois 60605

Date: July 18, 2007

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LEGENDS SOUTH PHASE C-2

OWNER: BMT-1, LLC

Chicago, Illinois, 60607

ARCHITECTS: JOHNSON & LEE ARCHITECTS & PLANNERS

675 S WABASH AVENUE CHICAGO, IL 60605

PHILIP JOHNSON, PRINCIPAL - ILLINOIS LICENSE NUMBER 1-9240, EXPIRES 11/30/28

SPECIFICATIONS DATED 07/19/17

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2900 LEGENDS SOUTH PHASE C-2

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TYPE 1 - 15 FLAT

1000 COVER SHEET

1100 LEGENDS SOUTH PHASE C-2

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1300 LEGENDS SOUTH PHASE C-2

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2800 LEGENDS SOUTH PHASE C-2

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TYPE 2 - 15 FLAT

1000 COVER SHEET

1100 LEGENDS SOUTH PHASE C-2

1200 LEGENDS SOUTH PHASE C-2

1300 LEGENDS SOUTH PHASE C-2

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TYPE 3 - 15 FLAT

1000 COVER SHEET

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1300 LEGENDS SOUTH PHASE C-2

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1300 LEGENDS SOUTH PHASE C-2

1400 LEGENDS SOUTH PHASE C-2

1500 LEGENDS SOUTH PHASE C-2

1600 LEGENDS SOUTH PHASE C-2

1700 LEGENDS SOUTH PHASE C-2

1800 LEGENDS SOUTH PHASE C-2

1900 LEGENDS SOUTH PHASE C-2

2000 LEGENDS SOUTH PHASE C-2

2100 LEGENDS SOUTH PHASE C-2

2200 LEGENDS SOUTH PHASE C-2

2300 LEGENDS SOUTH PHASE C-2

2400 LEGENDS SOUTH PHASE C-2

2500 LEGENDS SOUTH PHASE C-2

2600 LEGENDS SOUTH PHASE C-2

2700 LEGENDS SOUTH PHASE C-2

2800 LEGENDS SOUTH PHASE C-2

2900 LEGENDS SOUTH PHASE C-2

3000 LEGENDS SOUTH PHASE C-2

LEGENDS SOUTH PHASE C-2

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NOTE: SHEET C3.02 (PAVING DETAILS) ONLY APPLIES TO BLDG.1 (TYPE E - 15 FLAT) AND BLDG.5 (TYPE F - 12 FLAT). IT IS VOIDED FROM ALL OTHER TYPES.