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Applegate & Thorne-Thomsen, P.C.
425 S. Financial Place, Suite 1900
Chicago, Illinois 60605
Attention: Paul Davis



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EDWARD M. MOODY

COOK COUNTY RECORDER OF DEEDS

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SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

(Master Lease)

THIS **SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT** ("**Agreement**") is made as of January 16, 2020, between CHICAGO HOUSING AUTHORITY, an Illinois municipal corporation ("**CHA**"), THE CITY OF CHICAGO, ILLINOIS, an Illinois municipal corporation (the "**City**"), ILLINOIS HOUSING DEVELOPMENT AUTHORITY, a body politic and corporate established pursuant to the Illinois Housing Development Act ("**IHDA**"), CITIBANK, N.A., a national banking association ("**Citibank**") NEW HOPE COMMUNITY CAPITAL, INC., a Massachusetts nonprofit corporation ("**New Hope**") and TCB DEVELOPMENT SERVICES LLC, an Illinois limited liability company ("**Sponsor Lender**", and together with CHA, the City, IHDA, Citibank, and New Hope, and each of their successors and assigns, the "**Lenders**"), SOUTHBIDGE 4 MASTER OWNER LLC, an Illinois limited liability company (together with its successors and assigns as landlord under the Master Lease, "**Project Borrower**" or "**Borrower**"), and Southbridge 1-4 Housing LLC, an Illinois limited liability company ("**Affordable Master Tenant**").

RECITALS:

A. Project Borrower is (a) the leasehold interest holder of certain real estate (the "**Land**") located in Chicago, Illinois, as described on **Exhibit A** attached to and made a part of this Agreement, pursuant to that certain Ground Lease, dated as of January 16, 2020, by and between the CHA, as ground lessor, and Sponsor Lender, as ground lessee, as amended and assigned by Sponsor Lender to Borrower pursuant to that certain Assignment and Assumption and Amendment of Ground Lease dated as of January 16, 2020 (the "**Ground Lease**"), and all

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easements and similar rights and privileges appurtenant to and in favor of such real estate (the leasehold interest in the real estate, easements, rights and privileges are collectively referred to in this Agreement as the “**Leasehold Estate**”), and (b) the fee owner of the improvements to be constructed on the Leasehold Estate, consisting of (1)) one hundred three (103) residential housing units on the upper floors (2) approximately ten thousand one hundred (10,100) square feet of ground-floor commercial retail space, (3) approximately fifty-three (53) parking spaces, and other related improvements (collectively, the “**Improvements**”). The Leasehold Estate and the Improvements to be constructed on it are collectively referred to in this Agreement as the “**Development**”.

B. The Development will consist of fifty-one (51) residential rental units affordable to tenants at household income levels not to exceed 60% of area median income (using the income averaging approach now available under low-income housing tax credit regulations), of which thirty-four (34) of the residential rental units shall be RAD Units (as defined in the Loan Agreement evidencing the CHA MTW Loan) (the “**Affordable Project**”).

C. The Project Borrower, as landlord, has entered into a master lease of the Affordable Project, dated as of the date hereof, with the Affordable Master Tenant, as tenant (the “**Master Lease**”).

D. The Project Borrower, is receiving eight loans as follows:

- a. as of the date hereof, a construction loan from IHDA to the Project Borrower in the maximum principal amount of \$25,895,321, made using the proceeds of a funding loan made by Citibank to IHDA (“**Citibank Bond Loan**”)
- b. as of the Final Closing Date (as defined in the loan documents evidencing such loan), a permanent loan from IHDA in the approximate amount of \$8,100,000 pursuant to IHDA’s Risk Sharing Program, (“**IHDA RS Loan**”);
- c. as of the date hereof, a construction and permanent loan from IHDA in the approximate amount of \$4,762,234 pursuant to IHDA’s Trust Fund Program (“**IHDA TF Loan**”);
- d. as of the date hereof, a construction and permanent loan from the City of Chicago in the approximate amount of \$2,340,435 (the “**City HOME Loan**”);
- e. on or before the Final Closing Date, a permanent loan from New Hope in the approximate amount of \$1,800,000 (the “**New Hope Loan**”);
- f. as of the date hereof, a construction and permanent loan from CHA in the approximate amount of \$10,849,285 (the “**CHA MTW Loan**”);

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- g. as of the date hereof, a construction and permanent loan from CHA in the approximate amount of \$2,299,909 funded with proceeds from the sale of Illinois Affordable Housing Tax Credits (the “**CHA DTC Loan**”); and,
- h. as of the date hereof, a construction and permanent loan from the Sponsor Lender in the approximate amount of \$12,750,000 funded by tax increment financing proceeds from the City (the “**Sponsor TIF Loan**”, and collectively with the Citibank Bond Loan, the IHDA RS Loan, the IHDA TF Loan, the City Home Loan, the CHA MTW Loan, the CHA DTC Loan, and the Sponsor TIF Loan, the “**Loans**”).

E. Each of the Loans is evidenced, secured, and governed by, among other things (a) a note (each a “**Note**” or collectively the “**Notes**”), (b) a leasehold mortgage (each a “**Security Instrument**” or collectively the “**Security Instruments**”), (c) a loan agreement (each a “**Loan Agreement**” or collectively the “**Loan Agreements**”), and (d) certain assignments of leases and rents (including assignments of the Project Borrower’s interest and granting a security interest in the Master Lease to the Lenders) (each an “**Assignment of Leases**” and collectively the “**Assignments of Leases**”, and collectively with the Notes, the Mortgages, the Assignments of Leases, and any other documents evidencing, securing, and governing each of the Lenders’ respective Loans, the “**Loan Documents**”); except however, the Sponsor TIF Loan is only evidenced by a Note and a Security Instrument;

F. Southbridge 1 Housing MM LLC, an Illinois limited liability company (the “**Managing Member**”), and GS Southbridge 4% Investor Opportunity Fund LP, an Delaware limited partnership (the “**Equity Investor**”), entered into that certain Amended and Restated Operating Agreement of the Affordable Master Tenant, dated as of the date hereof (the “**Operating Agreement**”).

G. Affordable Master Tenant has agreed that the Master Lease will be subject and subordinate to the Security Instrument held by Lenders, provided Affordable Master Tenant is assured, subject to the terms of this Agreement, of continued use of the Affordable Project under the terms of the Master Lease and this Agreement.

H. Each Lender has agreed not to disturb Affordable Master Tenant’s possession of the Affordable Project in the event of a default by Project Borrower under the Loan Documents evidencing such Lender’s Loan, subject to the provisions of this Agreement (provided this does not specifically extend to or apply in the event of any default by Affordable Master Tenant under the Master Lease or under any of the Loan Documents).

NOW, THEREFORE, in consideration of the promises and the mutual representations, covenants and agreements herein contained, the parties hereto do hereby agree as follows:

AGREEMENT:

1. **Definitions and Recital.** Capitalized terms which appear and are not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreements, as applicable. All of the recitals set forth above are hereby incorporated into the body of this

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Agreement as if more fully set forth herein.

2. Representations, Warranties and Covenants.

a. Each of Borrower and Affordable Master Tenant represents, warrants, covenants and agrees for the benefit of each Lender, its successors and assigns, to the following (but each does so on its own behalf and not jointly):

1. The Master Lease attached hereto as **Exhibit B** is a true, correct and complete copy of the Master Lease.

2. The Master Lease sets forth the full and complete agreement between Borrower and Affordable Master Tenant with respect to the Affordable Project. The Master Lease has not been amended, is in full force and effect according to its terms and is valid and binding upon Borrower and Affordable Master Tenant respectively.

3. The Master Lease will not be modified, altered, or otherwise amended, and any such purported action shall not be valid or effective without each Lender's prior written consent.

4. A default under the Loan Documents, including without limitation a foreclosure thereunder, shall not be a default under the Master Lease. A waiver or forbearance by the Borrower of any right or remedy under the Master Lease shall not impair the priority of any Lender's lien under its respective Security Instrument or any of the Loan Documents. Any cure rights or any other rights provided to Lenders hereunder shall be solely at the option of each Lender, its successors and assigns, and each Lender, its successors and assigns, is under no obligation to cure any default under the Master Lease or accept a new master lease of the Affordable Project if tendered by Borrower, subject to the rights of non-disturbance and attornment as described in Section 7 below.

b. Borrower represents, warrants, covenants and agrees for the benefit of each Lender, its successors and assigns, to the following:

1. Borrower is the Landlord (as defined in the Master Lease) under the Master Lease. Other than pursuant to the Security Instruments and the other Loan Documents or as otherwise expressly permitted by the Loan Documents, Borrower has not executed any other mortgage, deed of trust, pledge, assignment, leasehold, hypothecation, transfer, lien, security interest or any other encumbrance of all or any portion of Borrower's right title, interest in or to the Affordable Project, the Development, the Leasehold Estate, the Improvements nor the Master Lease. Borrower will not mortgage, pledge, assign, lease, hypothecate, transfer, attach or allow to be attached any lien to, grant any security interest in, sell or otherwise encumber the Master Lease, the Affordable Project, or any of its interest in the Master Lease or Affordable Project, without the prior written consent of Lenders.

2. Affordable Master Tenant is the tenant under the Master Lease, and to the best of Borrower's knowledge (after due and diligent inquiry), Affordable Master Tenant

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has not subleased any portion of the Development except for any sub-leases to qualified affordable tenants as provided for in the Master Lease.

3. No default exists, or event or condition exists, which except for the giving of notice or passage of time, or both, could become a default under the Master Lease, nor is there any default or breach in the performance of any of the terms, conditions or warranties thereof on the part of Borrower or the Affordable Master Tenant to be kept, performed or observed under the Master Lease.

4. Borrower has not executed any instrument or agreement with respect to the Master Lease which does, or reasonably could be expected to prevent or restrict any Lender from exercising its rights and remedies under such Lender's respective Security Instrument or any of the Loan Documents evidencing such Lender's Loan in any way.

5. Borrower shall not take any act which would materially impair the benefits to any Lender pursuant to such Lender's Security Instrument without the express prior written consent of such Lender, or take any action or fail to take any action which would affect or permit the termination of the Master Lease without the express prior written consent of each of the Lenders.

6. If any casualty, taking or condemnation occurs relating to the Improvements, Leasehold Estate or Affordable Project, the handling of such casualty, taking or condemnation shall be determined by the terms, conditions and provisions of the Loan Documents, notwithstanding any contrary provisions in the Master Lease.

7. The Condominium Declaration (in the form attached as **Exhibit C**, which will be recorded with the Cook County Recorder's Office upon Construction Completion (as defined in Section 7) (the "Condominium Declaration"), is the sole condominium declaration and represents the sole governing instrument relating the operations, maintenance, payment of Common Expenses (as defined in the Master Lease), and subject to the Ground Lease and the Loan Documents, insurance, casualty, condemnation all other matters not specifically addressed in the Master Lease.

8. During the term of the Loans, Borrower shall promptly furnish Lenders a written notice: (i) of any litigation in which Borrower is named a defendant, (ii) any litigation that affects or relates to the Master Lease, or (iii) of any litigation that affects or relates to the Development or any portion thereof (other than tenant eviction actions in the ordinary course of business).

9. Following the formation of the condominium of the Affordable Project, the Condominium Declaration will not be modified, altered, or otherwise amended, and any such purported action shall not be valid or effective without each Lender's prior written consent.

10. Borrower agrees to forbear from pursuing any of its remedies under the Master Lease as long as Lenders are pursuing either a direct cure of a default under the Master Lease, or acquisition of the Development, the Leasehold Estate, the Improvements

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and/or the Affordable Project. Borrower agrees to accept a cure by any Lender under the Master Lease. Lenders shall have the right, but not the obligation, to take any actions reasonably necessary to cure any default by Borrower under the Master Lease.

11. Borrower shall promptly perform and comply with all of the terms, conditions, duties and obligations required to be performed by it under the Master Lease within the periods provided in the Master Lease.

12. Borrower will deliver an executed Ownership Structure Certificate, in the form required by IHDA, on the date hereof. Borrower agrees and certifies that the Ownership Structure Certificate accurately represents the ownership structure of Borrower as of the date hereof and such ownership structure remaining in place while the IHDA TF Loan and/or IHDA RS Loan are outstanding is a material inducement to IHDA's making of the IHDA TF Loan and the IHDA RS Loan. Prior to making any changes (which are permitted by the Loan Documents), Borrower will notify Lenders of any changes in its ownership structure such ownership structure and/or of any changes in any controlling or management interest in its Managing Member at any time while the Loans are outstanding.

c. Affordable Master Tenant represents, warrants, covenants and agrees for the benefit of each Lender, its successors and assigns, to the following

1. Borrower is the Landlord (as defined in the Master Lease) under the Master Lease. Affordable Master Tenant is the Tenant (as defined in the Master Lease) under the Master Lease and is the sole tenant of the leasehold estate of the Affordable Project and its improvements.

2. Affordable Master Tenant has not assigned, pledged, encumbered or transferred any of its rights or obligations under the Master Lease, except for any sub-leases to qualified affordable tenants as provided for in the Master Lease. Affordable Master Tenant will not mortgage, pledge, assign, lease, hypothecate, transfer, attach or allow to be attached any lien to, grant any security interest in, sell or otherwise encumber the Master Lease, the Affordable Project, or any of its interest in the Master Lease or Affordable Project, except, in each instance, for any sub-leases to qualified affordable tenants as provided for in the Master Lease, without the prior written consent of each Lender.

3. There are no actions, voluntary or involuntary, pending against Affordable Master Tenant under bankruptcy, receivership, insolvency or similar laws of the United States or any State thereof.

4. Affordable Master Tenant is not in default under the Master Lease and no state of facts exist which, with the passage of time or giving of notice, or both, could constitute a default by Affordable Master Tenant under the Master Lease.

5. To the best of Affordable Master Tenant's knowledge (after due and diligent inquiry), Borrower is not in default under the Master Lease and no state of facts exist which,

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with the passage of time or giving of notice, or both, could constitute a default by Borrower under the Master Lease.

6. Affordable Master Tenant has not executed any instrument or agreement with respect to the Master Lease which does, or reasonably could be expected to prevent or restrict any Lender from exercising its rights and remedies under such Lender's respective Security Instrument or any of the Loan Documents evidencing such Lender's Loan in any way.

7. Affordable Master Tenant shall not take any act which would materially impair the benefits to any Lender pursuant to such Lender's Security Instrument without the express prior written consent of such Lender.

8. Affordable Master Tenant agree that if any casualty, taking or condemnation occurs relating to the Affordable Project, the handling of such casualty, taking or condemnation shall be determined by the terms, conditions and provisions of the Loan Documents, notwithstanding any contrary provisions in the Master Lease.

9. Affordable Master Tenant agrees and certifies that it is and will remain during the term of the Loans, a single asset entity; the only interest in real estate to which the Affordable Master Tenant will hold legal title is the leasehold interest in the Affordable Project, and Affordable Master Tenant will not have any ownership interest directly, indirectly, or a beneficiary interest in any other real estate.

10. Affordable Master Tenant acknowledges and consents to the making of the Loans and agrees to undertake certain terms, obligations, duties, covenants and agreement under the Loan Documents, to the extent expressly described therein as obligations of the Affordable Master Tenant. Notwithstanding the foregoing, Lenders can amend or modify the Loan Documents (excluding any Regulatory Agreement) at any time and in any manner in its sole and absolute discretion, without the consent, approval of or notice to Affordable Master Tenant, who hereby consents to any such amendment or modification.

11. Affordable Master Tenant will deliver an executed Ownership Structure Certificate, in the form required by Lender, at Initial Closing. Affordable Master Tenant agrees and certifies that the Ownership Structure Certificate accurately represents the ownership structure of Affordable Master Tenant of the Initial Closing Date and such ownership structure remaining in place while IHDA TF Loan and IHDA RS Loan are outstanding is a material inducement to IHDA's making of the IHDA TF Loan and the IHDA RS Loan. Prior to making any changes (which are permitted by the Loan Documents), Affordable Master Tenant will notify Lenders of any changes in its ownership structure such ownership structure and/or of any changes in any controlling or management interest in the managing member of Affordable Master Tenant at any time while the Loans are outstanding.

12. Master Tenant agrees that it will not exercise any right and/or remedy granted to it under the Master Lease, or which it might otherwise have under applicable law, to terminate the Master Lease on account of a default of Borrower or the occurrence of any

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other event, without first giving to Lenders prior written notice of its intent to terminate, which notice shall include a statement of the default or event on which such intent to terminate is based. Thereafter, Master Tenant shall not take any action to terminate the Master Lease if Lenders (i) within thirty (30) days after such notice, shall cure such default or event if the same can be cured by the payment or expenditure of money, or (ii) shall diligently take action to obtain possession of the Affordable Project (including possession by receiver) and to cure such default or event in the case of a default or event which cannot be cured unless and until a Lender has obtained possession, but in no event to exceed one hundred twenty (120) days after such written notice to Lenders by Master Tenant of its intention to terminate. For the purposes of facilitating Lender's rights hereunder, Lenders shall have, and for such purposes is hereby granted by Borrower and Affordable Master Tenant, the right to enter upon the Affordable Project for the purpose of effecting any such cure.

13. During the term of each Lender's Loan, Affordable Master Tenant shall promptly furnish such Lender a written notice: (i) of any litigation in which any of Affordable Master Tenant or the Managing Member are named a defendant, (ii) any litigation that affects or relates to the Master Lease, or (iii) of any litigation that affects or relates to the Affordable Project (other than tenant eviction actions in the ordinary course of business).

14. Affordable Master Tenant shall promptly perform and comply with all of the terms, conditions, duties and obligations required to be performed by it under the Master Lease within the periods provided in the Master Lease.

15. Affordable Master Tenant shall promptly perform and comply with all of the terms, conditions, duties and obligations required to be performed by it under the Loan Documents within the periods provided in the respective Loan Documents.

16. Affordable Master Tenant shall comply with all of the applicable federal, state and local laws, rules, regulations, requirements and other requirements in connection with the leasing, maintenance, advertising, marketing and all operations of the Affordable Project, including, but not limited to the terms and conditions of the Affirmative Fair Housing Marketing Plan, the Tenant Selection Plan, Management Plan, Management Agreement.

3. **Subordination.** The Master Lease with all rights, options, liens and charges created by the Master Lease is expressly made and will continue to be subject to and subordinate in all respects to the terms, conditions, lien, operation and effect of (a) the Security Instruments, and (b) the Regulatory Agreements, and the Assignments of Leases, and to any renewals, modifications, consolidations, replacements and extensions of the such documents, and to all advances made or to be made thereunder, to the full extent of amounts secured thereby and interest thereon. This subordination remains in effect even if Security Instruments are foreclosed upon or deed in lieu or other remedy is exercised by Lenders against Project Borrower and/or the Affordable Project, whether in rem, in person, equity or at law. Except as expressly provided in this Agreement, this subordination will survive any bankruptcy.

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Borrower and Affordable Master Tenant agree to execute and deliver to Lenders such other instrument or instruments as Lenders, or its successors or assigns, shall reasonably request to effect and/or confirm the subordination of the Master Lease to the lien of Security Instruments, the Regulatory Agreements and the other Loan Documents.

4. Affordable Master Tenant Restrictions on Transfer.

(a) Affordable Master Tenant shall not cause any of the following events to occur:

- (i) other than the lien of the Security Instruments and the permitted encumbrances as set forth on the title insurance policy issued as of the date hereof with respect to the Security Instruments, a Transfer (as hereinafter defined) of all or any part of the Affordable Project or the Master Lease;
- (ii) the merger, dissolution, liquidation, or consolidation of Affordable Master Tenant;
- (iii) a conversion of Affordable Master Tenant from one type of legal entity into another type of legal entity (including the conversion of a limited liability company into a limited partnership or general partnership), whether or not there is a Transfer; if such conversion results in a change in any assets, liabilities, legal rights or obligations of Affordable Master Tenant, by operation of law or otherwise;
- (iv) a Transfer of the economic benefits or right to cash flows attributable to the ownership interests in Affordable Master Tenant, separate from the Transfer of the underlying ownership interests, unless the Transfer of the underlying ownership interests would otherwise not be prohibited by this Agreement or the Loan Documents;
- (v) the filing, recording, or consent to filing or recording of any plat or map subdividing, replatting or otherwise affecting the Affordable Project or any other replat or subdivision of the Affordable Project, whether or not any such action affects the priority of the lien of the Security Instruments; provided, however, the foregoing limitation shall not include the filing of the Condominium Declaration;
- (vi) subjecting the Affordable Master Tenant and/or the leasehold estate in the Affordable Project to any financing, pledges, security interests, collateral interest or other interest to be provided to any other party other than Lenders and the permitted financing; and
- (vii) any Transfer prohibited by any applicable Regulatory Agreements and Regulatory Requirements, as such terms are defined in Section 6.

For purposes of this Agreement, the term “**Transfer**” shall mean (i) a sale, assignment, transfer, conveyance, lease, sublease, transfer, any easement,

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license, right-of-way or other disposition (whether voluntary, involuntary, or by operation of law); (ii) the grant, creation or attachment of a lien, encumbrance, or security interest (whether voluntary, involuntary, or by operation of law) in the Development; (iii) the issuance or other creation of an ownership interest; or (iv) the withdrawal, retirement, removal or involuntary resignation of any owner or manager of a legal entity.

- (b) The occurrence of any of the following events shall not be prohibited under this Agreement, notwithstanding any provision of Section 4(a) to the contrary (each, a **“Permitted Transfer”**):
- (i) a Transfer to which Lenders (to the extent Lender consent is required pursuant to each Lender’s applicable Loan Documents) has consented;
 - (ii) a Transfer of obsolete or worn out personalty or fixtures that are contemporaneously replaced by items owned by Borrower or Affordable Master Tenant of equal or better function and quality, which are free of liens, encumbrances and security interests other than those created by or permitted pursuant to the Loan Documents or consented to by Lenders;
 - (iii) the grant of a leasehold interest in an individual dwelling unit for a term of one year or less not containing an option to purchase and which complies with all applicable Regulatory Agreements and Regulatory Requirements;
 - (iv) Intentionally omitted.
 - (v) the creation of a mechanic’s, materialman’s, or judgment lien against the Affordable Project which is released of record, bonded over or insured to the satisfaction of Lenders in accordance with the Loan Documents;
 - (vi) the conveyance of the Affordable Project at a judicial or non-judicial foreclosure sale under the Security Instruments;
 - (vii) the Equity Investor’s removal of the Managing Member as a member of the Affordable Master Tenant pursuant to the terms of the Operating Agreement, and the temporary replacement (up to 90 days) of the Managing Member by an affiliate of the Equity Investor (under common control or ownership); provided Equity Investor must obtain Lender’s prior written approval of any permanent replacement and
 - (viii) a Transfer of membership interests of Equity Investor in Affordable Master Tenant to (A) an affiliate of Equity Investor, (B)(i) an entity whose management is controlled by Equity Investor, or by an affiliate of Equity Investor, or (ii) so long as Goldman Sachs or an affiliate thereof remains the sole managing member, sole manager or sole general partner, as applicable, of Equity Investor, the transfer of non-managing membership interests or limited partnership interests, as applicable, in Equity Investor,

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(C) any financial institution, corporation, financial service firm or insurance company that is investment grade (defined as BBB- or better rating by S&P or similar rating agency) or has net assets of \$250,000,000 or more or is a wholly-owned subsidiary of such an entity, or (D) a syndicated tax credit fund whose manager has at least five (5) years of prior experience in tax credit funds which have totaled in the aggregate at least \$50,000,000 in equity and (E) is not (and does not have a principal who is) (x) a person identified on the OFAC List, (y) any other person or foreign country or agency thereof with whom a U.S. person may not conduct business or transactions by prohibition -of- Federal law or Executive Order of the President of the United States of America or (z) a person whom is prohibited from doing business with the City of Chicago; and (iv) is not a person that the Lender and/or Servicer is prohibited from doing business with in accordance with its customary business practices.. In addition, the Equity Investor may at any time grant a lien on or collaterally assign its membership interest to a lender. In the event that a lender to the Equity Investor to which the Equity Investor has granted a lien encumbering the membership interest of the Equity Investor gives notice to the Lenders that such lender is foreclosing on such membership interest, then the membership interest of the Equity Investor may be transferred to such lender without the consent of the Lenders.

- (c) Lenders shall consent to a Transfer that would otherwise violate this Section 4 if, prior to the Transfer, Affordable Master Tenant has satisfied each of the following requirements:
- (i) the submission to Lenders of all information and obtaining all consents required by Lenders to make the determination required by this Section 4(c);
 - (ii) the absence of any Event of Default under the Loan Documents, including, but not limited the Regulatory Agreements, or this Agreement;
 - (iii) the absence of any Event of Default under the Master Lease;
 - (iv) the transferee meets all of the eligibility, credit, management and other standards (including any standards with respect to previous relationships between a Lender and the transferee and the organization of the transferee) customarily applied by each Lender at the time of the proposed Transfer to the approval of borrowers in connection with the origination or purchase of similar mortgage finance structures on similar multifamily properties, unless partially waived by each Lender in exchange for such additional conditions as each Lender may require;
 - (v) the Affordable Project, at the time of the proposed Transfer, meets all standards as to its physical condition that are customarily applied by each Lender at the time of the proposed Transfer to the approval of properties in

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connection with the origination or purchase of similar mortgage finance structures on similar multifamily properties, unless partially waived by each Lender in exchange for such additional conditions as each Lender may require;

- (vi) if the transferor or any other person has obligations under any Loan Document or this Agreement, the execution by the transferee or one or more individuals or entities acceptable to each Lender of an assumption agreement that is acceptable to each Lender and that, among other things, requires the transferee to perform all obligations of transferor or such person set forth in the Loan Documents, and may require that the transferee comply with any provisions of this Agreement or any other Loan Document which previously may have been waived by a Lender;
 - (vii) the proposed Transfer is permitted by all applicable Regulatory Agreements and Regulatory Requirements.
- (d) Lenders shall be provided with written notice of all Transfers under this Section 4, whether or not such Transfers are permitted under Section 4(b) or approved by Lenders under Section 4(c), no later than 30 days following the date of the Transfer.

5. **Property Management.** The Affordable Master Tenant acknowledges and agrees that in the event that a Lender or any Successor Landlord (as hereafter defined) becomes the landlord under the Master Lease, the Affordable Master Tenant shall cooperate with such Lender or Successor Landlord, as may be applicable, so that the property manager of the Affordable Project is the same as the property manager for the remainder of the Development, including, but not limited to, terminating any existing property management agreement and entering into a new property management agreement that is reasonably acceptable to such Lender and/or Successor Landlord, as may be applicable; provided, that any replacement property manager is reasonably experienced in the management of low-income housing projects.

6. **Regulatory Compliance.** Affordable Master Tenant hereby acknowledges and agrees that its compliance with certain terms and provisions of the regulatory agreements listed in **Exhibit E** (each a “Regulatory Agreement” and collectively the “Regulatory Agreements”) and the laws, rules, regulations, orders, ordinances, terms, conditions, provisions, agreements, covenants, policies, procedures, terms of the respective program under which the Loans are provided and other requirements (the “Regulatory Requirements”) relating to any Regulatory Agreement and the Affordable Project, including, without limitation, the RAD Requirements (as defined in the Loan Agreement evidencing the CHA MTW Loan), is a condition precedent to any and all of the obligations of each Lender hereunder (but only to the extent a Lender is a party to the applicable Regulatory Agreement) and any default under, or failure of the Affordable Master Tenant to comply with, the provisions of any Regulatory Agreement or any Regulatory Requirements to which the Affordable Project and/or Affordable Master Tenant is subject, shall permit the Lender that is party to such Regulatory Agreement to terminate the non-disturbance provisions contained herein. The obligations under this Section 6 shall survive the expiration or termination of this Agreement or the transfer of the Affordable Project to a Lender by foreclosure of

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the Security Instrument or conveyance in lieu of foreclosure. Affordable Master Tenant warrants that it has not, and will not, execute any other agreement with provisions contradictory, or in opposition, to the provisions of this Agreement, and that, in any event, the requirements of this Agreement are and will be paramount and controlling as to the rights and obligations set forth in it and will supersede any other requirements in conflict with this Agreement. In the event of any conflict between this Agreement and the provisions of any of the Regulatory Agreements or the Regulatory Requirement and/or between or the provisions of any two or more Regulatory Agreements or any Regulatory Requirements, then the more restrictive provisions will control and prevail; except that so long as the RAD Use Agreement is in effect, the provisions of the RAD Use Agreement shall control and prevail. No consent, approval or waiver given by any of the Lenders under or in connection with their respective Regulatory Agreements or Regulatory Requirements shall be deemed to constitute any consent, approval or waiver of any other Lender under this Agreement or under any other Loan Document.

7. **Nondisturbance.** From and after Construction Completion, if a Lender becomes the owner of the Affordable Project by foreclosure, conveyance in lieu of foreclosure or otherwise, so long as Affordable Master Tenant complies with and performs its obligations under the Master Lease and this Agreement (including Section 6) and no event of default by the Affordable Master Tenant has occurred and is continuing beyond any applicable cure periods under the Master Lease, or this Agreement (it being acknowledged that such Lender has no obligation to accept a cure of any default that is beyond any applicable cure period), then such Lender and Affordable Master Tenant each agrees as follows:

- (a) The foreclosing Lender will not terminate, impair or disturb the possession of Affordable Master Tenant in the Affordable Project from the date hereof until the end of the Compliance Period (the “**SNDA Termination Date**”). The term “Compliance Period” shall mean the entire 15-year period during which the “compliance period” described in Section 42(i)(1) of the Internal Revenue Code of 1986, as amended from time to time, shall be applicable to the Affordable Project.
- (b) Affordable Master Tenant will continue to be perform its obligations under the Master Lease, except payments owed to Borrower under the Master Lease will be directed to the foreclosing Lender or Successor Landlord following Affordable Master Tenant’s receipt of written payment directions from the foreclosing Lender or Successor Landlord, and all compliance, reporting and financial statements required under the Master Lease will be delivered directly to the foreclosing Lender or Successor Landlord following Affordable Master Tenant’s receipt of the foreclosing Lender’s or Successor Landlord’s address for the receipt of such information; provided that, the foreclosing Lender may elect at any time following the SNDA Termination Date to terminate the Master Lease upon not less than thirty (30) days prior written notice to Master Tenant.
- (c) The Master Lease will continue in full force and effect as a direct Master Lease between the foreclosing Lender (or its designee) and Affordable Master Tenant, upon and subject to all of the terms, covenants and

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conditions of the Master Lease, for the balance of the term of the Master Lease; provided that, the foreclosing Lender or any successor landlord may elect at any time following the SNDA Termination Date to terminate the Master Lease upon not less than thirty (30) days prior written notice to Master Tenant.

The obligations under this Section 7 shall survive the expiration or termination of this Agreement or the transfer of the Affordable Project to a Lender by foreclosure of the Security Instrument or conveyance in lieu of foreclosure.

For the purposes of this paragraph "Construction Completion" shall mean all of the following have been accomplished: (1) the issuance of a certificate of substantial completion by the architect, certifying that the Affordable Project has been completed in accordance with the plans and specifications, except for minor "punch list" items; (2) the issuance of a final certificate of occupancy by the City for the Affordable Project; and (3) the issuance by CHA or its designee of a notification to Borrower of CHA's acceptance of occupancy for all of the units designated as RAD Units in accordance with the Loan Agreement evidencing the CHA MTW Loan.

Notwithstanding the foregoing, following a foreclosure or a deed in lieu of foreclosure, the Affordable Master Lease shall be deemed to be automatically modified as follows:

- (i) Section 2.5(c) of the Affordable Master Lease is hereby deleted and replaced in its entirety with the following:
 - (a) "Excess Rent" shall mean all Net Cash Flow of Tenant (as defined by the Operating Agreement as it exists as of the date hereof without amendment or modification) for the immediately preceding month, less, during the Compliance Period only, all amounts required to replenish the Operating Reserve as set forth in Section 7.3(a)(ii) of the Operating Agreement; provided, however, the total Excess Rent paid during the term of this Lease shall not exceed the Affordable Residential Unit's proportional share of the outstanding indebtedness of the foreclosing lender at the time of foreclosure.
- (ii) Section 2.6 of the Affordable Master Lease is hereby deleted and of no further effect.

8. **Security Instrument Remedies.** Subject to Section 7 hereof, nothing contained in this Agreement will prevent any Lender from enforcing the terms and conditions of the Loan Document or to avail itself of any remedy available to it under this Agreement, the Security Instruments, the other Loan Documents whether in equity or by law, including, but not limited to naming Affordable Master Tenant in any foreclosure or other action or proceeding initiated by a Lender pursuant to the Security Instruments to the extent necessary under applicable law in order for a Lender to avail itself of and complete the foreclosure or other remedy.

9. **Attornment.** If a Lender or any other purchaser at a foreclosure sale or sale under

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private power contained in the Security Instrument, or by acceptance of a deed in lieu of foreclosure (a "**Successor Landlord**"), succeeds to the interest of Borrower under the Master Lease, it is agreed as follows:

(1) Affordable Master Tenant shall be bound to the foreclosing Lender or such other purchaser pursuant to all of the terms, covenants and conditions of the Master Lease for the balance of the term thereof (as the same may be extended in accordance with its terms), with the same force and effect as if the foreclosing Lender or such other purchaser were the lessor originally named in such Master Lease, and Affordable Master Tenant does hereby agree to attorn to the foreclosing Lender or such other purchaser as its lessor, such attornment to be effective and self-operative without the execution of any further instruments on the part of any of the parties to this Agreement, immediately upon the foreclosing Lender or such other purchaser succeeding to the interest of Landlord under the Master Lease.

(2) Subject to the observance and performance by Affordable Master Tenant of all the terms, covenants and conditions of the Master Lease, the foreclosing Lender or such other purchaser shall recognize the leasehold estate of Affordable Master Tenant under the Master Lease for the balance of the term (as the same may be extended in accordance with the provisions of the Master Lease) with the same force and effect as if the foreclosing Lender or such other purchaser were the lessor under the Master Lease, and the Master Lease shall remain in full force and effect and shall not be terminated, except in accordance with the terms of the Master Lease or this Agreement; provided, however, that the foreclosing Lender or such other purchaser shall not be (a) liable for any act or omission of Borrower, or any other prior lessor, (b) obligated to cure any defaults of Borrower or any other prior lessor under the Master Lease which occurred prior to the time that the foreclosing Lender or such other purchaser succeeded to the interest of Borrower or any other prior lessor under the Master Lease, (c) subject to any offsets or defenses which Affordable Master Tenant may be entitled to assert against Borrower or any other prior lessor, (d) bound by any payment of rent or additional rent by Affordable Master Tenant to Borrower or Tenants to Affordable Master Tenant, or any other prior lessor for more than one (1) month in advance, (e) bound by any amendment or modification of the Master Lease made without the written consent of the foreclosing Lender or such other purchaser, or (f) liable or responsible for or with respect to the retention, application and/or return to Affordable Master Tenant of any security deposit paid to Borrower, or any other prior lessor, whether or not still held by Borrower unless and until the foreclosing Lender or such other purchaser has actually received for its own account as lessor the full amount of such security deposit.

10. **Hold Harmless.** Notwithstanding anything to the contrary contained herein, Borrower agrees to protect, defend, indemnify and hold each Lender, its member, directors and employees harmless from and against any and all losses, liabilities, damages, demands, actions, suits, claims, liens, judgments, expenses, fees and costs (including, without limitation, court costs and reasonable attorneys' fees) arising out of or relating to (i) Lender's entering into or carrying out the terms of this Agreement or being the holder of the Notes or the mortgagee under the Security Instruments, or (ii) the exercise of any of Lender's rights or remedies under this

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Agreement or any of the Loan Documents, or (iii) the completion of the Affordable Project or (iv) for any injury or damage to person or property occurring on or about the Development. This obligation of Borrower shall survive the repayment or cancellation of the Loans. In connection with the indemnity granted in this **Section**, Borrower further agrees that each Lender, if it so chooses, shall have the right to select its own counsel with respect to any such claims. Borrower shall pay Lenders' attorneys' fees and disbursements and court costs (including those relating to appeals) and all related expenses in connection with the enforcement of this Agreement.

11. **Protection of Lenders and Successor Landlord.** Affordable Master Tenant agrees that Successor Landlord and Lenders will not be liable for, subject to or bound by any of the following:

- (a) Claims, offsets or defenses which Affordable Master Tenant might have against Project Borrower, including without limitation any claims arising with respect to any indemnification obligations of the Project Borrower, as landlord under the Master Lease;
- (b) Acts or omissions of Project Borrower;
- (c) Rent or additional rent which Affordable Master Tenant might have paid for more than the current month;
- (d) Any security deposit or other prepaid charge paid to Project Borrower;
- (e) Construction or completion or maintenance (prior to the date that a foreclosing Lender or Successor Landlord has taken possession of the Affordable Master Project or assumed control of the Master Lease, whichever is earlier) of any improvements for Affordable Master Tenant's use and occupancy;
- (f) Any deferred developer fee under Section 3.1 of the Master Lease;
- (g) Representations and warranties of any nature whatsoever, including any representations or warranties respecting use, compliance with zoning, hazardous wastes or environmental laws, Project Borrower's title, Project Borrower's authority, habitability, fitness for purpose or possession; or
- (h) Amendments or modifications of the Master Lease made without its written consent.

12. **Successor Landlord and Lenders Exculpation.** Affordable Master Tenant will look solely to Successor Landlord's or a Lender's, as may be applicable, interest in the Affordable Project for the payment and discharge of any obligation or liability imposed upon Successor Landlord or a Lender under the Master Lease, but only to the extent such Lender or Successor Landlord has taken possession of the Affordable Master Project or assumed control of the Master Lease.

13. **Estoppel.** To the best of Affordable Master Tenant's knowledge, there does not exist any default, claim, controversy or dispute under the Master Lease. Affordable Master Tenant

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has not commenced any action nor sent or received any notice to terminate the Master Lease.

14. **Notice to Lenders.** Affordable Master Tenant agrees that it will deliver to Lenders a copy of all notices of default or termination received by it or given by it under the terms of the Master Lease.

15. **Lease Form.** Affordable Master Tenant has submitted to Lenders, and each Lender has approved, Affordable Master Tenant's standard form of tenant lease for use at Affordable Project. The form of the Affordable Master Tenant's tenant lease so approved is attached to this Agreement as **Exhibit D.** Affordable Master Tenant shall not materially modify that approved lease form, without Lenders' prior written consent in each instance, which consent shall not be unreasonably withheld or delayed. Affordable Master Tenant may enter into leases of space within the Affordable Project (and non-material amendments to such leases) in the ordinary course of business with bona fide third party tenants without each Lender's prior written consent if the lease is executed in the form of **Exhibit D** without material modification and each such lease and tenant complies with all applicable Regulatory Agreements and Regulatory Requirements.

16. **Assignment to Lenders.** Affordable Master Tenant acknowledges that the Project Borrower may execute and deliver to each Lender an Assignment of Leases (or comparably named document) as security for the Loan and each Lender may assign its interest its Loan, the Security Instruments, the Loan Documents and all Lender's rights, title, obligations and interests therein at any time in its sole discretion, whether by operation of law (pursuant to a merger or other successor in interest) or otherwise. Upon such assignment, all references to the assigning Lender in this Agreement and in the Loan Documents shall be deemed to refer to such assignee or successor in interest and such assignee or successor in interest shall thereafter stand in the place of the assigning Lender. Affordable Master Tenant expressly consents to such assignments.

17. **Amendments to Affordable Master Tenant's Organizational Documents.** Affordable Master Tenant shall not amend, modify, waive or terminate any of the provisions of the Operating Agreement or its certificate of formation ("**Affordable Master Tenant Organizational Documents**") without the prior written consent of each Lender, other than (i) modifications necessary to reflect the occurrence of a Permitted Transfer or (ii) modifications that do not: (A) impose any additional or greater obligations on Affordable Master Tenant or any of the partners, managers or members of Affordable Master Tenant, (B) reduce or relieve Affordable Master Tenant or any of the partners, managers or members of Affordable Master Tenant of any of their obligations, (C) modify the timing, amounts, number, conditions or other terms of the installments or other payment obligations of the partners or members of Affordable Master Tenant, (D) impair the value of the estate of the Affordable Project, (E) impair the ability of Affordable Master Tenant to satisfy its rent or other obligations under the Master Lease, or (F) violate any applicable Regulatory Agreement or Regulatory Requirement or (G) alter the provisions relating to the distribution of Net Cash Flow (as defined in the Operating Agreement).

18. **Invalidity.** If any portion of this Agreement is held invalid or inoperative, then all of the remaining portions will remain in full force and effect, and, so far as is reasonable and possible, effect will be given to the intent manifested by the portion or portions held to be invalid or inoperative.

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19. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State where the Affordable Project is located, exclusive of its conflict of laws provisions.

20. **Notices.**

(a) All notices, demands and other communications (“**Notices**”) under or concerning this Agreement must be in writing. Each Notice shall be addressed to the intended recipient at its address set forth in this Agreement, and will be deemed given on the earliest to occur of (1) the date when the Notice is received by the addressee; (2) the first Business Day after the Notice is delivered to a recognized overnight courier service, with arrangements made for payment of charges for next Business Day delivery; or (3) the third Business Day after the Notice is deposited in the United States mail with postage prepaid, certified mail, return receipt requested. The term “Business Day” means any day other than a Saturday, a Sunday or any other day on which any Lender is not open for business.

(b) Any party to this Agreement may change the address to which Notices intended for it are to be directed by means of Notice given to the other party in accordance with this Section. Each party agrees that it will not refuse or reject delivery of any Notice given in accordance with this Section, that it will acknowledge, in writing, the receipt of any Notice upon request by the other party and that any Notice rejected or refused by it will be deemed for purposes of this Section to have been received by the rejecting party on the date so refused or rejected, as conclusively established by the records of the U.S. Postal Service or the courier service.

Any Notice, if given to Lenders, must be addressed as follows:

Illinois Housing Development Authority
 111 E. Wacker Drive, Suite 1000
 Chicago, Illinois 60601
 Attention: Managing Director for Multifamily Financing

With a copy to:

Illinois Housing Development Authority
 111 E. Wacker Drive, Suite 1000
 Chicago, Illinois 60601
 Attention: Legal Department

If to City: Department of Housing

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City of Chicago
121 North LaSalle Street, Room 1000
Chicago, Illinois 60602
Attention: Commissioner

With copies to: Office of the Corporation Counsel
City of Chicago
121 North LaSalle Street
Room 600
Chicago, Illinois 60602
Attention: Finance & Economic Development Division

and

Department of Finance
City of Chicago
121 North LaSalle Street,
Suite 700
Chicago, Illinois 60602
Attention: Comptroller

Any Notice, if given to Project Borrower, must be addressed as follows:

Southbridge 4 Master Owner LLC
c/o The Community Builders
135 South LaSalle Street, Suite 3350
Chicago, Illinois 60603
Attention: Director of Development

With a copy to: Applegate & Thorne-Thomsen, P.C.
425 S. Financial Place, Suite 1900
Chicago, Illinois 60605
Attention: Paul Davis

With a copy to: The Community Builders
185 Dartmouth Street
Boston, MA 02116
Attention: General Counsel

With a copy to: GS Southbridge 4% Investor Opportunity Fund LP
Urban Investment Group
c/o Goldman Sachs Group
200 West Street
New York, New York 10282
Attention: Urban Investment Group Portfolio Manager
Email: gs-uig-portfolio-manager@gs.com

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with a copy to: GS Southbridge 4% Investor Opportunity Fund LP
Urban Investment Group
c/o Goldman Sachs Bank USA
200 West Street
New York, NY 10282
Attention: Scott Maxfield
Email: scott.maxfield@gs.com

with a copy to: Michael Dalton
2001 Ross Avenue, 32nd Floor
Dallas, Texas 75201
Attention: Urban Investment Group LIHTC Portfolio Manager
Email: michael.dalton@gs.com

with a copy to: gs-uig-docs@gs.com

with a copy to: Sidley Austin LLP
One South Dearborn Street
Chicago, IL 60603
Attention: Philip C. Spahn
Telephone No.: (312) 853-7015
Email: pspahn@sidley.com

Any Notice, if given to Affordable Master Tenant, must be addressed as follows:

Southbridge 1-4 Housing LLC
c/o The Community Builders
135 South LaSalle Street, Suite 3350
Chicago, Illinois 60603
Attention: Director of Development

With copy to: Applegate & Thorne-Thomsen, P.C.
425 S. Financial Place, Suite 1900
Chicago, Illinois 60605
Attention: Paul Davis

With a copy to: The Community Builders
185 Dartmouth Street
Boston, MA 02116
Attention: General Counsel

With a copy to: GS Southbridge 4% Investor Opportunity Fund LP
Urban Investment Group
c/o Goldman Sachs Group

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200 West Street
 New York, New York 10282
 Attention: Urban Investment Group Portfolio Manager
 Email: gs-uig-portfolio-manager@gs.com

with a copy to: GS Southbridge 4% Investor Opportunity Fund LP
 Urban Investment Group
 c/o Goldman Sachs Bank USA
 200 West Street
 New York, NY 10282
 Attention: Scott Maxfield
 Email: scott.maxfield@gs.com

with a copy to: Michael Dalton
 2001 Ross Avenue, 32nd Floor
 Dallas, Texas 75201
 Attention: Urban Investment Group LIHTC Portfolio Manager
 Email: michael.dalton@gs.com

with a copy to: gs-uig-1015@gs.com

with a copy to: Sidley Austin LLP
 One South Dearborn Street
 Chicago, IL 60603
 Attention: Philip C. Spahn
 Telephone No.: (312) 855-7015
 Email: pspahn@sidley.com

21. **Successors and Assigns.** This Agreement will be binding upon and inure to the benefit of the parties to this Agreement and their respective heirs, legal representatives, successors, successors-in-title and assigns.

22. **Counterparts.** This Agreement may be executed in any number of counterparts, all of which when taken together will constitute one and the same instrument.

23. **Third Party Beneficiary.** Notwithstanding anything to the contrary herein or in the Loan Documents, the Equity Investor shall be a third party beneficiary of this Agreement. Subject to the preceding sentence, this Agreement is made for the sole benefit of Borrower, Affordable Master Tenant and Lenders, and no other person shall be deemed to have any privity of contract under this Agreement, nor any right to rely on it to any extent or for any purpose whatsoever, nor shall any other person have any right of action of any kind under this Agreement or be deemed to be a third party beneficiary under it, except for the Equity Investor as provided above.

24. **Term.** This Agreement shall remain in place so long as any of the Loans are outstanding and the Master Lease remains in effect. All covenants, representations and warranties made by either Borrower or Affordable Master Tenant, or both, in this Agreement, or delivered

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pursuant to this Agreement, shall survive the execution and delivery of this Agreement and shall continue in effect so long as this Agreement or any of the Loan Documents are outstanding; provided, however, that the representations, warranties and covenants set forth in the **Section 10 (Hold Harmless)** shall survive in perpetuity.

25. Successor Landlord's Property Manager. If a Successor Landlord becomes the landlord under the Master Lease, then upon the written request of such Successor Landlord, Affordable Master Tenant shall comply with the following provisions within fifteen (15) business days of such written request of such Successor Landlord and shall continue to comply with such provisions throughout the term of the Master Lease:

(a). A property manager selected by Successor Landlord ("**Replacement Property Manager**"), shall be engaged to manage the Affordable Project pursuant to a management agreement ("**Replacement Management Agreement**") approved by such Successor Landlord. Pursuant to the Replacement Management Agreement, the Successor Landlord shall have the right to direct the Replacement Property Manager and administer the Replacement Management Agreement and the Replacement Property Manager shall be delegated full authority to lease, operate and manage the Affordable Project on behalf of Affordable Master Tenant. Affordable Master Tenant shall irrevocably direct all subtenants of the Affordable Project to remit rent and other payments directly to the Replacement Property Manager. The Replacement Manager selected by the Successor Landlord shall be a Qualified Manager. "Qualified Manager" means (a) a property manager subject to the review and reasonable approval by Equity Investor of such entity's USA PATRIOT Act, OFAC, "know your customer", and similar customary searches at the time of the proposed replacement at the time of the proposed replacement, and (b) a reputable, experienced property management company with not less than 5 years' experience in the management of low-income housing tax credit developments and manages at least 1,000 units in the aggregate that are located in U.S. metropolitan markets.

(b) The Replacement Management Agreement shall obligate the Replacement Manager to provide property management services for both Residential Market Unit and the Residential Affordable Unit in accordance with Section 8.1 of the Master Lease, provided that neither the Master Tenant nor the Master Tenant Investor Member shall have the right to terminate the Replacement Management Agreement.

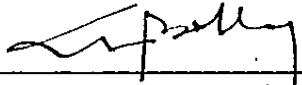
26. Ground Lease. The parties hereto acknowledge and agree that the CHA is executing this Agreement in its capacity as lender with respect to the CHA MTW Loan CHA DTC Loan. CHA is also the owner of the fee simple estate in the Land and the lessor under the Ground Lease. Nothing herein contained is intended, or shall be construed, to impact CHA's rights as ground lessor under the Ground Lease and the Master Lease shall be and remain subject and subordinate to the Ground Lease.

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CHA:

CHICAGO HOUSING AUTHORITY,
an Illinois municipal corporation

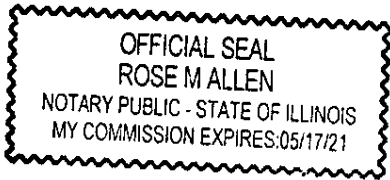
By: 
James L. Bebley, Acting Chief Executive Officer

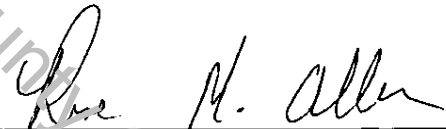
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, certify that James L. Bebley, personally known to me to be the Acting Chief Executive Officer of the Chicago Housing Authority and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she/he signed and delivered the said instrument in her/his capacity as Acting Chief Executive Officer of the Chicago Housing Authority, as her/his free and voluntary act and deed and as the free and voluntary act and deed of the Chicago Housing Authority, for the uses and purposes therein set forth.

Given under my hand and official seal this 16th day of January, 2020.

(SEAL)




Notary Public

My commission expires: _____

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CITY OF CHICAGO:

CITY OF CHICAGO, acting by and through
its Department of Housing

By: *Marisa Novara*
Marisa Novara, Commissioner

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

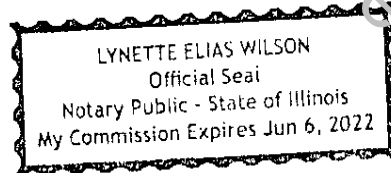
I, the undersigned, a notary public in and for the said County, in the State aforesaid, DO
HEREBY CERTIFY that Marisa Novara, Commissioner of the Department of Housing of the
City of Chicago, Illinois, an Illinois municipal corporation, on behalf of the corporation (the
"City"), and personally known to me to be the same person whose name is subscribed to the
foregoing instrument, appeared before me this day in person and acknowledged that she signed,
sealed, and delivered said instrument pursuant to the authority given to her by the City, as her
free and voluntary act and as the free and voluntary act of the City, for the uses and purposes
therein set forth.

GIVEN under my hand and official seal this *8th* day of January 2020.

Lynette Elias Wilson
Notary Public

(SEAL)

My Commission Expires *June 6, 2022*



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TCB DEVELOPMENT SERVICES:

TCB DEVELOPMENT SERVICES LLC,
an Illinois limited liability company

By: The Community Builders, Inc.,
its sole member

By: [Signature]
Name: William Woodley
Its: Authorized Agent

STATE OF ILLINOIS)

) ss

COUNTY OF COOK)

I, Sonja Pearl, a notary public in and for the said County, in the State aforesaid, HEREBY CERTIFY that William Woodley, personally known to me to be the Authorized Agent of The Community Builders, Inc., the sole member of TCB Development Services LLC, an Illinois limited liability company ("TCB"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that s/he signed, sealed, and delivered said instrument, pursuant to the authority given to her/him by the board of directors of The Community Builders, Inc., as her/his free and voluntary act and as the free and voluntary act of TCB, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 20 day of December, 2019.

[Signature]
Notary Public

My Commission Expires 4-29-22



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NEW HOPE:

NEW HOPE COMMUNITY CAPITAL, INC.,
a Massachusetts nonprofit corporation

By: [Signature]
Name: THOMAS BUONOPANE
Its: AUTHORIZED AGENT

COMMONWEALTH OF MASSACHUSETTS)
) SS
COUNTY OF SUFFOLK)


I, the undersigned, a Notary Public in and for the County and Commonwealth/State aforesaid, certify that THOMAS BUONOPANE, personally known to me to be the AUTHORIZED AGENT of the New Hope Community Capital, Inc., a Massachusetts nonprofit corporation ("Subordinated Lender") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she/he signed and delivered the said instrument in her/his capacity as AUTHORIZED AGENT of the Subordinated Lender, as her/his free and voluntary act and deed and as the free and voluntary act and deed of the Subordinated Lender, for the uses and purposes therein set forth.

Given under my hand and official seal this 16th day of DECEMBER, 2019.

(SEAL)

[Signature]
Notary Public

My commission expires: 10/23/2020

 **KERI J. DAILEY**
Notary Public
Commonwealth of Massachusetts
My Commission Expires
October 23, 2020

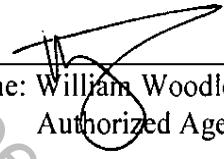
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PROJECT BORROWER:

SOUTHBRIDGE 4 MASTER OWNER LLC,
an Illinois limited liability company

By: Ickes Master Developer JV, LLC,
its sole member

By: The Community Builders, Inc.,
its managing member

By: 
Name: William Woodley
its: Authorized Agent

STATE OF ILLINOIS)

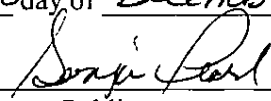
) ss

COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do certify that William Woodley, personally known to me to be the Authorized Agent of The Community Builders, Inc., the managing member of Ickes Master Developer JV, LLC, (the "Managing Member"), the sole and managing member of Southbridge 4 Master Owner LLC, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Authorized Agent, s/he signed and delivered the said instrument, pursuant to authority given by the members of the Managing Member as the free and voluntary act of such person, and as the free and voluntary act and deed of the Managing Member and Southbridge 4 Master Owner LLC, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 20 day of December, 2019.




Notary Public

My Commission Expires 4.29.22

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AFFORDABLE MASTER TENANT:

SOUTHBRIDGE 1-4 HOUSING LLC,
an Illinois limited liability company

By: Southbridge 1 Housing MM LLC,
its managing member

By: [Signature]
Name: William Woodley
Its: Authorized Agent

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, Sonja Pearl a notary public in and for the said County, in the State aforesaid, HEREBY CERTIFY that William Woodley, personally known to me to be the Authorized Agent of Southbridge 1 Housing MM LLC (the "Managing Member"), the managing member of Southbridge 1-4 Housing LLC, an Illinois limited liability company ("Southbridge"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that s/he signed, sealed, and delivered said instrument, pursuant to the authority given to her/him by the managers of the Managing Member, as her/his free and voluntary act and as the free and voluntary act of Southbridge for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 20 day of December, 2019



[Signature]
Notary Public
My Commission Expires 4.29.22

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EXHIBIT A PROPERTY DESCRIPTION

(see attached)

Property of Cook County Clerk's Office

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EXHIBIT A

LEGAL DESCRIPTION FOR SOUTHBRIDGE PHASE 1A

PARCEL 1:

THE LEASEHOLD ESTATE CREATED BY THE INSTRUMENT HEREIN REFERRED TO AS THE GROUND LEASE, EXECUTED BY CHICAGO HOUSING AUTHORITY, AN ILLINOIS MUNICIPAL CORPORATION, AS LANDLORD, AND TCB DEVELOPMENT SERVICES LLC, AN ILLINOIS LIMITED LIABILITY COMPANY, AS TENANT, DATED AS OF JANUARY 16, 2020, WHICH LEASE WAS RECORDED JANUARY 17, 2020, AS DOCUMENT NUMBER _____, ASSIGNED BY THE ASSIGNMENT AND ASSUMPTION AND AMENDMENT OF GROUND LEASE, DATED AS OF JANUARY 16, 2020, BETWEEN SAID TCB DEVELOPMENT SERVICES LLC, AND SOUTHBRIDGE 4 MASTER OWNER LLC, AN ILLINOIS LIMITED LIABILITY COMPANY, WHICH ASSIGNMENT AND ASSUMPTION AND AMENDMENT OF GROUND LEASE WAS RECORDED JANUARY 17, 2020, AS DOCUMENT NUMBER _____, WHICH LEASE DEMISES THE FOLLOWING DESCRIBED PROPERTY FOR A TERM OF 99 YEARS ENDING JANUARY 15, 2019:

THAT PART OF LOTS 1 THROUGH 12 (BOTH INCLUSIVE), THAT PART OF LOTS 40 THROUGH 46 (BOTH INCLUSIVE), AND THAT PART OF THE NORTH-SOUTH 15 FOOT WIDE PUBLIC ALLEY VACATED PER DOCUMENT NUMBER 15805877, RECORDED JANUARY 6, 1954, ALL IN BLOCK 10, IN UHLICH AND MUHLKE'S ADDITION TO CHICAGO, A SUBDIVISION OF THE EAST HALF OF THE NORTHEAST QUARTER (EXCEPT THE SOUTH HALF OF THE SOUTH HALF THEREOF) IN SECTION 28, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 1; THENCE SOUTH 01 DEGREES 31 MINUTES 56 SECONDS EAST, ALONG AN ASSUMED BEARING, BEING THE EAST LINE OF SAID LOTS 1 THROUGH 12, ALSO BEING THE WEST LINE OF STATE STREET, 289.70 FEET; THENCE SOUTH 88 DEGREES 29 MINUTES 48 SECONDS WEST 116.21 FEET; THENCE NORTH 01 DEGREES 31 MINUTES 56 SECONDS WEST 74.55 FEET; THENCE SOUTH 88 DEGREES 28 MINUTES 04 SECONDS WEST 35.00 FEET; THENCE NORTH 01 DEGREE 31 MINUTES 56 SECONDS WEST 151.00 FEET; THENCE NORTH 88 DEGREES 28 MINUTES 04 SECONDS EAST 37.00 FEET; THENCE NORTH 01 DEGREE 31 MINUTES 56 SECONDS WEST 64.15 FEET TO A POINT ON THE NORTH LINE OF SAID LOT 1; THENCE NORTH 88 DEGREES 29 MINUTES 48 SECONDS EAST ALONG SAID NORTH LINE, ALSO BEING THE SOUTH LINE OF W. 23RD STREET 114.21 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

EXCEPTING THEREFROM ALL BUILDINGS AND IMPROVEMENTS LOCATED, OR TO BE LOCATED AFTER THE DATE OF THE AFORESAID GROUND LEASE, THEREON.

PARCEL 2:

FEE SIMPLE TITLE TO ALL BUILDINGS AND IMPROVEMENTS LOCATED, OR TO BE LOCATED AFTER THE DATE OF THE AFORESAID GROUND LEASE, ON THE LEASEHOLD ESTATE HEREINABOVE DESCRIBED AS PARCEL 1.

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SAID PARCEL CONTAINS 38,823 SQUARE FEET OR 0.891 ACRES, MORE OR LESS.

Common Addresses: 2302-2322 S. State Street, Chicago IL 60616
Residential Address: 2310 S. State Street, Chicago IL 60616
Retail Addresses: 2302 S. State Street, Chicago IL 60616;
2306 S. State Street, Chicago IL 60616;
2318 S. State Street, Chicago IL 60616;
2322 S. State Street, Chicago IL 60616

PROPERTY PINS

Property Pins. 17-28-218-028 (affects part of the land and other property);
17-28-218-029 (affects part of the land and other property); and
17-28-218-030 (affects part of the land and other property)

Property of Cook County Clerk's Office

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EXHIBIT B
MASTER LEASE

(see attached)

Property of Cook County Clerk's Office

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MASTER LEASE AGREEMENT 2310 S. STATE STREET, CHICAGO, ILLINOIS

This Master Lease Agreement (this "Lease"), is made as of January 16, 2020 (the "Effective Date") by and between Southbridge 4 Master Owner LLC, an Illinois limited liability company (the "Landlord"), and Southbridge 1-4 Housing LLC, an Illinois limited liability company (the "Tenant").

RECITALS

WHEREAS, pursuant to the Ground Lease as defined below, Landlord has a ground leasehold interest in certain property located generally at 2310 S. State Street, Chicago, Illinois, as more particularly described in Exhibit A attached hereto (the "Property").

WHEREAS, Landlord intends to construct on the Property a mixed-use building (the "Building") containing both residential and non-residential space to be known generally as Southbridge Phase 1A;

WHEREAS, in accordance with Section 2.3 below, upon completion of construction Landlord intends to submit the Property and Building to the provisions of the Illinois Condominium Property Act (765 ILCS 605) in order to create a 7-unit leasehold condominium to be known as The Southbridge 1-4 Condominium Association (the "Leasehold Condominium");

WHEREAS, the draft Declaration of Leasehold Condominium and of Easements, Restrictions, Covenants and By-Laws for Southbridge 1-4 Condominium is attached as Exhibit B (the "Leasehold Condominium Declaration").

WHEREAS, upon completion the Building will consist of approximately (i) 10,100 square feet of commercial space on its ground floor (the "Commercial Space"), (ii) 103 residential rental units on its upper floors (the "Residential Space"), (iii) an aggregate of 53 parking spaces in an exterior parking area (the "Parking Facilities"), and (iv) certain other common areas for the benefit of both the Residential Space and the Commercial Space (together, with the Parking Facilities, the "Common Elements").

WHEREAS, the Residential Space will include 6 separate leasehold condominium units, one of which will include 52 residential units to be rented as market rate units (together with its appurtenant rights in the Common Elements as described in the Leasehold Condominium Declaration, the "Residential Market Unit") and the remaining five of which will collectively include 51 residential units to be rented as affordable units (collectively, together with its appurtenant rights in the Common Elements, as described in the Leasehold Condominium Declaration, the "Residential Affordable Unit") and 16 designated parking spaces within the Parking Facilities for use with the Residential Affordable Unit.

WHEREAS, the Commercial Space will include 1 leasehold condominium unit (together with (i) the appurtenant exclusive right to use 17 designated parking spaces within the Parking Facilities, and (ii) the appurtenant non-exclusive rights in other portions of the Common Elements, all as described in the Leasehold Condominium Declaration, is referred to

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herein as the "Commercial Unit").

WHEREAS, Landlord and Tenant intend that, promptly after the end of the Development Period (as defined herein), Landlord will record the Leasehold Condominium Declaration with the Cook County Recorder of Deeds (the "Recorder's Office") in order to establish the Leasehold Condominium.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties agree as follows:

1. Definitions.

Capitalized terms used and not otherwise defined in this Lease shall have the meanings given to such terms in the Leasehold Condominium Declaration and/or in the SNDA, as specified herein. In addition, the following terms not otherwise defined herein shall have the meaning set forth below:

- 1.1. "Affordability Restrictions" shall have meaning set forth in Section 2.11.
- 1.2. "Affordable Unit Development Costs" shall have the meaning set for in Section 2.6.
- 1.3. "Annual Budget" shall have meaning set forth in Section 8.2.
- 1.4. "Architect's Contract" means that certain agreement between Landlord and Nia Architects Incorporated, an Illinois corporation (the "Architect"), dated March 30, 2018, as it may be amended from time to time.
- 1.5. "Base Rent" shall mean rent paid by Tenant to Landlord as set forth in Section 2.5.
- 1.6. "Building" shall have the meaning set forth in the Recitals.
- 1.7. "Building Expenses" means all the costs and expenses of any type incurred incident to the ownership and operation of the Residential Market Unit, the Commercial Unit, and the Residential Affordable Unit, including, without limitation, taxes (including Real Estate Taxes), capital repairs and replacements (to the extent not paid for with proceeds of insurance or permitted withdrawals from the Replacement Reserve), the cost of operations, utility expenses, maintenance and repairs, snow removal, insurance premiums, common charges of the Leasehold Condominium or under any homeowner's association applicable to Residential Market Unit, the Commercial Unit, and the Residential Affordable Unit, expenses of lease enforcement, brokerage commissions, expenses in complying with affordability covenants and other covenants imposed by governmental and other lenders, fees due and payable, and management fees, but excluding cost recovery deductions, other noncash charges, fees required

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to be paid only to the extent of Net Cash Flow, all debt service payable on Loans, and cash distributions to members of Landlord.

- 1.8. “CHA” shall mean the Chicago Housing Authority.
- 1.9. “CHA Right of First Refusal” shall mean that certain Right of First Refusal Agreement dated on or about the date hereof, by and among Master Tenant, Landlord, and CHA
- 1.10. “CHA Tenants” mean the tenants who qualify as being eligible to occupy the RAD Units in accordance with the RAD Requirements.
- 1.11. “Code” shall mean the Internal Revenue Code of 1986, as amended.
- 1.12. “Code” shall mean the Internal Revenue Code of 1986, as amended.
- 1.13. “Code” shall mean the Internal Revenue Code of 1986, as amended.
- 1.14. “Commercial Space” shall have the meaning set forth in the Recitals.
- 1.15. “Commercial Unit” shall have the meaning set forth in the Recitals.
- 1.16. “Common Elements” shall have the meaning given in the Leasehold Condominium Declaration, as and when any portion of such Common Elements is constructed.
- 1.17. “Common Expenses” shall have the meaning given in the Leasehold Condominium Declaration.
- 1.18. “Construction” shall have meaning set forth in Section 3.1.
- 1.19. “Construction Contract” shall mean that certain Owner-Contract Agreement between Landlord and the Contractor dated on or about the date hereof, together with all “Contract Documents” enumerated therein, as amended from time to time, provided no change may be made to the Plans and Specifications without the approval of Tenant, which shall not be unreasonably withheld.
- 1.20. “Construction Lender” means the Citibank, N.A.
- 1.21. “Construction Loan” means that certain construction loan to the Landlord from the Construction Lender in an amount not to exceed \$25,895,321 in three tranches. The “A” tranche will have a principal amount of approximately \$8,100,000 with a fixed interest rate of approximately 4.22% and a term 38 months with two 6-month extensions, the “B” tranche will have a principal amount of approximately \$8,300,000 with a variable interest rate and a term of 38 months with two 6-month extensions, and the “C” tranche will have a principal amount of approximately \$9,495,321 with a variable interest rate and a term of 38 months with two 6-month extensions.
- 1.22. “Consumer Price Index” means the revised Consumer Price Index for Urban

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Wage Earners and Clerical Workers for the geographic area that includes the 9% Project (all items, 1982-84 = 100) promulgated by the Bureau of Labor Statistics of the United States Department of Labor.

1.23. “Contractor” shall mean joint venture between Powers and Sons Construction Company and McShane Construction Company, known as McShane Powers Joint Venture.

1.24. “Development Period” means the period starting on the Effective Date and ending on the Lease-Up Commencement Date.

1.25. “Development Period Operating Expenses” is defined in Section 8.3.

1.26. “Environmental Laws” shall mean and refer to all Federal, state and local laws, ordinances, rules and regulations now or at any time hereafter in effect which regulate, relate to or impose liability or standards of conduct concerning any Hazardous Substances, including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act of 1980 (42 USC § 9601 et. seq.), as amended from time to time, and the Superfund Amendments and Reauthorization Act of 1986, as amended, and regulations promulgated thereunder, the Resource Conservation and Recovery Act of 1976 (42 USC § 6901 et. seq.), as amended from time to time and regulations promulgated thereunder, the Toxic Substances Control Act (15 USC § 2601 et. seq.), the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Safe Drinking Water Act (42 U.S.C. § 3000(f) et seq.), and the Clean Air Act (42 U.S.C. § 7401 et seq.).

1.27. “Event of Default” shall have the meaning set forth in Section 9.1.

1.28. “Excess Rent” shall have the meaning set forth in Section 2.5.

1.29. “Expense Rent” shall have the meaning set forth in Section 2.5.

1.30. “Ground Lease” shall mean that certain Ground Lease, dated January 16, 2020, between the CHA, as landlord, and TCB Development Services LLC, an Illinois limited liability company (“Initial Tenant”), as initial tenant, as assigned by Initial Tenant to Landlord, by Assignment and Assumption and Amendment of Ground Lease, dated January 16, 2020, between Initial Tenant and Landlord, with the consent of CHA.

1.31. “Handicapped Access Laws” shall mean any and all applicable Federal, state, regional, county or local laws, statutes, rules, regulations, ordinances, decrees or orders concerning access of handicapped or disabled persons, whether now existing or hereafter enacted or promulgated, including, but not limited to, the Americans with Disabilities Act of 1990, as amended.

1.32. “HAP Contract” means the Project-Based Voucher Rental Assistance Demonstration Housing Assistance Payments Contract between CHA and Tenant with respect to the RAD Units, as from time to time supplemented amended and restated commencing on or about the completion of the Improvements for an initial term of 20 years, which will renew automatically pursuant to the RAD Use Agreement.

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1.33. "Hazardous Substances" shall mean and include: (a) any friable asbestos or asbestos-containing material, polychlorinated biphenyls, dioxins or urea formaldehyde foam insulation; (b) any petroleum or petroleum-derived products; (c) any waste, substance, material, pollutant or contaminant designated or regulated in any way as hazardous or toxic in or for purposes of any Environmental Laws; and (d) any substance, the presence of which, by any governmental requirement, requires special handling in its collection, storage, treatment, transportation or disposal.

1.34. "HUD" means the United States Department of Housing and Urban Development

1.35. "IHDA" shall mean the Illinois Housing Development Authority.

1.36. "Improvements" shall mean all repairs, betterments, and improvements to be constructed within or as a part of the Leased Premises pursuant to this Lease, as well as any and all fixtures and any other attachment to the Leased Premises, and any subsequent alterations, additions or replacements thereto.

1.37. "Investor" shall mean GS Southbridge 4% Investor Opportunity Fund LP, a Delaware limited partnership, which is Tenant's investor member, and any successor investor member admitted to Tenant.

1.38. "Investor Capital Installments" shall mean the capital contributions made by the Investor to the Tenant pursuant to Section 5.1 of the Tenant Operating Agreement, which shall be in the aggregate amount of \$8,665,407 or such other adjusted amount as may be provided for by the Tenant Operating Agreement.

1.39. "Landlord" shall have the meaning set forth in the introductory paragraph of this Lease.

1.40. "Landlord's Debt Service" means all payments required to be made in connection with any loan to Landlord, excluding payment of amounts which are required to be paid only to the extent Landlord has funds available therefor and further excluding interest that accrues and is not required to be paid currently.

1.41. "Lease" shall mean this Master Lease Agreement, as it may be amended from time to time.

1.42. "Leasehold Condominium" shall have the meaning set forth in the Recitals.

1.43. "Leasehold Condominium Association" means The Southbridge 1-4 Condominium Association, which is the association of unit owners of the Leasehold Condominium.

1.44. "Leasehold Condominium Conversion Date" shall mean the date the Leasehold Condominium Declaration is recorded in the Recorder's Office.

1.45. "Leasehold Condominium Declaration" shall have the meaning set forth in the Recitals.

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1.46. “Leased Premises” shall mean the portion of the Building which, upon recording of the Leasehold Condominium Declaration, will comprise the Residential Affordable Unit.

1.47. “Lease-Up Commencement Date” shall be the date on which all of the following have occurred: (i) the Leased Premises have been completed in accordance with the Construction Contract and the Plans and Specifications and (ii) the issuance of a building identification number for the Leased Premises.

1.48. “Lender” or “Lenders” means the Construction Lender, the Permanent Lender, and the Subordinate Lenders, but only to the extent the loans provided the foregoing parties remain outstanding.

1.49. “LIHTC” means the low-income housing tax credit governed by Section 42 of the Code.

1.50. “Licenses and Permits” means all licenses, permits, certificates, authorizations and agreements issued by or agreed to by any governmental authority pursuant to any law, rule, regulation, ordinance, etc., and including, but not limited to, building permits, occupancy permits and such special permits, variances and other relief as are required to complete the Construction in accordance with the Plans and Specifications (and any additional duly-authorized tenant improvements) and to permit the use and occupancy of the Leased Premises as permitted by this Lease.

1.51. “Loans” shall mean the Construction Loan, the Permanent Loan, and the Subordinate Loans.

1.52. “Loan Documents” shall mean the Construction Loan Documents, the Permanent Loan Documents, and the Subordinate Loan Documents, including any land use restriction agreements or regulatory agreements executed in connection therewith.

1.53. “Management Agent” shall have the meaning given in Section 8.1.

1.54. “Management Contract” shall have the meaning given in Section 8.1.

1.55. “Memorandum of Lease” shall have the meaning given in Section 12.5.

1.56. “Net Cash Flow” shall have the meaning set forth in the Tenant Operating Agreement.

1.57. “Percentage Interest” shall have the meaning given in the Leasehold Condominium Declaration.

1.58. “Permanent Lender” means IHDA.

1.59. “Permanent Loan” means the loan from Permanent Lender to the Landlord in the amount of approximately \$8,100,000.

1.60. “Plans and Specifications” shall mean the Technical Specifications and the

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Drawings for the Building, prepared by the Architect, and more fully described in the Construction Contract.

- 1.61. "Property" shall have the meaning set forth in the Recitals.
- 1.62. "Proposed Annual Budget" shall have meaning set forth in Section 8.2.
- 1.63. "Qualified Tenant" shall have meaning set forth in Section 4.1.
- 1.64. "RAD Act" means the Consolidated and Furthering Continuing Appropriations Act of 2012, all applicable statutes and any regulations issued by HUD for the RAD Program, as they become effective, and all requirements in HUD handbooks, guides and notices, including but not limited to Notice PIH-2012-32, as amended from time to time.
- 1.65. "RAD Program" means the HUD Rental Assistance Demonstration (RAD) Program created by the RAD Act, as amended from time to time, and the RAD Requirements applicable to such program.
- 1.66. "RAD Requirements" mean all requirements applicable to the RAD Program, without limitation, the RAD Act, HUD notices (including any notices of fund availability under which the CHA received an award of RAD Program funds for use in connection with the Property), the HAP Contract, the RAD Use Agreement, other written policies and procedures of HUD, and all other pertinent Federal statutory, executive order, and regulatory requirements applicable to the RAD Program as such requirements may be amended from time to time.
- 1.67. "RAD Units" mean the 34 units in the Residential Space that are included in the Residential Affordable Units to be leased to CHA Tenants pursuant to the HAP Contract and the RAD Use Agreement.
- 1.68. "RAD Use Agreement" means that certain Rental Assistance Demonstration Use Agreement dated January 16, 2020 by and between HUD, CHA, Tenant, and Landlord.
- 1.69. "Residential Market Unit" shall have the meaning set forth in the Recitals.
- 1.70. "Real Estate Taxes" shall mean all taxes levied or assessed against the Property or the Building by any taxing authority, and/or any payments required by a cooperation agreement providing for payments in lieu of taxes in accordance with any applicable law or regulation, and each installment of all public, special or betterment assessments, urban renewal service payments or other tax increment finance payments levied or assessed by or becoming payable to any governmental authority having jurisdiction over the Property or the Building.
- 1.71. "Recorder's Office" shall have the meaning set forth in the Recitals.
- 1.72. "Rent" shall mean all amounts payable by Tenant hereunder, including Base Rent, Expense Rent and Excess Rent.
- 1.73. "Replacement Reserve" shall have the meaning set forth in Section 8.3(a).

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- 1.74. “Residential Affordable Unit” shall have the meaning set forth in the Recitals.
- 1.75. “Residential Space” shall have the meaning set forth in the Recitals.
- 1.76. “Residential Units” shall mean the Residential Market Unit and the Residential Affordable Unit.
- 1.77. “Restoration” shall have the meaning set forth in Section 6.1.
- 1.78. “Subordinate Lenders” means New Hope Community Capital, Inc., CHA, TCB Development Services LLC, and the City of Chicago.
- 1.79. “Subordinate Loans” means the Subordinate CHA Loan, the Subordinate IHDA Loan, the Subordinate City Loan, the Subordinate New Hope Loan, the Subordinate DTC Loan, and/or the Subordinate TIF Loan, as applicable.
- 1.80. “SNDAs” means that certain Subordination, Nondisturbance, and Attornment Agreements entered into between the Tenant and the Lenders, dated as of January 16, 2020.
- 1.81. “Subordinate Loan Documents” means the loan documents evidencing the Subordinate Loans.
- 1.82. “Subordinate CHA Loan” means the loan to be made to the Landlord by CHA on or about the date hereof in the principal amount of \$10,849,285, bearing simple interest at a rate per annum of 3.0%, with a term of up to 528 months.
- 1.83. “Subordinate CHA Loan Documents” means the loan documents evidencing the Subordinate CHA Loan.
- 1.84. “Subordinate City Loan” means a loan to be made to the Landlord by the City of Chicago on or about the date hereof in the principal amount of \$2,340,435, bearing simple interest at a rate per annum of 0%, with a term of up to 528 months.
- 1.85. “Subordinate City Loan Documents” means the loan documents evidencing the Subordinate City Loan.
- 1.86. “Subordinate IHDA Loan” means a loan to be made to the Landlord by IHDA on or about the date hereof in the principal amount of \$4,762,234, bearing simple interest at a rate per annum of 3.0%, with a term of 480 months upon conversion.
- 1.87. “Subordinate IHDA Loan Documents” means the loan documents evidencing the Subordinate IHDA Loan.
- 1.88. “Subordinate New Hope Loan” means the loan to be made to the Landlord by New Hope on or about the date of conversion in the principal amount of \$1,800,000, bearing simple interest at a rate per annum of 4.0%, with a term of up to 528 months.

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1.89. “Subordinate New Hope Loan Documents” means the loan documents evidencing the Subordinate New Hope Loan.

1.90. “Subordinate DTC Loan” means a loan to be made to the Landlord by CHA on or about the date hereof in the principal amount of \$2,299,909, bearing simple interest at a rate per annum of 0%, with a term and term of up to 528 months.

1.91. “Subordinate DTC Loan Documents” means the loan documents evidencing the Subordinate DTC Loan.

1.92. “Subordinate TIF Loan” means a loan to be made to the Landlord by TCB Development Services LLC on or about the date hereof in the principal amount of \$12,750,000, bearing simple interest at a rate per annum of 4.0%, with a term of up to 528 months.

1.93. “Subordinate TIF Loan Documents” means the loan documents evidencing the Subordinate TIF Loan.

1.94. “Tax Credit Documents” shall mean the documents evidencing the low-income housing tax credits received in connection with the development of the Property.

1.95. “Ownership Transfer Date” shall mean the date on which an application is first made for any Certificate of Occupancy (as defined in the Tenant Operating Agreement) with respect to the Leased Premises; provided that such application shall not be made prior to the time that the Landlord and Tenant reasonably determine in good faith that the Leased Premises are in a condition that is reasonably suitable for such application.

1.96. “Tenant” shall have the meaning set forth in the introductory paragraph of this Lease.

1.97. “Tenant Operating Agreement” shall mean the Amended and Restated Operating Agreement of Tenant executed of even or near date herewith.

1.98. “Term” shall have the meaning set forth in Section 2.2.

1.99. “Termination Date” shall have the meaning set forth in Section 2.2.

1.100. “Transfer” shall have the meaning set forth in Section 12.2.

2. Leased Premises; Term; Rent.

2.1. Lease and Ownership of Leased Premises. Landlord hereby leases and demises to Tenant and Tenant hereby leases from Landlord the Leased Premises, together with any and all rights, privileges, and advantages belonging to the Leased Premises or in any way appertaining to the Leased Premises (including without limitation any exclusive or nonexclusive rights of the Residential Affordable Unit in and to the Common Elements, including the Parking Facilities, as described in the Leasehold Condominium Declaration, it being understood and acknowledged that even though the Leasehold Condominium Declaration is not yet operative, and only shall become operative as further provided in this Lease, the terms

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of the Leasehold Condominium Declaration relating to the identification and designation of the Leased Premises and such exclusive and nonexclusive rights are hereby incorporated herein), for the Term, subject to and with the benefit of the terms, covenants, conditions and provisions of this Lease. The parties acknowledge and agree that as of the date hereof, the Building has not yet been constructed, but is to be constructed as described in Section 3 below. Beginning upon the Ownership Transfer Date, Tenant shall, as between Landlord and Tenant, be considered the owner of the Leased Premises and shall alone be entitled to the federal income tax attributes of the Leased Premises; Landlord shall, as between Landlord and Tenant, not be considered the owner of the Leased Premises and shall not be entitled to the federal income tax attributes of the Leased Premises. This Lease shall at all times be subject and subordinate to the RAD Use Agreement, the Ground Lease, the Tax Credit Documents, the Affordability Restrictions, the Loan Documents, the CHA Right of First Refusal, and the SNDA. If there is a conflict between the terms, conditions or agreements contained herein and those of the SNDA, then the terms, conditions and agreements of the SNDA shall control to the extent not in conflict with the RAD Use Agreement or the Ground Lease. If there is a conflict between the terms, conditions or agreements contained in the SNDA and those of the Loan Documents, then the terms, conditions and agreements of the Loan Documents shall control to the extent not in conflict with the RAD Use Agreement or the Ground Lease. The Landlord hereby reserves for itself and its contractors, agents and employees, the right to enter upon and use the Leased Premises at all times until the Lease Up Commencement Date and the recording of the Leasehold Condominium Declaration for the purpose of developing, constructing and operating the Building.

2.2. Term. The term of this Lease (the "Term") shall be the period commencing as of the Effective Date and ending on 99 years (the "Termination Date"). If the Ownership Transfer Date shall not have occurred on or before December 31, 2023 (the "**Construction Completion Deadline**"), this Lease shall automatically terminate and be of no further force and effect.

2.3. Declaration of Leasehold Condominium. Landlord and Tenant agree that, at the conclusion of the Development Period, Landlord shall, at its sole cost and expense, record the Leasehold Condominium Declaration (in the form attached as Exhibit B, with such ministerial changes as are required for recording and such other changes as are approved by Tenant, (which approval shall not be unreasonably withheld, conditioned or delayed) and by Lenders (which approval cannot be unreasonably withheld, conditioned or delayed if a change is not material nor changes a material condition of the Declaration, otherwise such approval is at its sole discretion), with the Recorder's Office in order to create the Leasehold Condominium, and thereupon the Leased Premises shall consist of the Residential Affordable Unit, as described in the Leasehold Condominium Declaration. Notwithstanding the foregoing, if for any reason the Leasehold Condominium is not declared following the Lease-Up Commencement Date, (A) this Lease shall remain in full force and effect for the entire Term except as otherwise provided in this Lease and the Leased Premises shall consist of the property described as the Residential Affordable Unit in Exhibit B and (B) it is the parties' intent that the Property and Building be operated as nearly as possible as if the Leasehold Condominium had been created and the Leasehold Condominium Declaration had been recorded and were in effect. Accordingly, matters relating to operations, maintenance, payment of Common Expenses, insurance, casualty, condemnation and all other matters not specifically addressed in this Lease shall be determined in accordance the Leasehold Condominium Declaration, whether

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or not recorded, such Leasehold Condominium Declaration being incorporated herein by reference. Following formation of the Leasehold Condominium, Landlord will not, unless required to comply with the Ground Lease, the RAD Use Agreement, the RAD Requirements, the Tax Credit Documents or the Loan Documents, consent to, waive or exercise any right under the Leasehold Condominium Declaration with respect to the Affordable Residential Unit without the prior written consent of the Investor for so long as the Investor is a member of the Tenant, and any such purported action shall not be valid or effective without such prior written consent.

2.4. Quiet Enjoyment. Landlord covenants and agrees with Tenant that, so long as no Event of Default has occurred under this Lease, Tenant shall and may, at all times during the Term, peaceably and quietly have, hold and enjoy the Leased Premises and all rights, appurtenances and privileges belonging or in any way appertaining thereto without hindrance or molestation from Landlord or any person or entity claiming by, through or under Landlord, provided however that Tenant understands and acknowledges that the Property will be a construction site as of the date hereof and through the beginning of the Term and thereafter until certain additional improvements to the Building, including the Commercial Unit and the Property, all as reflected in the Plans and Specifications, are all completed, and that the entry upon the Leased Premises by the Landlord and its contractors, suppliers, agents and employees at all times prior to the Lease Up Commencement Date to construct the Building shall not constitute a breach of this covenant of quiet enjoyment.

2.5. Rent. Rent shall be payable hereunder consisting of Base Rent, Excess Rent, and Expense Rent.

(a) “Base Rent” shall consist of (i) a payment at the time each Investor Capital Contribution is both due and paid in the amount of such Investor Capital Contribution as such amount may be adjusted in accordance with the terms of the Tenant Operating Agreement; provided, however, to the extent any Investor Capital Contribution is used to fund costs paid directly by the Tenant pursuant to the Tenant Operating Agreement (and any such costs are included in the Affordable Unit Development Costs), such costs shall be deemed paid as part of Base Rent due hereunder when such costs are paid by the Tenant, plus (ii) upon the earlier of the Extended Outside Maturity Date (as defined in the Construction Loan Documents) or the Landlord providing evidence to Tenant that conversion has occurred under the Permanent Loan Documents, a monthly payment equal to \$12,238.44. Base Rent amounts described in Section 2.5(a)(i) shall be due and payable by Tenant to Landlord immediately upon receipt of such amounts by Tenant from the Investor. Notwithstanding the above, beginning on the date hereof and during the Term of the Lease, a portion of the Base Rent to be paid by Tenant, in the amount of \$7,048.66, annually, increasing annually by the amount of any positive change in the CPI, shall constitute Tenant’s payment of such amount to the Landlord for the lease of the applicable portion of the land on which the Leased Premises is located for that calendar year (the “Land Rent”). The Land Rent shall be payable at least once each calendar year for such applicable calendar year and no later than December 31 of such calendar year.

(b) “Expense Rent” shall equal a monthly amount equal to \$33,150, increasing at 3% commencing January 1 of each year, and shall be due and payable

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monthly. Expense Rent shall commence upon Stabilization (as defined in the Tenant's Operating Agreement).

(c) "Excess Rent" shall equal the amount payable out of Tenant's Net Cash Flow as "Excess Rent" pursuant to the Tenant Operating Agreement, and upon Stabilization (as defined in the Tenant's Operating Agreement), shall be applied towards the outstanding balance of the remaining Affordable Unit Development Costs owed to the Landlord. Excess Rent shall be determined and paid monthly prior to Stabilization. After Stabilization, Excess Rent shall be determined annually in accordance with the Tenant Operating Agreement.

2.6. Affordable Unit Development Costs. Tenant is obligated to pay Landlord \$23,308,172, which amount represents Residential Affordable Unit's proportional share of development costs (including operating costs incurred during construction) incurred by the Landlord in connection with the development of the Building and shall bear interest at an annual compounding rate of 2.99% commencing upon the Ownership Transfer Date. The foregoing amount plus any accrued interest shall be the "Affordable Unit Development Costs". The Affordable Unit Development Costs shall be payable from Base Rent (excluding the portion attributable to Land Rent) and Excess Rent (after Stabilization) as described in Section 2.5 and shall be applied first to accrued and unpaid interest and then to the outstanding principal amount of Affordable Unit Development Costs. Upon payment in full of the Affordable Unit Development Costs, Tenant's obligation to pay Base Rent (except Land Rent) and Excess Rent shall be terminated. On the earlier of Termination Date or the date that is fifty-five years following the Ownership Transfer Date, Tenant shall pay Landlord the balance of Affordable Unit Development Costs owed but not yet paid to Landlord. Notwithstanding anything contained herein to the contrary, Land Rent and Expense Rent shall continue to be paid until the Termination Date. For the avoidance of doubt, the parties acknowledge and agree that the Tenant's obligation to make payments pursuant to this Section 2.6 is intended to be treated as a debt obligation for U.S. federal and applicable state and local income tax purposes, and neither party shall take any position for any such tax purposes that is inconsistent with such intent unless required by a final determination.

2.7. Intentionally omitted.

2.8. Payments Due Upon Foreclosure. In the event this Lease is terminated as a result of a foreclosure, subject to the right of the CHA, as lessor under the Ground Lease, by one or more of the Lenders, any excess proceeds available from the foreclosure sale of the Property properly allocable to the Leased Premises after payment in full of any obligations owed to the Lenders shall be paid to Tenant.

2.9. Pledge of Capital Contributions. As security for Tenant's obligations to make the payments described in Section 2.5(a)(i), Tenant hereby pledges to Landlord and grants to Landlord a security interest in the Investor Capital Installments, which comprise all of the capital contributions of the Investor pursuant to the Tenant Operating Agreement. Such pledge and grant of security interest shall be subject to all the terms and conditions of the Tenant Operating Agreement governing the making and amount of such installments. Landlord shall be permitted to assign its rights under this Section to the Lenders as collateral for the Loans. Landlord shall be authorized to file such Uniform Commercial Code financing statements and

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to take such other steps as it shall deem necessary to perfect the security interest granted herein, and Tenant agrees to cooperate in such steps and to execute such instruments as Landlord may reasonably request to perfect such security interest.

2.10. Pledge of Qualified Tenant Rents. As security for Tenant's obligations to make the payments of Rent described in this Lease, Tenant hereby collaterally assigns to Landlord and grants to Landlord a security interest in all rents and other payments owing to Tenant by Qualified Tenants occupying portions of the Leased Premises. Such pledge and grant of security interest shall be subject to all the terms and conditions of the Affordability Restrictions and the Qualified Tenant occupancy agreements and/or leases pursuant to which such rent and other payments are due and owing. Landlord shall be permitted to assign its rights under this Section to the Lenders as collateral for the Loans. Landlord shall be authorized to file such Uniform Commercial Code financing statements, record with the Recorder's Office such records of assignment and to take such other steps as it shall deem necessary to perfect the security interest granted herein and Tenant agrees to cooperate in such steps and to execute such instruments as Landlord may reasonably request to perfect such security interest.

2.11. Affordability Requirement. Tenant acknowledges that that the Property is subject to certain affordability restrictions requiring, *inter alia*, that at least 51 of the 103 residential units in the Building be and remain affordable to low and moderate income households, all set forth in those certain regulatory and other agreements listed on Exhibit C (the "Affordability Restrictions") by and among Landlord, the Lenders, IHDA, and the Chicago Housing Authority. Landlord and Tenant agree, as a covenant of this Lease, that the 51 residential units that comprise the Leased Premises are intended to fulfill the Affordability Restrictions during the Term, and Tenant agrees to strictly comply with same during the Term.

2.12. HAP Contract. The parties acknowledge that the Tenant and Landlord have entered into the HAP Contract and the RAD Use Agreement for the RAD Units within the Residential Space to be rented to CHA Tenants in accordance with the RAD Requirements. Effective as of the date hereof and for the full term of this Lease, Tenant and Landlord agree to comply with the RAD Requirements, the RAD Use Agreement and the terms of the HAP Contract with respect to the RAD Units and to cooperate with each other, CHA and HUD as reasonably required in connection with Tenant's fulfillment of its obligations under the HAP Contract and the RAD Use Agreement. Landlord and Tenant agree that this Lease is subject and subordinate to the RAD Use Agreement, that the terms of the RAD Use Agreement relating to the RAD Units are hereby incorporated herein and that CHA and HUD are deemed to be third party beneficiaries with respect to the obligations under this Section 2.12 and, as such, shall have the right to enforce compliance by Landlord and Tenant with the obligations under this Section 2.12 with respect to the RAD Units. Landlord shall cause payments under the HAP Contract (except for RAD Rehab Assistance Payments pursuant to Section 28 of the HAP Contract Part II) to be paid to Tenant. To the extent payments received under the HAP Contract (except for RAD Rehab Assistance Payments pursuant to Section 28 of the HAP Contract Part II) are paid to the Landlord instead of Tenant and not thereafter remitted to Tenant, such payments shall be deemed a payment of Base Rent in Section 2.5(a)(ii) and/or Expense Rent by Tenant, and therefore, the Base Rent in Section 2.5(a)(ii) and/or Expense Rent owed by Tenant shall be reduced by the amount of such payments received directly by Landlord under the HAP Contract. To the extent payments received under the HAP Contract in any calendar year (except for RAD Rehab Assistance Payments pursuant to Section 28 of the HAP Contract

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Part II) are paid to the Landlord instead of Tenant and exceed the total Base Rent in Section 2.5(a)(ii) and Expense Rent owed in such year, the difference between (a) the total amount of HAP Contract payments and (b) the amount of such HAP Contract payments deemed to be Base Rent in Section 2.5(a)(ii) and Expense Rent pursuant to the foregoing sentence shall be deemed a payment of Excess Rent by Tenant.

3. Development and Construction of Leased Premises

3.1. In General; Landlord's Obligations. As more particularly set forth in this Section 3, Landlord shall develop and construct or cause to be constructed the Building in accordance with the terms and provisions of the Construction Contract and as reflected in the Plans and Specifications (the "Construction"). Construction shall commence (if it has not already so commenced) promptly after the date of this Lease, and Landlord shall diligently and continuously undertake Construction in a good and workmanlike manner, customary in the local building trades. Landlord shall pay for the Construction when and as required by the Construction Contract, the Architect's Contract, the Development Services Agreement and pursuant to all other contracts with third parties for the Construction, and shall properly administer the Construction Contract, the Architect's Contract and all such third party contracts. Landlord shall be solely responsible for payment of all costs of the Construction, including all so-called soft costs incurred in connection therewith, as and when incurred; Tenant's sole responsibility for contributing to the cost of the Construction being the payments of Rent due hereunder. As part of Landlord's obligation to pay the costs of the Construction, Landlord shall pay any deferred portion of the development fee incurred in connection with the Construction on or prior to the fifteenth anniversary of the Lease-Up Commencement Date. Landlord agrees that it will not permit any mechanic's, laborer's or other construction liens to remain as liens against the Property (or will promptly discharge or bond over such liens). Landlord shall comply with all laws, rules, regulations, ordinances, etc., applicable to the Property and the Construction, including, without limitation, all Environmental Laws and Handicapped Access Laws. Landlord has obtained (or will obtain in the ordinary course) all Licenses and Permits and the acquisition, Construction, use and occupancy of the Building will not violate any of the Licenses and Permits, or any building, zoning, subdivision, land use, health, historic preservation, licensing, lead paint, rent control, tenant relocation, planning, sanitation, handicapped access, environmental protection or other applicable ordinance, regulation or law, promulgated by any national, state or local governmental body, agency or division having jurisdiction over the Property. Landlord fully expects that all Licenses and Permits which it has not yet obtained will be obtained in the ordinary course as and when required under applicable laws, rules, regulations, ordinances, etc. Landlord shall provide Tenant with copies of all Licenses and Permits, including, without limitation, building permits upon the issuance thereof, and any written contracts for the completion of all or any portion of the Building. Landlord has retained such qualified architects, engineers, consultants, contractors, subcontractors, and suppliers as are necessary to design, supervise, and construct the Building and equip the Leased Premises in compliance with the terms hereof. Landlord shall not replace such architects, engineers, consultants, contractors, subcontractors, and suppliers without the consent of Tenant, which consent shall not be unreasonably withheld, conditioned or delayed. In undertaking the Construction, Landlord shall use only new materials owned by Landlord, free of liens and encumbrances, of at least the quality called for under the Plans and Specifications and of good quality. Notwithstanding any provision of this subsection 3.1, other than a suit for specific performance of Landlord's obligations hereunder and the right to terminate this Lease as

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provided in the next succeeding sentence, Tenant shall not exercise any remedies for violation of the foregoing obligations of Landlord without prior written consent of the Lenders. If Landlord has not caused the Construction to be completed in compliance with this Section 3.1, and has not satisfied all other conditions to occurrence of the Ownership Transfer Date including any conditions (other than the Leased Premises being placed in service for federal income tax purposes) necessary to permit Tenant to commence claiming the LIHTC by the end of fiscal year 2022, Tenant shall have the right by notice to Landlord to terminate this Lease, whereupon Landlord shall promptly refund to Tenant all payments of Rent theretofore made by Tenant.

3.2. Landlord's Representations and Warranties. There is no condemnation or similar proceeding pending with respect to or affecting any part of the Property, and Landlord is not aware that any such proceeding is contemplated. There are no easements, restrictions or encumbrances across or affecting any part of the Property which will have a material adverse effect upon the operation of any of the Improvements for their intended purpose, nor which will in any way materially interfere with the Construction. All utility services necessary for the operation of the Improvements for their intended purpose are available at the boundary of the Property (or will be available at the completion of the Improvements), including, without limitation, water supply, storm and sanitary sewer facilities, gas, electric and telephone facilities, and are of sufficient capacity to service adequately such Improvements, and all necessary governmental regulatory consents to the connecting of such facilities to such improvements have been obtained (which consents are not on a "stand-by" or temporary basis). There is, or will be upon completion of the Improvements in accordance with the Plans and Specifications, unrestricted access for the passage of motor vehicles to and from the Property, and to and from the main road upon which the Property fronts and all required curb cut or access permits (if any) have been obtained. No part of the Improvements is located in a designated flood hazard area (as defined in the Flood Disaster Protection Act of 1973). The Landlord hereby covenants to construct the Building in accordance with the Architect's Contract and Construction Contract and the agreed upon Plans and Specifications, and to comply with its obligations regarding construction as set forth in the Loan Documents. Landlord further covenants that no construction-related costs paid directly by Tenant under or pursuant to this Lease will be included by Landlord in its calculation of the "eligible basis" of the Building under Section 42(d) of the Internal Revenue Code; provided, however, "construction-related costs paid directly by Tenant" shall not be construed to include Rent or Affordable Unit Development Costs paid from Tenant to Landlord pursuant to this Lease.

3.3. Maintenance and Repair. Upon completion of the Construction, Landlord shall at its sole cost and expense (but subject to contribution from Tenant with respect to Common Elements and the Residential Affordable Unit, as set forth elsewhere in this Lease and in the Leasehold Condominium Declaration), keep and maintain the Building, the Common Elements, the Commercial Unit, the Residential Market Unit and the Residential Affordable Unit in good and sanitary order, condition and repair as more fully set forth in Section 8.3 below.

3.4. Hazardous Substances. Landlord (i) shall not cause or permit any Hazardous Substances to be placed, held, located or disposed of on, under or at the Leased Premises or the Property or any part of either (except for such Hazardous Substances as may be commonly and legally used or stored at the Property as a consequence of the construction and operation of the

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Improvements thereon, but only so long as the quantities thereof do not pose a threat to public health or to the environment, or would necessitate a “response action,” as that term is defined in CERCLA, and so long as Landlord strictly complies or causes compliance with all applicable rules and regulations concerning such Hazardous Substances (including without limitation the production, use, storage and disposal thereof), and (ii) shall not cause or permit any contamination by Hazardous Substances of any portion of the Building or the Property.

4. Subleasing and Tenant’s Tenant Improvements.

4.1. Qualified Tenants. Tenant may sublease the Leased Premises to one or more individuals (each a “Qualified Tenant”) subject to the terms of the Affordability Restrictions, and with respect to the RAD Units, the RAD Requirements. Each Qualified Tenant sublease and/or occupancy agreement (and any termination or material modification thereof) shall be subject to the terms and conditions of this Lease, including without limitation the requirements applicable to the Residential Affordable Unit set forth in the Affordability Restrictions, and with respect to the RAD Units, the RAD Requirements, the Loan Documents, and the Leasehold Condominium Declaration. Tenant agrees that the Residential Affordable Unit shall act as the qualified low-income housing project for purposes of Section 42 of the Code throughout the Term for all purposes of the Code.

4.2. Tenant Improvements. Tenant shall not construct any tenant improvements without the express written consent of Landlord and the Lenders in their sole discretion, and the Lenders’ approval shall be required as to the architect and contractor(s) engaged with respect to such improvements, as well as with respect to all plans, specifications, and contracts pertaining thereto. Tenant shall not permit any Qualified Tenant to construct any tenant improvements.

4.3. Mechanic’s Liens, Etc. If Tenant causes or permits any improvements, alterations, or repairs to be made to the Leased Premises, Landlord shall not under any circumstances be liable for any labor or materials furnished, or to be furnished, to Tenant and no mechanics’ lien or other liens for any such labor or materials shall attach to or affect the reversionary or other estate or interest of Landlord in and to the Leased Premises. Tenant further agrees to indemnify, defend and hold harmless Landlord, CHA, as landlord under the Ground Lease, and Landlord’s mortgagees, against any and all costs Landlord or such mortgagees may suffer on account of same.

4.4. Compliance with Law. Tenant shall perform all construction and other activities on the Leased Premises, if permitted under this Lease, in compliance with all applicable laws, ordinances, codes and regulations and any Licenses and Permits affecting the Leased Premises or its uses, as the same may be administered by authorized governmental officials, including without limitation, Environmental Laws and Handicapped Access Laws.

4.5. Hazardous Substances. Tenant (i) shall not cause or permit any Hazardous Substances to be placed, held, located or disposed of on, under or at the Leased Premises or the Property or any part of either (except for such Hazardous Substances as may be commonly and legally used or stored at the Leased Premises as a consequence of the construction and operation of the Improvements thereon, but only so long as the quantities thereof do not pose a threat to public health or to the environment, or would necessitate a “response action,” as that term is

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defined in CERCLA, and so long as Tenant strictly complies or causes compliance with all applicable rules and regulations concerning such Hazardous Substances (including without limitation the production, use, storage and disposal thereof), and (ii) shall not cause or permit any contamination by Hazardous Substances of the Leased Premises or any part thereof or any other portion of the Building or the Property; provided, however, that Tenant shall not be in violation of this Section or otherwise be liable or obligated hereunder for any of the foregoing with respect to soils or materials already located on the Leased Premises as of the Lease-Up Commencement Date or which are brought onto the Leased Premises by Landlord or any of Landlord's agents, employees, contractors (including without limitation Contractor) or subcontractors. Notwithstanding anything to the contrary herein, Tenant shall operate the Affordable Residential Unit in compliance with the requirements, duties and obligations concerning Hazardous Substances as shall be required by the Loan Documents so long as they remain in force and effect.

5. Insurance.

5.1. Property Insurance. Prior to the time the Leasehold Condominium Association commences to carry insurance on the Leasehold Condominium consistent with the requirements set forth herein and the requirements under the Ground Lease, Landlord shall keep the Building and all Improvements insured for the benefit of Landlord, Tenant and the Lenders, as their interests may appear. Lenders shall be named as mortgagees and loss payees (subject to the terms and conditions of the Loan Documents) on all such policies, and all claims under any such policy shall be made only as set forth in the Loan Documents. Landlord shall require the Contractor to obtain and maintain at all times during the construction of the Building the insurance required by the Construction Contract. Landlord shall require the Architect to obtain and maintain professional liability insurance covering any claims asserted with respect to the Project as required by the Architect's Contract. All such insurance shall be in the amounts and form, shall include such coverages and endorsements, and shall be issued by such insurers, as shall be approved by Tenant and as shall meet the requirements of the Loan Documents and the Ground Lease and shall, to the extent attainable, contain the written agreement of the insurer to give Tenant thirty (30) days' prior written notice of cancellation, non-renewal, modification or expiration but in no event less than ten (10) days' notice of any such event. Landlord will provide or will cause the Contractor and the Architect or such other design professional to provide Tenant and the Investor with certificates evidencing such insurance upon the request of Tenant.

5.2. Liability Insurance. Landlord shall also maintain or cause to be maintained commercial general liability insurance against loss or liability in connection with bodily or other personal injury, death or property damage or destruction, occurring in or on the Property or the Building, including the Leased Premises, and arising out of the use thereof by Landlord, Tenant or their agents, employees, officers, tenants, subtenants, invitees, visitors and guests, such insurance to afford protection to the limits of not less than One Million Dollars (\$1,000,000) per occurrence (combined single limit), Two Million Dollars (\$2,000,000) general policy aggregate, together with contractual liability coverage and completed operations, all of which insurance shall, by its terms, be primary and noncontributory with respect to any other insurance carried by Tenant. Such insurance shall also afford protection to the limits and with such coverage as shall be required by the Loan Documents and the Ground Lease so long as they remain in force and effect.

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5.3. Leasehold Condominium Insurance. Once the Leasehold Condominium is created, the Leasehold Condominium Association shall maintain, and pay for as a Common Expense, insurance coverage with respect to the Common Elements, the Commercial Unit, the Residential Market Unit and the Residential Affordable Unit, and any other insurable property and equipment therein or thereon that is not covered by a policy required to be maintained by a tenant of the Commercial Unit or the Residential Affordable Unit or the Residential Market Unit under a separate lease obligation, in the same form and amounts as required by Section 5.2; provided, that if the Leasehold Condominium Declaration permits a unit owner to acquire insurance for its unit, then the Leasehold Condominium Association will not obtain and maintain insurance for that unit, and that unit shall not bear insurance costs as a Common Expense for insurance coverage that it has obtained for its unit. Landlord shall coordinate the insurance required hereunder with the insurance to be procured by Landlord under the Loan Documents and pursuant to Section 5.2.

5.4. Worker's Compensation Insurance. Landlord shall maintain worker's compensation insurance as and in the amount required by law. Tenant represents that it does not and will not have any employees and therefore is not required to maintain worker's compensation insurance.

5.5. Requirements of Insurance. Insurance maintained by Landlord pursuant to this Lease shall (subject to the Lender's insurance requirements and the insurance requirements under the Ground Lease):

5.5.1. for all property insurance have attached thereto a clause making the loss payable to Tenant, Landlord and the Lenders, as their respective interests may appear, provided that (i) so long as the Loans remain unpaid, all of Landlord's property insurance policies and Landlord's hazard insurance policy shall designate the Lenders as loss payee, as required under the applicable Loan Documents;

5.5.2. if available, provide for waiver of subrogation and payment of losses to Landlord and Tenant, respectively, notwithstanding any act of negligence of Landlord and/or Tenant; and

5.5.3. to the extent attainable be endorsed to provide for a minimum of thirty (30) days' notice to Tenant, Landlord and their respective mortgagees of any cancellation, non-renewal or material modification of the insurance policy, but in no event less than ten (10) days' notice of any such event.

5.6. Contractors and Subcontractors. Landlord and Tenant shall require any contractor (other than Contractor and its subcontractors) to carry commercial general liability, auto liability, workers compensation insurance with the scope of coverage and other provisions equivalent to those required of the parties hereunder; provided, however, that Landlord or Tenant may, in its reasonable discretion, permit a contractor or subcontractor to provide insurance with coverage and/or limits other than as specified above in this sentence so long as such coverage and/or limits is adequate to protect Tenant, CHA as lessor under the Ground Lease, and Landlord in light of the contract sum and the nature of the work specified in the contract with such contractor or subcontractor. Upon request, such general liability and auto liability coverages shall include Tenant, Landlord and Landlord's mortgagees as certificate

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holders. Landlord and Tenant shall each obtain and keep on file certificates of insurance which show that the contractor or subcontractor is so insured and the other party shall have the right, from time to time, upon request, to review such contractor and subcontractor information.

5.7. Certificates and Notice. Landlord and Tenant shall each deliver to the other upon execution of this Lease and annually thereafter, not less than thirty (30) days prior to the expiration of the then-current policies, certificates of insurance evidencing policies required herein and the renewals thereof. Upon either party's written request but no more frequently than annually, the other party shall deliver to it complete copies of all original policies and endorsements.

6. Casualty, Condemnation, and Title Insurance Proceeds.

6.1 Casualty. The provisions of the Loan Documents and the Ground Lease (subject to the provisions of the Loan Documents) shall control in the event that the Building or Leased Premises, or a portion thereof, is damaged or destroyed during the Term. To the extent Landlord receives any insurance proceeds (after amounts due to the Lenders in accordance the provisions the Loan Documents) and the Leased Premises is not rebuilt, subject to the rights of CHA under the Ground Lease, Tenant shall receive a pro rata share of the net proceeds, less any amounts of Rent due and unpaid, provided that this sentence shall be of no further force or effect from and after a transfer of the Leased Premises by foreclosure or deed in lieu of foreclosure.

6.2 Eminent Domain. In the event of any temporary or permanent taking of the Leased Premises, or a portion thereof, by any public or other authority, the Loan Documents and/or the Ground Lease (subject to the provisions of the Loan Documents) shall control during the Term. To the extent Landlord receives any proceeds from such taking (after amounts due to the Lenders in accordance the provisions the Loan Documents), subject to the rights of CHA under the Ground Lease, Tenant shall receive a pro rata share of the net proceeds, less any amounts of Rent due and unpaid, provided that this sentence shall be of no further force or effect from and after a transfer of the Leased Premises by foreclosure or deed in lieu of foreclosure.

6.3 Title Insurance Proceeds. Landlord shall obtain a leasehold title policy (the "Owner's Title Policy") in a form reasonable acceptable to the Tenant insuring its leasehold interest under the Ground Lease. In the event Tenant determines that a title defect has or will prevent the completion of construction of the Leased Premises prior to the Construction Completion Deadline, Landlord, upon request by the Tenant, shall pursue a claim under the Owner's Title Policy. Landlord hereby assigns to Tenant the proceeds received pursuant to such a title claim, up to the amount of Rent paid by Tenant as of the date of the title claim less any amounts of Rent already returned by Landlord.

7. Indemnification.

7.1. Tenant Indemnities. Tenant covenants and agrees to indemnify Landlord, defend Landlord with counsel selected by Tenant and acceptable to Landlord in its reasonable discretion, and hold Landlord harmless from any and all liabilities, losses, claims, demands, fees and expenses of any kind or any nature whatsoever (including, without limitation, remediation costs, environmental assessment costs, governmental compliance costs, and

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reasonable experts' and attorneys' fees and expenses), known or unknown, foreseen or unforeseen, which may at any time be imposed upon, incurred by, or asserted or awarded against Landlord arising from:

7.1.1. any injury to or death of any person or any damage to or loss of property occurring in, at, or upon the Leased Premises, or growing out of or connected with Tenant's and/or any Qualified Tenant's use, non-use, possession, ownership, condition, improvement or occupation of the Leased Premises, or any part thereof, during the Term;

7.1.2. breach by Tenant of any agreement or condition of this Lease, or of any contract or agreement relating to the Leased Premises to which Tenant is a party; or

7.1.3. violation by Tenant, its employees, agents, contractors, subcontractors, Qualified Tenants or any other tenants, or invitees of any of them, of any agreement or condition of this Lease, or any other contract or agreement relating to the Property, Building or Leased Premises to which the Tenant is a party, or any restriction, statute, law, ordinance or regulation, including without limitation all Environmental Laws relating to the presence, release or threat of release of any Hazardous Substances in each case affecting the Property, Building or the Leased Premises or any part thereof or the ownership, occupancy or use thereof during the Term.

7.2. Landlord Indemnities. Landlord covenants and agrees to indemnify Tenant, defend Tenant with counsel selected by Landlord and acceptable to Tenant in its reasonable discretion, and hold Tenant harmless from any and all liabilities, losses, claims, demands, fees and expenses of any kind or any nature whatsoever (including, without limitation, remediation costs, environmental assessment costs, governmental compliance costs, and reasonable experts' and attorneys' fees and expenses), known or unknown, foreseen or unforeseen, which may at any time be imposed upon, incurred by, or asserted or awarded against Tenant arising from:

7.2.1. any injury to or death of any person or any damage to or loss of property occurring in, at or upon the Leased Premises during the Development Period only, and only if such injury, damage, death or loss arises out of or relates to the Construction;

7.2.2. any injury to or death of any person or any damage to or loss of property occurring in, at, or upon the Property or the Building, other than the Leased Premises, or growing out of or connected with Landlord's use, non-use, possession, ownership, condition or occupation of the Property or the Building, or any part thereof, including without limitation, construction of the Improvements (other than any tenant improvements as described in Section 4.2), from and after the date hereof until the expiration of the Term;

7.2.3. breach by Landlord of any agreement or condition of this Lease, or of any contract or agreement relating to the Property, the Building or the Leased Premises to which Landlord is a party; or

7.2.4. violation by Landlord, its employees, agents, contractors, subcontractors, tenants or invitees of any of them, of any restriction, statute, law, ordinance or regulation, including without limitation all Environmental Laws relating to the presence, release or threat of release of any Hazardous Substances in each case affecting the Property, Building

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or the Leased Premises or any part thereof or the ownership, occupancy or use thereof during the Term.

7.3. Scope of Indemnities. Any covenant or agreement to indemnify or defend a party or to hold a party harmless shall also serve to indemnify, defend or hold harmless any employees, agents, officers, directors, shareholders, members and partners, and any successors thereof, of such party. Any obligation to indemnify, defend or hold harmless pursuant to this Section 7 shall bind any successor in interest of such party under this Lease, provided, that such obligation shall only apply to obligations arising after the date such party actually takes title to the applicable party's interest. No party shall be entitled to indemnification if the loss as to which it seeks indemnification is attributable to its own gross negligence or willful misconduct. Notwithstanding the foregoing, so long as the Tenant and the Landlord are affiliated, Tenant shall have no right to make any claim for indemnification against Landlord pursuant to this Section 7 or under applicable law if enforcement of such claim would give rise to an event of default under any of the Loan Documents.

7.4. Notice of Claims; Survival. The party claiming the right to indemnification hereunder shall provide the other party with prompt and timely notice of any claim made or suit instituted against it or any other party of which it has knowledge, relating to any matter which in any way may result in indemnification pursuant to this Section 7. The obligations of Tenant and Landlord under this Section shall survive the expiration or any earlier termination of this Lease. No party shall be liable for indemnification in connection with any settlement of any claim effected without its consent.

8. Management; Operating Budget.

8.1. Joint Management. Landlord and Tenant agree that a single management agent (the "Management Agent") shall be selected by Landlord to provide property management services for both Residential Market Unit and the Residential Affordable Unit. Such services shall be those provided under a conventional residential management agreement on a form approved by the Lenders (the "Management Contract"), and shall include (without limitation) care and oversight of the physical facility, processing tenant applications and income certifications (as applicable) for each of Residential Market Unit and Residential Affordable Unit, compliance (as applicable) with the Affordability Restrictions, enforcement of all leases, collection of all revenue and payment of all expenses, and providing reports, certifications, and information reasonably requested by Landlord, Tenant or the Investor, including without limitation, those set forth in the Tenant Operating Agreement. Further, the Management Contract shall (without limitation) require the Management Agent to comply with the requirements of section 4.01(iii) of the Tenant Operating Agreement (regarding compliance with laws and regulations) and section 4.1(kkk) of the Tenant Operating Agreement (regarding disclosure of personal information). Notwithstanding any provision to the contrary in the Management Contract, the selection, removal, replacement, or termination of the Management Agent by Landlord from time to time shall be subject to Tenant's consent and, when required by the Tenant Operating Agreement, Investor's consent, which in each case shall not be unreasonably withheld, conditioned or delayed; provided, however, that in any instance where any Lender is entitled to remove a management agent, Tenant and Investor shall have no right to approve or disapprove such removal. Tenant and Investor consent to the appointment of The Habitat Company LLC as the initial Management Agent. The Management Contract shall

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provide that the Management Agent will take direction from Tenant with respect to all matters unique to the Leased Premises, consistent with the applicable requirements of the Loan Documents and any other Affordability Restrictions, such as lease-up of the Leased Premises, reporting to the Investor, compliance with all Affordability Restrictions and compliance with the provisions of the Code and applicable regulations thereunder governing the LIHTC.; provided, however, that the Management Contract may permit Landlord to act on behalf of Tenant under circumstances specified in the Management Contract. Notwithstanding anything to the contrary contained herein, Master Tenant shall reimburse the Management Agent (either directly or through a payment to the Master Owner) for any reasonable attorney fees and other necessary costs incurred by the Management Agent in connection with any actions for evictions and the termination of residential leases in the Residential Affordable Unit.

8.2. Operating Budget. No later than September 30 of each year of the Term, Landlord shall submit to Tenant and the Investor a budget (the "Proposed Annual Budget") for the ownership and operation of Residential Market Unit and the Residential Affordable Unit, reflecting the reasonably projected income and expenses for the following fiscal year with respect to each of Residential Market Unit and the Residential Affordable Unit. Tenant and the Investor shall have the right to review the Proposed Annual Budget and provide comments to Landlord on or before October 30 of such year, and Landlord shall review such comments in good faith. The Proposed Annual Budget as it may be revised by Landlord based on comments from Tenant and as it is thereafter adopted by Landlord shall be provided in writing to Tenant and the Investor and shall become the "Annual Budget" for the following year.

8.3. Operating Expenses prior to Leasehold Condominium Conversion Date. Prior to the Leasehold Condominium Conversion Date, Landlord shall be solely responsible (except to the extent of Tenant's obligations to pay Base Rent) for paying all expenses of operating and maintaining the Building, including both the Residential Space and the Commercial Space, and the Common Elements and all expenses of operating and maintaining the Commercial Unit, the Residential Market Unit and the Residential Affordable Unit (collectively, the "Development Period Operating Expenses"). Development Period Operating Expenses shall include, without limitation, Real Estate Taxes, management fees, utility expenses, insurance, maintenance, snow removal, capital repairs and replacements, expenses of lease enforcement, brokerage commissions, expenses incurred in complying with affordability covenants and other covenants imposed by governmental and other lenders, and the like. It is the intention of this provision that all costs of owning, operating, leasing and managing the Leased Premises, except as expressly set forth in this Lease, shall be paid by Landlord and not by Tenant (except to the extent of Tenant's obligations to pay Base Rent and Expense Rent). The parties acknowledge that a portion of the Development Period Operating Expenses will be included within Affordable Unit Development Costs.

8.4. Reserves. As part of its obligation to operate the Residential Affordable Unit and Residential Market Unit, Landlord shall maintain reserves as follows:

8.4.1. Replacement Reserve. Landlord shall establish and maintain a replacement reserve (the "Replacement Reserve") by making installment deposits as required by IHDA under any of the Permanent Loan Documents ("Required Replacement Reserve Deposits"). The parties acknowledge that a portion of Expense Rent includes the Residential Affordable Unit's proportional share of each of the Required Replacement Reserve Deposits.

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The Replacement Reserve shall be used by Landlord only to replace capital items in the Residential Affordable Unit and Residential Market Unit as they come to the end of their useful lives and to address future capital needs; provided that, upon the request of the Tenant (but subject to the provisions of the Loan Documents), Landlord shall use the Replacement Reserve to fund capital needs related the Residential Affordable Unit. So long as the Loans are outstanding, the Replacement Reserve shall be maintained and administered in compliance with the Loan Documents.

8.4.2. Tax and Insurance Escrow. Landlord shall establish and maintain a tax and insurance escrow (the "Tax and Insurance Reserve") by making a deposit in the amount as required by IHDA and under any of the Loan Documents. A portion of the Tax and Insurance Escrow shall be held in a sub-account for the Affordable Residential Unit (the "Affordable Residential Unit Tax and Insurance Escrow") in an amount equal 105% of the Affordable Residential Unit's most recent annual insurance premium and one half (1/2) of 105% of the most recent annual real estate tax bill for the Affordable Residential Unit. The Affordable Residential Unit Tax and Insurance Escrow shall initially be funded by the Landlord and is included in the Affordable Unit Development Costs. Thereafter, following the Leasehold Condominium Conversion Date, the Landlord shall cause a portion of the Tenant's Expense Rent to be deposited monthly into the Affordable Unit Tax and Insurance Escrow in an amount sufficient so that (i) as of the first (1st) day of the month before each installment of real estate taxes is due, there shall be on deposit in the real estate tax subaccount of the Affordable Residential Unit Tax and Insurance Escrow for real estate taxes an amount equal to one half (1/2) of 105% of the real estate tax bill for the Affordable Residential Unit for the previous calendar year, or such other amount as the Lender shall determine; (ii) as of the first day of the month before any payment in lieu of taxes is due, there shall be on deposit in the real estate tax subaccount of the Affordable Residential Unit Tax and Insurance Escrow an amount sufficient to pay the payment in lieu of taxes; and (iii) as of the first (1st) day of the month before the insurance bill is due, there shall be on deposit in the insurance subaccount of the Affordable Residential Unit Tax and Insurance Escrow for insurance an amount equal one hundred five percent (105%) of the insurance bill for the Affordable Residential Unit for the previous calendar year, or such other amount as the Lender shall determine, in its reasonable discretion.

8.4.3. Debt Service Reserve. Landlord shall establish and maintain a debt service reserve (the "Debt Service Reserve") by making a deposit in the amount required by IHDA.

8.4.4. Refunding Bond Debt Service Reserve. Landlord shall establish and maintain a refunding bond debt service reserve (the "Refunding Bond Debt Service Reserve") by making a deposit in the amount required by IHDA.

8.4.5. Operating Reserve Account. Tenant and Landlord acknowledge that Tenant will establish an "Operating Reserve Account" in accordance with the Tenant Operating Agreement to fund operating deficits of the Affordable Residential Unit, which Operating Reserve Account may be a sub-account of the operating reserve held by Landlord and held as collateral of the Lenders. In the event the Tenant is unable to pay Expense Rent, Landlord may make withdrawals from the Tenant's Operating Reserve for any month the Tenant is unable to pay Expense Rent and the Tenant shall be obligated to replenish the Operating Reserve in accordance with the Tenant's Operating Agreement and the Loan Documents.

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8.5. Building Expenses after Leasehold Condominium Conversion Date. After the Leasehold Condominium Conversion Date, Building Expenses shall be paid by the Landlord in accordance with the Leasehold Condominium Declaration.

9. Default.

9.1. Default by Tenant. The occurrence of any of the following events shall constitute an event of default ("Event of Default") by Tenant hereunder:

9.1.1. Tenant fails to pay when due any amount due hereunder or Tenant fails to observe or perform any obligation imposed under any covenant, condition, agreement or obligation hereunder not addressed by any other event described in this Section 9.1, and shall fail to cure, correct or remedy such failure within ten (10) business days after the receipt of written notice thereof (with copies of such notice concurrently delivered to the Lenders and to CHA, as landlord under the Ground Lease) in the case of failure to make any payment due hereunder or, for any other matter, thirty (30) business days after the receipt of written notice thereof (with copies of such notice concurrently delivered to the Lenders and to CHA, as landlord under the Ground Lease), unless such failure cannot be cured by the payment of money and cannot with due diligence be cured within a period of thirty (30) business days, in which case such failure shall not be deemed to constitute an Event of Default so long as Tenant promptly commences and thereafter proceeds with due diligence to cure such failure and completes the curing thereof within a reasonable period of time, not to exceed ninety (90) days; or

9.1.2. any representation or warranty of Tenant set forth in this Lease, in any certificate delivered pursuant hereto, or in any notice, certificate, demand, submittal or request delivered to Landlord by Tenant pursuant to this Lease shall prove to be incorrect in any material and adverse respect as of the time when the same shall have been made and the same shall not have been remedied to the reasonable satisfaction of Landlord within thirty (30) days after notice from Landlord (with copies of such notice concurrently delivered to the Lenders)

9.1.3.

9.2. Default by Landlord. The occurrence of any of the following events shall constitute an Event of Default by Landlord hereunder:

9.2.1. Landlord fails to observe or perform any material covenant, condition, agreement or obligation hereunder not addressed by any other event described in this Section 9.2, and shall fail to cure, correct or remedy such failure within thirty (30) days after the receipt of written notice thereof (with copies of such notice concurrently delivered to the Lenders), unless such failure cannot be cured by the payment of money and cannot with due diligence be cured within a period of thirty (30) days, in which case such failure shall not be deemed to constitute an Event of Default so long as Landlord promptly commences and thereafter proceeds with due diligence to cure such failure and completes the curing thereof within a reasonable period of time, not to exceed ninety (90) days; or

9.2.2. any representation or warranty of Landlord set forth in this Lease, in any certificate delivered pursuant hereto, or in any notice, certificate, demand, submittal or request

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delivered to Tenant by Landlord pursuant to this Lease shall prove to be incorrect in any material and adverse respect as of the time when the same shall have been made and the same shall not have been remedied to the reasonable satisfaction of Tenant within thirty (30) days after notice from Tenant (with copies of such notice concurrently delivered to the Lenders).

10. Remedies.

10.1. Following Default by Tenant. Subject to Section 9.1.3 hereof, if there shall occur an Event of Default on the part of Tenant, Landlord may:

10.1.1. seek any and all remedies available at law or in equity, including without limitations damages or specific performance;

10.1.2. upon not less than thirty (30) additional days' written notice to Tenant and the Investor, in addition to any of Landlord's other rights at law or in equity or as set forth elsewhere in this Lease, cure any default or breach of warranty of Tenant hereunder and perform any covenants which Tenant has failed to perform (including, at its sole discretion and without any obligation to do so, making payment of any amounts due), and any sums reasonably expended by Landlord in curing such default or breach of warranty and performing such covenants shall be paid by Tenant to Landlord immediately upon demand, and shall be deemed additional Expense Rent hereunder; or

10.1.3. upon not less than thirty (30) additional days' written notice to Tenant, in addition to any of Landlord's other rights at law or in equity, terminate this Lease and, in accordance with any applicable laws, take possession of the Leased Premises.

Landlord agrees that any cure of any default or Event of Default made or tendered by the Investor or by Lenders shall be deemed to be a cure by Tenant and shall be accepted or rejected on the same basis as if made or tendered by Tenant.

10.2. Following Default by Landlord. If there shall occur an Event of Default on the part of Landlord, then subject to the limitations provided herein Tenant may:

10.2.1. seek any and all remedies available at law or in equity including without limitations damages or specific performance; and

10.2.2. upon not less than thirty (30) additional days' written notice to Landlord and all Lenders, in addition to any of Tenant's other rights at law or in equity or as set forth elsewhere in this Lease, cure any default or breach of warranty of Landlord hereunder and perform any covenants which Landlord has failed to perform (including, at its sole discretion and without any obligation to do so, making payment of any amounts due, including without limitation, any Real Estate Taxes), and any sums reasonably expended by Tenant in curing such default or breach of warranty and performing such covenants shall be paid by Landlord to Tenant immediately upon demand, and if not paid to Tenant by Landlord, may be offset by Tenant against its future obligation to pay Rent to Landlord.

Tenant agrees that any cure of any default or Event of Default made or tendered by Lenders shall be deemed to be a cure by Landlord and shall be accepted or rejected on the same basis as if made or tendered by Landlord. So long as the managing member of the Tenant and the

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Landlord are affiliated, Tenant's remedies under this lease shall not include offsetting any claims hereunder against Rent due from Tenant to Landlord.

10.3. Remedies Cumulative. Unless otherwise specifically provided in this Lease, no remedy herein shall be exclusive of any other remedy or remedies, and each such remedy shall be cumulative and in addition to every other remedy, and every power and remedy given by this Lease may be exercised from time to time and as often as may be deemed expedient by either party. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein.

11. Lease Priority and Mortgage Provisions.

11.1. Priority of Lease; Landlord's Right to Mortgage. The parties intend that this Lease and all of the terms, covenants and provisions thereof, and all rights, title and interest of Tenant thereunder, shall be subject and subordinate to the various security interests as specified in the Ground Lease, the Affordability Restrictions, Loan Documents and the SNDA, and all the terms, covenants, provisions and liens therein. With respect to the Loans and any other mortgage or lien entered into prior to the date hereof, Landlord shall obtain subordination agreements in form reasonably acceptable to Tenant. Any mortgage or other lien entered into by Landlord on or after the date hereof shall be expressly subordinate to this Lease, and this Lease or the Memorandum of Lease shall be recorded prior to any such matter. Tenant acknowledges and agrees that any mortgagee of Landlord's interest shall not thereby be liable for the performance of any of Landlord's obligations under this Lease unless and until such mortgagee becomes the owner of Landlord's interest upon foreclosure or deed in lieu thereof.

11.2. No Right to Mortgage by Tenant. Tenant may not mortgage or pledge its interest in the Leased Premises without Landlord's and each Lender's prior written consent, which consent may be granted or withheld in their respective sole discretion.

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12. Miscellaneous.

12.1. Successors and Assigns. Unless repugnant to the context, the words “Landlord” and “Tenant” shall be construed to mean the original parties, their respective successors and assigns and those claiming through or under them respectively. The agreements and conditions in this Lease contained on the part of and to be performed and observed by Tenant shall be binding upon Tenant and its successors and assigns and shall inure to the benefit of Landlord and its successors and assigns, and the agreements and conditions in this Lease contained on the part of and to be performed and observed by Landlord shall be binding upon Landlord and its successors and assigns and shall inure to the benefit of Tenant and its successors and assigns, in each case following the granting of any consent to transfer required to be obtained pursuant to Section 12.2, if applicable. The parties agree that notwithstanding any provision hereof to the contrary, no officer, director, trustee, shareholder, general or limited partner, member, manager, agent or employee of any party shall have any personal liability under this Lease, and each party agrees to look solely to the other party for performance of the obligations, conditions and covenants of this Lease.

12.2. Assignment. Subject to the transfer restrictions under Ground Lease, the RAD Requirements, the RAD Use Agreement, the HAP Contract, and any of the Loan Documents, Tenant may sublet or assign this Lease or any interest therein to any person or entity (a “Transfer”), provided that (x) until such time as the Affordable Unit Development Costs provided for in Section 2.6 have been paid in full, any Transfer other than pursuant to the CHA Right of First Refusal shall require the consent of Landlord, which shall not be unreasonably withheld, conditioned or delayed, and (y) if required by the Ground Lease, any Loan Documents or Affordability Restrictions, such Transfer shall require the consent of Lenders, IHDA, HUD, and/or CHA, as applicable. The foregoing consent requirements shall not apply to subleases to Qualified Tenants.

12.3. Estoppel Certificate. Each party agrees from time to time, upon no less than twenty (20) days prior notice from the other, to execute, acknowledge and deliver to the other a statement that shall: (a) indicate the aggregate amount of all payments that have been made by Tenant, categorize and tabulate these payments as payments towards Base Rent, Expense Rent and Excess Rent; and (b) certify that (i) this Lease is unmodified and in full force and effect (or, if there have been any modifications, that the same is in full force and effect as modified and stating the modifications), (ii) whether there exists any uncured default by the other party, or any defense, offset, or counterclaim against the other party, and, if so, the nature of such default, defense, offset or counterclaim. Any such statement delivered pursuant to this Section 12.3 may be relied upon by the Lenders.

12.4. Actions Requiring the Consent of Tenant. Notwithstanding anything to the contrary herein, Landlord shall not have the authority to do any of the following without having previously received the prior written consent of the Tenant:

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(a) Sell, mortgage, encumber, lease (other than for occupancy by residential tenants) or otherwise transfer all or any portion of the Residential Market Unit or the Residential Affordable Unit or refinance, repay or materially amend or modify (including any increase or decrease in the amount of) any Loan Documents of either the Residential Market Unit or the Residential Affordable Unit, other than (1) easements and similar rights affecting the Property for purposes necessary or appropriate for the development, construction or operation of the Building, or (2) title restrictions required by IHDA in connection with the LIHTC or the issuance of tax-exempt bonds and/or notes used to fund the Loans, or (3) any transfer contemplated by the CHA Right of First Refusal;

(b) Following completion of construction of the Building, construct any new capital improvements with respect to either the Residential Market Unit or the Residential Affordable Unit except for (i) replacements, remodeling and renovations in the ordinary course of business, including without limitation tenant improvements funded solely from the Landlord's replacement reserve and/or available cash flow, and (ii) construction to replace losses which is substantially paid for or anticipated to be reimbursed from insurance proceeds;

(c) Settle any insurance claim or condemnation action involving a claim in excess of \$100,000;

(d) Acquire any real property in addition to the Property, other than easements and other minor interests incidental to the operation of the Property;

(e) Incur Landlord debt other than indebtedness contemplated by the Tenant Operating Agreement, and indebtedness incurred in the ordinary course of business not to exceed \$50,000;

(f) Materially alter the Landlord's coverage under the terms of insurance policies as presently required or as subsequently in effect, provided that the Landlord shall be authorized to increase the limits and the coverage in a manner that is customary for housing developments similar to the Residential Affordable Unit and make any alterations in coverage as may be required from time to time by a Lender;

(g) Become personally liable on, or guarantee, any mortgage loan;

(h) Fail to enforce strictly any agreement between the Landlord, on the one hand, and any of its affiliates, on the other hand;

(i) Enter into or agree to any tax settlement that adversely affects the Tenant or its members;

(j) Except as required by HUD and/or the RAD Requirements, amend or consent to any amendment of the Plans and Specifications in such a way as to materially increase the cost, diminish the quality or lengthen the schedule of the construction of the Residential Project;

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(k) Except as may be required by the RAD Requirements, amend or modify any documents executed by the Landlord (or made applicable to the Residential Affordable Unit) and regulating, restricting or otherwise governing the Residential Affordable Unit, the Residential Market Unit or the Property in any material respect; or

(l) terminate, fail to accept subsidies under or fail diligently to seek renewal of any rental subsidy contract, including the HAP Contract.

12.5. Recordation of Lease or Memorandum of Lease. The parties shall record this Lease or, at their option, a memorandum of lease (the "Memorandum of Lease"), in the Recorder's Office. If this Lease is terminated before the Termination Date stated herein, the parties shall execute, deliver and record a Notice of Termination in mutually acceptable form.

12.6. Notice. Any notice or other communication given or made pursuant to this Lease shall be in writing and shall be deemed given if (i) delivered personally or by courier, (ii) sent by overnight express delivery, or (iii) mailed by registered or certified mail (return receipt requested), postage prepaid, in all three cases to a party at its respective address set forth below (or at such other address as shall be specified by the party by like notice given to the other party, any such changed address to be effective ten days after the giving of notice thereof):

If to Landlord:

Southbridge 4 Master Owner LLC
c/o The Community Builders, Inc.
135 South LaSalle Street, Suite 3350
Chicago, IL 60603
Attention: Midwest Region Development Director

with a copy to:

Applegate & Thorne-Thomsen
425 South Financial Place, Suite 1900
Chicago, IL 60605
Attention: Paul Davis
Email: pdavis@att-law.com

With a copy to:

The Community Builders
185 Dartmouth St,
Boston, MA 02116
Attention: General Counsel

If to Tenant:

Southbridge 1-4 Housing LLC
c/o The Community Builders, Inc.
135 South LaSalle Street, Suite 3350

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Chicago, IL 60603
Attention: Midwest Region Development Director

with a copy to:

Applegate & Thorne-Thomsen
425 South Financial Place, Suite 1900
Chicago, IL 60605
Attention: Paul Davis
Email: pdavis@att-law.com

With a copy to:

The Community Builders
185 Dartmouth St,
Boston, MA 02116
Attention: General Counsel

and a copy to Irves or:

GS SOUTHBRIDGE 4% INVESTOR OPPORTUNITY
FUND LP
Urban Investment Group
c/o Goldman Sachs Group
200 West Street
New York, New York 10282
Attention: Urban Investment Group Portfolio Manager
Email: gs-uig-portfolio-manager@gs.com

with a copy to:

GS SOUTHBRIDGE 4% INVESTOR OPPORTUNITY
FUND LP
Urban Investment Group
c/o Goldman Sachs Bank USA
200 West Street
New York, NY 10282
Attention: Scott Maxfield
Email: scott.maxfield@gs.com

with a copy to:

Michael Dalton
2001 Ross Avenue, 32nd Floor
Dallas, Texas 75201
Attention: Urban Investment Group LIHTC Portfolio Manager
Email: michael.dalton@gs.com

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with a copy to:

gs-uir-docs@gs.com

with a copy to:

Sidley Austin LLP
One South Dearborn Street
Chicago, IL 60603
Attention: Philip C. Spahn
Telephone No.: (312) 853-7015
Email: pspahn@sidley.com
pspahn@sidley.com

With copy to: Chicago Housing Authority
60 East Van Buren Street, 12th Floor
Chicago, Illinois 60605
Attn: Chief Executive Officer

With copy to: Chicago Housing Authority
60 East Van Buren Street, 12th Floor
Chicago, Illinois 60605
Attn: Chief Legal Officer

and a copy to IHDA:

Illinois Housing Development Authority
111 East Wacker Drive, Suite 1000
Chicago, Illinois 60601
Attention: Legal Department

With a copy to:
Illinois Housing Development Authority
111 East Wacker Drive, Suite 1000
Chicago, Illinois 60601
Attention: Managing Director, Multifamily Financing

All such notices and other communications shall be deemed given and received: (i) in the case of personal or local courier delivery, on the date of such delivery; (ii) in the case of delivery by overnight courier or express delivery service, on the date following dispatch; and (iii) in the case of mailing, three (3) business days after the date of mailing. For the sake of convenience and rapidity of transmission, copies of notices may be sent by telecopy transmission, but such transmission alone shall not be deemed to satisfy the notice requirements of this Lease absent actual confirmed receipt or the giving of notice by one of the other means stated above. Rejection or other refusal to accept or inability to deliver because of changed

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address of which proper notice was not given shall be deemed to be receipt of the notice or other communication.

12.7. Resolution of Conflicting Provisions. This Lease, and each and every obligation hereunder, are subject and subordinate in all respects to the Loan Documents and the loan documents of the other Lenders. In the event of any conflict between the terms of the Senior Loan Documents, the Senior Loan Documents, as applicable, shall control, as determined by Lender in its reasonable discretion.

12.8. Lender Consents. Notwithstanding any provision to the contrary contained in this Lease, any time this Lease refers to a required consent of the Lenders, or any of them, the procedures and requirements relating to such consent shall be governed by the Loan Documents and/or the SNDA, as appropriate.

12.9. Waiver. Failure of either party to complain of any act or omission on the part of the other party, no matter how long the same may continue, shall not be deemed to be a waiver by said party of any of its rights hereunder. No waiver by either party at any time, express or implied, of any breach of any provision of this Lease shall be deemed a waiver of a breach of any other provision of this Lease or a consent to any subsequent breach of the same or any other provision. If any action by either party shall require the consent or approval of the other party, the other party's consent to or approval of such action on any one occasion shall not be deemed a consent to or approval of said action on any subsequent occasion or a consent to or approval of any other action on any subsequent occasion. Any and all rights and remedies which either party may have under this Lease or by operation of law, either at law or in equity, upon any breach, shall be distinct, separate and cumulative and shall not be deemed inconsistent with each other; and no one of them, whether exercised by said party or not, shall be deemed to be in exclusion of any other; and two or more or all of such rights and remedies may be exercised at the same time, except as may be expressly provided to the contrary herein.

12.10. Performance Under Protest. In the event of a dispute or difference between Landlord and Tenant as to any obligation which either may assert the other is obligated to perform or do, then the party against whom such obligation is asserted shall have the right and privilege to carry out and perform the obligation so asserted against it without being considered a volunteer or deemed to have admitted the correctness of the claim, and shall have the right to bring an appropriate action at law, in equity or otherwise against the other for the recovery of any sums expended in the performance thereof and, in any such action, the successful party shall be entitled to recover, in addition to all other recoveries, such reasonable attorneys' fees as may be awarded by the court.

12.11. No Third Party Beneficiaries. Nothing contained in this Lease or any other agreement or contract between Landlord and Tenant shall be deemed or construed to create any relationship of third party beneficiary, principal and agent, limited or general partner, joint venture or any other association or relationship other than landlord-tenant and, for the limited purposes described in this Lease, agent-principal, and are solely for the benefit of Landlord and Tenant and not for the benefit of any third party; except that any provision herein explicitly for the benefit of Investor or any of the Lenders may be relied on by such parties.

12.12. Attorneys' Fees. If either party brings any action for damages or other relief

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against the other, the prevailing party shall be entitled to receive payment from the losing party of all reasonable costs and expenses, including, without limitation, attorneys' fees. The provisions of this Section 12.12 shall be applicable in trial, arbitration and appellate proceedings. The obligation to pay fees set forth herein shall accrue on commencement of such proceedings; provided that if such proceedings are not prosecuted to judgment or final determination, each party shall bear its own attorneys' fees unless otherwise agreed in writing.

12.13. Headings. The headings used for the various articles and sections of this Lease are used only as a matter of convenience for reference, and are not to be construed as part of this Lease or to be used in determining the intent of the parties of this Lease.

12.14. Construction. Landlord and Tenant agree that all the provisions hereof are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate section thereof.

12.15. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of Illinois applicable to contracts made and to be performed therein.

12.16. Counterparts. This Lease may be executed in multiple counterparts and all such counterparts shall be deemed to be originals and together shall constitute but one and the same instrument.

12.17. Invalidity. If any term, covenant, provision or condition of this Lease or the application thereof to any person or circumstances shall be declared invalid or unenforceable by the final ruling of a court of competent jurisdiction having final review, the application of the remaining terms, covenants, provisions and conditions of this Lease shall not be affected thereby and shall continue to be enforced and recognized as valid agreements of the parties, and in the place of such invalid or unenforceable provision there shall be substituted a like, but valid and enforceable, provision which comports to the findings of the aforesaid court and most nearly accomplishes the original intention of the parties.

12.18. Tax Treatment. Landlord and Tenant agree that for federal and state income tax purposes, this Lease will be treated as a sale of the Leased Premises, effective as of the Ownership Transfer Date, in exchange for the Base Rent and Excess Rent due under this Lease, that the LIHTC and all other tax attributes, such as the right to take depreciation deductions, will be transferred to the Tenant on such date as a result and that the Ownership Transfer Date occurs prior to the Leased Premises being placed in service for purposes of federal income tax depreciation or amortization purposes. Landlord and Tenant hereby agree that they shall not take any position on any federal or state income tax return that is inconsistent with the treatment of the Lease as a sale of the Leased Premises as of the Ownership Transfer Date. Until the earlier of the expiration of the Term or the expiration of the term of that certain Low Income Housing Tax Credit Extended Use Agreement between Landlord and IHDA dated on or about the date hereof, the Landlord and Tenant shall operate the Leased Premises as low-income housing (x) as required by the Code and regulations promulgated thereunder and (y) as necessary to qualify for and maintain the LIHTC and other tax benefits associated therewith. Landlord and Tenant further agree that (i) for federal and state income tax purposes, (A) the lease of the applicable portion of the land on which the Leased Premises is located for the Land

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Rent will be treated as a true lease, and (B) for purposes of Section 467 of the Code and the Treasury Regulations thereunder, no portion of the Lease will be treated as a “section 467 rental agreement,” and (ii) that they shall not take any position on any federal or state income tax return that is inconsistent with such treatment.

12.19. Reporting.

12.19.1. Landlord shall furnish such reports to Tenant with respect to the Residential Units and the operation thereof as Tenant may request in order for Tenant to meet its reporting obligations to the Investor pursuant to the Tenant Operating Agreement.

12.19.2. Tenant shall furnish such documentation to Landlord regarding Tenant’s Net Cash Flow as may be reasonably required by Landlord or any Lender, and Tenant shall deliver an annual certification to Landlord and the Lenders as to the amount of Tenant’s Net Cash Flow for such annual period. In addition, Tenant shall furnish such reports and certifications to Landlord with respect to the Residential Affordable Unit and the operation thereof and with respect to the Qualified Tenants as Landlord may request in order for Landlord to comply with all reporting and filing obligations under the Loan Documents, any other Affordability Restrictions, and the Code.

12.20. Exhibits. The exhibits referenced in this Lease are incorporated into this Lease by such references and are to be construed as a part of this Lease.

12.21. Amendment. During the term of any Lender’s mortgage, this Lease shall not be amended or modified by Landlord or Tenant, unless such amendment or modification is assented to in writing in advance by Landlord, Tenant, and all Lenders. Any such attempted amendment or modification without such prior written assent shall be void.

12.22. Entire Agreement. This instrument contains all the agreements made between the parties hereto with respect to the leasing of the Leased Premises and may not be modified in any other manner than by an instrument in writing specifically referencing such modification which is executed by the parties or their respective successors in interest.

[end of page; signature page follows]

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IN WITNESS WHEREOF, the parties have executed this Lease under seal as of the date first written above.

LANDLORD:

SOUTHBRIDGE 4 MASTER OWNER LLC,
an Illinois limited liability company

By: Ickes Master Developer JV, LLC, an Illinois
limited liability company, its sole member

By: The Community Builders, Inc., a
Massachusetts nonprofit corporation, its
managing member

By: _____
Name: William Woodley
Its: Authorized Agent

TENANT:

SOUTHBRIDGE 1-4 HOUSING LLC,
an Illinois limited liability company

By: Southbridge 1 Housing MM LLC, an Illinois
limited liability company, its managing member

By: _____
Name: William Woodley
Its: Authorized Agent

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EXHIBIT A

LEGAL DESCRIPTION FOR SOUTHBRIDGE PHASE 1A

PARCEL 1:

THE LEASEHOLD ESTATE CREATED BY THE INSTRUMENT HEREIN REFERRED TO AS THE GROUND LEASE, EXECUTED BY CHICAGO HOUSING AUTHORITY, AN ILLINOIS MUNICIPAL CORPORATION, AS LANDLORD, AND TCB DEVELOPMENT SERVICES LLC, AN ILLINOIS LIMITED LIABILITY COMPANY, AS TENANT, DATED AS OF JANUARY 16, 2020, WHICH LEASE WAS RECORDED JANUARY 17, 2020, AS DOCUMENT NUMBER 2001719057 ASSIGNED BY THE ASSIGNMENT AND ASSUMPTION AND AMENDMENT OF GROUND LEASE, DATED AS OF JANUARY 16, 2020, BETWEEN SAID TCB DEVELOPMENT SERVICES LLC, AND SOUTHBRIDGE 4 MASTER OWNER LLC, AN ILLINOIS LIMITED LIABILITY COMPANY, WHICH ASSIGNMENT AND ASSUMPTION AND AMENDMENT OF GROUND LEASE WAS RECORDED JANUARY 17, 2020, AS DOCUMENT NUMBER 2001719058 WHICH LEASE DEMISES THE FOLLOWING DESCRIBED PROPERTY FOR A TERM OF 99 YEARS ENDING JANUARY 15, 2119:

THAT PART OF LOTS 1 THROUGH 12 (BOTH INCLUSIVE), THAT PART OF LOTS 40 THROUGH 46 (BOTH INCLUSIVE), AND THAT PART OF THE NORTH-SOUTH 15 FOOT WIDE PUBLIC ALLEY VACATED PER DOCUMENT NUMBER 15805877, RECORDED JANUARY 6, 1954, ALL IN BLOCK 10, IN UHLICH AND MUHLKE'S ADDITION TO CHICAGO, A SUBDIVISION OF THE EAST HALF OF THE NORTHEAST QUARTER (EXCEPT THE SOUTH HALF OF THE SOUTH HALF THEREOF) IN SECTION 23, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 1; THENCE SOUTH 01 DEGREES 31 MINUTES 56 SECONDS EAST, ALONG AN ASSUMED BEARING, BEING THE EAST LINE OF SAID LOTS 1 THROUGH 12, ALSO BEING THE WEST LINE OF STATE STREET, 289.70 FEET; THENCE SOUTH 88 DEGREES 29 MINUTES 48 SECONDS WEST 116.21 FEET; THENCE NORTH 01 DEGREES 31 MINUTES 56 SECONDS WEST 74.55 FEET; THENCE SOUTH 68 DEGREES 28 MINUTES 04 SECONDS WEST 35.00 FEET; THENCE NORTH 01 DEGREE 31 MINUTES 56 SECONDS WEST 151.00 FEET; THENCE NORTH 88 DEGREES 28 MINUTES 04 SECONDS EAST 37.00 FEET; THENCE NORTH 01 DEGREE 31 MINUTES 56 SECONDS WEST 64.15 FEET TO A POINT ON THE NORTH LINE OF SAID LOT 1; THENCE NORTH 88 DEGREES 29 MINUTES 48 SECONDS EAST ALONG SAID NORTH LINE, ALSO BEING THE SOUTH LINE OF W. 23RD STREET 114.21 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

EXCEPTING THEREFROM ALL BUILDINGS AND IMPROVEMENTS LOCATED, OR TO BE LOCATED AFTER THE DATE OF THE AFORESAID GROUND LEASE, THEREON.

PARCEL 2:

FEE SIMPLE TITLE TO ALL BUILDINGS AND IMPROVEMENTS LOCATED, OR TO BE LOCATED AFTER THE DATE OF THE AFORESAID GROUND LEASE, ON THE LEASEHOLD ESTATE HEREINABOVE DESCRIBED AS PARCEL 1.

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PARCEL 2:

FEE SIMPLE TITLE TO ALL BUILDINGS AND IMPROVEMENTS LOCATED, OR TO BE LOCATED AFTER THE DATE OF THE AFORESAID GROUND LEASE, ON THE LEASEHOLD ESTATE HEREINABOVE DESCRIBED AS PARCEL 1.

SAID PARCEL CONTAINS 38,823 SQUARE FEET OR 0.891 ACRES, MORE OR LESS.

Common Addresses: 2302-2322 S. State Street, Chicago IL 60616
Residential Address: 2310 S. State Street, Chicago IL 60616
Retail Addresses: 2302 S. State Street, Chicago IL 60616;
2306 S. State Street, Chicago IL 60616;
2318 S. State Street, Chicago IL 60616;
2322 S. State Street, Chicago IL 60616

PROPERTY PINS

Property Pins: 17-28-218-028 (affects part of the land and other property);
17-28-218-029 (affects part of the land and other property); and
17-28-218-030 (affects part of the land and other property)

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EXHIBIT B TO MASTER LEASE AGREEMENT

Declaration of Leasehold Condominium Ownership and of Easements, Restrictions,
Covenants and By-Laws for Southbridge 1-4 Condominium

[Attached]

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EXHIBIT C TO MASTER LEASE AGREEMENT

List of Affordability Restrictions

1. REGULATORY AND LAND USE RESTRICTION AGREEMENT (TRUST FUND LOAN)
2. IHDA REGULATORY AGREEMENT (PHASE 1A)
3. ILLINOIS AFFORDABLE HOUSING TAX CREDIT REGULATORY AGREEMENT
4. REGULATORY AGREEMENT (RISK SHARE LOAN – PHASE 1A)
5. HOME PROGRAM REGULATORY AGREEMENT
6. RAD USE AGREEMENT
7. LOW INCOME HOUSING TAX CREDIT EXTENDED USE AGREEMENT (PHASE 1A)
8. SECTION 811 USE AGREEMENT
9. TAX REGULATORY AGREEMENT

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EXHIBIT C
CONDOMINIUM DECLARATION
(see attached)

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THIS INSTRUMENT PREPARED BY
AND WHEN RECORDED MAIL TO:

Applegate & Thorne-Thomsen, P.C.
425 S. Financial Pl, Suite 1900
Chicago, Illinois 60605
Attn: Paul Davis

[Form approved at financing closing]

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DECLARATION OF LEASEHOLD CONDOMINIUM OWNERSHIP
AND OF
EASEMENTS, RESTRICTIONS, COVENANTS AND BY-LAWS
FOR
SOUTHBRIDGE 1-4 CONDOMINIUM

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DECLARATION OF LEASHOLD CONDOMINIUM OWNERSHIP AND OF EASEMENTS, RESTRICTIONS, COVENANTS AND BY-LAWS FOR SOUTHBRIDGE 1-4 CONDOMINIUM

THIS DECLARATION (the “**Declaration**”) is made and entered into as of the [_____] day of _____, 20__], by Southbridge 4 Master Owner LLC, an Illinois limited liability company (“**Declarant**”).

WITNESSETH:

WHEREAS, Declarant holds a Leasehold Estate on certain real estate in the City of Chicago, County of Cook, and State of Illinois, legally described on **Exhibit A** attached hereto (the “**Land**”) pursuant to that certain Ground Lease Agreement dated as of January 16, 2020 between Chicago Housing Authority, an Illinois municipal corporation (“**Ground Lessor**” or “**CHA**”), as lessor, and TCB Development Services LLC, as lessee, and pursuant to an Assignment and Assumption of Ground Lease;

WHEREAS, this Leasehold Condominium Declaration shall be subject to the provisions of the Ground Lease Agreement;

WHEREAS, the Declarant is the legal title holder to the building (the “**Building**”) containing residential, commercial, and community facilities and the related improvements constructed or installed on the Land;

WHEREAS, Declarant desires and intends by this Declaration to submit the Property (as hereinafter defined) to the provisions of the Condominium Property Act of the State of Illinois, 765 ILCS 605 et seq (hereinafter sometimes referred to as the “**Act**”), and is further desirous of establishing for its own benefit and that of all future owners or occupants of the Property, an Illinois not for profit corporation which shall be known as *The Southbridge 1-4 Condominium Association* (the “**Association**”), certain easements and rights in, over and upon the Property and mutually beneficial restrictions and obligations with respect to the use and maintenance thereof; and

WHEREAS, Declarant desires and intends that the owners, mortgagees, occupants and other persons hereafter acquiring any interest in the Property shall at all times enjoy the benefits of, and shall hold their interests subject to, the rights, easements, privileges and restrictions hereinafter set forth which are declared to be in furtherance of a plan to promote and protect the cooperative aspect of ownership and to facilitate the proper administration of the Property and are established for the purpose of enhancing the value, desirability, and attractiveness of the Property.

NOW, THEREFORE, Declarant, as the owner (or lessee) of the Property, and for the purposes above set forth, declares as follows:

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ARTICLE 1

Definitions.

The following terms shall have the meanings set forth below:

1.1 Assignment and Assumption of Ground Lease. The Assignment and Assumption and Amendment of Ground Lease, dated as of January 16, 2020, between TCB Development Services LLC, and Southbridge 4 Master Owner LLC, with the consent of the Chicago Housing Authority, recorded with the Cook County Recorder of Deeds on January ____, 2020 as Document no. _____.

1.2 Board. The board of managers of the Association.

1.3 Building. The structure located upon the Land containing the Units.

1.4 By-Laws. Those provisions governing the administration of the Association which are set forth in Articles 5, 6 and 7 of this Declaration.

1.5 Commercial Owner. A Unit Owner of a Commercial Unit.

1.6 Commercial Unit. A Unit in the Building and designated as commercial on the Plat or in **Exhibit B** attached hereto. The Commercial Unit is designated as C1.

1.7 Common Elements. As defined in Section 3.1.

1.8 Common Expenses. The proposed or actual expenses affecting the Common Elements, including reserves, if any, lawfully assessed by the Board in accordance with the terms and provisions hereof. The Common Expenses will also include any amounts owed by the Association under the [Homeowners Association Agreement] entered into by the [Association] and adjacent property owners.

1.9 Ground Lease Agreement. That certain Ground Lease Agreement dated as of January 16, 2020 by and between Ground Lessor and TCB Development Services LLC, recorded with the Cook County Recorder of Deeds on January ____, 2020 as Document number [_____].

1.10 Ground Lessor. Chicago Housing Authority, an Illinois municipal corporation.

1.11 HUD. The United States Department of Housing and Urban Development, or any successor agency or department.

1.12 Leasehold Estate. The leasehold estate as created by the Ground Lease Agreement with respect to the real property described in **Exhibit C**. **Exhibit C** is attached hereto

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for informational purposes only and none of the covenants, conditions, restrictions, and easements contained herein shall burden any portion of the Leasehold Estate, unless and until such portion is made part of the Property by this Leasehold Condominium Declaration or any Supplemental Declaration.

1.13 Majority of the Unit Owners. The Unit Owners of more than seventy-five percent (75%) in the aggregate of the undivided ownership interests of the Common Elements (as set forth on **Exhibit B** hereto); any specified percentage or ratio “of the Unit Owners” means such percentage in the aggregate of such undivided ownership.

1.14 Majority of the Members of the Board of Managers. More than 50% of the total number of Persons constituting the Board pursuant to the By-Laws. Any specified percentage of the members of the Board means that percentage of the total number of Persons constituting the Board pursuant to the By-Laws.

1.15 Master Affordable Tenant. Southbridge 1-4 Housing LLC, an Illinois limited liability company, under the Master Lease dated as of January 16, 2020 (the “**Master Lease**”) between the Declarant, as lessor, and Southbridge 1-4 Housing LLC, as lessee.

1.16 Mortgagee. Any holder of a recorded mortgage encumbering one or more Units.

1.17 Mortgage. Any recorded mortgage encumbering one or more Units held by Mortgagee.

1.18 Occupant. Any tenant, licensee, invitee, guest or other occupant (other than a Unit Owner) of a Unit from time to time.

1.19 Unit Owner. The Person or Persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Unit in the Building.

1.20 Percentage Interest. As set forth in **Exhibit B**.

1.21 Person. A natural individual, corporation, partnership, trustee, limited liability company, or other legal entity capable of holding title to real property.

1.22 Plat. The Plat of Survey of the Property and the Units submitted to the provisions of the Act, which Plat is attached hereto as **Exhibit D** and by reference incorporated herein and made a part hereof and recorded concurrently with the recordation of this Declaration.

1.23 Property. The Declarant’s Leasehold Estate in the Land and fee simple estate in the Building, all the improvements and structures located on the Land (including the Building), all the easements, rights and appurtenances belonging thereto, subject to the Ground Lease and the RAD Use Agreement, and all the fixtures and equipment intended for the mutual use, benefit or enjoyment of the Unit Owners, submitted to the provisions of the Act.

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1.24 RAD Act. The Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55, approved November 18, 2011; 42 U.S.C. 1437f(o)(13)), as heretofore or hereafter amended.

1.25 RAD HAP Contract. That certain Project-Based Voucher Rental Assistance Demonstration Housing Assistance Payments Contract between CHA, as contract administrator, and Declarant with respect to thirty-four (34) Apartments (as defined in Section 2.3) in the Residential Affordable Unit, as from time to time supplemented, amended and restated.

1.26 RAD Requirements. The requirements of the RAD program authorized by the RAD Act that are applicable to CHA with respect to the thirty-four (34) Apartments in the Residential Affordable Unit that are the subject of the RAD HAP Contract and the RAD Use Agreement or to the owner from time to time of such Apartments, including, without limitation, the requirements under the RAD Act, as heretofore or hereafter amended, the RAD Use Agreement and the RAD HAP Contract, and all related HUD directives and administrative requirements, including, without limitation, those contained in PIH Notice 2012-32 published by HUD on July 26, 2012, as heretofore or hereafter amended.

1.27 RAD Use Agreement. That certain Rental Assistance Demonstration Use Agreement dated as of January 16, 2020 between the United States of America Secretary of Housing and Urban Development, Chicago Housing Authority and Declarant and Master Affordable Tenant.

1.28 Residential Affordable Owner. A Unit Owner of a Residential Affordable Unit, which will include the Master Affordable Tenant under the Master Lease.

1.29 Residential Affordable Unit. A Unit located in the Building and designated as residential affordable on the Plat or in **Exhibit B** attached hereto. The Residential Affordable Units are designated as R1, R2, R3, R4 and R5.

1.30 Residential Market Owner. A Unit Owner of a Residential Market Unit.

1.31 Residential Market Unit. A Unit located in the Building and designated as residential market on the Plat or in **Exhibit B** attached hereto. The Residential Market Unit is designated as R6.

1.32 Residential Owner. A Unit Owner of a Residential Unit.

1.33 Residential Unit. A Unit located in the Building and designated as a Residential Affordable Unit or a Residential Market Unit.

1.34 Right of First Refusal. The Right of First Refusal Agreement dated as of January 16, 2020 between Ground Lessor and Master Owner.

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1.30 Unit. A part of the Building designed or intended for any type of independent use and depicted as a Residential Unit or a Commercial Unit on the Plat.

1.31 Unit Ownership. A part of the Property consisting of one Unit and the undivided interest, as designated on **Exhibit B** attached hereto, of such Unit in the Common Elements appurtenant thereto.

ARTICLE 2

UNITS; SUBMISSION TO ACT

2.1 Submission of Property to the Act. Declarant hereby submits the Property to the provisions of the Act. Declarant and each Person owning a Unit Ownership shall comply with the provisions of the Act as well as other applicable laws, ordinances and other regulations applicable to condominium ownership in regard to the Property, so long as this property is held under condominium ownership in accordance herewith.

2.2 Units; Description and Ownership. The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown on the Plat. Every deed, lease, mortgage or other instrument transferring title to a Unit may legally describe a Unit by its identifying number or symbol as shown on the Plat and as set forth in this Declaration, and every such description shall be deemed good and sufficient for all purposes, and shall be deemed to convey, transfer, encumber or otherwise affect the Unit Owner's corresponding percentage of ownership in the Common Elements even though the same is not expressly mentioned or described therein. Each Unit shall consist of the space enclosed and bounded by the horizontal and vertical planes constituting the boundaries of such Unit as shown on the Plat, including but not limited to any windows; provided, however, that if any pipes, wires, shafts, public utility lines, chutes, flues, ducts, conduits, wires, bearing walls, bearing columns, or any other apparatus lies partially within and partially outside of the designated boundaries of a Unit or wholly within a Unit but serving a different Unit, any portions thereof serving only that Unit shall be deemed a part of that Unit, while any portions thereof serving more than one Unit, serving a Unit other than the one within which such apparatus lies or any portion of the Common Elements shall be deemed a part of the Common Elements; and further provided that, to the extent that perimeter and partition walls, floors or ceilings are designated as the boundaries of the Units, all decorating, wall and floor coverings, paneling, molding, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces thereof, shall be deemed a part of such Units, while all other portions of such walls, floors, or ceilings shall be deemed part of the Common Elements. All space and other fixtures and improvements within the boundaries of a Unit shall be deemed a part of that Unit. Except as otherwise provided by the Act, no Unit Owner shall, by deed, plat or otherwise, combine, subdivide or in any other manner cause its Unit to be separated into any tracts or parcels different from the whole Unit as shown on the Plat. Notwithstanding the above, (a) a Unit Owner may combine two or more Units upon approval of the Board, and satisfaction of the other conditions, as provided in Section 11.15, (b) a Residential Owner may rent or lease to tenants individual Apartments (as hereinafter defined) within its

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Residential Units, and (c) the Commercial Owner may rent or lease portions of its Unit to tenants.

2.3 Use of Residential Units. Each Residential Unit in the Building shall be used exclusively for residential apartment use, provided each Residential Unit may contain more than one private, single family residence (each an “**Apartment**”). No Residential Unit shall be used for any business, industrial, or commercial purpose, including but not limited to, the uses set forth in **Exhibit E** (the “**Prohibited Uses**”).

2.4 Use of Commercial Units. The Commercial Unit in the Building shall be used exclusively for commercial, office, or retail uses; provided that, no portion of the Commercial Unit shall be used for any of the Prohibited Uses.

2.5 Notice of Intent. No notices are required to be delivered or posted at the Property pursuant to Section 605/30 of the Act because there are no tenants occupying the Building.

2.6 Rights and Obligations of Master Affordable Tenant. The Declarant has entered into the Master Lease for the Residential Affordable Units with the Master Affordable Tenant. For the term of such Master Lease, the Residential Affordable Units subject to such Master Lease shall be treated as if conveyed by the Declarant to the Master Affordable Tenant on the “Commencement Date” (as defined in the Master Lease). For purposes of this Declaration, upon such conveyance the Master Affordable Tenant shall have all of the rights and obligations of the Residential Affordable Owner with respect to the Residential Affordable Units during the term of the Master Lease; provided, however, that Master Tenant will not have a direct obligation to pay its share of Common Expenses, assessments and other expenses hereunder (including those expenses set forth in Section 4.7, 4.8, 4.9 and 4.10), as those payments will be made by the Declarant and reimbursed by the Master Tenant pursuant to the terms of the Master Lease. Upon termination of the Master Affordable Lease, all rights and obligations of the Master Affordable Tenant hereunder with respect to the Residential Affordable Units shall revert to the Declarant or any successors in interest.

ARTICLE 3

COMMON ELEMENTS

3.1 Description of Common Elements. Except as otherwise provided in this Declaration, the Common Elements shall consist of all portions of the Property except the Units, including, without limitation, the Leasehold Estate in the Land, all areas outside of the Building on the Land (including, without limitation, the exterior automobile parking areas, garbage and dumpster areas, walks, courtyards, play areas, landscaping, and perimeter lighting), the Building hallways (other than those located within a Unit), the Building stairways and elevators (other than those designated by the Plat as solely within a Unit), the community spaces that exist from time to time (including any fitness rooms, technology rooms, and meeting rooms), trash rooms, mechanical rooms, common corridors, entrances and exits, roofs, mail boxes, pipes, ducts, flues,

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chutes, electrical wiring and conduits, central heating and air conditioning and plumbing facilities, and systems shared by the Units (excluding systems serving only one Unit including ventilation ductwork and black pipe), public utility lines and other utility installations to the outlets shared by the Units, such component parts of air conditioning, floors, ceilings and perimeter walls not located solely within the boundaries of only one Unit excluding the property façade which will belong to the bordering Unit, as shown on the Plat, and structural parts of the Building, including structural columns located within the boundaries of a Unit and the Building foundation and roof (individually a “**Common Element**”, and collectively, the “**Common Elements**”).

3.2 Ownership of Common Elements. Each Unit Owner shall be entitled to and shall own an undivided interest in the Common Elements as a tenant-in-common with all other Unit Owners, and, except as otherwise limited in this Declaration, shall have the right to use the Common Elements for all purposes reasonably incident to the use and occupancy of such Unit Owner's Unit, and such other incidental uses permitted by this Declaration, which right shall be appurtenant to and run with its Unit. The extent or amount of such ownership shall be each Unit Owner's Percentage Interest as set forth on **Exhibit B**, which is incorporated herein by this reference as though fully set forth herein.

3.3 No Partition of Common Elements. There shall be no partition of the Common Elements through judicial proceedings or otherwise until this Declaration is terminated and the Property is withdrawn from the terms of the Act; provided, however, that if any Unit Ownership shall be owned by two or more co-Owners as tenants-in-common or as joint tenants or tenants by the entirety, nothing herein contained shall be deemed to prohibit a voluntary or judicial partition of said Unit Ownership as between such co-Owners.

ARTICLE 4

GENERAL PROVISIONS AS TO UNITS AND COMMON ELEMENTS

4.1 No Severance of Ownership. Any deed, mortgage, or other instrument conveying title to a Unit shall include the Unit Owner's interest in the Common Elements; provided that tenants of space within the Residential Unit or the Commercial Unit shall only have such right to use the Common Elements as may be specified in such lease.

4.2 Use of the Common Elements. Subject to the limitations set forth herein, each Unit Owner shall have the right to use the Common Elements in common with all other Unit Owners. The use of the Common Elements and the rights of the Unit Owners with respect thereto shall be subject to and governed by the provisions of the Act, this Declaration and the By-Laws and rules and regulations of the Board. The Board shall have the authority to lease or rent or grant licenses or concessions with respect to parts of the Common Elements, subject to the provisions of this Declaration and the By-Laws and rules and regulations of the Board.

4.3 Maintenance of Common Elements; Common Expenses. Except as otherwise provided herein, the performance of management, maintenance, repair, alteration and improvement of the Common Elements shall be the responsibility of the Association, unless the

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Declarant (or its successor) has entered into a management agreement with a third party manager. Each Unit Owner shall pay its Percentage Interest of the Common Expenses. Payment thereof shall be in such amount and at such times as may be provided by the By-Laws or rules and regulations of the Board, provided that such By-Laws and rules and regulations are not inconsistent with the terms of this Declaration. In the event of the failure of a Unit Owner to pay its Percentage Interest when due, the amount thereof shall constitute a lien on the interest of such Unit Owner, as provided by the Act, the priority and enforceability of which shall be as provided in Section 6.6 hereof. Notwithstanding the foregoing or any provision to the contrary contained herein, pursuant to Section 605/9(a) of the Act all Common Expenses incurred or accrued prior to the first conveyance of a Unit shall be paid by the Declarant, and during this period of time no Common Expense assessments shall be payable to the Association.

4.4 Easements.

(a) Encroachments. In the event that by reason of the construction, repair, reconstruction, settlement or shifting of the Building, or the design or construction of any Unit, any part of the Common Elements encroaches or shall hereafter encroach upon any part of any other Unit, or any part of any Unit encroaches or shall hereafter encroach upon any part of the Common Elements or any other Unit, or if by reason of the design, repair, construction or reconstruction of utility systems any main pipes, ducts or conduits serving more than one Unit encroach or shall hereafter encroach upon any part of any other Unit, valid mutual easements for the maintenance of such encroachment are hereby established and shall exist for the benefit of such Unit and the Common Elements, as the case may be, so long as such encroachment shall exist and all or any part of the Building containing such Unit shall remain standing; provided, however, that in no event shall a valid easement for any encroachment be created in favor of any Unit Owner or in favor of the Unit Owners of the Common Elements if such encroachment occurred due to the intentional, willful or negligent conduct of said Unit Owner or Unit Owners or that of its agent.

(b) Easements for Utilities and Cable Television. Subject to the terms and conditions of the Ground Lease, the Association may grant easements to utility, cable television, or internet providers to install, lay, construct, operate, maintain, renew, repair or replace conduits, cables, pipes and wires and other equipment into, over, under, and along the Property and within the Common Elements for the purpose of providing the Property and the Units with utility, cable television, and internet services, together with the reasonable right of ingress to and egress from the Property for the said purposes, subject to the rights of tenants in occupancy of space within a Unit. The Association shall request the prior written consent of the Ground Lessor for any easement that affects the Land, pursuant to the terms of the Ground Lease Agreement.

(c) Easements to Run with Land. All easements described herein are easements appurtenant, running with the Declarant's rights under the Ground Lease to the Land and Declarant's rights to the Building, perpetually in full force and effect, and at all times shall inure to the benefit of and be binding on the undersigned, its successors and assigns, and any Unit Owner, purchaser, mortgagee and other Person having an interest in the Property, or any part or portion thereof. With respect to any Unit, reference in any deed of conveyance or in any

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mortgage or trust deed or other evidence of obligation with respect to such Unit shall be deemed to include, without the necessity of further reference, all of such Unit Owner's rights to the easements and rights described in this Article or described in any other part of this Declaration as fully and completely as though such easements and rights were recited fully and set forth in their entirety in such documents.

4.5 Rules and Regulations. The Board may adopt reasonable rules and regulations governing the use of the Common Elements which shall be applicable to all Unit Owners and their Occupants and which do not conflict with the RAD Use Agreement or the RAD Requirements.

4.6 Separate Mortgages of Units. Each Unit Owner shall have the right to mortgage or encumber its own respective Unit, together with its respective ownership interest in the Common Elements. No Unit Owner shall have the right or authority to mortgage or otherwise encumber in any manner whatsoever the Property or any part thereof except its own Unit and its own respective ownership in the Common Elements.

4.7 Separate Real Estate Taxes. It is intended that real estate taxes will be separately taxed to each Unit Owner for its Unit and its corresponding percentage of ownership in the Common Elements as provided for in the Act. In the event that, for any year, such taxes are not separately taxed to each Unit Owner, but are taxed on the Property as a whole, then each Unit Owner shall pay its Percentage Interest of such total taxes (unless the Unit Owners agree that making such calculation with reference to Percentage Interests is not the most accurate way to allocate tax obligations and that each Unit Owner's share of tax liability should be calculated with reference to the assessed value of its Unit); and in the absence of the timely payment thereof within thirty (30) days after notice of such failure is provided to the Unit Owner, the Association or any other Unit Owner shall have the right to pay such taxes on behalf of such Unit Owner, and the same shall constitute a lien on the interest of such Unit Owner, the priority and enforceability of which shall be provided in Section 6.6 hereof. Any Unit Owner may, at any time (and from time to time), apply for and obtain with respect to its respective Unit an exemption from the real estate taxes applicable to such Unit.

4.8 Utilities. Each Unit Owner shall pay for its own telephone, water, gas, electricity and other utilities which are separately metered or billed to each user by the respective utility company. Utilities which are provided with respect to the Common Elements shall be treated as part of the Common Expenses. It is acknowledged that if water service is not separately metered to the Units and, accordingly, water bills are paid to the applicable water service provider by the Association, then such payment is subject to payment and/or reimbursement by the Unit Owners as Common Expenses (based on their respective Percentage Interest). In addition to water service, the Board may elect to establish and maintain a master metering of any other utility services and collect payments in connection therewith, subject to the requirements of the Tenant Utility Payment Disclosure Act, 765 ILCS 740.

4.9 Insurance; Unit Owners.

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(a) Each Unit Owner shall be responsible for its own insurance on the contents of its own Unit, its additions and improvements thereto and decorating and furnishings and personal property therein, its personal property stored elsewhere on the Property, any vehicles it parks in the Common Elements, and its personal liability, all to the extent not covered by the fire and liability insurance for all of the Unit Owners obtained as part of the Common Expenses pursuant to Section 5.7 hereof. Notwithstanding the foregoing, during the period of time prior to the first conveyance of a Unit, the Declarant shall maintain at its sole cost and expense insurance policies covering all the Units and the Common Elements.

(b) The Board shall not be responsible for obtaining insurance on any additions, alterations or improvements made by any Unit Owner to its Unit unless and until such Unit Owner shall request the Board in writing so to do, and shall make arrangements satisfactory to the Board to reimburse the Board for any additional premiums attributable thereto; and upon the failure of such Unit Owner so to do, the Board shall not be obligated to apply any insurance proceeds to restore the affected Unit to a condition better than the condition existing prior to the making of such additions, alterations or improvements.

(c) Notwithstanding anything to the contrary contained herein, each Unit Owner and the Association hereby waives and releases any and all claims which he may have against any other Unit Owner, the Association, its officers, the Board, the Declarant, the manager and managing agent of the Property, if any, and their respective employees and agents, for damage to the Common Elements, the Units or to any personal property located in the Unit or Common Elements, caused by fire or other casualty, theft, vandalism and each and all other causes to the extent that such damage is covered by fire or other form of casualty insurance.

4.10 Maintenance, Repairs and Replacements of Units.

(a) By the Board. The Association as a Common Expense, shall be responsible for the maintenance, repair and replacement of those portions, if any, of each Unit which contributes to the support of the Building, excluding, however, interior wall, interior ceiling and floor surfaces. In addition, the Association shall maintain, repair and replace all conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services and any other Common Elements which may be located within the Unit boundaries as specified in Section 2.2.

(b) By the Unit Owner. Except as otherwise provided in subsection (a) above, each Unit Owner shall furnish and be responsible for, at its own expense:

(1) all of the maintenance, repairs and replacements within its own Unit, including maintenance, repairs and replacements of any windows, and all internal installations in a Unit such as refrigerators, ranges, microwave oven, dishwasher, garbage disposal and other kitchen appliances, windows, lighting fixtures and other electrical fixtures, heating, plumbing and air conditioning fixtures or installations and any portion of any other utility service facilities located within the Unit or Units owned by such Unit Owner; provided, however, such maintenance, repairs, and replacements as may be required to or on the Common Elements for the functioning of the plumbing within the Unit, and for the bringing of

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water, gas, or electricity to the Unit, shall be furnished by the Association as part of the Common Expenses. The Board or the Association may provide, by its rules and regulations and with the prior consent of the Unit Owner affected, for ordinary maintenance and minor repairs and replacements to be furnished to the Units by Property personnel as a Common Expense or to otherwise undertake all or any portion of such maintenance, repairs and replacements and to back-charge the Unit Owner on whose behalf the work was performed (in which event any unpaid sum shall be a lien against such Unit, the priority and enforceability of which shall be provided in Section 6.6 hereof, and shall be deemed the nonpayment of an Association assessment); and

(2) all decorating and alterations within its own Unit from time to time, including, but not limited to painting, wall papering, paneling, floor covering (including wood floors), draperies, window shades, curtains, lamps and other furnishings and interior decorating. Each Unit Owner shall be entitled to the exclusive use of such portions of the perimeter walls, floors and ceilings as lie within the boundaries of its Unit as shown on the Plat, and such Unit Owner shall maintain such portions in good condition at its sole expense as may be required from time to time, which maintenance and use shall be subject to the rules and regulations of the Board. Decorating of the Common Elements and any redecorating of Units to the extent made necessary by any damage to existing decorating of such Units caused by maintenance, repair or replacement work on the Common Elements shall be furnished as a part of the Common Expenses. Nothing herein contained shall be construed to impose a contractual liability upon the Association for failure to perform any maintenance, repair and replacement, unless such failure shall have resulted from the willful misconduct or gross negligence of the Association. The respective obligations of the Association and Unit Owners set forth in this Declaration shall not be limited, discharged or postponed by reason of the fact that any such maintenance, repair or replacement is required because they may become entitled to the benefit of any guarantee or proceeds under policies of insurance. In addition and notwithstanding anything hereinabove to the contrary, no Unit Owner shall have a claim against the Board, the Association or another Unit Owner for any work which is ordinarily the responsibility of the Board or the Association but which the Unit Owner himself has performed or paid for unless the same shall have been agreed to in writing in advance by the Board.

4.11 Negligence of Owner. Subject to Section 4.9(c), if, due to the willful or negligent act or omission of a Unit Owner or of a guest or of any other authorized Occupant or visitor of such Unit Owner, damage shall be caused to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs or replacements shall be required which would otherwise be at the Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Board.

4.12 Joint Facilities. To the extent that equipment, facilities and fixtures within any Unit or Units shall be connected to similar equipment, facilities or fixtures affecting or serving other Units or the Common Elements, then the use thereof by the individual Unit Owners shall be subject to the rules and regulations of the Board. The authorized representatives of the Association or the Board, or of the manager or managing agent for the Property, shall be entitled to reasonable access to the individual Units as may be required in connection with maintenance,

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repairs, or replacements of or to the Common Elements or any equipment, facilities or fixtures affecting or serving other Units or the Common Elements; provided, that in no event shall any such entry into a Unit (or an Apartments within a Unit) disrupt or interfere with the business of a Unit Owner (or the Occupant of an Apartment) thereof unless such Unit Owner (or Occupant of an Apartment) shall have consented thereto.

4.13 Alterations, Additions and Improvements. No alterations of any Common Elements or any additions or improvements thereto, shall be made by any Unit Owner without the prior written approval of the Board. Notwithstanding the foregoing, each Unit Owner shall have the right to make any and all alterations required by law (including, but not limited to, the installation of additional emergency exits) without approval of the Board, so long as such changes do not materially alter the structure of the Building.

4.14 Liens. Subsequent to the recording of this Declaration, no liens of any nature shall be created or arise against any portion of the Property except against the Units and a Unit Owner's corresponding interest in the Common Elements. No labor performed or materials furnished with the consent or at the request of a particular Unit Owner shall be the basis for the filing of a mechanic's lien against any other Unit. If the performance of the labor or materials is expressly authorized by the Board, each Unit Owner shall be deemed to have expressly authorized it and consented thereto, and shall be liable for the payment of its Unit's Percentage Interest of any due and payable indebtedness as set forth in this Section. In the event any lien (other than a Mortgage (each, an "**Existing Mortgage**") encumbering the Property as of the date of the recording of this Declaration or any subsequent Mortgage encumbering the Property made in connection with the refinancing of any such Existing Mortgage) exists against two or more Units and the indebtedness secured by such lien is due and payable, the Unit Owner of any such Unit so affected may remove such Unit and the undivided interest in the Common Elements appertaining thereto from such lien by payment of the proportional amount of such indebtedness attributable to such Unit. In the event such lien exists against the Units or against the Property, the amount of such proportional payment shall be computed on the basis of the percentages set forth in this Declaration. Upon payment as herein provided, it is the duty of the encumbrancer to execute and deliver to the Unit Owner a release of such Unit and the undivided interest in the Common Elements appertaining thereto from such lien, except that such proportional payment and release shall not prevent the encumbrancer from proceeding to enforce its rights against any Unit or interest with respect to which such lien has not been so paid or released. The Unit Owner of a Unit shall not be liable for any claims, damages or judgments entered as a result of any action or inaction of the Board other than for mechanics' liens as set forth in this Section 4.14. Each Unit Owner's liability for any judgment entered against the Board, if any, shall be limited to its Percentage Interest of the indebtedness as set forth in this Section 4.14, whether collection is sought through assessment or otherwise. Subject to Section 4.9(c), a Unit Owner shall be liable for any claim, damage or judgment entered as a result of the use or operation of its Unit, or caused by its own conduct.

ARTICLE 5

ADMINISTRATION

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5.1 Association; Board of Managers. The Unit Owners, acting collectively through the Board, shall be known as the Association. The provisions of this Article 5 and Articles 6 and 7 below shall constitute the initial By-Laws of the Association, as referred to in the Act. The direction and administration of the Property shall be vested in the Board. On the effective date hereof, the Board shall be comprised of Ickes Master Developer JV LLC (the “**Manager**”), and one member selected by each of the Residential Affordable Owner and the Residential Market Owner. Each such Board member shall be selected for a term of one (1) year, subject to the selection of a successor or successors. The Unit Owners will elect the Board members, after the expiration of the initial term. In the election of the Board, cumulative voting is permitted. No member of the Board shall be selected for a term of more than one (1) year, but Board members may succeed themselves in office. The Board may disseminate to Unit Owners biographical and background information about candidates for election to the Board if (i) reasonable efforts to identify all candidates are made and all candidates are given an opportunity to include biographical and background information in the information to be disseminated, and (ii) the Board does not express a preference in favor of any candidate. All members of the Board shall be elected at large.

5.2 Determination of Board to be Binding. Notwithstanding that the words “Board” and “Association” may in some instances be used interchangeably in various sections of this Declaration, matters of dispute or disagreement between Unit Owners or with respect to interpretation or application of the provisions of this Declaration or the By-Laws or rules or regulations promulgated by the Board shall be determined by the Board in its reasonable discretion, which reasonable determination shall be final and binding on the Association and on all Unit Owners.

5.3 Voting Rights.

(a) There shall be one class of membership in the Association, and there shall be a total of one hundred (100) votes for all Unit Owners. Voting shall be on a percentage basis, and the percentage vote to which each Unit is entitled is its Percentage Interest as set forth on **Exhibit B** attached hereto.

(b) Any or all Unit Owners may be present at any meeting of the Association and may vote or take any other action, either in person or by proxy executed in writing by the Unit Owner or by its duly authorized attorney in fact. Any proxy distributed for Board elections by the Board shall give Unit Owners the opportunity to designate any person as the proxy holder, and shall give the Unit Owner the opportunity to express a preference for any of the known candidates for the Board or to write in a name. Every proxy must bear the date of execution thereof. A proxy shall be invalid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

(c) The Association may, upon adoption of the appropriate rules by the Board, conduct elections by secret ballot whereby the voting ballot is marked only with the percentage interest for the Unit and the vote itself, provided that the Board further adopts rules to verify the status of the Unit Owner issuing a proxy or casting a ballot; and further, that a

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candidate for election to the Board or such candidate's representative shall have the right to be present at the counting of ballots at such election.

5.4 Meetings of Association.

(a) Quorum; Procedure. The presence at any meeting of the Unit Owners having a majority of the total votes shall be necessary to constitute a quorum; however, a quorum shall require the presence of the Residential Affordable Owner and the Residential Market Owner. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Association at which a quorum is present upon the affirmative vote of a Majority of the Unit Owners present and voting at such meeting. Any Unit Owner in writing may waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action of the Association without a meeting.

(b) Annual Meeting. There shall be an annual meeting of the Association (one of the purposes of which shall be to elect the members of the Board) on a mutually acceptable date during the third week of September of each year at a mutually acceptable time, on the Property, or at such other reasonable place or time (not more than thirty (30) days before or after such date), as may be designated by written notice of the Board mailed or delivered giving the Unit Owners no less than ten (10) and no more than thirty (30) days' notice of the time, place and purpose of such meeting. Unless waived by all the Owners, there shall be at least three meetings in addition to the annual meeting each year.

(c) Special Meetings. Special meetings of the Association may be called at any time for the purpose of considering matters which, by the terms of this Declaration, require the approval of all or some of the Unit Owners, or for any other reasonable purpose. Said meetings may be called by the President of the Association, a majority of the Board, or by not less than 20% of the Unit Owners, upon notice of not less than ten (10) nor more than thirty (30) days prior to the date fixed for said meeting. The notices shall specify the date, time and place of the meeting and the matters to be considered.

(d) Service of Notices. Notices of meetings required to be given herein may be delivered either personally or by mail to each Unit Owner at the address given by such Unit Owner to the Board for the purpose of service of such notice. Notices shall be effective upon mailing.

(e) Special Matters. Approval of any of the following matters shall require the affirmative vote of all of the Unit Owners: (i) the merger or consolidation of the Association; (ii) the sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the assets of the Association; (iii) the purchase, sale or leasing of land or Units on behalf of all of the Unit Owners; and (iv) any action that could result in a default of any regulatory agreement, including without limitation the RAD Use Agreement or RAD HAP Contract, or Mortgage encumbering the Property.

(f) Meetings Regarding the Budget. Each Unit Owner shall receive notice, in the same manner as is provided in the Act and this Declaration for membership

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meetings, of any meeting of the Board concerning the adoption of the proposed annual budget and regular assessments pursuant thereto or to adopt a separate (special) assessment. If a proposed annual budget or any separate assessment to be adopted by the Board would result in the sum of all regular and separate assessments payable in the current fiscal year exceeding one hundred ten percent (110%) of the sum of all regular and separate assessments payable during the preceding fiscal year, then the consent of all Unit Owners shall be required therefor.

(g) Attendance by Telephone and Unanimous Consent. Unit Owners may participate in and act at any meeting through the use of a conference telephone or other communications equipment by means of which all Persons participating in the meeting can communicate with each other. Participation in such meeting shall constitute attendance and presence in person at the meeting of the Person or Persons so participating. Further, the Unit Owners may act by unanimous written consent which will have the effect of a meeting duly called and held.

5.5 Meetings of the Board. A majority of the members of the Board shall constitute a quorum. Members of the Board shall serve for the term specified in Section 5.1 hereof or until their successors are elected. Except as otherwise provided in this Declaration, the Property shall be managed by the Board, and the Board shall act by majority vote of those present and voting at its meetings when a quorum exists. Meetings of the Board may be conducted in accordance with such regulations as the Board may adopt, subject to the following:

(a) Meeting Notices and Conditions. Meetings of the Board shall be held upon not less than ten (10) days' notice given to the Unit Owners and to the members of the Board by mail, telegram or personal service, provided that (x) persons entitled to such notice not receiving timely or proper notice may waive such notice in writing before the meeting is convened, and (y) in the event that an emergency or hazardous condition shall give rise to necessity of a meeting of the Board, only such notice as is reasonable under the circumstances shall be required (to the extent permitted by applicable law). Meetings of the Board shall be open to all Unit Owners who desire to attend, except for the portion of any meeting held (i) to discuss litigation when an action against or on behalf of the Association has been filed and is pending in a court or administrative tribunal, or when the Board finds that such an action is probable or imminent, (ii) to consider information regarding appointment, employment or dismissal of an employee, or (iii) to discuss violations of rules and regulations of the Association or a Unit Owner's unpaid share of Common Expenses; provided that any vote on these matters shall be taken at a meeting or portion thereof open to any Unit Owner. Any Unit Owner may record the proceedings at meetings or portions thereof required to be open to Unit Owners by tape, film or other means, provided that the Board may prescribe reasonable rules and regulations to govern the right to make such recordings. The Board shall not adopt or approve a proposed annual budget or special assessment at any meeting unless a copy of the proposed annual budget, together with an indication of which portions are intended for capital expenditures or repairs or payment of real estate taxes, has been delivered or sent to each Unit Owner not later than thirty (30) days prior to the meeting at which the annual budget is adopted or approved and a notice of such meeting or any meeting at which a special assessment may be adopted has been sent to the persons and in the form and within the time required for meetings of the Association. Special

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meetings of the Board may be called by the President of the Association or 25% of the members of the Board.

(b) Annual Meeting. An annual meeting of the Board shall be held immediately following the annual meeting of the Association and at the same place. At such annual meeting, the Board shall elect the officers of the Association (as provided herein), and may conduct such other business as may properly be submitted to the Board.

(c) Officers. The Board shall elect officers of the Association from among its members a President who shall preside over both its meetings and those of the Unit Owners, a Secretary who shall keep the minutes of all meetings of the Board and of the Unit Owners and who shall, in general, perform all the duties incident to the office of Secretary, and a Treasurer who shall keep the financial records and books of account. Multiple offices may be held by the same person. The Board may by resolution: create additional offices and elect appointees thereto; create committees and make appointments thereto; and fill any mid-term vacancy in any such office pending the next annual meeting. The term of any officer shall be one year subject to the election of a successor or successors. Officers are permitted to succeed themselves. An officer may resign its office but retain its status as a member of the Board. Any officer may designate its function to another individual or individuals within its organization to perform its obligations as officer. In addition, any Board member may allow a reasonable amount of additional individuals from its organization to attend Board meetings (but no event shall any such individual have voting rights with respect to the Board).

(d) Removal and Resignation. A Board member may be removed from office with cause at any meeting of the Board by the affirmative vote of a majority of the members of the Board, and any vacancy in any office may be filled by the Board at any meeting thereof by an affirmative vote of a Majority of the Unit Owners. Subject to the proviso in the preceding sentence, any Board member may resign upon thirty (30) days prior written notice to the Board.

(e) Compensation. Board members shall receive no compensation for their services.

(f) Notices and Documents. The President or any other authorized officer of the Association shall be authorized to mail and receive notices on behalf of the Association and shall have the power to execute all condominium instruments, including amendments of this Declaration, on behalf of the Association, and to execute and cause to be transmitted all notices to Unit Owners.

(g) Attendance by Telephone and by Unanimous Consent. Board members may participate in and act at any meeting through the use of a conference telephone or other communications equipment by means of which all Persons participating in the meeting can communicate with each other. Participation in such meeting shall constitute attendance and presence in person at the meeting of the Person or Persons so participating or, in lieu of a meeting by unanimous consent of the Board members, which will have the effect of a meeting duly called and held.

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5.6 General Powers of the Board. The Board shall exercise for the Association all powers, duties, and authority vested in the Association by law or this Declaration, except for such powers, duties and authority reserved by law to the members of the Association. Without limiting the general powers which may be provided by law, this Declaration, and the Act, the Board shall have the following general powers and duties:

- (a) To elect the officers of the Association as hereinabove provided;
- (b) To administer the affairs of the Association and the Property, subject to the terms hereof;
- (c) Unless the Declarant (or its successor) has done so already, to engage the services of a manager or managing agent who shall manage and operate the Property and the Common Elements thereof for all of the Unit Owners, upon such terms and for such compensation and with such authority as the Board may approve, subject to the terms hereof;
- (d) To formulate policies for the administration, management and operation of the Property and the Common Elements thereof, and to provide for the implementation thereof, subject to the terms hereof;
- (e) To adopt and amend reasonable rules and regulations covering the details of the administration, management, operation and use of the Property and the Common Elements, provided no such rules or regulations shall be adopted or amended until after a meeting (at which a quorum shall not be required) of the Unit Owners called for the specific purpose of discussing the proposed rules and regulations (notice of which meeting shall contain the full text of the proposed rules and regulations, which notice shall be in the form, and be sent to the persons within the time period, required for meetings of the Association); further provided that no rules or regulations may impair any rights guaranteed by the First Amendment to the Constitution of the United States or Section 4 of Article I of the Illinois Constitution, nor may any rules or regulations conflict with the RAD Use Agreement, the RAD Requirements, the provisions of the Act or this Declaration or unreasonably interfere with any Unit Owner's use, enjoyment or occupancy of the Common Elements or its respective Unit; and to impose such restrictions on and requirements respecting the use and maintenance of the Unit, and the use of the Common Elements, not set forth in this Declaration, as are designed to prevent unreasonable interference with the use of their respective Units and of the Common Elements by the several Units Owners (provided that in no event shall any such restrictions or requirements be inconsistent with the terms of this Declaration or impair or interfere with the conduct to the any Unit Owner's business);
- (f) To provide for the operation, care, upkeep, maintenance, repair, replacement, and improvement of the Common Elements and payments therefor, and to approve payment vouchers or to delegate such approval to the officers or the manager or managing agent. Replacement of the Common Elements may result in an improvement over the quality of such elements or facilities; provided that, if the improvement results in a proposed expenditure exceeding five percent (5%) of the annual budget, the Board, upon written petition by Unit Owners with 20% of the votes of the Association delivered to the Board within fourteen (14)

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days of the Board action to approve the expenditure, shall call a meeting of the Unit Owners within thirty (30) days of the date of delivery of the petition to consider the expenditure. Unless a votes of the Majority of the Unit Owners are cast at the meeting to reject the expenditure adopted by the Board, it will be deemed to have been ratified; provided that, in the event that more than one Unit is owned by any single Person (or its affiliates), any such expenditure exceeding three percent (3%) of the annual budget shall not be approved without the consent of all Board members.

(g) To provide for the designation, employment and dismissal of employees and other personnel, including accountants, and to engage or contract for the services of others, and to make purchases necessary and advisable for the maintenance, repair, replacement, administration, management and operation of the Property and the Common Elements, and to delegate any such powers to the manager or managing agent (and any such employees or other personnel who may be the employees of the managing agent);

(h) To estimate the amount of and prepare, adopt and distribute the annual budget, and to provide the manner of assessing and collecting from the Unit Owners their Percentage Interest of such estimated expenses and to levy and expend assessments;

(i) To comply with the instruction of the Unit Owners as expressed in a resolution duly adopted at any annual or special meeting of the Unit Owners;

(j) To own, convey encumber, lease, sell, mortgage, and otherwise deal with Units conveyed to or purchased by it and controlled by the Association or Board; to lease, assign, deal with or grant licenses with respect to the Common Elements and other areas controlled by the Association or the Board; and to designate areas of the Common Elements to be utilized for specific purposes;

(k) To seek relief on behalf of and at the expense of all Unit Owners, upon authorization by a majority vote of the members of the Board or a Majority of the Unit Owners at a meeting duly called for such purpose, from or in connection with the assessment or levy of real estate taxes, special assessments and any other special taxes, levies, assessments or charges of the State of Illinois or of any political subdivision thereof or of any lawful taxing or assessing body, and to charge and collect all expenses incurred in connection therewith as Common Expenses. Nothing contained in the foregoing shall prohibit or limit any individual Unit Owner (at such Unit Owner's expense) from seeking any exemption, abatement or other relief with respect to the taxes applicable to the Unit of such Unit Owner;

(l) To exercise all other powers and duties of the Board or Unit Owners as a group referred to in the Act, and all powers and duties of the Board referred to in this Declaration or the By-Laws, and to perform all acts necessary to implement the foregoing, subject to the terms hereof;

(m) To adopt further rules of procedure for the administration of the Board and the Association, provided that the powers of the Board shall at all times be subject to the provisions of this Declaration;

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(n) To establish and maintain demand deposit accounts or savings accounts at federally insured banks or savings and loan associations;

(o) To retain legal counsel, accountants and other professionals as may be required for general purposes relating to the Building and/or Common Elements and for consultation and representation as to real estate tax matters;

(p) To impose charges for late payments of a Unit Owner's Percentage Interest of the Common Expenses, or any other expenses lawfully agreed upon, and after notice and an opportunity to be heard, levy reasonable fines for violation of this Declaration, the By-Laws and rules and regulations of the Association;

(q) To assign the right of the Association to future income from Common Expenses or other sources, and to mortgage or pledge substantially all of the remaining assets of the Association;

(r) To pay real property taxes, special assessments, and any other special taxes or charges of the State of Illinois or of any political division thereof, or other lawful taxing or assessing body, which are authorized by law to be assessed and levied upon the Property;

(s) To obtain adequate and appropriate kinds of insurance;

(t) To keep detailed, accurate records of the receipts and expenditures affecting the use and operation of the Property;

(u) To have access to each Unit from time to time as may be necessary for the maintenance, repair or replacement of any Common Elements or for making emergency repairs necessary to prevent damage to the Common Elements or to other Units; provided, that no such entry into any Unit shall materially interfere with or disrupt the conduct of the applicable Unit Owner's business thereat or the use and occupancy of any Occupant of an Apartment; and

(v) To elect, subject to the terms of the Ground Lease, to dedicate a portion of the Common Elements to a public body for use as, or in connection with, a street or utility where authorized by all of the Unit Owners at a meeting duly called for such purpose.

In the performance of their duties, the officers and members of the Board, whether appointed by the Declarant or elected by the Unit Owners, shall exercise the care required of a fiduciary of the Unit Owners. The collection of assessments from Unit Owners by the Association, the Board or their duly authorized agents shall not be considered acts constituting a collection agency for purposes of the Collection Agency Act, 225 ILCS 425/1 et seq. Notwithstanding anything to the contrary contained herein, in no event shall the Board, the Association or the Declarant have any right to materially change, alter, modify or renovate, or to rebuild, destroy or replace, any portion of any Unit or the exterior thereof without the prior consent of the Unit Owner of such Unit and any Mortgagee whose Mortgage encumbers such

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Unit; provided, that the foregoing prohibition shall not apply to ordinary maintenance and repair of such exterior of the Building.

5.7 Specific Powers of the Board. The Board, for the benefit of the Board, the Association and all Unit Owners, shall acquire, and shall pay out of the maintenance fund hereinafter provided for, such amounts as shall be necessary for the following:

(a) Utility Service for Common Elements. Water, scavenger, waste removal, electricity, telephone, heat, air conditioning, power, and other necessary utility service for the Common Elements.

(b) Insurance. The insurance required to be maintained pursuant to Section 12 of the Act

(c) Wages and Fees for Services. The services of any person or firm employed by the Board, including, without limitation, the services of any person or firm employed to act as manager or as managing agent for the Property, the services of any person or persons required for maintenance or operation of the Property, and legal, accounting and other professional services necessary or proper in the operation of the Property or the enforcement of this Declaration and for the organization, operation and enforcement of the rights of the Association.

(d) Care of Common Elements. All sums payable for maintenance, snow removal, painting, cleaning, decorating, repair and replacement of the Common Elements (but not including the interior surfaces of the Units, which the Unit Owner shall paint, clean, decorate, maintain and repair, and not including any portion of the Common Elements which is the responsibility of any Unit Owner or Unit Owners, as set forth herein) and such additional amenities, furnishings, equipment and services for the Common Elements as the Board shall determine are necessary or proper, and the Board shall have the exclusive right and duty to acquire the same as part of the Common Elements.

(e) Additional Expenses. Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance, assessments, taxes or other charges which the Board is required to secure or pay for pursuant to the terms of this Declaration or by law or which in its opinion shall be necessary or proper for the maintenance and operation of the Property as a first class building or for the enforcement of this Declaration.

(f) Discharge of Mechanics' Liens. Any amount necessary to discharge any mechanics' lien or other encumbrance levied against the entire Property or any part thereof which may in the opinion of the Board constitute a valid and enforceable lien against the Property or against the Common Elements, rather than merely against the interest therein of particular Owners; it being understood, however, that the foregoing authority shall not be in limitation of any statutory provisions relating to the same subject matter. Where one or more Unit Owners are responsible for the existence of such lien, they shall be jointly and severally

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liable for the cost of discharging it, and any costs incurred by the Board by reason of said lien or liens shall be specially assessed to said Unit Owner or Unit Owners.

(g) Certain Maintenance of Units. Maintenance and repair of any Unit as provided in this Declaration, and maintenance and repair of any Unit if such maintenance or repair is necessary, in the discretion of the Board, to protect the Common Elements, or any portion of the Building or the upkeep and appearance of the Property, and the Unit Owner or Unit Owners of said Unit have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Board to said Unit Owner or Unit Owners; provided that the Board shall levy a special assessment against such Unit Owner or Unit Owners for the cost of said maintenance or repair. The Board or its agents or contractors may enter any Unit when necessary in connection with any such maintenance and any other maintenance or construction for which the Association is responsible, or for general exterminating services for the Building ordered by the Board. Such entry shall be made with as little inconvenience to the Unit Owners and Occupants as practicable, and any damages caused thereby shall be repaired by the Board and the cost thereof shall be a Common Expense. In the event of any emergency originating in or threatening any Unit, or in the event of the Unit Owner's absence from the Unit at a time when required alterations or repairs are scheduled, the management agent or its representative or any other person designated by the Board may enter the Unit immediately, whether the Unit Owner is present or not, and may make emergency repairs or take emergency measures to prevent damage to the Unit or any other Unit or the Common Elements.

(h) Capital Additions and Improvements. The Board's powers hereinabove enumerated shall be limited in that the Board shall have no authority to acquire and pay for out of the maintenance fund any capital additions and improvements or structural alterations (other than those set forth in an approved budget, or for purposes of replacing or restoring portions of the Common Elements) having a total cost per addition, improvement or alteration in excess of Five Thousand Dollars (\$5,000), without the prior approval of a Majority of the Unit Owners.

(i) Certain Utility Services to Units. The Board may pay from the maintenance fund all charges for water taxes, scavenger, waste removal and/or any utilities which are not separately metered or otherwise directly charged to individual Unit Owners and for all water charges for Units. However, the Board may discontinue such payments at any time, in which case each Unit Owner shall be responsible for direct payment of its share of such expenses as determined by the Board.

(j) User Charges. The Board, at its option, at any time and from time to time, may establish, and each Unit Owner shall thereafter pay (subject to the terms and provisions hereof), user charges to defray the expense of providing services, facilities or benefits which may not be used equally or proportionately by all of the Unit Owners or which, in the judgment of the Board, should not be charged to every Owner. Such expenses may include, without limitation, fees for such services and facilities provided to Unit Owners which should not be reasonably allocated among all of the Unit Owners in the same manner as the Common Expenses. Such user charges may be billed separately to each Unit Owner benefited thereby, or

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may be added to such Unit Owner's share of the Common Expenses, as otherwise determined, and collected as a part thereof. Nothing herein shall require the establishment of user charges pursuant to this Section, and the Board may elect to treat all or any portion thereof as Common Expenses.

5.8 Vouchers. All vouchers for payment of expenditures by the Board shall be signed by such officer or officers, agent or agents of the Board and in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such vouchers shall be signed by the Treasurer and countersigned by the President of the Association.

5.9 Rules and Regulations; Management. Written notice of all rules and regulations and amendments thereto shall be given to all Owners, and the entire Property shall at all times be maintained subject to such rules and regulations.

5.10 Indemnification.

(a) The Association shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association), by reason of the fact that he is or was a member of the Board, officer, employee or agent of the Association, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The Association shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a member of the Board, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association; and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for willful misconduct in the performance of its duty to the Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that despite the adjudication of liability but in view of

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all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

(c) To the extent that contractual liability insurance or other insurance shall exist therefor, or to the extent that a member of the Board, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b) hereof, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(d) Any indemnification under subsections (a) and (b) hereof (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the member of the Board, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subsections (a) and (b) hereof. Such determination shall be made (i) by the Board by a unanimous vote of a quorum consisting of members of the Board who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable (or, even if obtainable, upon the direction of a quorum of disinterested members of the Board) by independent legal counsel in a written opinion or (iii) by a unanimous vote of the Unit Owners.

(e) The indemnification provided in this Section 5.10 shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any contract, agreement, vote of Unit Owners or disinterested members of the Board or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a member of the Board, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

(f) The Association shall have power to purchase and maintain as a Common Expense insurance on behalf of any person who is a member of the Board, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another association, corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of its status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Section 5.10.

5.11 Board Disputes. For purposes hereof, a "Board Deadlock" shall a failure to obtain a quorum of Board members at three consecutive duly called meetings of the Board. In the event of a Board Deadlock, such Board Deadlock shall be resolved by arbitration in Chicago, Illinois in accordance with the Commercial Arbitration Rules of the American Arbitration Association (the "AAA"). Any member of the Board may initiate such arbitration by sending a notice in writing to the AAA and to the other members of the Board (x) stating that there is a Board Deadlock, (y) stating the matters with respect to which action is desired (the "**Controversial Board Items**"), and (z) requesting that the Controversial Board Items be settled in accordance with the rules of the AAA. The decision with respect to the Controversial Board Items of the arbitrator appointed by the AAA shall be final and binding upon the members of the

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Board and shall be deemed to be a duly authorized action of the Board. All costs of arbitration pursuant to this Section 5.11 shall be paid by the Association.

5.12 Unit Owners' Disputes. For purposes hereof, an "Unit Owners' Deadlock" shall mean a failure to obtain a quorum of Unit Owners at three consecutive duly called meetings of the Association. In the event of an Unit Owners' Deadlock, such Unit Owners' Deadlock shall be resolved by arbitration in Chicago, Illinois in accordance with the Commercial Arbitration Rules of the AAA. Any Unit Owner may initiate such arbitration by sending a notice in writing to the AAA and to the other Unit Owners (other than a co-Owner of the initiating Unit Owner's Unit Ownership) (x) stating that there is an Unit Owners' Deadlock, (y) stating the matters (other than those which require more than a majority vote of Unit Owners for approval thereof) with respect to which action is desired (the "**Controversial Association Items**"), and (z) requesting that the Controversial Association Items be settled in accordance with the rules of the AAA. The decision with respect to the Controversial Association Items of the arbitrator appointed by the AAA shall be final and binding upon the Unit Owners and shall be deemed to be a duly authorized action of the Owners. All costs of arbitration pursuant to this Section 5.12 shall be paid by the Association.

5.13 Records of the Association.

(a) The Board shall maintain the following records of the Association available for examination and copying at convenient hours of weekdays by the Unit Owners or their mortgagees and their duly authorized agents or attorneys.

(1) Copies of the recorded Declaration, By-Laws, other condominium instruments and any amendments, Articles of Incorporation of the Association, annual reports and any rules and regulations adopted by the Association or its Board shall be available.

(2) Detailed accurate records in chronological order of the receipts and expenditures affecting the Common Elements, specifying and itemizing the maintenance and repair expenses of the Common Elements and any other expenses incurred, and copies of all contracts, leases, or other agreements entered into by the Association shall be maintained.

(3) The minutes of all meetings of the Association and the Board shall be maintained. The Association shall maintain these minutes for a period of not less than 7 years.

(4) Ballots and proxies related thereto for all elections to the Board and for any other matters voted on by the Unit Owners shall be maintained for a period of not less than 1 year; provided that if the Association adopts the secret ballot election process under Section 5.3(d) above unless directed by court order, only the voting ballot excluding a Unit number shall be subject to inspection and copying.

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(5) Such other records of the Association as are available for inspection by members of a not-for-profit corporation pursuant to Section 107.75 of the Illinois General Not For Profit Corporation Act of 1986 shall be maintained.

(6) With respect to Units owned by a land trust if a trustee designates, in writing, a person to cast votes on behalf of the Unit Owner, that designation shall remain in effect until a subsequent document is filed with the Association.

(b) Where a request for records under this Section 5.13 is made in writing to the Board or its agent, failure to provide the requested record or to respond within 30 days shall be deemed a denial by the Board. A reasonable fee may be charged by the Association or its Board for its actual copying costs.

ARTICLE 6

BUDGET, ASSESSMENTS AND RESERVES

The provisions of this Article 6 shall not apply until the first conveyance of a Unit. As required pursuant to Section 605/2(a) of the Act, until the first conveyance of a Unit the Declarant shall be responsible (at its sole cost and expense) for the repair, maintenance and operation of the Units and the Common Elements. Upon the first conveyance of a Unit (whether by deed, foreclosure, or otherwise) the provisions of this Article 6 shall apply. As set forth in Section 2.6, the Residential Affordable Unit will be deemed to be conveyed to the Master Affordable Tenant upon the "Commencement Date" under the Master Lease.

6.1 Preparation of Estimated Budget. Each year, on or before November 1, the Board will estimate the total amount necessary to pay the cost of wages, materials, insurance, services and supplies which will be required during the ensuing calendar year for the operation and maintenance of the Common Elements and other expenses of the Association, together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and replacements (the "**estimated cash requirement**"), and shall prepare and distribute to all Unit Owners at least 30 days prior to the adoption thereof by the Board, a detailed proposed annual budget, setting forth with particularity all anticipated common expenses by category as well as all anticipated assessments and other income, with an indication of which portions are intended for reserves, capital expenditures or repairs or payment of real estate taxes. In addition thereto, on or before the date of each annual meeting, the Board shall annually supply to all Unit Owners an itemized accounting of Association expenses and disbursements for the preceding year actually incurred and paid, together with an indication of which portions were for reserves, capital expenditures or repairs or payment of real estate taxes, and with a tabulation of the amounts collected pursuant to the budget or assessment, and showing the net excess or deficit of income over expenditures plus reserves. All budgets prepared (whether by the Declarant or the Board) pursuant to this Declaration shall reflect the limitations on Common Expenses described herein.

6.2 Reserve for Contingencies and Replacements.