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This instrument was prepared by:

And after recording, this instrument should be returned to:

Pamela Cash
Assistant General Counsel
Office of the General Counsel
Chicago Housing Authority
60 East Van Buren Street, 12th Floor
Chicago, Illinois 60605

Doc# 2130029027 Fee $88.00

RHSP FEE:$9.00 RPRF FEE: $1.00
KAREN A. YARBROUGH
COOK COUNTY CLERK
DATE: 10/27/2021 02:07 PM PG: 1 OF 70

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GROUND LEASE

This Ground Lease (this "Lease") is made as of the 26th day of October, 2021, by and between:

Chicago Housing Authority, an Illinois municipal corporation ("**Landlord**"), having an office at 60 East Van Buren Street, 12th Floor, Chicago, Illinois 60605 and **Bickerdike Redevelopment Corporation**, an Illinois not for profit corporation having an office at 2550 W. North Avenue, Chicago, Illinois 60647 and **Heartland Housing, Inc.**, an Illinois not for profit corporation, having an office at 208 S. LaSalle Street, Suite 1300, Chicago, Illinois 60604 (collectively the "**Initial Tenant**"), or its permitted successors or assigns. The Initial Tenant, in its capacity as the initial tenant under this Lease, together with Lathrop Homes IB, LP, an Illinois limited partnership, (the "**Partnership**") as the successor to the Initial Tenant following consummation of the Permitted Assignment (hereinafter defined) and any successors and/or permitted assigns, are hereinafter referred to as "Tenant"

RECITALS:

A. Landlord is the owner of fee simple title to all that certain real property located in the City of Chicago, Illinois, more particularly described in Exhibit A attached hereto (the "**Real Estate**"). In accordance with appropriate resolutions adopted by Landlord, Landlord desires to facilitate the development on the Real Estate consisting of seventy-four (74) rental dwelling units in two buildings commonly known as 2890-2904 N. Clybourn Avenue, Chicago, Illinois 60618 and 2747-2759 N. Hoyne Avenue, Chicago, Illinois 60647 and related improvements to be known as Lathrop Phase IB, (the "**Development**").

B. Landlord and Tenant have agreed to enter into this Lease in order to implement the Development and to facilitate the rehabilitation, construction and operation and financing thereof.

S Y
P 70
S Y-3
SC
INT

REAL ESTATE TRANSFER TAX		26-Oct-2021
	CHICAGO:	0.00
	CTA:	0.00
	TOTAL:	0.00 *
14-30-123-009-0000	20211001606260	0-494-015-632

* Total does not include any applicable penalty or interest due.

REAL ESTATE TRANSFER TAX		26-Oct-2021
	COUNTY:	0.00
	ILLINOIS:	0.00
	TOTAL:	0.00
14-30-123-009-0000	20211001606260	1-770-280-080

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AGREEMENT:

ARTICLE 1

Lease of the Real Estate/Term of Lease

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

Together with all right, title and interest of Landlord, if any, in and to any streets, driveways, sidewalks, parkways or alleys adjacent thereto or included within the Real Estate; and

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

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

TO HAVE AND TO HOLD the same, subject to the Permitted Exceptions, for a Term of ninety-nine (99) years (the "Term") commencing on the date of this Lease referenced on Page 1 (the "Commencement Date") and ending on October 25, 2120 (the "Expiration Date"), unless this Lease shall sooner be terminated as hereinafter provided, upon and subject to the covenants, agreements, terms, provisions, conditions and limitations hereinafter set forth, all of which Tenant covenants and agrees to perform, observe and be bound by.

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

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construction of the Development, no such dedication shall be permitted without the prior written consent of Tenant and all Leasehold Mortgagees, which consent shall not be unreasonably withheld or delayed.

ARTICLE 2

Definitions

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

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

(b) "Building" shall mean a building (including without limitation a low-rise or mid-rise building, a townhome unit and any ancillary building) included in and constructed or rehabilitated as part of the Development, or any part thereof. "Buildings" shall mean all of the Buildings comprising the Development.

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

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

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

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

(g) "Commencement Date" shall have the meaning given in Section 1.01.

(h) "Construction Completion Deadline" shall mean November 30, 2023, the date by which Tenant must complete the construction or rehabilitation of the Buildings comprising the Development, which date shall be extended by the period of any Unavoidable Delay.

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

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

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(k) "Developer" shall mean Lathrop Community Partners, LLC, an Illinois limited liability company, the master developer for the redevelopment of Julia C. Lathrop Homes as defined in the Environmental Agreement.

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

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

(n) "Environmental Agreement" shall mean that certain Remediation Agreement dated as of October 26, 2021, between CHA, Developer and the Partnership, relating to the Development.

(o) "Environmental Laws" shall mean the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et seq., as amended; the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq., as amended; the Clean Air Act, 42 U.S.C. 7401 et seq., as amended; the Clean Water Act, 33 U.S.C. 1251 et seq., as amended; the Occupational Safety and Health Act, 29 U.S.C. 655 et seq., as amended: the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq., as amended, and its implementing regulations, including 35 ILL. Admin. Code secs, 740 and 742, as amended; and any other federal, state, local or municipal laws, statutes, regulations, rules or ordinances imposing liability or establishing standards of conduct relating to Hazardous Materials or protection of the environment, as any of the foregoing may be amended and in effect from time to time.

(p) "Event of Default" shall have the meaning provided in Section 10.01.

(q) "Excluded Environmental Condition" shall mean the following:

(i) all Pre-Existing Environmental Conditions below ground surface at the Real Estate on the date of this Lease except to the extent any such Pre-Existing Environmental Condition is exacerbated by the actions or conduct of Tenant, the Partnership, Developer and/or any of their agents, contractors, subcontractors, employees, tenants or invitees and except to the extent that Tenant, the Partnership or Developer has responsibility for such Pre-Existing Environmental Condition under the express terms of the Environmental Agreement or, if not addressed under the Environmental Agreement, then under applicable law;

(ii) any environmental condition at any off-site disposal facility attributable to the Hazardous Materials removed from the Property pursuant to the Environmental Agreement prior to the issuance of the Final NFR Letter for the Development and the completion of all other remediation work to which the Final NFR Letter is not applicable and for which CHA is the generator pursuant to the Environmental Agreement; provided, however, that this clause (ii) shall not include (A) any such environmental condition at an off-site disposal facility arising from any such Hazardous Materials that Tenant, the Partnership, Developer or any of their respective contractors or consultants fail to characterize properly in connection with the work and activities performed by Tenant, the Partnership, Developer or their agents, contractors or consultants pursuant to the Environmental Agreement, (B) any Hazardous Materials that are removed from the Development for which CHA

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is not the generator under the express provisions of Section 4(d)(iv) of the Environmental Agreement and (C) any Hazardous Materials that are the subject of Other Environmental Tasks (as defined in the Environmental Agreement);

(iii) any environmental condition caused or exacerbated by CHA or any of its agents, contractors, subcontractors or employees after the date of this Lease, except to the extent that Tenant, the Partnership or Developer has responsibility for such environmental conditions under the express terms of the Environmental Agreement or, if not addressed under the Environmental Agreement, then under applicable law; and

(iv) with respect to any Tenant, any environmental condition that first occurs after a Terminating Event with respect to such Tenant unless and to the extent that such environmental condition was caused or exacerbated by such Tenant or its agents, contractors, subtenants, guests or invitees prior to such Terminating Event or otherwise occurred during the period of such Tenant's tenancy under this Lease; provided, however, that if the Terminating Event with respect to such Tenant consists of the sale or transfer of Tenant's interest in the Tenant Property, any environmental condition that first occurs after such sale or transfer shall not be an Excluded Environmental Condition with respect to the purchaser or transferee of Tenant's interest in the Tenant Property.

(v) It is specifically agreed that the following do not constitute Excluded Environmental Conditions: (i) any Hazardous Materials constituting Pre-Existing Environmental Conditions (including but not limited to asbestos, lead-based paint, polychlorinated biphenyls, mold and urea formaldehyde insulation) located in any buildings, structures or equipment above ground surface at the Real Estate on the date hereof and (ii) any Hazardous Materials constituting Pre-Existing Environmental Conditions that are the subject of Other Environmental Tasks.

(r) "Expiration Date" shall have the meaning provided in Section 1.01.

(s) "Final Completion" shall have the meaning provided in Section 5.01.

(t) "First Leasehold Mortgage" shall mean the Leasehold Mortgage of the First Leasehold Mortgagee.

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

(v) "Full Insurable Value" shall mean the replacement cost (excluding, as to the insurance required pursuant to Section 7.1, foundation and excavation costs) of the Improvements, as determined, at the request of Landlord (not more frequently than at three-year intervals), at Tenant's expense, by an architect, engineer, contractor, appraiser, appraisal company, or insurance company, selected by Tenant and approved by Landlord, which approval shall not be unreasonably withheld.

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

(x) "General Partner" shall mean Lathrop Homes IB GP, LLC, an Illinois limited liability company, the general partner of the Partnership, and any permitted successor.

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

(z) "Hazardous Condition" shall have the meaning given in the Environmental Agreement.

(aa) "Hazardous Material" means any pollutant or contaminant or any hazardous, toxic or radioactive waste, substance or material, in any form, including, but not limited to, those pollutants, contaminants, wastes, substances, or materials defined or classified as such in, or listed in or regulated under any Environmental Laws, including without limitation, polychlorinated biphenyls (PCBs), petroleum or any petroleum-based or petroleum-derived products, lead-based paint, asbestos or asbestos-containing materials, mold, urea formaldehyde and radioactive materials.

(bb) "Housing Act" shall mean the United States Housing Act of 1937, as amended and as may hereafter be amended from time to time or any successor legislation, together with all regulations implementing the same.

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

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

(ee) "Improvements" shall mean any buildings, structures and other improvements, including the Buildings, equipment, fixtures, furnishings and appurtenances, now or at any time hereafter erected or located on the Real Estate. Landlord shall convey the existing Improvements to Tenant by Quitclaim Deed.

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(ff) "Investor" shall mean each of (i) Bank of America, N.A. a national banking association, and its successors and assigns, and (ii) Banc of America CDC Special Holding Company, Inc., a North Carolina corporation, and its successors and assigns. The address of Investor for purposes of notices is c/o Bank of America, N.A., MDA-4-325-03-02, 100 S. Charles Street, Baltimore, Maryland 21201 Attention: Jim McNicholas (Asset Manager) for Lathrop Homes Phase IB, and to: Holland & Knight LLP, 10 St. James Avenue, Boston, Massachusetts, 02116, Attention: Sara C. Heskett, Esq.

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

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

(ii) "Lease Year" shall mean a calendar year. The first full Lease Year during the Term shall commence on the Commencement Date, or if the Commencement Date is not the first day of a calendar year, on the first day of the calendar year next following the Commencement Date. Each succeeding Lease Year shall commence on the January 1 immediately following the December 31 of the preceding Lease Year. If the Commencement Date is not January 1, that portion of the Term that is prior to beginning of the first full Lease Year shall be a partial Lease Year. If the Expiration Date is not December 31, that portion of the Term that is after the end of the last full Lease Year shall be a partial Lease Year.

(jj) "Leasehold Estate" shall mean the leasehold estate of Tenant in the Real Estate created by this Lease more particularly described in Exhibit B attached hereto.

(kk) "Leasehold Mortgage" shall mean any mortgage, deed of trust, assignment of rents and leases, Uniform Commercial Code security agreement and financing statement, or similar security instrument created by Tenant and which constitutes a lien or security interest on the Tenant Property or any part thereof in favor of (i) the Initial Leasehold Mortgagees identified on Exhibit D attached hereto pursuant to and in accordance with the provisions of Section 9.03, (ii) a Lender providing any Permitted Refinancing or (iii) any Lender making any other loan to the Tenant that is consented to in writing by Landlord, which consent may be withheld, granted or granted with such conditions as Landlord may require, in Landlord's sole and absolute discretion.

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

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

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

(oo) "Loan Documents" shall mean any and all documents, instruments or agreements in effect from time to time evidencing and securing a Leasehold Mortgage Loan.

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

(qq) "NFR Letter" shall mean a (i) "No Further Remediation" letter issued by the Illinois Environmental Protection Agency pursuant to the Site Remediation Program, 415 ILCS 5/58 et. seq., as amended from time to time, with respect to any portion of the Real Estate; and (ii) with respect to any USTs subject to Title 16 of the Illinois Environmental Protection Act, 415 ILCS 5/57 et seq., a "No Further Remediation" letter issued by the Illinois Environmental Protection Agency pursuant to such Title 16, whichever is applicable, in each case with respect to the Real Estate.

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

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

(tt) "Partnership" shall mean Lathrop Homes IB, LP, an Illinois limited partnership.

(uu) "Permitted Assignment" shall mean the assignment of the Leasehold Estate by the Initial Tenant to the Partnership occurring (i) subsequent to the full execution and delivery of this Lease by the Landlord and the Initial Tenant and (ii) pursuant to an Assignment and Assumption and Amendment of Ground Lease between Initial Tenant and Partnership.

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

(ww) "Permitted Refinancing" shall mean (a) with respect to any loan secured by a Leasehold Mortgage, any refinancing of such loan permitted under the documents evidencing or securing a CHA Mortgage Loan including without limitation, a refinancing of the initial Leasehold Mortgage Loan secured by the First Leasehold Mortgage; (b) with respect to any loan secured by a Leasehold Mortgage, any refinancing of such loan (other than as provided in (a)), consented to in writing by Landlord, which consent may be withheld, granted or granted with such conditions as Landlord may require, in Landlord's sole and absolute discretion; and (c) any additional loan secured by a Leasehold Mortgage that is either expressly permitted under the terms of this Lease or consented to in writing by Landlord, which consent may be withheld, granted or granted with such conditions as Landlord may require, in Landlord's sole and absolute discretion.

(xx) "Permitted Transfer" shall mean: (a) the Permitted Assignment; (b) after the completion of the construction of the Development, a sale or transfer of the Tenant Property or any portion thereof to a person reasonably acceptable to Landlord; (c) following the Permitted Assignment, a transfer contemplated pursuant to a purchase option granting Initial Tenant the right to re-purchase the interest of Tenant hereunder, pursuant to an agreement approved by Landlord; (d) the removal of a general partner, limited partner, member or manager of Tenant pursuant to a Removal Right in accordance with the provisions of Tenant's Organizational Documents, and the substitution of a replacement general partner, limited partner, member or manager, as the case may be, reasonably acceptable to Landlord, (e) the transfer of the Tenant Property, or any portion thereof, to a Leasehold Mortgagee (or any nominee of such Leasehold Mortgagee) by foreclosure or deed in lieu of foreclosure or to a third party purchaser at a foreclosure sale in accordance with Section 9.03(a); and (f) any other transfer consented to by Landlord in writing. Notwithstanding the foregoing, a Permitted Transfer does not include the sale or transfer of commercial and/or retail space, if any in the Development, without the written approval of Landlord.

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

(zz) "Plans and Specifications" shall mean the plans and specifications for the Development, which have been approved by Landlord and the Leasehold Mortgagees, as such plans and specifications are amended from time to time with the written consent of Landlord and the Leasehold Mortgagees, if and as required by the applicable loan documents.

(aaa) "Pre-Existing Environmental Condition" shall mean any Hazardous Materials and any Hazardous Condition present on, under or in the Real Estate or the structures or improvements thereon on the date of execution of this Lease, whether known or unknown.

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

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(ccc) "Property" shall mean the Real Estate and the Improvements.

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

(eee) "Real Estate" shall have the meaning given in Recital A.

(fff) "Remediation" shall have the meaning set forth in the Environmental Agreement.

(ggg) "Removal Right" shall mean the right, if any, given in Tenant's Organizational Documents, to remove an officer, director, general partner, limited partner, manager or managing member of Tenant and designate a substitute, provided that Tenant shall comply (or cause its partners to comply) with the terms and conditions of the Loan Documents, as applicable.

(hhh) "Rent" shall have the meaning given in Section 3.01.

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

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

(kkk) "Substantially Commenced" shall mean with respect to any Building to be rehabilitated, that one of more Leasehold Mortgagees has disbursed loan proceeds or equity to pay at least twenty percent (20%) of the "hard costs" of such rehabilitation.

(lll) "Tenant" shall mean the party named as Initial Tenant herein; provided, however, that whenever this Lease and the Leasehold Estate shall be assigned or transferred in the manner specifically permitted herein, then from and after such assignment or transfer and until the next such assignment or transfer, the term "Tenant" shall mean the permitted assignee or transferee named therein, as if such transferee or assignee had been named herein as Tenant. From and after the Permitted Assignment, the Initial Tenant will be released from, and permitted assignee or transferee shall assume, any and all obligations under this Lease arising from and after the Permitted Assignment, including, without limitation, the obligations set forth in Section 11.02.

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

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

(ooo) "Terminating Event" shall mean: (i) transfer of Tenant's interest in the Tenant Property to another party not affiliated with such Tenant (other than the Permitted Assignment or as a Permitted Transfer); (ii) transfer of title to such Tenant's interest in the Tenant Property pursuant to foreclosure of, or deed in lieu of foreclosure with respect to, any mortgage or other security instrument securing loans or advances with respect to the Development; (iii) termination

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of this Lease; or (iv) loss of such Tenant's possession of the Tenant Property pursuant to the appointment of a receiver or pursuant to the exercise by any Leasehold Mortgagee of its right to become a mortgagee in possession. In the event that any of the foregoing occur with respect to less than all of the Tenant Property, or if there is a partial termination of this Lease, then a Terminating Event shall be deemed to have occurred only with respect to such portion of the Tenant Property or that portion of the Property affected by such partial termination.

(ppp) "Unavoidable Delay" shall mean a delay beyond the reasonable control of Tenant and without the fault or negligence of Tenant, such as: (1) an act of God; (2) fire; (3) flood; (4) epidemic/pandemic; (5) quarantine restriction; (6) civil disorder; (7) enemy action; (8) strike, lockout or other labor dispute; (9) unavailability of labor or materials: (10) freight embargo; (11) action or inaction of Landlord; (12) the act or failure to act of a contractor in the performance of a contract with Landlord; (13) the act or failure to act of any Governmental Authority; (14) injunctive relief or other legal proceedings of any court; (15) war; (16) terrorism; (17) the failure of the City to timely complete any public improvements necessary for the Tenant to construct the Development; (18) unforeseen soil conditions, such as underground storage tanks and building foundations and/or any Unforeseen Condition under the Environmental Agreement; (19) delays caused by CHA (other than CHA exercising its rights under this Lease and the Loan Documents) affecting the construction of the Development including delays resulting from the suspension by Tenant of remediation work due to the Landlord's failure to perform its obligations pursuant to Section 4 of the Environmental Agreement and (20) unusually severe weather.

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

ARTICLE 3

Rent

3.01 **Rent**. From and after the Commencement Date through the Term, Tenant shall pay to Landlord at the place for which notices to Landlord are to be sent in accordance with Article 16, or to such other Person and/or at such other place as shall be designated from time to time by written notice from Landlord to Tenant, fixed rent at the rate of One Dollar ($1.00) for each Lease Year ("Rent"). Landlord acknowledges that such Rent, in the amount of $99.00, has been prepaid in full concurrently with the execution of this Lease.

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

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

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3.04 Net Lease. Tenant shall pay to Landlord throughout the Term all Rent, free of any charges, assessments, Impositions or deductions of any kind and without abatement, deduction or set-off. Under no circumstances or conditions, whether now existing or hereafter arising, or whether beyond the present contemplation of the parties, shall Landlord be expected or required to make any payment of any kind whatsoever hereunder or be under any other obligation or liability hereunder except as otherwise expressly set forth herein.

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

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

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

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ARTICLE 4

Impositions

4.01 Payment. Throughout the Term, subject to the provisions of Section 4.04, Tenant shall pay or cause to be paid, as and when the same become due, all Impositions, except that:

(a) All Impositions attributable on the accrual basis to a calendar year or other period for which this Lease is in effect for less than the entire calendar year or other period shall be equitably apportioned (taking into account that Landlord may be entitled to exemptions or abatements) consistent with the time a party hereto held its respective interests in the Real Estate and Improvements;

(b) Where any Imposition is permitted by law to be paid in installments, Tenant may pay such Imposition in installments, as and when each such installment becomes due (Tenant

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acknowledges and agrees that Tenant is obligated to pay all such installments of any Imposition from which Landlord is or would be exempt, whether such installment is due prior to or after the Expiration Date or the date of any earlier termination of this Lease); and

(c) Where any Imposition is entitled to an abatement, refund, exemption or other diminution or reduction under law, whether available to Landlord or Tenant, the parties shall use their best efforts, at Tenant's sole expense, to cause such benefits to be afforded to Tenant under this Lease.

4.02 Deposit of Impositions.

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

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

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becoming Tenant hereunder and such Event of Default is not an Incurable Default and is an Event of Default that such Leasehold Mortgagee is obligated to cure under the provisions of this Lease, and such Leasehold Mortgagee fails to commence or cure such Event of Default within the time and in the manner required by this Lease.

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

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

4.05 Joinder of Landlord. Landlord shall not be required to join in any action or proceeding referred to in Sections 4.03 or 4.04 unless required by law or any rule or regulation in order to make such action or proceeding effective, in which event, any such action or proceeding may be taken by Tenant in the name of, but without expense to, Landlord. Notwithstanding the foregoing, Landlord shall execute, when and as required and requested to do so by Tenant in writing, all applications, affidavits and other documents required to obtain or maintain any tax abatement, exemption or assessment reclassification which may be available. Tenant hereby agrees to indemnify, defend and hold Landlord's Protected Persons harmless from and against all costs, expenses, claims, loss or damage, including reasonable attorney's fees, by reason of, in connection with, on account of, growing out of, or resulting from, any such action or proceeding.

4.06 Tax Divisions. Tenant shall, (1) within thirty (30) days following the execution and delivery of this Lease, send notification to the Cook County Assessor's Office, Exemption Department, via certified mail, return receipt requested (with a copy to the City of Chicago,

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Department of Planning and Development Office) of a change in the Leasehold Estate in accordance with 35 ILCS 200/9-185 and 35 ILCS 200/15-20 and (2) within thirty (30) days following Tenant's receipt of the new Permanent Index Numbers for the Real Estate file a Petition for Division and/or Consolidation of Property ("Petition") with the Cook County Assessor's Office for a real estate tax division segregating the Landlord's fee interest in the Real Estate from Tenant's Leasehold Estate and ownership of the Improvements. Landlord and Tenant acknowledge that portions of the Real Estate are or may be included in tax parcels ("Shared Tax Parcels") that include land owned by Landlord other than the Real Estate ("Other Land"). Tenant is responsible for providing a copy of its filed Petition(s) to Landlord and monitoring the Division Report generated by the County Assessor's Office to ensure the assignment of new, separate tax parcel designation for the Real Estate and Leasehold Estate. Until such tax parcel redesignation occurs, Landlord agrees to pay or cause to be paid, when due, all property taxes assessed against the Other Land, and Tenant agrees to pay or cause to be paid, when due (or, if paid by Landlord, to reimburse Landlord upon demand for) any property taxes attributable to the Real Estate, or any portion thereof that are taxed as part of a Shared Tax Parcel. Within fifteen (15) days of receipt of any new, separate tax parcel redesignation, Tenant shall provide Landlord with copies of all such notice of assignment of new, separate tax parcel re-designation for the Real Estate, Leasehold Estate and Other Land, if any. Landlord or Tenant may, if either shall so desire, contest the validity or amount of any such taxes, in whole or in part, by an appropriate proceeding diligently conducted in good faith. Any such contest by Tenant shall be in accordance with Section 4.01. Tenant will promptly forward on to Landlord copies of any property tax bills it receives covering the Other Land. Tenant's failure to fully comply with this Section shall constitute an Event of Default under Section 10.01 of this Lease.

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ARTICLE 5

Improvements

5.01 **Required Improvements**. Except in the event of termination pursuant to section 5(d)(iv) of the Environmental Agreement Tenant hereby covenants and agrees to commence and diligently pursue the construction and/or rehabilitation of the Improvements on the Real Estate, in accordance with the Plans and Specifications, and obtain Final Completion. Landlord agrees that, upon receipt of written request from Tenant or a Leasehold Mortgagee, Landlord will cooperate with Tenant in applications for permits, licenses or other authorizations required for such Improvements; provided, however, that all expenses in connection therewith shall be borne by the Tenant. Nothing herein shall relieve the Tenant from the responsibility of achieving Final Completion except as expressly provided herein. "Final Completion" shall mean (1) delivery by Tenant to Landlord of a final certificate of occupancy from the City with respect to the last Building in the Development and (2) delivery by Tenant to Landlord of a certificate of final completion from the Development's architect with respect to the last Building in the Development. Notwithstanding anything herein to the contrary, within ten (10) business days of receipt of any certificate of occupancy, Tenant shall forward copies of any such certificates of occupancy received to the Cook County Assessor's Office and the City of Chicago, Department of Planning and Development. Tenant's failure to fully comply with this Section shall constitute an Event of Default under Section 10.01 of this Lease.

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5.02 Other Capital Improvements. With respect to any Major Capital Improvement other than the Buildings that Tenant desires to construct on the Real Estate, Tenant shall not commence construction unless Landlord shall have specifically approved such Major Capital Improvement and Tenant has complied with Section 5.03, provided that Landlord's approval shall not be unreasonably withheld or delayed. A "Major Capital Improvement" is a capital improvement involving an estimated cost of more than $100,000.00, and shall include additional buildings and additions, alterations, renovations, restorations, replacements or rebuildings, whether or not required to be made in compliance with Tenant's obligations under this Article, or in connection with a Restoration made under Article 8 as a result of damage or destruction, or under Article 12 as a result of any taking pursuant to eminent domain. Notwithstanding the foregoing, Landlord's consent under this Article 5 shall not be required in connection with: (i) a Restoration of the Improvements under Article 8 or Article 12 to the condition that existed immediately prior to the casualty or condemnation; or (ii) a capital improvement that is required pursuant to Requirements.

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

(a) complete plans and specifications for the Major Capital Improvement prepared by a licensed architect which plans shall also include landscaping plans and specifications;

(b) copies of all permits and licenses for the construction of the Major Capital Improvement issued by the appropriate Governmental Authority;

(c) a signed construction contract or contracts for all of the work, material and equipment comprising the Major Capital Improvement in accordance with the plans and specifications delivered pursuant to Section 5.03(a), together with appropriate liability insurance policies; and

(d) a copy of the written consent from each of the Leasehold Mortgagees approving the Major Capital Improvements, its inclusion in the respective Loan Documents and/or a copy of one or more commitments from a Lender or Lenders for loans to be made available to Tenant, on both a construction loan and long-term take-out loan basis, in an amount that, together with equity that is available and specifically allocated thereto, is sufficient to pay the budgeted costs of construction of the Major Capital Improvement.

5.04 Demolition. Except in connection with a Restoration under Articles 8 or 12 and as provided in the Plans and Specifications, Tenant shall not demolish the Improvements, including any improvements to such Improvements required under Section 5.01 or any Major Capital Improvements permitted under Section 5.02, without the prior written consent of Landlord and subject to terms and conditions of the Loan Documents, as applicable.

5.05 Accessibility and Visitability Requirements. All units in the Development that are subject to the accessibility requirements of the Fair Housing Act shall be designed and constructed in accordance with such requirements. To the greatest extent feasible, all units in the Buildings in the Development shall be rehabbed in accordance with the concept of Visitability, which recognizes that persons with disabilities should be able to enjoy the same privileges of

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accessibility to other living quarters outside their residence. "Visitability" means that: (a) at least one entrance is at grade (i.e. no steps), approached by an accessible route; and (b) the entrance door and all interior doors on the first floor are at least 34 inches wide, offering 32 inches of clear passage space. Landlord acknowledges that the Development, as designed, complies with the requirements of this Section 5.05.

ARTICLE 6

Use, Maintenance, Alterations, Repairs, Etc.

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

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

6.03 Prohibited Use. Tenant shall not use or occupy the Property or permit the same to be used or occupied, nor do or permit anything to be done in, on or to the Property, or any part thereof, in a manner that would in any way (a) materially violate any construction permit or certificate of occupancy affecting the Property or any Requirement, (b) make void or voidable any insurance then in force, or make it impossible to obtain fire or other insurance required to be furnished by Tenant hereunder, (c) cause or be apt to cause structural injury to the Property, or any part thereof, or (d) materially violate any material provision of this Lease; provided, however, that the foregoing shall not impose any obligation on Tenant with respect to any Excluded Environmental Condition (except to the extent that responsibility for such Excluded

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Environmental Condition is imposed on Tenant or the Partnership under the express provisions of the Environmental Agreement or, if not addressed therein, then under applicable law) or with respect to any obligation of Landlord under the Environmental Agreement. Notwithstanding anything to the contrary contained in this Lease, Landlord may not terminate this Lease by reason of an act or omission of a resident or sub-tenant of the Development. Tenant shall promptly and diligently take all reasonable steps, in accordance with the provisions of such resident's or sub-tenant's lease and applicable Requirements, to evict such resident or sub-tenant who materially violates any material provision of his or her lease, which violation constitutes a material violation of a material provision of this Lease. Notwithstanding the first sentence of this Section 6.03, Tenant may, in good faith, upon prior written notice to Landlord (and where necessary in the name of, but without expense to, Landlord) and, after having secured Landlord to its reasonable satisfaction against loss or damage, by cash or by a letter of credit or surety bond in an amount, with an issuer or surety, and in form and substance reasonably satisfactory to Landlord, contest the validity of any Requirement and, pending the determination of such contest may postpone compliance therewith, provided that in no event shall such act or omission of Tenant: (i) subject Landlord to any fine or penalty or to prosecution for a crime; (ii) cause the Property, or any part thereof, to be condemned or to be vacated; or (iii) cause any material interference with the operation of the Development for the purposes set forth in Section 6.02 or the occupancy, use, benefit and enjoyment thereof by any resident or sub-tenant of the Development. Tenant shall indemnify, defend and hold harmless Landlord's Protected Persons from and against any recovery or loss to which any Landlord's Protected Person may be subject or which any Landlord's Protected Person may sustain, including reasonable attorneys' fees and expenses incurred by any Landlord's Protected Person arising from any breach of this covenant or by reason of any action or proceeding which may be brought against any Landlord's Protected Person or against the Property, or any part thereof, by virtue of any Requirement, which do not arise out of any negligent act or willful misconduct of Landlord, or any event of default by Landlord hereunder. Landlord shall provide notice to Tenant of any action brought against Landlord that affects the Property, or any part thereof.

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6.04 Maintenance of Property. Subject to Section 8.01, Tenant shall make all necessary repairs to and replacements of the Improvements, interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen, and shall maintain and keep the Improvements in good and safe order, repair and condition. Tenant covenants and agrees that throughout the Term: (a) all building systems, facilities and equipment, including HVAC systems, common area lighting and the like, shall be maintained in good operating order and repair; and (b) the Real Estate and the Property shall, at all times, have adequate means of ingress and egress to and from the abutting public streets and alleys. Tenant shall indemnify, defend and hold Landlord's Protected Persons harmless from and against any and all claims and demands arising from the failure of Tenant to perform the covenants contained herein or arising from any accident, injury or damage to any person or property that shall or may happen in or upon the Property or the Real Estate, or any part thereof, however caused, other than Landlord's negligent act or willful misconduct or any Excluded Environmental Condition, and shall keep the Real Estate and the Property free and clear of any and all mechanics' liens or other similar liens or charges incidental to work done or material supplied in or about the Property or the Real Estate subject to the provisions in Section 4.03 providing for contest of such liens.

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

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

6.07 Exculpation of Landlord. Landlord shall not be responsible or liable for any destruction, damage or injury to any property or to any person or persons at any time on the

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

6.08 Exculpation of Leasehold Mortgagee. Until any Leasehold Mortgagee becomes a mortgagee in possession or the tenant under a new lease, no Leasehold Mortgagee shall, except to the extent of the gross negligence or willful misconduct of such Leasehold Mortgagee, its agents and employees on or about the Real Estate be responsible or liable for any destruction, damage or injury to any property or to any person or persons at any time on the Real Estate resulting from any casualty, occurrence or condition occurring or existing during the Term of this Lease, including without limitation those from steam, gas or electricity, or from water, rain or snow, whether the same may leak into, issue or flow from or within any part of the Real Estate or from the pipes or plumbing of the same, or from any other place or quarter; nor shall any Leasehold Mortgagee be in any way responsible or liable in case of any accident or injury (including death) to any of Tenant's residents, subtenants, employees or agents, or to any person or persons in or about the Real Estate or the streets, driveways, sidewalks, parkways or alleys adjacent thereto.

6.09 Landlord's Right of Entry. Landlord shall have the right, upon reasonable advance notice to Tenant and subtenants, when appropriate, on any business day, to enter upon the Property or the Real Estate, or any part thereof, for the purpose of ascertaining the condition thereof, or whether Tenant is observing and performing the obligations assumed by it under this Lease, or to make any repairs or perform any work, all without hindrance or molestation from Tenant, or anyone claiming by, through or under Tenant, whether as subtenant or otherwise. Each Leasehold Mortgagee, to the extent permitted in its Loan Documents, at its sole cost and expense with no liability or expense to Landlord, upon reasonable advance notice to Landlord, Tenant and subtenants, when appropriate, on any business day, may enter upon the Property or the Real Estate, or any part thereof, for the purpose of ascertaining the condition thereof, or whether Tenant is observing and performing the obligations assumed by it under this Lease and its Loan Documents, or to make any repairs or perform any work, all without hindrance or molestation from Tenant, or

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anyone claiming by, through or under Tenant, whether as subtenant or otherwise. No Leasehold Mortgagee shall interfere with Landlord's exercise of its rights under this Lease or disturb or interfere with the occupancy of any subtenant. The above mentioned rights of entry shall be exercisable at reasonable times, at reasonable hours and on reasonable advance notice; provided, however, that entry may be made at any time without notice in the event of an emergency (although Landlord shall endeavor to give Tenant prior notice thereof). Nothing contained herein, however, shall impose or imply any duty on the part of Landlord to make any such repairs or perform any such work.

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

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ARTICLE 7

Insurance

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

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

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

7.04 **Separate Insurance**. Tenant shall not obtain separate insurance concurrent in form or contributing in the event of loss with that required in this Article to be furnished by or that may reasonably be required to be furnished by Tenant unless Landlord is included therein as an additional insured, with loss payable as required in this Lease. Tenant shall immediately notify Landlord of the obtaining of any such separate insurance and shall deliver duplicate originals or certified copies of the policy or policies so obtained as provided in Section 7.03.

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

ARTICLE 8

Damage and Restoration

8.01 Damage or Destruction.

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

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

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

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8.02 **Adjustment of Insurance Claims and Disbursements**. Adjustment of any insurance claim shall, subject to the terms of any Leasehold Mortgage, be negotiated by Tenant. All insurance proceeds shall be deposited with the First Leasehold Mortgagee (or, if none, with Landlord) or into a Restoration Escrow, and administered as hereinafter set forth. All insurance proceeds received by Landlord or Tenant on account of such damage or destruction, less the actual costs, expenses and fees, if any, incurred in connection with the adjustment of the loss (the "Net Insurance Proceeds"), shall be applied in accordance with the terms of this Article. Such Net Insurance Proceeds plus the Deductible shall be paid out from time to time as such Restoration

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progresses and is approved. All Proceeds held by the First Leasehold Mortgagee shall be held in trust in a separate bank account.

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

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

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

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ARTICLE 9

Title and Ownership; Leasehold Mortgage

9.01 **Restrictions on Transfer**.

(a) Except for Permitted Transfers and Permitted Refinancings: (i) Tenant shall not at any time without the prior written consent of Landlord: (A) sell, assign, transfer, or convey all

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or any part of its interest under this Lease, or (B) sell, assign, transfer or convey all or any part of any structure or other Improvement located on the Real Estate; or (C) sublet all or any part of the Tenant Property except for subletting of the dwelling units to subtenants pursuant to subleases with a term (including options to extend or renew) not in excess of one (1) year and (ii) there shall not be a change of control of Tenant or the sale, assignment, transfer or conveyance of any interest in Tenant. Landlord's consent to any of the foregoing may be granted, withheld or granted with such conditions as Landlord shall require, in its sole and absolute discretion.

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

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

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

9.02 **Liens**. Other than the Permitted Exceptions and the encumbrances listed on Exhibit E (the "Encumbrances"), and any Permitted Refinancing, Tenant shall not create or permit to be created or to remain, and shall promptly discharge, any lien (including but not limited to any

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

9.03 Leasehold Mortgage.

(a) In order to enable Tenant to finance a portion of the cost of construction or rehabilitation of the Development, Tenant shall have the right, at or prior to commencement of construction or rehabilitation of the Improvements required under Section 5.01, to mortgage its Leasehold Estate, together with its ownership interest in the Improvements, and execute and record a Leasehold Mortgage or Mortgages with respect to both such estates, respectively (collectively, the "Initial Leasehold Mortgages"), to secure the repayment of a loan or loans made to Tenant by a Lender or Lenders (collectively, the "Initial Leasehold Mortgagees") in an aggregate amount not to exceed the estimated cost of the Development, or such other amount as is reasonably approved by Landlord. The Initial Leasehold Mortgagees and their addresses for purposes of notices are listed on Exhibit D. In addition to the Initial Leasehold Mortgages, Tenant shall have the right, provided that Tenant first obtains all consents and/or approvals required under this Lease, at any time and from time to time, to grant one or more Leasehold Mortgages. Landlord's interest in the Real Estate or this Lease shall at no time be encumbered by and shall at no time be subject or subordinate to any Leasehold Mortgage (i.e. the foreclosure of any such Leasehold Mortgage shall not divest Landlord of its fee simple title or reversionary interest), except as to rights expressly granted to any Leasehold Mortgagee in this Lease. For purposes of this Article 9, the making of a Leasehold Mortgage shall not be deemed to constitute an assignment or transfer of this Lease or the Leasehold Estate, nor shall any Leasehold Mortgagee, as such, be deemed to be an assignee or transferee of this Lease or of the Leasehold Estate so as to require such Leasehold Mortgagee, as such, to assume the

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performance of any of the terms, covenants or conditions on the part of Tenant to be performed hereunder. A Leasehold Mortgagee may become the holder of the Leasehold Estate and succeed to Tenant's interest under this Lease by foreclosure of its Leasehold Mortgage (either in its own name or in the name of its nominee) or as a result of the assignment of the Tenant's interest under this Lease in lieu of foreclosure, and any purchaser at any sale of Tenant's interest under this Lease in any proceeding for the foreclosure of any Leasehold Mortgage or the assignee or transferee of Tenant's interest under this Lease under any instrument of assignment or transfer in lieu of the foreclosure of any Leasehold Mortgage shall be deemed to be an assignee or transferee approved by Landlord and shall be deemed to have agreed to perform all of the terms, covenants and conditions on the part of Tenant to be performed hereunder and if the remediation work required in the Environmental Agreement, has not been fully performed, all of the terms, covenants and conditions to be performed under the Environmental Agreement from and after the date of such assignment, subject in each case to the performance by the Landlord of all of the terms, covenants and conditions on the part of Landlord to be performed hereunder and thereunder, but only for so long as such purchaser, assignee or transferee is the owner of the Leasehold Estate. The security interests of Leasehold Mortgagees, as mortgagees, shall be transferable to holders of certificates or other successors or assigns in connection with the securitization, sale or assignment of a Leasehold Mortgagee's Leasehold Mortgage Loan.

(b) In addition to the Initial Leasehold Mortgagees identified on Exhibit D, if Landlord shall be notified in writing of the existence of any other Leasehold Mortgage, and provided that the Leasehold Mortgagee shall have designated in a written notice to Landlord the address of the Leasehold Mortgagee for the service of notices, then notice of any Event of Default by Tenant in the performance of the covenants of this Lease shall simultaneously be given to such Leasehold Mortgagee, and such Leasehold Mortgagee shall have the right, but not the obligation, within the respective periods as prescribed in Subsection 9.03(c), to take such action or to make such payments as may be necessary to cure any such default to the same extent and with the same effect as though done by Tenant. Landlord agrees to accept such cure when proffered.

(c) If there shall be an Event of Default by Tenant under this Lease, Landlord agrees that it will not enforce any rights it may have to terminate this Lease or invoke its right to take possession of the Tenant Property if: (i) any Leasehold Mortgagee shall cure the default within 180 days after expiration of the time for Tenant to cure said default, or if such default cannot reasonably be cured within said 180-day period, and any Leasehold Mortgagee in good faith commences within said 180-day period and thereafter diligently prosecutes all actions required to cure such default, such longer period as may be reasonably necessary; or (ii) within 180 days after notice of such default by Landlord to a Leasehold Mortgagee, such Leasehold Mortgagee commences legal proceedings (herein called "foreclosure proceedings") to foreclose the lien of its Leasehold Mortgage and if such Leasehold Mortgagee diligently proceeds with its foreclosure proceedings or obtains a deed in lieu of foreclosure (including seeking to be put in possession as mortgagee-in-possession or seeking to obtain the appointment of a receiver in such foreclosure proceedings). If such Event of Default is a non-monetary default which: (x) is personal to Tenant or by its nature cannot be cured by a Leasehold Mortgagee, or (y) requires possession of the Leasehold Estate and/or Improvements to cure, the foregoing 180-day periods provided by clause (ii) shall be extended for so long as

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such Leasehold Mortgagee is enjoined or stayed in any bankruptcy or insolvency proceedings filed by or against Tenant, provided that a Leasehold Mortgagee timely commences and diligently prosecutes a foreclosure proceeding. Regarding defaults, the nature of which are referred to in clause (x) of the immediately preceding sentence, the Leasehold Mortgagee's acquisition of the Leasehold Estate and Improvements pursuant to foreclosure, deed-in-lieu of foreclosure or otherwise shall be deemed a cure of such defaults. Regarding defaults, the nature of which are referred to in clause (y) of the immediately preceding sentence, after the Leasehold Mortgagee acquires the Leasehold Estate and Improvements, Leasehold Mortgagees shall have a reasonable period of time to cure such defaults, provided Leasehold Mortgagee diligently pursues such cure.

(d) Nothing in this Article 9 shall require any Leasehold Mortgagee, as a condition to the exercise of rights provided under this Article 9, to cure any Event of Default of Tenant. The foregoing shall not be deemed to excuse a Leasehold Mortgagee from performing covenants relating to the construction or rehabilitation (provided that no Leasehold Mortgagee has elected to discontinue or reduce the funding of its loan) or condition of Improvements on the Real Estate or other similar matters requiring access to and/or control of the Property from and after such time as such Leasehold Mortgagee acquires the Leasehold Estate by foreclosure or otherwise, provided that the Construction Completion Deadline shall be extended accordingly during any such period given to initiate and complete any foreclosure proceeding. If no Leasehold Mortgagee commences and prosecutes either curative action or foreclosure proceedings as provided above, Landlord may invoke any or all of its remedies under this Lease, including the remedy of termination. In the event the purchaser at the foreclosure sale or the assignee of such purchaser or the recipient of any deed in lieu of foreclosure acquires the Leasehold Estate and Tenant's interest in the Improvements, such purchaser or assignee shall thereupon become Tenant under this Lease and hereby agrees to assume and perform each and all of Tenant's obligations and covenants hereunder from and after the date that such purchaser or assignee acquires the Leasehold Estate and Tenant's interest in the Improvements. In no event shall any Leasehold Mortgagee be obligated to cure any Event of Default of Tenant.

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(e) In the event there is a Leasehold Mortgage listed on Exhibit D or a Leasehold Mortgage of which Landlord has received notice as provided in Subsection 9.03(b), Landlord agrees that it will not accept a surrender of the Tenant Property or a cancellation of this Lease from Tenant prior to the expiration of the Term of this Lease and will not amend this Lease without in each case notifying each such Leasehold Mortgagee of Tenant's offer to surrender the Tenant Property. Such Leasehold Mortgagee may become the holder of the Leasehold Estate and succeed to Tenant's interest under this Lease (either in its own name or in the name of its nominee), shall be deemed to be an assignee or transferee approved by Landlord and shall be deemed to have agreed to perform all of the terms, covenants and conditions on the part of Tenant to be performed hereunder and if the remediation work required in the Environmental Agreement, has not been fully performed, all of the terms, covenants and conditions to be performed under the Environmental Agreement from and after the date of such assignment, subject in each case to the performance by the Landlord of all of the terms, covenants and conditions on the part of Landlord to be performed hereunder and thereunder, but only for so long as such Leasehold Mortgagee is the owner of the Leasehold Estate. If no Leasehold Mortgagee becomes the holder of the Leasehold Estate as provided above, Landlord may accept surrender of the Tenant Property and cancel this Lease.

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

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

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

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

(h) If Landlord or Tenant shall terminate this Lease, or if this Lease shall be terminated by reason of the rejection of this Lease by a debtor in possession or a trustee or receiver appointed by a court of competent jurisdiction in bankruptcy or insolvency proceedings involving Tenant, then and in either such event, Landlord shall immediately seek to obtain possession of the Real Estate and title to the Improvements. Upon acquiring such possession and title, Landlord shall notify all Leasehold Mortgagees. Each of the Leasehold Mortgagees (in the order of priority of their respective Leasehold Mortgages) or a nominee of a Leasehold Mortgagee designated by such Leasehold Mortgagee by written notice to Landlord, shall have one hundred twenty (120) days from the date of such notice of acquisition to elect to take a new lease on the Real Estate and a conveyance of title to the Improvements. Landlord shall, subject to applicable bankruptcy laws and/or the order of a court of competent jurisdiction, enter into a new lease with a Leasehold Mortgagee (or with the nominee of such Leasehold Mortgagee), convey title to the Improvements to such Leasehold Mortgagee (or such nominee) by quitclaim deed, and assign to such Leasehold Mortgagee (or such nominee) all leases where the residents or sub-tenants thereunder have attorned to Landlord provided that:

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(i) such Leasehold Mortgagee has made written request of Landlord for a new lease of the Real Estate and a conveyance of the Improvements within the one hundred twenty (120) days next following the date of termination of this Lease aforesaid and either the prior written consent of any superior Leasehold Mortgagee is obtained or the one hundred twenty (120) days have expired without such superior Leasehold Mortgagee requesting a new ground lease and conveyance of Improvements hereunder; and

(ii) at the time of termination of this Lease, and at the time of such Leasehold Mortgagee's written request for a new lease and deed, and at the time of execution and delivery of such new lease by and between Landlord and such Leasehold Mortgagee (or the nominee of such Leasehold Mortgagee, as the case may be), such Leasehold Mortgagee (or such nominee) shall have cured all defaults of Tenant under this Lease that can reasonably be cured by such Leasehold Mortgagee or shall be proceeding in accordance with Section 9.03(e): and

(iii) at the time of execution and delivery of such new lease by and between Landlord and such Leasehold Mortgagee (or the nominee of such Leasehold Mortgagee, as the case may be), if the remediation work required in the Environmental Agreement has not been fully performed, such Leasehold Mortgagee (or the nominee of such Leasehold Mortgagee) shall enter into a new environmental agreement with Landlord in the form of the Environmental Agreement, pursuant to which such Leasehold Mortgagee (or the nominee of such Leasehold Mortgagee) in replacement of the Tenant and Developer shall be obligated to complete the obligations of Tenant and Developer under the Environmental Agreement.

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

(i) Notwithstanding any provisions to the contrary in Sections 6.03, 6.04, 6.06, 9.01, 9.02, 9.03, 11.02 or 20.04, Landlord agrees (without waiving any rights that Landlord may

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have against any former Tenant) that: (a) any Leasehold Mortgagee or purchaser at a foreclosure sale or assignee or transferee in lieu of foreclosure of a Leasehold Mortgage that succeeds to the Leasehold Estate and becomes a successor Tenant hereunder (a "Successor") shall not be responsible for any then existing indemnification obligation of the former Tenant; (b) such Successor shall not be required to cure a default that cannot be cured by the payment of money or the taking of affirmative action (an "Incurable Default"); and (c) failure by such Successor to cure an Incurable Default or to assume such existing indemnification obligations of the former Tenant shall not constitute a basis for not recognizing such Successor as the successor Tenant or for terminating this Lease.

ARTICLE 10

Tenant Default: Rights and Remedies of Landlord

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

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

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

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

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

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

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

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10.02 Termination. If an Event of Default shall occur, Landlord may not terminate this Lease for so long as the provisions of Section 9.03, 10.14 or any other provision of this Lease that expressly limits Landlord's ability to terminate this Lease precludes such termination. Otherwise Landlord, at its option, at any time thereafter during the continuance of such Event of Default, may give to Tenant and all Leasehold Mortgagees a notice of termination of this Lease, and, upon the date specified in such notice, which date shall be after all cure periods and foreclosure proceeding periods without a cure or foreclosure (or exercise by a Leasehold Mortgagee of other remedies contemplated by Section 9.03(c)) being effected, then this Lease and all of Tenant's rights under this Lease shall expire and terminate as if that date were the date herein originally fixed for the expiration of the Term of this Lease, and on the date so specified, Tenant shall vacate and surrender the Property to Landlord. If an Event of Default under Section 10.01(f) shall occur, then Landlord's right to terminate the entire Lease by reason of such Event of Default shall be limited as hereinafter provided.

(a) If the construction or rehabilitation of a Building on a lot (which for purposes of this Section 10.02 "lot" shall refer to any discrete part of the Real Estate upon which a Building may be erected or upon which a Building being rehabilitated is situated, the legal description of which may be determined by reference to a distinct lot within an existing subdivision or otherwise determined by a surveyor engaged by Landlord) has been Substantially Commenced and if a Leasehold Mortgagee has disbursed proceeds of its loan to pay for the so-called "hard costs" of such construction, then, Landlord may not terminate this Lease with respect to the Real Estate upon which such Building is being constructed or rehabilitated.

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

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

(d) In addition to the foregoing, if any of the Tenant, Partnership, Developer or Landlord elects to terminate the Environmental Agreement pursuant to Section 5(d)(iv) thereof, then either the Tenant or Landlord may also elect to terminate this Lease.

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

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

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

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

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

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

10.09 **Remedies Not Exclusive**. Subject to provisions of Article 18 and other provisions of this Lease restricting Landlord's right to terminate this Lease, no right, power or remedy conferred upon or reserved to Landlord under this Lease or under law shall be considered exclusive of any other right, power or remedy, but such rights, powers and remedies shall be cumulative and shall be in addition to every other right, power and remedy given hereunder, or now or hereafter existing at law or in equity, or by statute or otherwise, and every right, power and remedy of Landlord may be exercised from time to time and as often as occasion may arise or as may be

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deemed expedient, without precluding Landlord's simultaneous or later exercise of any or all other rights, powers or remedies. No delay or omission of Landlord in exercising any right, power or remedy arising from any default shall impair any such right, power or remedy or shall be construed to be a waiver of any such default or an acquiescence therein.

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

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

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

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

10.14 Investor's Rights in the Event of Tenant Default. The following provisions shall apply for so long as Investor is a partner of Tenant:

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

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

(c) In addition to all other rights of Investor hereunder, Investor's commencement of proceedings to exercise its Removal Right shall be deemed initiation of

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a cure for purposes of Sections 10.01 and 10.14 provided that each of the following conditions is satisfied:

(i) the default is one which cannot be cured only by payment of money;

(ii) In the reasonable opinion of Investor, removal of the General Partner is necessary;

(iii) Investor notifies Landlord within 30 days following receipt of Landlord's default notice of Investor's intention to exercise the Removal Right and does in fact perform all required activity pursuant thereto; and

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

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ARTICLE 11

Additional Rights and Remedies of Landlord

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

11.02 Tenant to Provide Indemnification.

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

(i) any use, non-use, possession, occupation, condition (other than Excluded Environmental Conditions to the extent that responsibility for such Excluded Environmental Conditions is imposed on Landlord under the express provisions of the Environmental Agreement or, if not addressed therein, then under

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applicable law), operation, repair, maintenance or management of the Property, or any part thereof, or any occurrence of any of the same;

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

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

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

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

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

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

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

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

11.03 Excluded Environmental Conditions. Except as expressly provided in the Environmental Agreement and this Lease, all liability and responsibility with respect to Excluded Environmental Conditions shall be determined pursuant to applicable federal, state or local law.

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ARTICLE 12

Eminent Domain

12.01 Total Taking. Subject to Section 12.05, if, during the Term of this Lease, the entire Property or Tenant Property, or such substantial portion of the Property or Tenant Property as shall in the reasonable good faith judgment of Tenant, subject to the approval of the First Leasehold Mortgagee, which shall not be unreasonably withheld, make it economically unfeasible to continue to operate the remaining portion for the purposes herein stated, shall be taken by the exercise of the power of eminent domain, this Lease shall terminate on the date of vesting of title in the condemnor under such eminent domain proceedings, and all Rent and other sums payable by Tenant hereunder shall be prorated to the date of such vesting, and thereafter Tenant shall be relieved of all obligations to pay the Rent and to otherwise perform its agreements, obligations and

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undertakings under this Lease except those that expressly survive the termination of this Lease. The award granted with respect to such eminent domain proceedings shall be divided between Landlord, Tenant and any Leasehold Mortgagees in the following order:

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

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

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

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

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

12.02 <u>Partial Taking</u>.

(a) If, during the Term, less than the entire Property or Tenant Property (excluding any substantial portion covered under Section 12.01 above) shall be taken by the exercise of the power of eminent domain, and, in the reasonable judgment of the First Leasehold Mortgagee, condemnation proceeds attributable to Tenant's interest in the Property are sufficient to restore that portion of the Property remaining after the taking so as to be not materially different from the value, condition and character of the Property prior to such taking, this Lease shall not terminate but shall continue in full force and effect for the remainder of the Term, subject to the provisions of this Section 12.02. The amount of damages resulting to Landlord and Tenant, respectively, and to their respective interests in the Property and in, to and under this Lease, by reason of such exercise and partial taking under such eminent domain proceedings shall be separately determined and computed by the court having jurisdiction of such proceedings, and separate awards and judgments with respect to such damages to Landlord and Tenant shall be made and entered, and said awards shall, subject to Section 12.05, be paid to Landlord and

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Tenant, respectively, in accordance therewith; provided, however, that Tenant shall receive that portion of the award made as consequential damages to the Improvements located on the remaining portion of the Property and Tenant, at its expense, shall forthwith restore the remaining portion of the Improvements to substantially the same value, condition and character as existed prior to such taking (to the extent such restoration is possible, taking into account the extent to which a portion of the Improvements have been removed as a result of the taking), using such part of the award received by Tenant in said eminent domain proceeds as may be necessary and, if the amount of such award is not sufficient, Landlord shall make its portion of the award available for such restoration. If Tenant is obligated to restore the Property, the proceeds of the award shall be deposited in the Restoration Escrow and disbursed to pay the costs of such restoration. If the sum of such awards is not sufficient, Tenant shall have the right, but not the obligation, to provide the additional funds required.

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

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

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

12.05 **Leasehold Mortgagees**. The rights granted to Landlord and Tenant under this Article 12 shall be subject to the rights and interests of the Leasehold Mortgagees under their

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respective Leasehold Mortgages (except as provided in Section 12.02(b)) pursuant to their respective priorities.

ARTICLE 13

Estoppel Certificates

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

ARTICLE 14

Surrender at End of Term; Title to Improvements

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

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14.02 Title to Improvements. Landlord acknowledges and agrees that throughout the Term and until expiration or earlier termination of this Lease, title to all Improvements shall be in Tenant's name and that Tenant has, and shall be entitled to, all rights and privileges of ownership of such Improvements, including without limitation: (a) the right to claim depreciation or cost recovery deductions; (b) the right to claim the low-income housing tax credit described in Section 42 of the Code and to claim the federal historic rehabilitation credit described in Section 47 of the Code; (c) the right to amortize capital costs and to claim any other federal or state tax benefits attributable to the Tenant Property; and (d) the right to transfer such Improvements in accordance with the terms of this Lease; provided, however, that Tenant may not remove or substantially alter any of the Improvements (other than the disposition and replacement of equipment, appliances and other personal property in the ordinary course of business or in connection with the performance of its obligations under Section 6.04) without having first obtained the prior written consent of Landlord, which shall not be unreasonably withheld or delayed and Tenant shall comply with the Leasehold Mortgagee's requirements relating to transfers and replacements of Improvements as found under the Loan Documents.

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ARTICLE 15

Landlord Defaults

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

(a) Landlord's failure to lease by this Lease the Real Estate; or

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

Upon an event of default by Landlord hereunder, Tenant shall have all of the rights and remedies afforded at law or in equity, subject to Section 18.01.

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

15.03 Remedies Not Exclusive. No right, power or remedy conferred upon or reserved to Tenant under this Lease, or under law, shall be considered exclusive of any other right, power or remedy, but such rights, powers and remedies shall be cumulative and shall be in addition to every other right, power and remedy given hereunder, or now or hereafter existing at law or in equity, or by statute. Every right, power and remedy given by this Lease may be exercised from

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time to time and as often as occasion may arise or may be deemed expedient, without precluding Tenant's simultaneous or later exercise of any or all other rights, powers or remedies. No delay or omission of Tenant to exercise any right, power or remedy arising from Landlord's event of default shall impair any such right, power or remedy or shall be construed to be a waiver of any such default or an acquiescence therein.

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

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

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

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

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

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ARTICLE 16

Notices

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

Bickerdike Redevelopment Corporation
2550 W. North Avenue
Chicago, Illinois 60647
Attention: Chief Executive Officer

Heartland Housing, Inc.
208 S. LaSalle Street, Suite 1300

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Chicago, Illinois 60604
Attention: Executive Director

with copy to:

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

If to Management Agent, to:

Related Management Company, L.P.
350 W. Hubbard Street, Suite 100
Chicago, Illinois 60654
Attention: Joseph LaMantia, Senior Vice President

If to HUD, to:

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

And:

United States Department of Housing and Urban Development
77 West Jackson Blvd., 24th Floor
Chicago, Illinois 60604
Attention: Director of Public Housing

And:

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

In addition, concurrently with the giving of any notice or demand by Landlord to Tenant, or by Tenant to Landlord, Landlord or Tenant, as the case may be, shall furnish a copy of such notice to any Leasehold Mortgagee, including the Leasehold Mortgagees listed on Exhibit D at their respective addresses set forth therein, and to any other party listed on Exhibit D.

By written notice served in the foregoing manner, any party entitled to receive notices shall have the right to designate another person and another address to which notices and demands shall

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thereafter be sent. Each such notice or demand shall be deemed served, given and received when received or, when given by mail, shall be deemed served, given and received on the third business day after the mailing thereof.

ARTICLE 17

Miscellaneous

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

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

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

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

17.05 Approvals. All approvals or consents required under the provisions hereof shall be in writing. Unless herein expressly otherwise provided, any approval or consent of Landlord shall be sufficiently given if signed by Landlord's Chief Executive Officer.

17.06 Representations and Warranties. Landlord has made no warranties or representations whatever with respect to the Real Estate and, except for the obligations of Landlord under the Environmental Agreement, as set forth in Section 6.01 above, provided, however, that the foregoing shall not affect the obligations, if any, of Landlord under this Lease with respect to matters of title to the Real Estate and liens arising out of labor and/or materials furnished to the Real Estate, or any portion thereof, by or on behalf of Landlord.

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

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

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

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

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

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

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ARTICLE 18

Exculpatory Provisions

18.01 Exculpatory Provision – Landlord. It is expressly understood and agreed by Tenant, and any Person claiming by, through or under Tenant (including without limitation all Leasehold Mortgagees) that none of Landlord's covenants, undertakings or agreements herein set forth are made or intended as personal covenants, undertakings or agreements of Landlord, but are for the purpose of binding the premises demised hereby, and liability or damage for breach for nonperformance by Landlord shall be collectible only out of the Real Estate demised hereby or available insurance proceeds and no personal liability is assumed by nor at any time may be

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asserted or enforced against Landlord or any other Landlord's Protected Persons or any of its or their heirs, legal representatives, successors or assigns, all such personal liability, if any, being expressly waived and released by Tenant and each Person claiming by, through or under Tenant. Nothing contained in this Section 18.01, however, shall in any way or manner limit the full recourse of Tenant against Landlord under the Environmental Agreement, or under any non-monetary remedy granted Tenant in Section 15.02. This Section 18.01 shall not apply to HUD at any time HUD is the Tenant under this Lease.

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

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ARTICLE 19

Regulatory Agreements

19.01 **<u>Regulatory Agreements.</u>** In consideration for certain forthcoming below-market Mortgage Loans to be made by the Landlord to the Partnership and as a condition to the Permitted Assignment, the Partnership, as Tenant under this Lease pursuant to an Assignment and Assumption and Amendment of Ground Lease, shall enter into those agreements which shall be described in a revised Exhibit F (collectively, the "Regulatory Agreements") relating to the operation of the Development.

ARTICLE 20

Hazardous Materials

20.01 <u>Prohibition Against Hazardous Materials</u>. Tenant shall not cause any Hazardous Material to be generated, released, stored, buried or deposited over, beneath, in or on (or used in

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the construction or rehabilitation of) the Real Estate or the Development, or any part thereof, from any source whatsoever, other than in accordance with this Lease, the Environmental Agreement, the applicable NFR Letters and applicable Environmental Laws. Except for Excluded Environmental Conditions (to the extent that Tenant is not responsible for such Excluded Environmental Conditions under the express provisions of the Environmental Agreement or, if not addressed therein, then under applicable law), Tenant shall not permit any Hazardous Material to be generated, released, stored, buried or deposited over, beneath, in or on (or used in the construction of) the Real Estate or the Property, or any part thereof, from any source whatsoever, other than in accordance with this Lease, the Environmental Agreement, the applicable NFR Letters and applicable Environmental Laws. Tenant shall (i) comply at its own cost and expense with all Environmental Laws; (ii) not cause or permit any Hazardous Materials to be brought upon, kept or used in or about the Property by Tenant, its subtenants, agents, employees, contractors, guests or invitees unless all of the following requirements are satisfied at all times with respect thereto: (A) such Hazardous Materials are reasonably required in the ordinary course of Tenant's business which it is authorized to conduct on the Property under the terms of this Lease, (B) such Hazardous Materials are maintained only in such quantities as are reasonably necessary for the operations which Tenant is authorized to conduct on the Property under this Lease, (C) such Hazardous Materials are used strictly in accordance with the manufacturers' instructions therefor and in compliance with all applicable Environmental Laws, (D) such Hazardous Materials are not disposed of in or about the Property in a manner that would constitute a release or discharge thereof, and (E) all such Hazardous Materials are removed from the Property by Tenant upon the expiration or earlier termination of this Lease or upon termination of Tenant's right of possession of the Property; (iii) not install any underground storage tank or aboveground storage tank on the Property without Landlord's prior written approval, which approval may be withheld in Landlord's sole discretion; (iv) not take any action that would subject the Property to permit requirements under any Environmental Law for storage, treatment or disposal of Hazardous Materials; (v) not dispose of Hazardous Materials in dumpsters at the Property; (vi) not discharge Hazardous Materials into building drains or sewers; (vii) not cause or allow the release of any Hazardous Materials on, to, or from the Property; and (viii) arrange at its sole cost and expense for the lawful transportation and off-site disposal in accordance with all applicable Environmental Laws, of all Hazardous Materials that it generates.

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20.02 **Environmental Agreement**. The covenants and obligations of Tenant under Section 20.01 and 20.03 are in addition to the obligations of Tenant, the Partnership and Developer under the Environmental Agreement.

20.03 **Indemnity**. Certain indemnification obligations of Partnership with respect to environmental matters are set forth in the Environmental Agreement. Accordingly, in the event of a conflict between application of the provisions of this Section 20.03 to the Initial Tenant and the Partnership, as the assignee of Initial Tenant's Leasehold Estate and the indemnification obligations of the Partnership under the Environmental Agreement, the indemnification obligations under the Environmental Agreement shall govern and control. Tenant shall indemnify, defend and hold harmless Landlord's Protected Persons, and any current or former officer, director, employee or agent of Landlord (collectively, the "Indemnitees") from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses, including,

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without limitation, attorney's and consultant's fees, investigation and laboratory fees, court costs and litigation expenses, known or unknown, contingent or otherwise, arising out of or in any way related to: (i) a violation of Section 20.01; (ii) any violation of an NFR Letter caused by Tenant, the Partnership or Developer or any of their respective employees, agents, contractors, subtenants, guests or invitees; or (iii) any exacerbation of a Pre-Existing Environmental Condition caused by Tenant, the Partnership, Developer or any employee, agent or contractor of Tenant, the Partnership or Developer; provided, however, that Tenant's obligations under this Section 20.03 shall not apply to Excluded Environmental Conditions except to the extent that responsibility for such Excluded Environmental Conditions is imposed on Tenant or the Partnership under the express provision of the Environmental Agreement or, if not addressed therein, then under applicable law.

20.04 Survival. Tenant's obligations under this Article 20 shall survive the expiration or termination of this Lease.

[Signatures appear on the following pages.]

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

LANDLORD:

CHICAGO HOUSING AUTHORITY,
an Illinois municipal corporation

By: ______________________________
Tracey Scott
Chief Executive Officer

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TENANT:

BICKERDIKE REDEVELOPMENT CORPORATION
an Illinois not for profit corporation

By: ______________________
Joy Aruguete
Chief Executive Officer

HEARTLAND HOUSING, INC.,
an Illinois not for profit corporation

By: ______________________
Earl L. Chase
Executive Director

Property of Cook County Clerk's Office

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TENANT:

BICKERDIKE REDEVELOPMENT CORPORATION
an Illinois not for profit corporation

By: ______________________
Joy Aruguete
Chief Executive Officer

HEARTLAND HOUSING, INC.,
an Illinois not for profit corporation

By: ______________________
Earl L. Chase
Executive Director

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Rose M. Allen, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Tracey Scott, the Chief Executive Officer of the **Chicago Housing Authority**, an Illinois municipal corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Chief Executive Officer, appeared before me this day in person and acknowledged that he or she signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said municipal corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 26th day of October, 2021.

Rose M. Allen
Notary Public

OFFICIAL SEAL
ROSE M ALLEN
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES: 5/17/2025

Property of Cook County Clerk's Office

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STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, Shelbie J. Luna, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Joy Aruguete, the Chief Executive Officer of Bickerdike Redevelopment Corporation, an Illinois not for profit corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Chief Executive Officer, appeared before me this day in person and acknowledged that she signed and delivered said instrument as her own free and voluntary act and as the free and voluntary act of said not for profit corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 21 day of Oct., 2021

OFFICIAL SEAL
SHELBIE J LUNA
NOTARY PUBLIC, STATE OF ILLINOIS
COOK COUNTY
MY COMMISSION EXPIRES 09/21/2022

Notary Public
My Commission Expires 9/21/22

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, ______________________, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Earl L. Chase, the Executive Director of Heartland Housing, Inc., an Illinois not for profit corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Executive Director, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said not for profit corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ___ day of ______________, 20__

Notary Public
My Commission Expires__________

Property of Cook County Clerk's Office

UNOFFICIAL COPY

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, __________________________, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Joy Aruguete, the Chief Executive Officer of Bickerdike Redevelopment Corporation, an Illinois not for profit corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Chief Executive Officer, appeared before me this day in person and acknowledged that she signed and delivered said instrument as her own free and voluntary act and as the free and voluntary act of said not for profit corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ___ day of ________________, 20__.

____
Notary Public
My Commission Expires__________

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, Kayla Candos, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Earl L. Chase, the Executive Director of Heartland Housing, Inc., an Illinois not for profit corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Executive Director, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said not for profit corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 21 day of October, 2021.

[signature]
Notary Public
My Commission Expires 4-26-25

OFFICIAL SEAL
KAYLA CANDOS
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES: 4/26/2025

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EXHIBIT A

LEGAL DESCRIPTION OF REAL ESTATE

TRACT A:
THAT PART OF LOTS 3 AND 4, IN DIVERSEY CLYBOURN INDUSTRIAL AND COMMERCIAL DISTRICT, BEING AN OWNER'S DIVISION IN THE NORTHWEST QUARTER OF SECTION 30, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MAY 17, 1929 AS DOCUMENT NUMBER 10373658, DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTH LINE OF DIVERSEY PARKWAY WITH THE SOUTHWESTERLY LINE OF N. CLYBOURN AVENUE, AS DEEDED TO THE CITY OF CHICAGO FOR STREET PURPOSES, RECORDED MAY 25, 1937 AS DOCUMENT NO. 12002816; THENCE SOUTH 88 DEGREES 39 MINUTES 10 SECONDS WEST ALONG THE NORTH LINE OF SAID DIVERSEY PARKWAY 212.53 FEET; THENCE NORTH 46 DEGREES 22 MINUTES 01 SECONDS WEST, 422.90 FEET; THENCE NORTH 43 DEGREES 37 MINUTES 59 SECONDS EAST, 150.00 FEET TO THE SOUTHWEST LINE OF SAID N. CLYBOURN AVE.; THENCE NORTH 46 DEGREES 22 MINUTES 01 SECONDS WEST ALONG SAID SOUTHWEST LINE, 183.59 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING NORTH 46 DEGREES 22 MINUTES 01 SECONDS WEST ALONG SAID SOUTHWEST LINE, 132.49 FEET; THENCE SOUTH 43 DEGREES 36 MINUTES
01 SECONDS WEST, 61.21 FEET; THENCE SOUTH 46 DEGREES 23 MINUTES 48 SECONDS EAST, 27.96 FEET; THENCE SOUTH 43 DEGREES 34 MINUTES 39 SECONDS WEST, 58.67 FEET; THENCE NORTH 46 DEGREES 36 MINUTES 04 SECONDS WEST, 76.44 FEET; THENCE SOUTH 43 DEGREES 35 MINUTES 44 SECONDS WEST 32.25 FEET; THENCE SOUTH 46 DEGREES 22 MINUTES 18 SECONDS EAST 6.00 FEET; THENCE SOUTH 43 DEGREES 38 MINUTES 09 SECONDS WEST, 15.66 FEET; THENCE SOUTH 46 DEGREES 21 MINUTES 53 SECONDS EAST 168.94 FEET; THENCE NORTH 43 DEGREES 34 MINUTES 41 SECONDS EAST, 15.66 FEET; THENCE SOUTH 46 DEGREES 25 MINUTES 18 SECONDS EAST, 6.00 FEET; THENCE NORTH 43 DEGREES 36 MINUTES 13 SECONDS EAST, 152.40 FEET TO THE SOUTHWEST LINE OF SAID N. CLYBOURN AVENUE, AND THE POINT OF BEGINNING, LYING ABOVE AN ELEVATION OF 6.00 FEET CITY OF CHICAGO DATUM, IN COOK COUNTY, ILLINOIS.

Property of Cook County Clerk's Office

PIN(s): 14-30-123-009 (AFFECTS TRACT A AND OTHER PROPERTY)

Address(es): 2890-2904 NORTH CLYBOURN AVENUE, Chicago, Illinois

TRACT B:

THAT PART OF LOT 12 IN THE SNOW ESTATE SUBDIVISION BY THE SUPERIOR COURT OF COOK COUNTY, ILLINOIS, IN PARTITION OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 30, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF

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RECORDED JANUARY 29, 1873, AS DOCUMENT NUMBER 80819, LYING NORTH AND EAST OF THE NORTH BRANCH OF THE CHICAGO RIVER; EXCEPTING THEREFROM THAT PART VACATED BY ORDINANCE RECORDED FEBRUARY 21, 1940 AS DOCUMENT NUMBER 12438633; ALSO EXCEPTING THEREFROM THAT PART DEEDED TO THE CITY OF CHICAGO FOR STREET PURPOSES PER DOCUMENT RECORDED MAY 25, 1937 AS DOCUMENT NUMBER 12002816, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST LINE OF N. HOYNE AVENUE AS DEEDED TO THE CITY OF CHICAGO MAY 25, 1937 AS DOCUMENT NUMBER 12002816 AND THE SOUTH LINE OF W. DIVERSEY PARKWAY BEING 40.00 FEET SOUTH OF THE CENTERLINE OF SAID W. DIVERSEY PARKWAY; THENCE NORTH 88 DEGREES 39 MINUTES 10 SECONDS EAST ALONG THE SOUTH RIGHT OF WAY LINE OF W. DIVERSEY PARKWAY 117.64 FEET; THENCE SOUTH 46 DEGREES 16 MINUTES 10 SECONDS EAST ALONG THE SOUTH RIGHT OF WAY LINE 32.67 FEET TO THE WEST LINE OF NORTH DAMEN AVENUE; THENCE SOUTH 1 DEGREE 49 MINUTES 22 SECONDS WEST ALONG SAID WEST LINE 77.74 FEET; THENCE SOUTH 5 DEGREES 15 MINUTES 16 SECONDS WEST ALONG SAID WEST LINE 38.77 FEET; THENCE SOUTH 5 DEGREES 47 MINUTES 19 SECONDS WEST ALONG SAID WEST LINE 54.27 FEET; THENCE SOUTH 88 DEGREES 21 MINUTES 55 SECONDS WEST 123.69 FEET TO THE EAST LINE OF SAID N. HOYNE AVENUE; THENCE NORTH 1 DEGREE 47 MINUTES 55 SECONDS WEST 193.74 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PIN(s): 14-30-302-026, VOL. 491. (AFFECTS TRACT B AND OTHER PROPERTY)

Address(es): 2747-2759 NORTH HOYNE AVENUE, Chicago, Illinois

Property of Cook County Clerk's Office

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EXHIBIT B

PARCEL 1:

THE LEASEHOLD ESTATE CREATED BY THE INSTRUMENT HEREIN REFERRED TO AS THE LEASE, EXECUTED BY CHICAGO HOUSING AUTHORITY, AN ILLINOIS MUNICIPAL CORPORATION, AS LESSOR, AND BICKERDIKE REDEVELOPMENT CORPORATION, AN ILLINOIS NOT-FOR-PROFIT CORPORATION AND HEARTLAND HOUSING, INC., AN ILLINOIS NOT-FOR-PROFIT CORPORATION AS LESSEE, DATED OCTOBER 26, 2021, WHICH LEASE, RECORDED CONCURRENTLY HEREWITH, AND ASSIGNMENT AND ASSUMPTION AND AMENDMENT OF GROUND LEASE FROM BICKERDIKE REDEVELOPMENT CORPORATION, AN ILLINOIS NOT-FOR-PROFIT CORPORATION AND HEARTLAND HOUSING, INC., AN ILLINOIS NOT-FOR-PROFIT CORPORATION TO LATHROP HOMES IB, LP, AN ILLINOIS LIMITED PARTNERSHIP DATED OCTOBER 26, 2021, RECORDED CONCURRENTLY HEREWITH, WHICH LEASE DEMISES THE FOLLOWING DESCRIBED LAND FOR A TERM OF 99 YEARS BEGINNING OCTOBER 26, 2021, AND ENDING OCTOBER 25, 2120:

Tract A:

THAT PART OF LOTS 3 AND 4, IN DIVERSEY CLYBOURN INDUSTRIAL AND COMMERCIAL DISTRICT, BEING AN OWNER'S DIVISION IN THE NORTHWEST QUARTER OF SECTION 30, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MAY 17, 1929 AS DOCUMENT NUMBER 10373658, DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTH LINE OF DIVERSEY PARKWAY WITH THE SOUTHWESTERLY LINE OF N. CLYBOURN AVENUE AS DEEDED TO THE CITY OF CHICAGO FOR STREET PURPOSES, RECORDED MAY 25, 1937 AS DOCUMENT NO. 12002816; THENCE SOUTH 88 DEGREES 39 MINUTES 10 SECONDS WEST ALONG THE NORTH LINE OF SAID DIVERSEY PARKWAY 212.53 FEET; THENCE NORTH 46 DEGREES 22 MINUTES 01 SECONDS WEST, 422.90 FEET; THENCE NORTH 43 DEGREES 37 MINUTES 59 SECONDS EAST, 150.00 FEET TO THE SOUTHWEST LINE OF SAID N. CLYBOURN AVE.; THENCE NORTH 46 DEGREES 22 MINUTES 01 SECONDS WEST ALONG SAID SOUTHWEST LINE, 183.59 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING NORTH 46 DEGREES 22 MINUTES 01 SECONDS WEST ALONG SAID SOUTHWEST LINE, 132.49 FEET; THENCE SOUTH 43 DEGREES 36 MINUTES 01 SECONDS WEST, 61.21 FEET; THENCE SOUTH 46 DEGREES 23 MINUTES 48 SECONDS EAST, 27.96 FEET; THENCE SOUTH 43 DEGREES 34 MINUTES 39 SECONDS WEST, 58.67 FEET; THENCE NORTH 46 DEGREES 36 MINUTES 04 SECONDS WEST, 76.44 FEET; THENCE SOUTH 43 DEGREES 35 MINUTES 44 SECONDS WEST 32.25 FEET; THENCE SOUTH 46 DEGREES 22 MINUTES 18 SECONDS EAST 6.00 FEET; THENCE SOUTH 43 DEGREES 38 MINUTES 09 SECONDS WEST, 15.66 FEET; THENCE SOUTH 46 DEGREES 21 MINUTES 53 SECONDS EAST 168.94 FEET; THENCE NORTH 43 DEGREES 34 MINUTES 41 SECONDS EAST, 15.66 FEET; THENCE SOUTH 46 DEGREES 25 MINUTES 18 SECONDS EAST, 6.00 FEET; THENCE NORTH 43 DEGREES 36 MINUTES 13 SECONDS EAST, 152.40 FEET TO THE SOUTHWEST LINE OF SAID N. CLYBOURN AVENUE, AND THE POINT OF BEGINNING, LYING ABOVE AN ELEVATION OF 6.00 FEET CITY OF CHICAGO DATUM, IN COOK COUNTY, ILLINOIS.

For informational purposes only:

Commonly known as 2890-2904 North Clybourn Avenue, Chicago, IL 60618;

PIN No. 14-30-123-009.

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Tract B:

THAT PART OF LOT 12 IN THE SNOW ESTATE SUBDIVISION BY THE SUPERIOR COURT OF COOK COUNTY, ILLINOIS, IN PARTITION OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 30, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JANUARY 29, 1873, AS DOCUMENT NUMBER 80819, LYING NORTH AND EAST OF THE NORTH BRANCH OF THE CHICAGO RIVER; EXCEPTING THEREFROM THAT PART VACATED BY ORDINANCE RECORDED FEBRUARY 21, 1940 AS DOCUMENT NUMBER 12438633; ALSO EXCEPTING THEREFROM THAT PART DEEDED TO THE CITY OF CHICAGO FOR STREET PURPOSES PER DOCUMENT RECORDED MAY 25, 1937 AS DOCUMENT NUMBER 12002816, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST LINE OF N. HOYNE AVENUE AS DEEDED TO THE CITY OF CHICAGO MAY 25, 1937 AS DOCUMENT NUMBER 12002816 AND THE SOUTH LINE OF W. DIVERSEY PARKWAY BEING 40.00 FEET SOUTH OF THE CENTERLINE OF SAID W. DIVERSEY PARKWAY; THENCE NORTH 88 DEGREES 39 MINUTES 10 SECONDS EAST ALONG THE SOUTH RIGHT OF WAY LINE OF W. DIVERSEY PARKWAY 117.64 FEET; THENCE SOUTH 46 DEGREES 16 MINUTES 10 SECONDS EAST ALONG THE SOUTH RIGHT OF WAY LINE 32.67 FEET TO THE WEST LINE OF NORTH DAMEN AVENUE; THENCE SOUTH 1 DEGREE 49 MINUTES 22 SECONDS WEST ALONG SAID WEST LINE 77.74 FEET; THENCE SOUTH 5 DEGREES 15 MINUTES 16 SECONDS WEST ALONG SAID WEST LINE 38.77 FEET; THENCE SOUTH 5 DEGREES 47 MINUTES 19 SECONDS WEST ALONG SAID WEST LINE 54.27 FEET; THENCE SOUTH 88 DEGREES 21 MINUTES 55 SECONDS WEST 123.69 FEET TO THE EAST LINE OF SAID N. HOYNE AVENUE; THENCE NORTH 1 DEGREE 47 MINUTES 55 SECONDS WEST 193.74 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

For informational purposes only:

Commonly known as 2747-2759 North Hoyne Avenue, Chicago, IL 60647;

PIN No. 14-30-302-026.

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.

PARCEL 3:

NON-EXCLUSIVE EASEMENTS APPURTENANT TO AND FOR THE BENEFIT OF PARCEL 1 AND PARCEL 2 AS SET FORTH AND DEFINED IN THE DECLARATION OF CROSS ACCESS EASEMENT AND PARKING AGREEMENT FOR THE LATHROP HOMES CAMPUS RECORDED CONCURRENTLY HEREWITH.

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EXHIBIT C

PERMITTED EXCEPTIONS

1. General Real Estate Taxes not yet due and payable.

2. Rights of Public and Quasi-Public utilities for maintenance of utility facilities.

3. Exceptions listed on ALTA Loan Policy of Title Insurance Policy Number 41059516B issued by Chicago Title Insurance Company to Chicago Housing Authority

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EXHIBIT D

INITIAL LEASEHOLD MORTGAGEES

None

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COOK COUNTY CLERK OFFICE
RECORDING DIVISION
118 N. CLARK ST. ROOM 120
CHICAGO, IL 60602-1387

COOK COUNTY CLERK OFFICE
RECORDING DIVISION
118 N. CLARK ST. ROOM 120
CHICAGO, IL 60602-1387

COOK COUNTY CLERK OFFICE
RECORDING DIVISION
118 N. CLARK ST. ROOM 120
CHICAGO, IL 60602-1387

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EXHIBIT E

ENCUMBRANCES

None

Property of Cook County Clerk's Office

COOK COUNTY CLERK OFFICE
RECORDING DIVISION
118 N. CLARK ST. ROOM 120
CHICAGO, IL 60602-1387

COOK COUNTY CLERK OFFICE
RECORDING DIVISION
118 N. CLARK ST. ROOM 120
CHICAGO, IL 60602-1387

COOK COUNTY CLERK OFFICE
RECORDING DIVISION
118 N. CLARK ST. ROOM 120
CHICAGO, IL 60602-1387

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EXHIBIT F

REGULATORY AGREEMENTS

None

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COOK COUNTY CLERK OFFICE
RECORDING DIVISION
118 N. CLARK ST. ROOM 120
CHICAGO, IL 60602-1387

COOK COUNTY CLERK OFFICE
RECORDING DIVISION
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CHICAGO, IL 60602-1387

COOK COUNTY CLERK OFFICE
RECORDING DIVISION
118 N. CLARK ST. ROOM 120
CHICAGO, IL 60602-1387

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EXHIBIT G

INSURANCE REQUIREMENTS

The Tenant must procure and maintain at all times during the term of this Agreement the types of insurance specified below in order to protect the Authority from the acts, omissions and negligence of the Tenant, its officers, officials, subcontractors, joint venture partners, agents or employees. The insurance carriers used by the Tenant must be authorized to conduct business in the State of Illinois and shall have a BEST rating of not less than "A". The insurance provided shall cover all operations under this Agreement, whether performed by the Tenant, any general contractor (including without limitation the General Contractor or by any subcontractors.

Property of Cook County Clerk's Office

I. CONSTRUCTION INSURANCE REQUIREMENTS

A. Required Insurance Coverages for Owner:

1. **Builder's Risk.** The Developer and/or Owner Entity shall provide directly, on behalf of the Contractor and Subcontractors, for each Development, an All Risk Builder's Risk Insurance policy in accordance with HUD's 5370 form (paragraph 36b) covering new construction, improvements, betterments, and/or repairs, at replacement cost, for all materials, supplies, equipment, machinery and fixtures that are or will be part of the permanent project. The Authority shall be named as loss payee.

2. **General Liability Insurance**. General Liability Insurance provided shall have a limit of not less than One Million Dollars ($1,000,000) per occurrence with an aggregate of not less than Two Million Dollars ($2,000,000)(i.e. $1,000,000/$2,000,000). In addition to the stipulations outlined above, the insurance policy is to include coverage for Contractual Liability, Products-Completed Operations, Personal & Advertising Injury and will also cover injury to Developer's and/or Owner Entity's and General Contractor's respective officers, employees, agents, subcontractors, invitees and guests and their personal property. The Authority is to be endorsed as additional insureds on the policy and such insurance will be endorsed as primary and non-contributory with any other insurance available to the Authority.

3. **Excess Liability***. The Developer and/or Owner Entity shall secure Excess Liability insurance in the amount of not less than Ten Million Dollars ($ 10,000,000). This coverage will be excess of the General Liability, Auto Liability and Employer's Liability coverage. The Developer's and/or Owner Entity's coverage will follow-form for all primary, liability and employer's liability coverages.

4. **Automobile Liability Insurance.** When any motor vehicle (owned, non-owned and/or hired) is used in connection with the construction to be performed for such Development, Comprehensive Automobile Liability Insurance with limits of not

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less than One Million Dollars ($1,000,000) per occurrence CSL, for bodily injury and property damage shall be provided. The Authority is to be endorsed as additional insured on the policy and such insurance will be endorsed as primary and non-contributory with any other insurance available to the Authority.

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

6. **Professional Liability (Errors & Omissions)**. The Developer and/or Owner Entity shall require any architects and engineers of record, construction manager, property manager, security companies and/or other professional consultants who perform work in connection with the Redevelopment to provide Professional Liability Insurance. Such insurance covering acts, errors or omissions of architects and engineers of record, and the construction manager shall be maintained with limits of not less than Two Million Dollars ($2,000,000) per occurrence. Such insurance covering acts, errors or omissions of the property manager, security companies and/or other professional consultants shall be maintained with limits of not less than Five Million Dollars ($5,000,000) per occurrence. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of Services under this Agreement. A Claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

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B. **Required Insurance Coverages for the General Contractor**:

1. **General Liability Insurance.** Liability Insurance provided shall have a limit of not less than One Million Dollars ($1,000,000) per occurrence with a Per Project aggregate of not less than Two Million Dollars ($2,000,000) (i.e. $1,000,000/$2,000,000). Included without limitation, the following coverages: Property/Operations, including deletion of explosion, collapse and underground (XCU) exclusions; Independent Contractors' Protective Liability; Broad Form Contractual Liability, specifically referring to the indemnity obligations under and pursuant to this Agreement, subject to the standard industry terms, conditions and exclusions of the policy; Broad Form Property Damage, including Products/Completed Operations; Personal Injury Liability, with employee and contractual exclusions deleted. In addition to the stipulations outlined above, the insurance policy is to include coverage for Contractual Liability, Products-Completed Operations, Personal & Advertising Injury. The Authority, Developer and/or Owner Entities ("Additional Insureds"), are to be endorsed as additional insureds on the policy and such insurance will be endorsed as primary and non-contributory with any other insurance available to the Additional Insureds.

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Products-Completed Operations. General Contractor and subcontractors shall procure and maintain (and require subcontractor's subcontractors of any tier to procure and maintain) until expiration of the [name of development] Project's warranty period and, with regard to Products/Completed Operations coverage for two (2) years after final completion of the Work.

It is further agreed that the coverage afforded to the Additional Insureds shall exclude indemnification of the architect for claims arising out of (1) the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications, or (2) the giving of or the failure to give directions or instructions by the architects, his agents or employees provided such giving or failure to give is the primary cause of the injury or damage.

2. **Excess Liability***. The General Contractor shall secure Excess Liability insurance in the amount of not less than Ten Million Dollars ($10,000,000) Per Occurrence. This coverage will be excess of the General Liability, Auto Liability and Employers Liability coverages. The General Contractor's insurance coverage will be excess of all subcontractors with which it contracts to provide services for this development. The Authority and the Developer and/or Owner Entities are to be endorsed as additional insureds on the General Contractor's Excess Liability policy. Subcontractor's excess limits will be determined by the General Contractor as they deem appropriate.

3. **Automobile Liability Insurance.** When any motor vehicles (owned, non-owned and/or hired) are used in connection with the construction to be performed for the Development, Comprehensive Automobile Liability Insurance with limits of not less than One Million Dollars ($1,000,000) per occurrence CSL, for bodily injury and property damage shall be provided. The Authority, Developer and/or Owner Entities, are to be endorsed as additional insureds on the policy and such insurance will be endorsed as primary and non-contributory with any other insurance available to the Authority.

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

5. **Lead/Asbestos Abatement Liability.** When any lease and/or asbestos abatement liability work is performed in connection with the contract, Lead/Asbestos Abatement Liability Insurance shall be provided with limits of not less than Five Million Dollars ($5,000,000) per occurrence insuring bodily injury, property damage and environmental clean-up. The Authority, Developer and/or Owner Entities, are to be endorsed as additional insureds on the policy and such insurance will be endorsed as primary and non-contributory with any other insurance available to the Authority. When claims made policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of

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Services under this Agreement. A Claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

6. **Contractor's Pollution Liability.** The General Contractor shall require a separate Contractor's Pollution Liability insurance policy, covering any bodily injury, liability and property damage liability, arising out of pollutants including hazardous materials such as asbestos, lead, etc. or contaminated soil, including while in transit to a permanent disposal facility which may arise from activities under or incidental to the contract, whether such activities be by the General Contractor or by any of his subcontractors or by anyone directly or indirectly employed or otherwise contracted by any of them. This policy shall be maintained with limits of not less than Three Million Dollars ($3,000,000) per occurrence. The Authority is to be endorsed as an additional insured on the policy and such insurance will be endorsed as primary and non-contributory with any other insurance available to the Authority.

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

C. **Evidence of Insurance.** Within five days of initial construction closing disbursement on a Phase and prior to the commencement of construction activities, the Developer and/or Owner Entity directly or through the General Contractor shall furnish the Authority, for record keeping purposes only, with satisfactory evidence that the Developer and/or Owner Entity, General Contractor and subcontractors have the insurance coverages set forth above. The Developer, Owner Entity, and/or General Contractor shall be required to ensure that all subcontractors comply with the Authority's minimum coverage requirements. It is the responsibility of the Developer, Owner Entity, and/or General Contractor to secure and maintain proof of coverage for all entities that it contracts with that provide services to this Development. At closing, final draft certificates of insurance records previously approved by the Authority must be delivered. Post closing, certificates must be made available for review by the Authority within twenty-four (24) hours of being requested. Said coverages shall not be modified, canceled, non-renewed, or permitted to lapse until final completion and approval of the performance of the General Contractor's contract and the policies shall contain a provision that the coverages will not be modified, canceled, non-renewed or permitted to lapse until not less than 30 days after the Authority has

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received written notice, by certified or registered mail, that the modification, cancellation, non-renewal or lapse of such coverages is contemplated.

ALL REQUIRED DOCUMENTATION MUST BE RECEIVED FOR APPROVAL PRIOR TO DEVELOPER AND/OR OWNER ENTITY COMMENCING WORK UNDER THIS AGREEMENT.

D. Developer and/or Owner Entity shall advise, and cause each General Contractor for a Development to advise, all insurers of the contract provisions regarding insurance. The failure of the Developer, Owner Entity, or any General Contractor to notify insurers of the contract provisions shall not relieve Developer and/or Owner Entity from its insurance obligations under this contract or any Authority Closing Document and such insurance obligations shall survive the term of this Development Agreement. Nonfulfillment of the insurance provisions stated herein shall constitute a breach of the General Contractor's contract and of this Agreement. The Authority retains the right to stop work until proper evidence of insurance is provided.

E. Renewal Certificates of Insurance, requested endorsements, or such similar evidence is to be received by the Authority's Risk Management Department, with a copy to the Authority's designated representative, prior to expiration of insurance coverage. At the Authority's option, non-compliance may result in one or more of the following actions, in addition to any rights or remedies in the Closing Documents: (1) The Authority will purchase insurance on behalf of Developer and/or Owner Entity and will charge back all costs to Developer and/or Owner Entity; (2) Developer or Owner Entity shall cause the General Contractor and any subcontractors to be immediately removed from the property; (3) this Development Agreement will be terminated; or (4) all payments due Developer and/or Owner Entity and General Contractor will be held until Developer and/or Owner Entity has complied with the contract. The receipt of any certificate by the Authority does not constitute agreement by the Authority that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with the requirements of the Agreement. Developer, Owner Entity, and/or General Contractor shall be required to ensure that all subcontractors comply with the Authority's minimum coverage requirements. It is the responsibility of the Developer, Owner Entity, and/or General Contractor to secure and maintain proof of coverage for all entities that it contracts with, that provides services to this Development. Proof of insurance records must be available for review by the Authority within twenty-four (24) hours of being requested.

F. If any of the required insurance is underwritten on a claims made basis, the retroactive date shall be prior to or coincident with the date of the General Contractor's contract, and the Certificate of Insurance shall state the coverage is "claims made" and also the Retroactive Date. A Claims-Made policy which is not renewed or replaced must have an extended reporting period (tail coverage) of two (2) years. Any extended reporting period premium (tail coverage) shall be

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paid by Developer and/or Owner Entity, directly or through the General Contractor for the Development. It is further agreed that all insurance policies required hereunder shall provide the Authority with not less than a thirty (30) days notice in the event of the occurrence of any of the following conditions: aggregate erosion in advance of the Retroactive Date, cancellation and/or non-renewal.

G. Developer and/or Owner Entity shall provide to the Authority, prior to commencement of construction and upon each renewal or replacement of a builder risk policy required hereunder, and in any event not less than annually, a certified copy of the insurance policies required hereunder and all endorsements.

H. Developer and/or Owner Entity shall require, directly or through the General Contractor for each Development, that all subcontractors performing work for the Development carry insurance required herein or the Developer, or General Contractor may provide the coverages for any or all of its subcontractors, and if so, the evidence of insurance submitted shall so stipulate and adhere to the same requirements and conditions as outlined in Section "B" above. Evidence of such coverage must be submitted to the Authority for record keeping purposes only.

II. OPERATIONS PERIOD INSURANCE REQUIREMENTS

The Owner Entity must procure and maintain at all times during the operation of the Development the types of insurance specified below in order to protect the CHA from the acts, omissions and negligence of the selected respondent, its officers, officials, subcontractors, joint venture, partners, agents or employees. The insurance carriers used by the Owner Entity must be authorized to conduct business in the State of Illinois and shall have a BEST Rating of not less than an "A". The insurance provided shall cover all operations under the Agreement, whether performed by the Owner Entity or by its subcontractors.

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A. Required Insurance Coverages:

1. **All-Risk Property Damage:** The Owner Entity shall obtain an all-risk property policy in the amount of the full replacement value, including improvements and betterments, covering damage to or loss of the Property. The insurance shall include the following extensions: business interruption/loss of rents, and boiler and machinery, if applicable. The policy shall list the Authority as loss payee.

2. **General Liability Insurance.** General Liability Insurance provided shall have a limit of not less than One Million Dollars ($1,000,000) per occurrence with a Per Project aggregate of not less than Two Million Dollars ($2,000,000) (i.e. $1,000,000/$2,000,000). In addition to the stipulations outlined above, the insurance policy is to include coverage for Contractual Liability, Products-Completed Operations, Personal & Advertising Injury and will also cover injury to the Owner Entity's officers, employees, agents, subcontractors, invitees and guests and their personal property. The CHA is to be endorsed as an additional insured on

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the policy and such insurance will be endorsed as primary and non-contributory with any other insurance available to the Authority.

3. **Automobile Liability Insurance.** When any motor vehicles (owned, non-owned and hired) are used in connection with the Services to be performed, the Owner Entity shall provide Comprehensive Automobile Liability Insurance with limits of not less than One Million Dollars ($1,000,000) per occurrence CSL, for bodily injury and property damage. The CHA shall be endorsed as additional insureds on the Owner Entity's policy and such insurance will be endorsed as primary and non-contributory with any other insurance available to the CHA.

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

5. **Blanket Crime.** The Owner Entity shall provide Blanket Crime coverage in a form reasonably acceptable to the Authority, against loss by dishonesty, robbery, burglary, theft, destruction or disappearance, computer fraud, credit card forgery and other related crime risks. The policy limit shall be written to cover losses in the amount of the maximum monies collected, received and/or in the Owner Entity's care at any given time, but shall in no event be less than the aggregate amount of two months operating subsidy.

6. **Professional Liability.** When any architects (of record), engineers (of record), construction managers, property managers or other professional consultants perform work in connection with this contract, Professional Liability insurance covering acts, errors or omissions shall be maintained with limits of not less than Two Million Dollars ($2,000,000) per occurrence for architects and engineers or record, and construction managers and of not less than Five Million Dollars ($5,000,000) per occurrence property managers and other professional consultants. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of Services under this Agreement. A Claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

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B. Related Requirements

1. The Owner Entity shall advise all insurers of the contract provisions regarding insurance. The failure of the Owner Entity to notify insurers of the contract provisions shall not relieve the Owner Entity from its insurance obligations herein. Nonfulfillment of the insurance provisions shall constitute a default under the Authority Closing Documents. The Authority retains the right to stop work until proper evidence of insurance is provided.

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2. The Owner Entity shall furnish the Chicago Housing Authority, Risk Management Department, 60 E. Van Buren St., 11th Floor, Chicago, Illinois 60605 original Certificates of Insurance evidencing the required coverages to be in force on the Effective Date of this Agreement. In addition, copies of the endorsement(s) adding the CHA to the policies as additional insured are required.

3. Renewal Certificates of Insurance, requested endorsements, or such similar evidence is to be received by the Risk Management Department, with a copy to the Authority's Designated Representative prior to expiration of insurance coverage. At the Authority's option, non-compliance may result in one or more of the following actions, in addition to any rights or remedies in any Closing Documents: (1) The Authority will purchase insurance on behalf of the Owner Entity and will charge back all costs to the Owner Entity; (2) the Owner Entity will be immediately removed from Authority property and contract revoked; (3) all payments due the Owner Entity will be held until the Owner Entity has complied with the contract; or (4) the Owner Entity will be assessed Five Hundred Dollars ($500) for every day of non-compliance. The receipt of any certificate does not constitute agreement by the Authority that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with the requirements of the Agreement. The insurance policies shall provide for thirty (30) days written notice to be given to the Authority in the event coverage is substantially changed, canceled or non-renewed.

4. If any of the required insurance is underwritten on a claims made basis, the retroactive date shall be prior to or coincident with the date of this Agreement and the Certificate of Insurance shall state the coverage is "claims made" and also the Retroactive Date. The Owner Entity shall maintain coverage for the duration of this Agreement. A Claims-Made policy which is not renewed or replaced must have an extended reporting period (tail coverage) of two (2) years. Any extended reporting period premium (tail coverage) shall be paid by the Owner Entity. The Owner Entity shall provide to the Authority, annually, a certified copy of the insurance policies obtained pursuant hereto. It is further agreed that the Owner Entity shall provide the Authority a thirty (30) days notice in the event of the occurrence of any of the following conditions: aggregate erosion in advance of the Retroactive Date, cancellation and/or non-renewal.

5. The Owner Entity shall require all subcontractors to carry the insurance required herein or the Owner Entity may provide the coverage for any or all of its subcontractors, and if so, the evidence of insurance submitted shall so stipulate and adhere to the same requirements and conditions as outlined in Section "A" above.

* Excess Liability can be satisfied by $10,000,000 each of Developer and General Contractor, $20,000,000 in Excess Liability coverage by either the Developer or General Contractor or any combination equal to $20,000,000 in total Excess Liability coverage.

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STATEMENT BY GRANTOR AND GRANTEE

The grantor or his agent affirms that, to the best of his knowledge, the name of the grantee shown on the deed or assignment of beneficial interest in a land trust is either a natural person, an Illinois corporation or foreign corporation authorized to do business or acquire and hold title to real estate in Illinois, a partnership authorized to do business or acquire and hold title to real estate in Illinois, or other entity recognized as a person and authorized to do business or acquire and hold title to real estate under the laws of the State of Illinois.

Dated 10/26/ , 2021 Signature: [signature]
Grantor or Agent

Subscribed and sworn to before me by the
said Agent
this 26th day of Oct
2021

"OFFICIAL SEAL"
MELISSA A. COBBAN
Notary Public, State of Illinois
My Commission Expires 07/29/2023

[signature]
Notary Public

The grantee or his agent affirms and verifies that the name of the grantee shown on the deed or assignment of beneficial interest in a land trust is either a natural person, an Illinois corporation or foreign corporation authorized to do business or acquire and hold title to real estate in Illinois, a partnership authorized to do business or acquire and hold title to real estate in Illinois, or other entity recognized as a person and authorized to do business or acquire and hold title to real estate under the laws of the State of Illinois.

Dated 10/26 , 2021 Signature: [signature]
Grantee or Agent

Subscribed and sworn to before me by the
said Agent
this 26th day of Oct
2021

"OFFICIAL SEAL"
MELISSA A. COBBAN
Notary Public, State of Illinois
My Commission Expires 07/29/2023

[signature]
Notary Public

NOTE: Any Persons who knowingly submits a false statement concerning the identity of a grantee shall be guilty of a Class C misdemeanor for the first offense and of a Class A misdemeanor for subsequent offenses.

{Attach to deed of ABI to be recorded in Cook County, Illinois, if exempt under provisions of Section 4 of the Illinois Real Estate Tranfer Tax Act.}

SGTRGTE 12/99 LS

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