*Sample Ground Lease—form used for Grace Townhomes as example for Nicole Hines Townhomes*

**GROUND LEASE**

THIS GROUND LEASE (“Lease”) is dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ by and between COMMUNITY JUSTICE LAND TRUST, a Pennsylvania nonprofit corporation, having a principal office at 100 West Oxford Street, Suite E-2300, Philadelphia, PA 19122 (“Landlord” or the “Land Trust”) and GRACE TOWNHOMES LIMITED PARTNERSHIP, a Pennsylvania limited partnership, having its principal office at 100 West Oxford Street, Suite E-2300, Philadelphia, PA 19122 (“Tenant”). The date listed above shall be the “Commencement Date” of this Ground Lease.

W I T N E S S E T H:

WHEREAS, Landlord is the owner of the parcel of vacant land bounded by E. Auburn Street, Trenton Avenue, William Street and Janney Street, Philadelphia, PA, known as 2201 E. Auburn Street and as more fully set forth in Exhibit A (“Property”). Tenant has successfully obtained a reservation of Low Income Housing Tax Credits (“LIHTC”), which will be used to finance construction of five townhouse style buildings (“Buildings”) for the primary purpose of providing housing for lower income persons (“Project”). The Property and the Buildings are hereinafter referred to collectively as the “Leased Premises.”

**WHEREAS,** the Tenant hereby enters into this Agreement with the Land Trust providing for the development of the Property; and

**WHEREAS**, the Tenant and the Land Trust hereby agree that Tenant shall act as the developer of all the improvements on the Property for the purpose of constructing a thirty-six (36) unit rental housing project under the federal Low Income Housing Tax Credit Program (“LIHTC”) pursuant to the terms and conditions as set forth herein; and

**WHEREAS,** the Land Trust’s primary purpose is to provide land for the development of affordable housing for lower-income households and to ensure its continued use for that purpose for as long as possible.

**NOW, THEREFORE**, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Land Trust and Tenant agree as follows:

# LEASED PROPERTY AND TERM.

## Landlord hereby leases to Tenant, and Tenant hereby rents from Landlord, the Leased Premises together with all non-exclusive access, utility and/or drainage rights affecting, serving or otherwise appertaining thereto.

TO HAVE AND TO HOLD the same, commencing on the Commencement Date shown above and expiring on the day immediately prior to the ninety-ninth (99th) anniversary of the Commencement Date unless sooner terminated or extended as hereinafter provided; however, if the Commencement Date shall be other than the first day of a month, the original term of this Lease shall expire on the ninety-ninth (99th) anniversary of the last day of the month in which the Commencement Date occurs (“Lease Term”).

A. Conditions Precedent to Commencement of Term. The Commencement of the Lease Term is subject to the following conditions:

(i) Title to the Leased Premises on the Commencement Date shall be good and marketable, and free and clear of all liens, charges, encumbrances, encroachments, easements, restrictions, leases, tenancies, occupancies or agreements and other matters affecting title.

(ii) Landlord shall have substantially performed, observed, and complied with all covenants, agreements and conditions required by this Lease to be performed, observed and complied with on its part prior to or at the Commencement of the Lease Term.

(iii) All instruments and documents required on the part of Landlord to be delivered under this Agreement shall have been delivered to Tenant and shall be in form reasonably satisfactory to Tenant and its counsel.

(iv) All representations and warranties by Landlord set forth in this Lease shall be true and correct at and as of the Commencement Date in all respects as though such representations and warranties were made at and as of the Commencement Date.

(v) No representation, statement or warranty by Landlord contained in Section 13 of this Lease or in any exhibit attached hereto contains any materially untrue statement or omits a material fact necessary to make the statement of fact therein recited not misleading.

(vi) Tenant shall have substantially performed, observed, and complied with all covenants, agreements and conditions required by this Lease to be performed, observed and complied with on its part prior to or at the Commencement of the Lease Term.

(vii) All instruments and documents required on the part of Tenant to be delivered under this Agreement shall have been delivered to Tenant and shall be in form reasonably satisfactory to Landlord and its counsel.

(viii) All representations and warranties by Tenant set forth in this Lease shall be true and correct at and as of the Commencement Date in all respects as though such representations and warranties were made at and as of the Commencement Date.

(ix) No representation, statement or warranty by Tenant contained in this Lease or in any exhibit attached hereto contains any materially untrue statement or omits a material fact necessary to make the statement of fact therein recited not misleading.

# RENTAL.

## Lump Sum Rent Payment. Tenant agrees to pay to Landlord an annual rent payment (“Rent”) of $1.00 for each year of the ninety-nine year (99) year Lease Term. Rent shall be due on the Commencement Date and the subsequent anniversaries of that date.

# Additional Payments by Tenant; Real Estate Taxes

# A Landlord’s Net Return. This lease shall constitute an absolutely “net” lease. The fixed rent shall give Landlord an absolutely “net” return for the term, free of any expenses or charges for the Leased Premises, except as this Lease expressly provides and except such charges properly chargeable to Landlord as Landlord’s closing costs. Tenant shall pay as additional rent and discharge (subject to Tenant’s right of contest), before failure to pay creates a material risk of forfeiture or penalty, each and every item of expense, of every kind and nature whatsoever, related to or arising from the Leased Premises, or by reason of or in any manner connected with or arising from the leasing, operation, management, maintenance, repair, use, or occupancy of, or construction affecting, the Leased Premises (“Additional Rent”). Notwithstanding anything to the contrary in this Lease, Tenant need not pay, Tenant may offset against Rent any sums paid by Tenant on account of, and Landlord shall indemnify Tenant against payment of, the following items payable, accrued, or incurred by Landlord: (a) fee debt service; (b) depreciation, amortization, brokerage commissions, financing or refinancing costs, management fees, or leasing expenses for the fee estate; (c) consulting, overhead, accounting, tax preparation, other professional fees, travel, legal and staff costs, bank service charges, and other costs incidental to Landlord’s ownership of the Leased Premises and administration and monitoring of this Lease, including such costs Landlord incurs in reviewing anything Tenant delivers under this Lease (except where this lease expressly provides otherwise) or determining whether Tenant is in compliance with this Lease; (d) any costs or expenses that Landlord incurs in or for any arbitration, except to the extent that this Lease requires Tenant to pay such costs or expenses; (e) any costs arising from or under any instrument or agreement affecting the Leased Premises (but not a [permitted exception]) and to which Landlord is a party and Tenant is not a party; (f) any insurance premiums, utilities, operating expenses, or other costs related to the Leased Premises that accrued before the Commencement Date; (g) any sums payable by Landlord under this Lease or expressly excluded from the definition of Taxes; and (h) all other costs or expenses that, by their nature, are personal to Landlord or Landlord’s business of investing in real estate or ownership of the fee estate.

# B.Direct Payment By Landlord. If any Additional Rent must be paid directly by Landlord, then: (a) Landlord appoints Tenant as Landlord’s attorney-in-fact to make such payment; and (b) if the payee nevertheless refuses to accept payment from Tenant, then Tenant shall notify Landlord and shall pay such amount to Landlord in a timely manner with reasonable instructions on remittance of such payment. Landlord shall with reasonable promptness comply with Tenant’s reasonable instructions. Landlord shall indemnify Tenant against Landlord’s failure to do so.

# USE AND OCCUPANCY; CONSTRUCTION OF BUILDINGS.

## A. Tenant’s Use and Occupancy. Tenant shall have the right at all times to use the Leased Premises for the primary purpose of developing and providing housing and supportive services for low income persons in accordance with Section 42 of the Internal Revenue Code (“Intended Use”).

(i) Within thirty (30) days after the closing on Tenant’s tax credit equity and construction financing, Tenant, at Tenant’s sole cost, shall commence construction of the Project. Tenant shall also be responsible, at Tenant’s sole cost, for obtaining any necessary governmental or quasi-governmental permits, licenses, and approvals.

(ii) Tenant has contracted with Kramer-Marks, PC (dba Kramer+Marks Architects) (“Tenant’s Architect”) to serve as the design and construction administration architect for construction of the Buildings. The Tenant’s Architect has prepared plans and specifications for the Buildings (“Plans”). The final drawing list and the table of contents to the specifications are attached as Exhibit B.

(iii) Tenant shall use its best efforts to diligently seek and obtain all governmental and quasi-governmental approvals necessary in connection with the construction of the Buildings and the operation of the Tenant’s Intended Use upon the Leased Premises (collectively, the “Approvals”). Tenant’s Approvals shall include, without limitation, all building permits and licenses, the payment of all required utility and development fees, any permanent permits for, without limitation, excavation, grading or other site work for the Leased Premises, and other licenses and permits which may be required to construct the Buildings and certain additional improvements necessary for completion of the Leased Premises, including, but not limited to, all curbing, sidewalk, and landscaping improvements on and surrounding the Leased Premises and all other improvements on and surrounding the Leased Premises, including, but not limited to, the following: the installation of telephone lines as required by Tenant and the installation of all utilities conduits and connections as required by Tenant (collectively, “Tenant’s Work”), all as set forth in Tenant’s Plans. Landlord shall cooperate and assist Tenant, at no material cost to Landlord, with respect to Tenant obtaining Tenant’s Approvals. Tenant has entered into a general contract to complete the Buildings and Tenant’s Work with [Domus, Inc.] (“Tenant’s Contractor”). The construction contract is attached as Exhibit C. Tenant shall cause Tenant’s Contractor to commence, and with due diligence proceed to construct and complete, at Tenant's sole cost and expense, Tenant’s Work in accordance with Tenant’s Plans. Tenant’s Work shall be completed in accordance with the following provisions:

(a) Tenant's Contractor shall be required to carry builder's risk insurance, commercial general liability insurance, and any other reasonable insurance coverage required by Tenant’s funders in amounts and issued by companies reasonably acceptable to Tenant’s funders. All insurance policies shall name Landlord and its mortgagee, if any, as additional insured parties;

(b) Tenant has caused Tenant’s Contractor and subcontractors to provide 100% Performance and Payment Bonds issued by companies reasonably acceptable to Tenant’s funders, and Landlord is listed as an obligee on the bonds;

(c) Tenant shall cause Tenant's Contractor and subcontractors to perform Tenant's Work at the Leased Premises in a good and workmanlike manner, using only new materials, and complying with all applicable laws, codes, ordinances, and regulations; and

(d) Tenant hereby indemnifies and holds Landlord and Landlord's agents and contractors harmless from and against any and all loss, liability, and expense (including without limitation, attorney's fees and court costs) incurred by Landlord or its agents or contractors relating in any way to the performance of Tenant's Work, except to the extent caused by the gross negligence or intentional misconduct of Landlord and Landlord’s agents and contractors.

C. Naming of Project. Tenant reserves all naming rights to the Project, including the right to erect signs, for the term of this Lease.

D. Responsibility for Maintenance, Capital Items, Utilities During and After Construction. The cost of connecting all applicable utilities to the Leased Premises, including, but not limited to, light, heat, power, gas, sewer, water, cable TV, fiber optic cables, and Ethernet or wireless Internet access (“Systems”) shall be the responsibility of the Tenant. Tenant shall be responsible for repairing and maintaining the Systems.

# maintenance of IMPROVEMENTS.

## Tenant, and its permitted assignees, subtenants, licensees and franchisees (collectively, “Transferees”) shall at all times during the Lease Term, and at its own cost and expense, keep and maintain or cause to be kept and maintained in good repair and condition all improvements at any time erected or placed on the Leased Premises, including without limitation, the following: cleaning, sweeping, and other janitorial services; snow and ice removal; sanitation, including maintenance of refuse receptacles and trash disposal; maintenance of existing landscaping; maintenance signs and other markers; upkeep of lighting and other utilities; electricity and other utilities consumed in connection with the operation of the Leased Premises; the cost of personnel to implement all of the services indicated above; the cost of utilities, repair and maintenance of any building, directional, monument and pylon signs situated upon the Leased Premises; the cost of complying with any legal requirements applicable to the Leased Premises; repairs to plumbing and electrical systems located in and servicing the Leased Premises.

# INDEMNITY.

## Tenant shall defend, indemnify and save harmless the Landlord, its officers, directors, members, employees, volunteers, agents, and all of their respective successors and assigns (“Indemnified Parties”) against and from all liabilities, obligations, damages, penalties, claims, costs, charges and expenses, including reasonable attorneys’ fees, which may be imposed upon or incurred by or asserted against Landlord by reason of any of the following which shall occur during the term of this Lease, or during any period of time prior to the date hereof or after the expiration date hereof when Tenant may have been given access to or possession of all or any part of the Leased Premises: (1) any work or act done in, on or about the Leased Premises or any part thereof at the direction of Tenant, its agents, contractors, subcontractors, servants, employees, licensees or invitees; (2) any negligence or other wrongful act or omission on the part of Tenant or any of its agents, contractors, subcontractors, servants, employees, subtenants, licensees or invitees; (3) any accident, injury or damage to any person or property occurring in, on or about the Leased Premises or any part thereof caused by Tenant, its agents, contractors, subcontractors, servants, employees, licensees or invitees; and (4) any failure on the part of Tenant to perform or comply with any of the covenants of this Lease. Notwithstanding the above, Tenant shall not be responsible for indemnifying or holding harmless the Indemnified Parties for or against any liabilities, obligations, damages, penalties, claims, costs, charges and expenses, including reasonable attorneys’ fees, to the extent caused by the negligence or willful misconduct of the Landlord or its respective agents, contractors, subcontractors, servants, employees, licensees or invitees.

# INSURANCE.

## Tenant’s Insurance. At all times during the term hereof, Tenant shall maintain in full force and effect with respect to the Leased Premises and Tenant’s use thereof, comprehensive public liability insurance naming Landlord and the Indemnified Parties, and such other parties as Landlord may request as additional insureds, covering injury to persons in amounts at least equal to $2,000,000.00 per occurrence and $2,000,000.00 general aggregate. The insurance shall be carried by insurance companies authorized to transact business in Pennsylvania, selected by Tenant and with an AM Best rating of B+ or better. Each such policy shall provide that it shall not be cancelable without at least thirty (30) days prior written notice to Landlord and shall be issued by an insurer and in a form satisfactory to Landlord. Tenant shall lodge with Landlord certificates of such insurance, in a form acceptable to Landlord, together with evidence of paid‑up premiums, and shall lodge with Landlord renewals thereof at least fifteen (15) days prior to expiration. In addition to the foregoing, Tenant shall also be responsible, at Tenant’s own cost, to keep and maintain (i) insurance in respect of and covering Tenant’s own equipment and other personal property, all insured for the replacement cost thereof, against all risks and hazards, and (ii) workers’ compensation insurance with respect to and covering any employees of Tenant. In addition, Tenant shall maintain all insurance required under the terms of its amended and restated partnership agreement.

## Compliance with Insurance Requirements. Tenant agrees that it will not violate or permit to be violated any term or condition of any insurance policy or policies provided for in this Section 7 and shall comply with and satisfy all requirements of the insurers issuing such policy or policies.

## Waiver of Claims. Neither Landlord nor Tenant shall be liable to the other or to any insurance company (by way of subrogation or otherwise) insuring the other party for any loss or damage to any building, structure, or other tangible property, or any resulting loss of income, or losses under worker’s compensation laws and benefits, even though such loss or damage might have been occasioned by the negligence of such party, its agents or employees if, and to the extent, that any such loss or damage is covered by insurance (other than self-insurance) benefiting the party suffering such loss or damage or was required to be covered by insurance (other than self-insurance) pursuant to this Section 7. The provisions of this Section 7 shall prevail over any conflicting provision in the Lease, it being the intention of Landlord and Tenant that wherever applicable the waiver of subrogation contained in this Section 7 shall take precedence over any other provision providing for the liability of one party to the other.

# SURRENDER OF LEASED PREMISES; TITLE TO BUILDINGs.

Title to the Buildings shall be and remain in the name of Tenant until the expiration of the Lease Term, unless this Lease shall be terminated sooner as herein provided, and during the Lease Term, Tenant alone shall be entitled to, and responsible for, all of the attributes of ownership, including, without limitation, the tax attributes, the right to claim depreciation or cost recovery deductions and the right to claim the low-income housing tax credit described in Section 42 of the Internal Revenue Code of 1986, as amended, as well as all other benefits for federal income tax purposes. Upon the expiration of this Lease, title to the Buildings shall automatically vest in Landlord. Tenant and any parties occupying the Leased Premises shall quit and surrender the Leased Premises and the improvements left thereon to Landlord broom clean and in good condition and repair. Tenant shall also execute all legal instruments necessary to document the transfer of the Buildings. Tenant’s obligations under this Section shall survive the expiration or sooner termination of the term of this Lease.

# ASSIGNMENT

## Landlord’s Consent Required. Except as provided below, Tenant shall not assign this Lease without Landlord’s prior written consent. Landlord shall have no obligation to grant its consent to any assignment of this Lease. Except as otherwise provided herein, any attempted transfer, assignment, or hypothecation absent Landlord’s consent as required, shall be void and confer no rights upon any third party. Landlord shall be reimbursed for reasonable attorney’s fees incurred to analyze a proposed assignment. Landlord understands and acknowledges that it is anticipated that at the end of the fifteen (15) year LIHTC Compliance Period, the Tenant’s leasehold interest will either be sold or the Tenant’s Limited Partner will sell its interest in the Tenant. Notwithstanding the above, Landlord hereby consents to Tenant’s assignment of the Lease to Women’s Community Revitalization Project, a Pennsylvania nonprofit corporation, (“WCRP”) or to an affiliate of WCRP or to an entity in which WCRP or one of its affiliates has an ownership interest.

## Permitted Leasehold Mortgages. Notwithstanding the above, Tenant shall be permitted to assign Tenant's interest under this Lease as collateral security to a bank, savings and loan association or other institutional or governmental lender (a "Leasehold Mortgagee") for a loan or loans the proceeds of which shall be used for the construction, repair, replacement or rebuilding of the Project including refinancing, replacement and substitution for such loans (each of the foregoing, hereafter, a “Permitted Leasehold Mortgage”). With respect to a Permitted Leasehold Mortgage, the following provisions shall apply:

(i) When giving notice to Tenant with respect to any default under the provisions of this Lease, Landlord will also make a good faith effort to send a copy of such notice to each Leasehold Mortgagee, provided that such Leasehold Mortgagee shall have delivered to Landlord in writing a notice naming itself as the holder of such leasehold mortgage and registering the name and post office address to which all notices and other communications to it may be addressed. Landlord’s failure to provide notice to any Leasehold Mortgagee under the terms of this provision shall have no impact on the legitimacy of any notice of default provided to Tenant by Landlord.

(ii) The Leasehold Mortgagee and/or Tenant’s limited partner (“Limited Partner”) shall be permitted to cure any default by Tenant within the same period given to Tenant to effect such cure, whether the default consists of the failure to pay money or the failure to perform any other matter or thing which Tenant is required to perform.

(iii) Landlord agrees to accept payment or performance by the Leasehold Mortgagee and/or Limited Partner as though the same had been done by Tenant.

(iv) In the case of a default by Tenant other than in the payment of money, and provided that a Leasehold Mortgagee or Limited Partner has commenced to cure the default and is proceeding with due diligence to cure the default, Landlord will refrain from terminating the Lease for a reasonable period of time (not to exceed 180 days from the date of the notice of default) within which time Leasehold Mortgagee may either (a) obtain possession of the Leased Premises (including possession by receiver); (b) institute foreclosure proceedings and complete such foreclosure, or (c) otherwise acquire Tenant's interest under the Lease, or within which time Limited Partner may remove the general partner of the Tenant. The Leasehold Mortgagee shall not be required to continue such possession or continue such foreclosure proceedings if the default which was the subject of the notice shall have been cured.

(v) Any Leasehold Mortgagee may become the holder of Tenant's leasehold estate and succeed to Tenant's interest in the Lease by foreclosure of its Leasehold Mortgage or as a result of the assignment of this Lease in lieu of foreclosure. Any Leasehold Mortgagee so acquiring Tenant’s interest in the Lease shall do so subject to all of the representations and covenants made by Tenant under this Lease, including, without limitation, the provisions of Section 4 relating to the use and occupancy of the Leased Premises and the provisions of this Section 9 relating to assignment and subletting, and shall covenant that for the remainder of the Term, the Leased Premises shall be operated in accordance with the Intended Use by a financially stable entity with the same general track record, experience, and reputation of the Tenant (a “Permitted Substitute”). If the acquiring Leasehold Mortgagee is not itself a Permitted Substitute, it shall be permitted to engage a third party to serve as a Permitted Substitute for the remainder of the Term.

C. Refinancing. Landlord acknowledges that all or part of the original financing related to the Project may be modified or amended prior to the maturity of the same. Landlord also acknowledges that additional liens may be created in conjunction with such modifications and/or refinancings.

# ENVIRONMENTAL.

## Environmental Laws/Indemnity. Tenant agrees (i) to refrain from engaging in any activity which is in material violation of the Environmental Laws (as hereinafter defined) and/or which will involve the use, placement, handling, discharge, generation, production, storage, treatment, disposition, or transportation of any Hazardous Substances (as hereinafter defined), except to the extent that such use is incidental to the use, enjoyment, operation or maintenance of the Leased Premises for its Intended Use (“Permitted Use”), provided that such Permitted Use is in material compliance with Environmental Laws; (ii) to use reasonable efforts to ensure that its agents, partners, employees, contractors, invitees, servants, subtenants, officers, licensees, franchisees, successors, assigns, customers and any other occupants of the Leased Premises claiming by or through Tenant (“Tenant Parties”) do the same; (iii) to clean up at its own expense any environmental hazard or contamination to the extent caused by any violation of this Lease by Tenant or by the negligence, willful misconduct or act or acts of omission of Tenant or any of the Tenant Parties if required by Environmental Law; and (iv) to indemnify, hold harmless and (at the sole option of Landlord and at Tenant’s sole cost and expense) defend Landlord, its successors, assigns and their respective officers, partners, agents, employees, contractors, and mortgagees (the foregoing collectively referred to as the “Landlord Parties”), and Landlord’s tenants, invitees, servants, licensees, from and against any and all claims, damages, obligations, charges, demands, fines, judgments, penalties, liabilities, lawsuits, causes of action, proceedings, costs, losses, and expenses (including, without limitation, any and all sums paid for settlement of claims and reasonable attorneys’ and other professional fees) arising from any conduct, activity, act, omission, or operation involving the use, handling, generation, treatment, storage, disposal, or release of any Hazardous Substances in, from, or to the Leased Premises by Tenant or any of the Tenant Parties.

## Hazardous Substances/Environmental Laws. “Hazardous Substances” for purposes of this Section means and includes petroleum, petroleum by-products (including, but not limited to, crude oil, diesel oil, fuel oil, gasoline, lubrication oil, oil refuse, oil mixed with other waste, oil sludge, and all other liquid hydrocarbons, regardless of specific gravity), natural or synthetic gas products and/or any hazardous substances or material, waste, pollutant or contaminant, defined as such in (or for the purposes of) the Environmental Laws. “Environmental Laws” means the Comprehensive Environmental Response, Compensation and Liability Act, as amended, the Resource Conservation Recovery Act, as amended, the Clean Air Act, the Clean Water Act, any “Superfund” or “Superlien” law, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree (to the extent actually known by Tenant), regulating, relating to or imposing liability or standards of conduct concerning any Hazardous Substances as may now or at any time hereafter be in effect during the Term of this Lease.

## Notices and Documentation. Tenant will notify Landlord of any of the following actions affecting Landlord, Tenant or the Property that result from or in any way relate to Tenant's use of the Property immediately after receiving notice of the same: (i) any enforcement, clean-up, removal or other governmental or regulatory action instituted, completed or threatened under any Environmental Laws; (ii) any Claim made or threatened by any person relating to damage, contribution, liability, cost recovery, compensation, loss or injury resulting from or claimed to result from any Hazardous Substances; and (iii) any reports, records, letters of inquiry and responses, manifests or other documents made by any person, including Tenant, to or from any environmental agency relating to any Hazardous Substances, including any complaints, notices, warnings, or asserted violations. Tenant will also deliver to Landlord, as promptly as possible and in any event within five (5) business days after Tenant first receives or sends the same, copies of all claims, reports, complaints, notices, warnings, or violations relating in any way to the Leased Premises or Tenant's use of the Leased Premises. Tenant will not take any remedial action in response to the presence of any Hazardous Substances in, on, under or about the Leased Premises, nor enter into any settlement agreement, consent decree or other compromise with respect to any Claims relating to or in any way connected with Hazardous Substances in, on, under or about the Leased Premises, without first notifying Landlord of Tenant’s intention to do so and affording Landlord reasonable opportunity to investigate, appear, intervene and otherwise assert and protect Landlord’s interest in the Leased Premises.

## Survival of Obligations. Notwithstanding any provisions in this Lease to the contrary, the representations, warranties, indemnities, covenants and agreements of Landlord and Tenant in this Section 10 shall survive the expiration or sooner termination of this Lease, regardless of the means of such expiration or termination, and shall be binding on all of the indemnitors described in Section 10(A) hereof.

# DESTRUCTION AND DAMAGE.

## Destruction or Damage to Improvements. If the Leased Premises and the improvements thereon are destroyed or damaged in whole or in part at any time during the term of this Lease, then Tenant: (i) shall promptly give written notice of said destruction or damage to Landlord and restore the Leased Premises to a neat, attractive, and architecturally similar condition of comparable quality, with this Lease remaining in full force and effect; or (ii) if due to such damage or destruction, reconstruction of the Leased Premises is not economically viable or practicable, either because (a) the insurance proceeds made available are not sufficient to repair such loss or damage (provided that in all events Tenant shall have been in compliance with the insurance requirements set forth herein), or (b) such reconstruction cannot be carried out under applicable laws, including then current building or zoning laws, then Tenant, subject to the rights of any Permitted Mortgagee, may elect to terminate this Lease within ninety (90) days of Landlord receiving written notice of such damage from Tenant. In the event of any such termination, Landlord shall have the right to require Tenant, at Tenant’s sole cost and expense, to demolish and raze the remaining improvements on the Leased Premises and to restore the Leased Premises to a neat and attractive condition. Upon any termination of the Lease pursuant to this Section 11, Tenant is hereby deemed to have automatically assigned to Landlord the right to any insurance proceeds that may be available on account of any such damage or destruction to the Leased Premises subject to the rights of any lienholders and, to the extent any insurance proceeds cover the demolition and razing of the Building, subject to the right of Tenant to use the such proceeds to demolish and raze the remaining improvements as required above.

## No Abatement of Rent. (i) During the Lease Term, no destruction or damage in whole or in part to the improvements on the Leased Premises shall serve to abate the rent to be paid to Landlord by Tenant hereunder. If Tenant shall repair the Leased Premises under Section 11(A)(i) of this Lease, Tenant shall be entitled to receive all proceeds of Tenant’s insurance but Tenant must use all such insurance proceeds to repair and restore the Leased Premises to the condition required by this Lease and to repair or replace its personal property and reimburse it for any other losses sustained; provided, however, that Tenant shall not be obligated to expend any amounts in excess of the insurance proceeds actually received by Tenant for such restoration, repair, replacement or rebuilding purposes.

## (ii) Notwithstanding the prior sentence, in the event the Lease is terminated as permitted by Section 11(A)(ii) of this Lease then, to the extent such proceeds cover the demolition and razing of the Building, Tenant may use the proceeds to demolish and raze the remaining improvements as required in subsection A above. The balance of the proceeds of the insurance shall be allocable to the Building and Tenant’s permanent improvements, but not to Tenant’s personal property. These proceeds shall be shared between the Landlord and Tenant as follows: Landlord shall be entitled to a share of such proceeds determined by multiplying the proceeds by a fraction, the numerator of which is the number of years elapsed in the Term, and the denominator of which is ninety-nine (99), and Tenant shall be entitled to the remaining balance of such proceeds after applying that formula.

## Tenant’s Liability. If the Lease is terminated according to Section 11(A)(ii) above, except as otherwise provided herein to the contrary, Tenant shall not be released from any obligation hereunder for rent, taxes, insurance premiums, or other amounts accrued or payable prior to the date of termination. Further, Tenant shall not be released from the performance of any of Tenant’s covenants and obligations under this Lease during any period prior to the commencement date of such termination.

## Lienholders. Landlord and Tenant acknowledge that their respective rights to insurance proceeds as described in this Section 11 are subject to the rights, if any, of lienholders to those proceeds.

# CONDEMNATION.

A. Total Taking. If, by exercise of the right of eminent domain or by conveyance made in response to the threat of the exercise of such right (in either case a “Taking”), all of the Leased Premises are taken, or if so much of the Leased Premises are taken that the Leased Premises (even if the restorations described in Subsection (B) were to be made) cannot be used by Tenant for the purposes for which they were used immediately before the taking as reasonably determined by Tenant, this Lease will end on the earlier of the vesting of title to the Leased Premises in the condemning authority, or the taking of possession of the Leased Premises by the condemning authority (in either case, an “Ending Date”). Also, Landlord and Tenant will apportion the net condemnation award, after deducting Tenant and Landlord’s reasonable attorney fees, legal expenses and related costs, in proportion to their respective interests in the Leased Premises and the Building as of the Ending Date.

B. Partial Taking. If, after a Taking, so much of the Leased Premises remains that the Project can be used for substantially the same purposes for which they were used immediately before the taking as reasonably determined by Tenant, (i) this Lease will end on the Ending Date as to the part of the Leased Premises which is taken, (ii) prepaid rent will not be refunded but Tenant shall be entitled to participate in the condemnation award to recover an amount equal to but not greater than the proportionate value of its prepaid rent attributable to the part of the Leased Premises which is taken for the unfulfilled balance of the term, not factoring for the duration and value of any unexercised Option Periods, (iii) using the condemnation award, Tenant will restore so much of the Building as remains to a sound architectural unit substantially suitable for the purposes for which it was used immediately before the taking, (iv) upon the completion of restoration according to clause (iii), Landlord will pay Tenant the lesser of the portion of the net award made to Landlord attributed to the estimated costs to restore the Leased Premises (after deducting from the total award attorneys' and appraisers' fees and other costs incurred in connection with obtaining the award), or Tenant's actual out-of-pocket cost of restoring the Leased Premises, and (v) Landlord and Tenant will apportion the balance of the net award in proportion to their respective interests in the Leased Premises and the Building as of the Ending Date. Notwithstanding anything to the contrary in the foregoing, Tenant shall not be obligated to expend any amounts in excess of the condemnation award actually received by Tenant for such restoration, repair, replacement or rebuilding purposes.

C. Tenant's Award. In connection with any taking subject to Subsection (A) or (B), Tenant may prosecute its own claim by separate proceedings against the condemning authority for damages legally due to it.

# REPRESENTATIONS.

## Landlord’s Representations. Landlord represents and warrants to Tenant that Landlord has authority to execute, deliver, and perform this Lease, and to take all actions contemplated to be taken by Landlord hereby, including, but not limited to, delivery of possession of the Leased Premises to Tenant free and clear of all leases, subleases, and sub-tenancies in substantially the same condition as of the date of execution of this Lease. There is no pending proceeding to which Landlord is a party, or of which it has been given notice concerning any condemnation proceedings, which would materially and adversely affect the Leased Premises. To the best of Landlord’s knowledge, there are no actions, suits, investigations, or proceedings pending or threatened to be brought in any court or before any governmental agency which could have a materially adverse effect on the ability of Tenant to operate Tenant’s Intended Use on the Leased Premises or delay or prohibit possession of the Leased Premises by Tenant as contemplated by this Lease, nor are there any unsatisfied judgments or consent decrees which could have any such effect. To the best of Landlord’s knowledge, it is not in default or violation of any order, writ, injunction, or decree of any court, governmental department, agency, or instrumentality having jurisdiction over the Leased Premises, which relates to the Leased Premises.

## Tenant’s Representations. Tenant represents and warrants to Landlord that Tenant has authority to execute, deliver, and perform this Lease, and to take all actions contemplated to be taken by Tenant hereby, including, but not limited to, taking possession of the Leased Premises, constructing improvements on the Leased Premises, and conducting Tenant’s Intended Use on the Leased Premises (subject, however, to the need to obtain the necessary Approvals). There is no pending proceeding to which Tenant is a party, or of which it has been given notice which would materially or adversely affect Tenant’s obligations under this Lease. To the best of Tenant’s knowledge, there are no actions, suits, investigations, or proceedings pending or threatened to be brought in any court or before any governmental agency which could have a materially adverse effect on the ability of Tenant to conduct the Intended Use or delay or prohibit possession of the Leased Premises by Tenant, nor are there any unsatisfied judgments or consent decrees which could have any such effect. Tenant is not in default or violation of any order, writ, injunction or decree of any court, governmental department, agency or instrumentality having jurisdiction over Tenant or its property which could have an adverse effect on Tenant’s ability to perform its obligations under this Lease.

# Real Estate Taxes.

Beginning on the Commencement Date and continuing throughout the Lease Term, Tenant shall pay or cause to be paid to Landlord, as additional rent, within thirty (30) days of receipt from Landlord of a written invoice therefor, all real estate taxes, assessments, water and sewer rents, impact or developmental fees, rental taxes, and other governmental charges of any kind and nature whatsoever which at any time during the term of this Lease may be assessed, levied, confirmed, imposed upon, or become due and payable out of or in respect of or become a lien on the Leased Premises and any and all improvements thereon or any appurtenances thereto (collectively, the “Taxes”). All taxes for the years in which the term of the Lease begins and ends shall be prorated, if applicable, between the parties on a calendar year basis, so that Tenant shall pay only those Taxes which correspond with the portion of the taxing periods as are within the term of this Lease. In the event the Taxes are not identified or apportioned by the taxing authority at least thirty (30) days before such Taxes are due, provided that Landlord has given Tenant notice in writing setting forth the tax bill and the calculations of the amount of such Taxes due, and provided that Tenant shall pay any late fees owing on such Taxes only if Landlord has given at least thirty (30) days’ prior written notice of the due date of such Taxes, Tenant shall pay to Landlord such sums as Landlord, in its reasonable discretion, shall determine to be necessary to pay the Taxes for which Tenant may be liable under this Lease. Any invoice submitted by Landlord to Tenant requesting the payment of Taxes shall be accompanied by a calculation of Tenant’s share of such taxes. Landlord shall pay all Taxes for that portion of the then current taxing period which are prior to the Commencement Date and subsequent to the expiration date of the term of this Lease. If Tenant shall at any time fail to pay any Taxes in accordance with the provisions of this Section, then Landlord may, but shall not be obligated to pay, upon written notice to Tenant, all or any such Taxes, together with all interest, penalties, fines or costs added thereto by the taxing authority, for the account and at the expense of Tenant without releasing Tenant from any obligation contained in this Lease or from any default by Tenant and without waiving Landlord’s right to take such action as may be permissible under this Lease as a result of such default. Notwithstanding the foregoing, “Taxes” shall be deemed to exclude (i) any local, state or federal capital levy, franchise tax, revenue tax, income tax or profits tax of Landlord, or (ii) any estate, inheritance, succession or transfer tax which may be imposed upon or with respect to any transfer of the Landlord’s interest in the Leased Premises; provided, however, that if the method of real estate taxation prevailing as of the date hereof shall be altered so as to cause the taxes imposed on real estate and the buildings, structures and other improvements thereon to be imposed as a gross receipts, gross income, or capital levy on the rentals received therefrom, then Tenant shall pay the same to the Landlord to the same extent as Tenant is responsible for such taxes hereunder. The provisions of this Section shall survive the expiration or sooner termination of the term of this Lease.

# SUBORDINATION.

Landlord and Tenant agree that this Lease shall not be made subject and subordinate to any existing or future covenants, restrictions, easements, and encumbrances affecting the fee title of the Leased Premises, or any mortgages in any amounts and all advances thereon which are placed against or affect any of the Leased Premises. The term “mortgages,” as used herein, shall be deemed to include mortgage deeds, deeds of trust, and other usual forms of security instruments.

# ESTOPPEL.

At any time either party, upon request of the other party, shall execute, acknowledge and deliver any instrument stating, if the same be true, that this Lease is a true and exact copy of the Lease between the parties hereto, that there are no amendments hereof (or stating what amendments there may be), that the same is then in full force and effect and that to the best of its knowledge, there are no offsets, defenses, or counterclaims with respect to the payment of rent reserved hereunder or in the performance of the other terms, covenants, and conditions hereof on the part of Landlord or Tenant, as the case may be, to be performed, and that as of such date no default has been declared hereunder by either party, if that be the case. Such instrument will be executed by the other party and delivered to the requesting party within fifteen (15) days after receipt of request therefore, or else the same statements made in the estoppel request shall be deemed to be correct, unless the non-requesting party has sent written notice, within such fifteen (15) day period, stating its objections to any provision of said estoppel certificate, whereupon the parties shall diligently seek to resolve any such objection.

# POSSESSION AND QUIET ENJOYMENT.

Provided that there is no default under this Lease beyond any applicable notice and cure periods, Landlord warrants that Tenant shall at all times during the Lease Term have peaceable and quiet enjoyment and possession of the Leased Premises without hindrance from Landlord or any person whomsoever, subject, nevertheless, to any mortgages, agreements, easements, conditions, restrictions, covenants, and encumbrances to which this Lease is or may be subordinated, provided that the same be in compliance with any applicable requirements hereof.

Access and Inspection*.* Notwithstanding anything to the contrary in this Lease, Landlord and its agents, representatives, and designees may enter the Premises upon reasonable Notice during regular business hours, solely to: (a) ascertain whether Tenant is complying with this Lease; (b) cure Tenant’s Defaults; (c) inspect the Premises and any Construction; or (d) show the Premises to a prospective Transferee or fee mortgagee. In entering the Premises, Landlord and its designees shall not unreasonably interfere with operations on the Premises and shall comply with Tenant’s reasonable instructions. Landlord shall indemnify Tenant against any claims arising from Landlord’s entry upon the Premises (except upon termination of this Lease or an Event of Default).

# DEFAULTS.

## Events of Default/Remedies. The following shall constitute an Event of Default hereunder:

### if by June 30, 2015 Tenant fails to close on the equity and construction funding necessary to develop the Project;

### if Tenant or any of its permitted Transferees shall fail to make payment of any sum payable under this Lease if such default is not cured within thirty (30) days after such payment is due;

### if Tenant shall be adjudged bankrupt or insolvent, file any debtor proceedings, or take or have taken against Tenant, in any court pursuant to any statute now or hereafter enacted, a petition in bankruptcy or insolvency or for an arrangement or for reorganization, composition, or any other arrangement with Tenant’s creditors, and the same is not dismissed within ninety (90) days, or if this Lease or the estate of Tenant herein shall pass to or devolve upon, by operation of law or otherwise, anyone other than Tenant (other than as herein provided) and the same does not revert to Tenant within ninety (90) days; or for the appointment of a receiver or trustee of all or a portion of Tenant’s property;

### if Tenant makes an assignment for the benefit of creditors, or petitions for or enters into a similar arrangement (other than any arrangement or assignment permitted under this Lease) and the same is not dismissed within ninety (90) days;

### if Tenant shall suffer this Lease to be taken under any writ of execution;

### if Tenant shall fail to pay an obligation required under any mortgage within the time provided in such an instrument plus any period of grace to make such payment or cure a failure to make such a payment, or otherwise commit an act of default under any mortgage affecting the Leased Premises;

### if Tenant shall assign this Lease or sublet, other than to income eligible low-income households, or otherwise encumber the Leased Premises without first obtaining Landlord’s consent except as permitted in this Lease;

### if the provisions of Section 4 hereof shall not be fully and completely complied with and such failure continues without the curing of the same for a period of thirty (30) days after written notice shall have been given to Tenant by Landlord specifying the nature of such failure; provided, however, that if such curing is commenced within such thirty (30) day period but cannot, with due diligence, be completed within such period, the same will not become a default under this Lease so long as Tenant shall at all times diligently, continually, and in good faith prosecute such curing to effect the same as soon as reasonably possible under all prevailing circumstances but in any event completes such cure within ninety (90) days after the aforementioned written notice;

### if Tenant, any of its permitted Transferees, shall fail to perform any of the other covenants, conditions and agreements contained in this Lease that are required to be kept or performed by Tenant and such failure continues without the curing of the same for a period of thirty (30) days after written notice shall have been given to Tenant by Landlord specifying the nature of such failure; provided, however, that if such curing is commenced within such thirty (30) day period but cannot, with due diligence, be completed within such period, the same will not become a default under this Lease so long as Tenant shall at all times diligently, continually, and in good faith prosecute such curing to effect the same as soon as reasonably possible under all prevailing circumstances but in any event completes such cure within ninety (90) days after the aforementioned written notice;

### if Tenant fails to diligently and continuously prosecute the construction of the improvements to completion by December 31, 2017;

### if Tenant abandons or ceases to operate in the Leased Premises during the term of this Lease (other than temporary closures following a casualty or to effect any improvements or alterations in and to the Leased Premises) for a period of more than 180 days, subject to Excusable Delays; or

### if a mechanic’s, vendor’s, laborer’s, or material supplier’s statutory lien or other similar lien arising from work, labor, services, equipment, or materials supplied, or claimed to have been supplied, to Tenant (or anyone claiming through Tenant) attaches (or may attach upon termination of this Lease) to the fee estate and Tenant fails to remove the lien or bond it over within sixty (60) days.

### Upon the occurrence of a Default, Landlord shall have the immediate right and option (but not the obligation) to re-enter the Leased Premises, either by summary proceedings, force, or otherwise, and to dispossess Tenant and all other occupants therefrom and remove and dispose of all property therein, all without service of any notice of intention to re-enter and with or without resort to legal process (which Tenant hereby expressly waives) and without Landlord being deemed guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby. Further, Landlord shall have the right, at its option, in addition to and not in limitation of any other right or remedy, to terminate this Lease by giving Tenant notice of cancellation, and upon delivery of such notice, this Lease and the term hereof shall end and terminate as fully and completely and thereupon, unless Landlord shall have theretofore elected to re-enter the Leased Premises, Landlord shall have the immediate right of re-entry, in the manner aforesaid, and Tenant and all other occupants shall quit and surrender the Leased Premises to Landlord, but Tenant shall remain liable as provided herein.

Notwithstanding any provision of this Lease to the contrary, Landlord shall take no action with respect to a particular Default if (i) Landlord or any of its affiliates is the general partner of Tenant or (ii) Landlord or any of its affiliates owns a controlling interest in the general partner, managing member or controlling shareholder of Tenant.

"Excusable Delays"mean means those delays which are beyond the reasonable control and without misconduct or negligence of Tenant. These delays shall include without limitation: (a) acts of God or the public enemy, (b) acts or failure to act, or delays in action, of Landlord, or a governmental entity in either its sovereign or contractual capacity, (c) fires, (d) floods, (e) strikes or labor disputes, (f) freight embargoes, (g) unavailability of materials, (h) unusually severe weather, (i) delays of subcontractors or suppliers at any tier arising from unforeseeable causes beyond the control and without fault or negligence of both the Tenant and the subcontractors or suppliers, or (j) delay caused by litigation that is not between Landlord and the Tenant in connection with the Project.

## No Election to Terminate. No such re-entry or taking possession or reletting of the Leased Premises by Landlord shall be construed as an election on its part to terminate this Lease unless a written notice of such intention be given to Tenant or unless the termination thereof shall result as a matter of law or be decreed by a court of competent jurisdiction. Notwithstanding any such re-entry, taking possession or re-letting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach.

## Injunctive Relief. In the event of any breach or threatened breach by Landlord or Tenant of any of the terms and provisions of this Lease, Landlord or Tenant shall have the right to injunctive relief as if no other remedies were provided herein for such breach.

## Venue. Tenant agrees that the venue and/or jurisdiction for any legal actions brought by Landlord pursuant to this Section 18 shall be in the City and County of Philadelphia.

## Notice to Funders. Notwithstanding anything to the contrary herein, Landlord may terminate this Lease only if, following notice to Tenant and the expiration of the period of time given Tenant to cure such default, Landlord notifies the Limited Partner and every affected Leasehold Mortgagee of Landlord's intent to so terminate at least sixty (60) calendar days in advance of the proposed effective date of such termination.

### Funder Actions Staying Termination.

#### If during the sixty (60) calendar day notice period, any Leasehold Mortgagee takes the Termination Preventative Actions (as defined below), then Landlord shall give the Leasehold Mortgagee an additional sixty (60) calendar days to either: (y) cure the Event of Default or (z) take steps to acquire or sell Tenant’s interest in this Lease by foreclosure of its Leasehold Mortgage or other appropriate means.

#### If during the sixty (60) calendar day notice period, the Limited Partner takes the Termination Preventative Actions, then Landlord shall give the Limited Partner an additional sixty (60) calendar days to remove or replace the general partner under the Tenant’s operating documents.

### For the purposes of this section, the term Termination Preventative Actions means the following actions, if taken by the Limited Partner or a Leasehold Mortgagee:

#### Notifying Landlord of such Limited Partner’s or Leasehold Mortgagee's desire to take the Termination Preventative Actions;

#### Paying of any Additional Rent and other payments then due and in arrears as specified in the notice of default and payments which become due during such thirty (30) day period, and

#### Commencing to comply with any non‑monetary requirements of this Lease then in default.

### Extension of Cure Period

#### If any Leasehold Mortgagee elects pursuant to Section 18.E(ii), Landlord shall refrain from terminating this Lease for so long as such Leasehold Mortgagee proceeds to complete steps to acquire or sell Tenant's interest in this Lease related to the subject portion(s) of the Leased Premises, by foreclosure of its Leasehold Mortgage or by other appropriate means with reasonable efforts.

#### If the Limited Partner elects pursuant to Section 18.E(ii), Landlord shall refrain from terminating this Lease for so long as the Limited Partner proceeds to complete steps to replace the general partner of Tenant.

#### If Leasehold Mortgagee completes a foreclosure of this Lease, Limited Partner effects the removal of general partner, or otherwise diligently exercise their rights and remedies hereunder, then Landlord shall waive any default and/or Event of Default that cannot reasonably be cured by Leasehold Mortgagee and/or Limited Partner.

### Nothing in this Section 18(E), however, shall be construed to extend this Lease beyond the Term.

# NOTICES.

# It is mutually agreed that any and all notices herein provided for must be given in writing and shall be given in person, deposited with federal express or other reputable overnight service, return receipt requested, or deposited in the United States mails, postage prepaid for certified mail, return receipt requested, at the address of such party shown above in this Lease; provided, however, that either party may specify any other post office address in the United States by giving at least ten (10) days’ written notice thereof to the other party. All notices provided hereunder shall be deemed given upon the date of actual receipt or first rejection. Copies of notices and invoices shall be sent in the same manner to the respective parties at the address set forth in the introductory paragraph hereof. Notwithstanding anything to the contrary contained herein, Landlord shall accept any cure of a default herein offered by Tenant’s Limited Partner as if given by Tenant, as long as such offered cure does, in fact, cure the default.

# REMEDIES CUMULATIVE.

# All of the remedies herein given to Landlord and all rights and remedies given to Landlord by law and equity shall be cumulative and concurrent. No termination of this Lease or the taking or recovering possession of the Leased Premises shall deprive Landlord of any of its remedies or actions against the Tenant for any amounts due at the time or which, under the terms hereof would in the future become due as if there had been no termination, nor shall the bringing of any action for monies owed or breach of covenant, or the resort to any other remedy herein provided for the recovery of monies owed be construed as a waiver of the right to obtain possession of the premises.

# EXHIBITS.

Any exhibits attached to this instrument shall be considered as a part of this Lease and incorporated herein as if originally written herein. Any reference to an exhibit with a number or letter designation shall refer to the exhibit so numbered or lettered as attached.

# SURVIVAL.

Notwithstanding any provision in this Lease to be the contrary, the expiration or sooner termination of the term of this Lease shall not relieve Landlord or Tenant from any of their respective obligations accruing prior to the expiration or sooner termination of the term of this Lease or from any indemnities contained in this Lease, all of which obligations and indemnities shall survive any such expiration or termination.

# ENTIRETY OF AGREEMENT; BINDING EFFECT; AMENDMENTS.

This Lease, together with the exhibits hereto and any documents specifically referred to herein, constitutes the entire understanding between Landlord and Tenant with respect to the subject matter hereof and merges and supersedes all prior negotiations and understanding, and there are no other representations, promises, agreements or understanding, oral or otherwise, between the parties pertaining to the Leased Premises which are not set forth herein. Except as may be otherwise provided in this Lease, this Lease and all of the covenants hereof including, without limitation, any options herein contained, shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Lease shall not be modified, altered, changed or amended except by a writing executed by the parties hereto. If the interests of both Landlord and Tenant should ever be held by the same person or entity, those interests shall not merge, and this Lease shall survive, unless extinguished by a writing executed by the holder of both interests.

# WAIVER.

Any of the terms or conditions of this Lease may be waived at any time, but only by a writing duly executed by both parties. Except as otherwise specifically provided in this Lease, no failure or delay on the part of either party in exercising any of their respective rights hereunder, upon any failure by the other party to perform or observe any condition, covenant or provision herein contained, shall operate as a waiver thereof, nor shall any single or partial exercise of any of such rights preclude any other or further exercise or the exercise of any other right hereunder.

# SEVERABILITY.

This Lease is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Lease or the application thereof to any person, entity, or circumstance, shall, for any reason and to any extent, be held to be invalid or unenforceable, the remainder of this Lease and the application of such provision to the other person or circumstance shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

# COUNTERPARTS.

This Lease may be executed in any number of counterparts, which together shall constitute the agreement of the parties hereto.

# ATTORNEYS’ FEES.

In connection with any litigation arising out of this Lease, the prevailing party shall be entitled to receive from the non-prevailing party its reasonable attorneys’ fees and costs, on appeal or otherwise.

# CAPTIONS.

The captions in this Lease are used for convenience only, and they in no way define, limit or prescribe the scope or intent of this Lease or any provisions thereof.

# LAWS.

Both parties agree that this Lease and all terms hereof and all matters relating to this Lease shall be controlled by the laws of the Commonwealth of Pennsylvania.

# NET LEASE.

This Lease is a triple net lease and all rent, additional rent and other sums payable under this Lease by Tenant shall be absolutely net to Landlord, Tenant hereby acknowledging and agreeing that Landlord shall have no obligation or responsibility whatsoever under this Lease for the payment of any sums or the making of any replacements, repairs, improvements, maintenance or modifications on or to the Leased Premises or any part thereof, except as expressly provided herein to the contrary.

# FORCE MAJEURE.

In the event Landlord or Tenant is prevented or delayed in the performance of any obligation required under this Lease due to delays caused by fire, catastrophe, strikes or labor trouble, civil commotion, acts of God, governmental prohibitions or regulation, inability or difficulty to obtain materials or other causes beyond the performing party’s reasonable control, the performing party shall, within ten (10) days of the event causing such delay, provide written notice to the other party of the event causing the delay and the anticipated period of delay, and the period of such delay shall be added to the time for performance thereof, but in no event shall the period be extended by more than thirty (30) days. The performing party shall have no liability by reason of such permitted delays. In the event the performing party fails to provide notice to the other party of the force majeure delay within such ten (10) day period, the performing party shall not be excused from the timely performance of such obligation regardless of the cause. The provisions of this Section shall not apply to or in any manner extend or defer the time for any obligations to make payment of monies required of either party hereunder.

32. **OPTION TO PURCHASE.**

Upon the completion of the Term, Tenant may purchase the Leased Premises from Landlord for One Hundred Dollars ($100) (“**Purchase Option**”). Tenant may exercise the Purchase Option by providing Landlord with written notice not more than one (1) year and not less than six (6) months before the end of the Term. If Tenant properly exercises the Purchase Option, then Landlord will convey the Leased Premises to Tenant by special warranty deed. Closing on the conveyance will occur on the date the term of this Lease ends or as soon after said date as is commercially reasonable. Tenant will pay all costs associated with the conveyance, including any deed, transfer or similar tax.

# LIMITED PARTNER’S REQUIRED PROVISIONS.

Notwithstanding anything in this Lease to the contrary:

(a) The Landlord acknowledges that the Tenant’s financing of the Premises includes its receipt of an allocation of federal low income housing tax credits under Section 42 of the Internal Revenue Code and that almost all of those tax credits will be allocated to Tenant’s Limited Partner under the terms of an amended and restated partnership agreement of the Tenant to be entered into in exchange for the Limited Partner’s capital contributions to the Tenant.

(b) Landlord shall, upon serving Tenant with any notice (including but not limited to of the occurrence of default by Tenant), serve a copy of such notice upon the Tenant’s Limited Partner.

Limited Partner’s initial address for notices is:

c/o RBC Tax Credit Equity, LLC

600 Superior Avenue

Suite 2300

Cleveland, Ohio 44114

Attention: President and General Counsel

(c) No voluntary termination of this Lease by Tenant nor any modification or amendment of this Lease shall be effective unless consented to in writing by the Tenant’s Limited Partner.

(d) The Landlord’s consent shall not be required for the transfer of any Limited Partner’s interest in the Tenant, or the admission of any new limited partner into the Tenant.

(e) The Landlord acknowledges that the Limited Partner will have a right under the Tenant’s amended and restated partnership agreement to remove the general partner of Tenant and to designate a substitute general partner of the Tenant in accordance with the terms of such amended and restated partnership agreement. No consent by the Landlord shall be required to substitute the general partner in the exercise of such rights of the Limited Partner.

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IN WITNESS WHEREOF, Landlord and Tenant have hereunto subscribed, their names to this instrument on the day and year first above written.

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| --- | --- |
| WITNESS:  By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | LANDLORD:  COMMUNITY JUSTICE LAND TRUST  By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_ |
| ATTEST:  By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | TENANT:  GRACE TOWNHOMES LIMITED PARTNERSHIP  By: Grace GP, its general partner  By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Its: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

EXHIBIT B

TABLE OF CONTENTS FOR SPECIFICATIONS AND DRAWING LIST

EXHIBIT C

CONSTRUCTION CONTRACT