

GROUND LEASE AGREEMENT

between

TOWNSHIP OF LOWER MERION, Landlord

and

ARDMORE HOUSE II LP, Tenant

dated as of

[MONTH] [DAY], 2025

GROUND LEASE AGREEMENT

This GROUND LEASE AGREEMENT (the “**Lease**”) dated as of the [DAY] day of [MONTH], 2025 (the “**Effective Date**”), is entered into between TOWNSHIP OF LOWER MERION, a Pennsylvania first class township (“**Landlord**”) and ARDMORE HOUSE II LP, a Pennsylvania limited partnership (“**Tenant**” and together with Landlord collectively referred to herein as the “**Parties**”).

WITNESSETH:

A. Landlord is the fee simple owner of certain land located in the Township of Lower Merion, Montgomery County, Pennsylvania, being identified as Parcel Identification Number 40-00-01356-00-8 and commonly known as 55 Ardmore Avenue, Ardmore, PA 19003 and more particularly described in Exhibit A attached hereto and made a part hereof (the “**Land**”);

B. Tenant intends to develop forty-eight (48) affordable rental housing units for seniors aged 62 and above;

C. Landlord and HumanGood East, a Pennsylvania nonprofit corporation, not on its own account but solely as agent for a yet-to-be-formed special purpose entity, entered into that certain Option Agreement dated December 22, 2023 with respect to the Premises (as subsequently defined) (as may be amended, modified or assigned, the “**Option**”); and

D. Tenant desires to exercise its right under the Option and Lessor and Tenant desire to enter into this Lease in order to reflect the foregoing.

NOW, THEREFORE, for and in consideration of the foregoing recitals, which are hereby ratified and incorporated herein, the covenants, representations, warranties and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I DEFINITIONS

Section 1.01 **Definitions.** The following terms, as used in this Lease, shall have the meanings set forth below:

“Additional Rent” shall mean all amounts payable by Tenant under this Lease, other than Base Rent, and whether or not expressly designated as Additional Rent in this Lease.

“Affiliate” shall mean a Person that shall Control, be under the Control of, or be under common Control with the Person in question.

“Alteration” or **“Alterations”** shall have the meaning set forth in Section 9.02 hereof.

“Approvals” shall mean all approvals of Governmental Authorities required for the construction of the Facility and for any Alteration, as applicable.

“Arbitration” shall mean in such cases where this Lease expressly provides for the settlement of a dispute or question through arbitration, and only in such cases, each party shall promptly appoint a Qualified Professional as an arbitrator on its behalf and shall give notice thereof to the other party. Landlord shall also provide a copy of such notice to any Leasehold Mortgagee who is then entitled to receive copies of any notice of default at the same time and in the same manner as notice is provided to Tenant. The two (2) Qualified Professionals shall together appoint a third Qualified Professional thirty (30) days after the appointment of Landlord’s and Tenant’s Qualified Professionals, and said three (3) Qualified Professionals shall, within the applicable time period specified in this Lease, or if no time period is specified, as promptly as possible, determine the matter which is the subject of the arbitration and the decision of the majority of them shall be a conclusive, final, non-appealable decision binding on all parties and judgment upon the award may be entered in any court having jurisdiction. The arbitration shall be conducted in the offices of the American Arbitration Association for the region covering Lower Merion Township, County of Montgomery, Commonwealth of Pennsylvania and, to the extent applicable and consistent with this Lease, shall be in accordance with the Commercial Arbitration Rules of the American Arbitration Association or any successor body of similar function. The expenses of Arbitration shall be shared equally by Landlord and Tenant but each party shall be responsible for the fees and disbursements of its own attorneys and the expenses of its own proof. Landlord and Tenant shall sign all documents and do all other things necessary to submit any such matter to arbitration and further shall, and hereby do, waive any and all rights they or either of them may at any time have to revoke their agreement hereunder to submit to arbitration and to abide by the decision rendered thereunder. The arbitrators shall have no power to vary or modify any of the provisions of this Lease and their jurisdiction is limited accordingly. The parties hereby acknowledge and agree that any Leasehold Mortgagee may participate in any Arbitration for or with Tenant.

“Assignment” shall mean the sale, exchange, assignment, or other disposition of all

Tenant's interest in this Lease and the leasehold estate created thereby, whether by operation of Law or otherwise.

"Base Rent" shall have the meaning set forth in Section 3.01 hereof.

"Broker" shall have the meaning set forth in Section 23.01 hereof.

"Business Day" shall mean any day that is not a Saturday, Sunday, or a day observed as a holiday by either the Commonwealth or the Federal government.

"Certificate of Occupancy" shall mean a certificate issued by the appropriate Governmental Authority permitting the occupancy of the Facility. For purposes hereof, a temporary Certificate of Occupancy shall be deemed to be a Certificate of Occupancy but shall be replaced with a permanent Certificate of Occupancy before the expiration of such temporary Certificate of Occupancy.

"CGL" shall have the meaning set forth in Section 10.04 hereof.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision or provisions of succeeding law.

"Commencement Date" shall mean [DATE], 2025.

"Commonwealth" shall mean the Commonwealth of Pennsylvania.

"Condemnation" shall mean the taking or appropriation of all or any part of the Premises, or any interest therein or right accruing thereto including any right of access, by or on behalf of any Governmental Authority or by any entity granted the authority to take property in the exercise of the power or right of eminent domain granted by statute, or any agreement that conveys to the condemning authority all or any part of the Premises as the result of, in lieu of, or in anticipation of, the exercise of a right of condemnation or eminent domain. Such term shall also be deemed to include, to the extent not otherwise defined herein, a temporary taking of the Premises or any part thereof or the Improvements thereon for a period of one (1) year(s) or more, and the taking of the leasehold interest created herein.

"Consumer Price Index" shall mean the Consumer Price Index for all Urban Consumers (All Items U.S. City Average 1982-84 equals 100), published by the Bureau of Labor Statistics, United States Department of Labor, or any successor or substitute index, appropriately adjusted; provided that if there shall be no successor or substitute index and Landlord and Tenant fail to agree on a substitute index within thirty (30) days, or if Landlord and Tenant fail to agree upon the appropriate adjustment of such successor or substitute index within thirty (30) days, a substitute index or the appropriate adjustment of such successor or substitute index, as the case may be, shall be determined by Arbitration.

"Control" shall mean the ownership of more than ten percent (10%) of the outstanding voting ownership interests of the Person in question or the power to direct the management of

the Person in question.

“Crossover Easement” shall mean that certain Amended and Restated Crossover Easement Agreement by and between Landlord, Tenant and Ardmore Housing for the Elderly, Inc., a Pennsylvania nonprofit corporation, dated as of the Effective Date.

“Date of Taking” shall mean the earlier of the date, pursuant to the provisions of applicable Commonwealth or Federal Law, on which: (a) actual possession of all or part of the Premises, as the case may be, is acquired by the appropriate Governmental Authority; or (b) title to all or part of the Premises, as the case may be, is vested in the appropriate Governmental Authority.

“Depository” shall mean the Leasehold Mortgagee holding the Leasehold Mortgage having the highest priority. If there is no Leasehold Mortgagee, or if Leasehold Mortgagee declines to act as Depository, then the Depository shall mean a savings bank, savings and loan association, commercial bank, or trust company designated by Tenant and approved by Landlord, which approval shall not be unreasonably withheld, conditioned, or delayed to serve as Depository pursuant to an agreement reasonably acceptable to Landlord and Tenant. If Tenant shall fail to designate a Depository within fourteen (14) Business Days after the request of Landlord, Landlord shall have the right to designate such Depository.

“Due Date” shall mean with respect to: (a) Base Rent and Additional Rent, the date on which such Base Rent or Additional Rent payment is due as provided in this Lease; and (b) any Imposition, the last date on which such Imposition can be paid without any fine, penalty, interest, or cost being added thereto or imposed by Law for the nonpayment thereof.

“Effective Date” shall have the meaning set forth in the first paragraph of this Lease.

“Embargoed Person” shall have the meaning set forth in Section 30.02(a)

“Environmental Laws” shall mean all Laws: (a) relating to the environment, human health, or natural resources; (b) regulating, controlling, or imposing liability or standards of conduct concerning any Hazardous Materials; (c) relating to Remedial Action; and (d) requiring notification or disclosure of releases of Hazardous Materials or of the existence of any environmental conditions on or at the Premises, as any of the foregoing may be amended, supplemented, or supplanted from time to time.

“Environmental Liabilities” shall mean any loss, cost, expense, claim, demand, liability, obligation, action, or other responsibility of whatever kind, based upon or required under Environmental Laws or otherwise relating to: (a) any environmental, health, or safety matter or condition (including, but not limited to, on-site or off-site pollution or contamination, the welfare, safety, and health of people at the Premises or elsewhere, and the regulation of chemical substances or products); (b) fines, penalties, judgments, awards, settlements, legal or administrative proceedings, damages, losses, claims, demands, responses, and remedial, investigative, or inspection costs and expenses arising under or caused by application of Environmental Laws (including, but not limited to, fees for attorneys, engineers, and other

professionals); (c) financial responsibility under Environmental Laws for Remedial Action or for any damages to natural resources; or (d) any other Remedial Actions required under Environmental Laws.

“Event of Default” shall have the meaning set forth in Section 14.01 hereof.

“Executive Order” shall have the meaning set forth in Section 30.02(a).

“Expiration Date” shall mean the later of (a) the last day of the month three (3) years from the date of termination of the Compliance Period as defined in that certain Indenture of Restrictive Covenants for Low-Income Housing Tax Credits by and between Tenant and Pennsylvania Housing Finance Agency, an agency of the Commonwealth of Pennsylvania, made on or about the date hereof and recorded _____, 2025 in _____ Book _____, Page _____ in the records of the Recorder of Deeds of Montgomery County, Pennsylvania and (b) forty-five (45) years from the Commencement Date, as same may be extended pursuant to Article XXIX hereof, or such earlier date on which the Term shall sooner end pursuant to any of the terms, covenants, or conditions of this Lease or pursuant to Law.

“Facility” shall mean the building to be constructed on the Land by Tenant pursuant to this Lease, which is a rental housing development, together with all fixtures now or in the future installed or erected upon the Land or Improvements.

“Fee Mortgage” shall mean any financing obtained by Landlord, as evidenced by any mortgage, deed of trust, assignment of leases and rents, or other instruments, and secured by the fee ownership interest of Landlord in the Property, including any extensions, modifications, amendments, replacements, supplements, renewals, refinancings, and consolidations thereof.

“Fee Mortgagee” shall mean the holder of a Fee Mortgage.

“Force Majeure Event” shall mean any of the following events: (a) acts of God; (b) hurricanes, floods, fires, earthquakes, explosions, or other natural disasters; (c) war, invasions, hostilities (whether war is declared or not), terrorist threats or acts, riots or other civil unrest; (d) governmental authority, proclamations, orders, laws, actions, or requests; (e) embargoes or blockades in effect on or after the date of this Agreement; (f) epidemics, pandemics, or other national or regional public health emergencies; (g) strikes, labor stoppages or slowdowns, or other industrial disturbances; and (h) shortages of supplies, adequate power, or transportation facilities; and (i) other similar events beyond the reasonable control of the parties.

“General Partner” shall mean Ardmore Housing II GP LLC, a Pennsylvania limited liability company and any other Person admitted as a general partner pursuant to the Limited Partnership Agreement, and their respective successors as any such successor may be admitted pursuant to the Limited Partnership Agreement.

“Governmental Authority or Governmental Authorities” shall mean the United States of America, the Commonwealth of Pennsylvania, the County of Montgomery, the

Township of Lower Merion, any political subdivision of any of the foregoing, and any other governmental or regulatory authority, agency, board, department, or any other public or quasi-public authority, having jurisdiction over the Premises or the matter at issue.

“Hazardous Materials” shall mean any and all substances, materials, chemicals, or wastes that now or hereafter are classified or considered to be hazardous or toxic under any Environmental Law, or that are or become regulated by any Governmental Authority because of toxicity, infectiousness, radioactivity, explosiveness, ignitability, corrosiveness, or reactivity under any Environmental Law applicable to the Premises, and shall also include: (a) gasoline, diesel fuel, and any other petroleum hydrocarbons; (b) asbestos and asbestos containing materials, in any form, whether friable or non-friable; (c) polychlorinated biphenyls; (d) radon gas; and (e) flammable liquids and explosives.

“Impositions” shall mean any and all: (a) property taxes of every kind and nature; (b) property assessments (whether general, special, business improvement district, or otherwise); (c) personal property taxes; (d) occupancy and rent taxes; (e) water, water meter, sewer rents, rates, and charges; and (f) any and all other governmental levies, fees, rents, assessments, or taxes and charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever, and any interest or costs with respect thereto, which at any time during the Term are, or, if the Premises or any part thereof or the owner thereof were not exempt therefrom, would have been assessed, levied, confirmed, imposed upon, or would have become due and payable out of or in respect of, or would have been charged with respect to, the Premises (excluding any capital gains taxes imposed in connection with the execution of this Lease).

“Improvements” shall mean all buildings and other improvements now located, or hereafter erected, on the Land (including the Facility), together with all fixtures now or in the future installed or erected in or upon the Land or such improvements owned or leased by Landlord or Tenant.

“Indemnitees” shall have the meaning set forth in Section 11.01 hereof.

“Investor Limited Partner” shall mean RBC-Ardmore House II, LLC, a Delaware limited liability company, and its successors and assigns.

“Land” shall have the meaning set forth in Recital A hereof.

“Land Value” shall mean, as of any date, the fair market value of the Land, as determined by Landlord. For purposes herein, the term “fair market value” is deemed to be the price that a willing purchaser would offer, and a willing seller would accept, for all seller’s right, title, and interest in the Land, considered as encumbered by this Lease with all extension options exercised, unencumbered by any Fee Mortgage, vacant, and unimproved. If Tenant disputes Landlord’s determination of fair market value, Tenant shall submit such dispute to Arbitration.

“Law” or “Laws” shall mean any present or future applicable law, statute, ordinance,

regulation (including zoning regulations), code, building code, judgment, injunction, arbitration award, order, rule, directive, common law, codes and ordinances of any Governmental Authorities, easement, covenant, restriction, or other agreement of record affecting the Premises as of the date of this Lease or subsequent thereto.

“Leasehold Mortgage” shall mean any loan financing obtained by Tenant, as evidenced by any mortgage, deed of trust, or other instrument, and secured by Tenant’s interest in this Lease and the leasehold estate created hereby, including any extensions, modifications, amendments, replacements, supplements, renewals, and refinancing, thereof.

“Leasehold Mortgagee” shall mean the holder of a Leasehold Mortgage.

“Legal Requirements” shall mean all requirements of Law.

“Liabilities” shall mean all losses, claims, suits, demand, costs, liabilities, and expenses, including reasonable attorneys’ fees, penalties, interest, fines, judgment amounts, fees, and damages, of whatever kind or nature.

“Limited Partnership Agreement” shall mean the Amended and Restated Agreement of Limited Partnership made and entered into as of _____ 1, 2025, by and among General Partner, HumanGood East, the withdrawing limited partner, Investor Limited Partner and Special Limited Partner, as amended from time to time.

“Mortgagee Lease” shall have the meaning set forth in Section 13.07 hereof.

“Parking Agreement” shall mean that certain Parking and Access License Agreement by and between Landlord and Tenant dated as of the Effective Date.

“Patriot Act” shall have the meaning set forth in Section 30.02(a) hereof.

“Permitted Use” shall mean the use of the Premises in accordance with all applicable Laws in order to develop, own, operate and maintain all rental housing units for seniors aged 62 and above as qualified low-income housing units under Section 42, subject to any future changes in applicable Laws related to the definition of seniors.

“Person” shall mean any individual, corporation, partnership, firm, or other legal entity.

“Personalty” shall mean all machinery, equipment, appliances, furniture, and any other personal property of any kind or description owned or leased by Landlord or Tenant located on the Premises and used in the operation of the Premises, excluding trucks and cars.

“Premises” shall mean the Land, any Improvements thereon (including the Facility, as applicable), and any and all rights, privileges, easements, and appurtenances to the Land and the Improvements and any development rights.

“Prevailing Party” shall have the meaning set forth in Section 30.04 hereof.

“Prohibited Person” shall have the meaning set forth in Section 30.02(a) hereof.

“Qualified Appraiser” shall mean an appraiser who: (a) is duly licensed in Pennsylvania; (b) has at least ten (10) years’ experience appraising commercial real estate, including leasehold estates, in the same general geographic area as that in which the Premises are located; and (c) has an SPRA Appraisal Institute Designation; and (d) is independent and has no then-pending or past brokerage relationship with any or all Landlord, Tenant, and any Affiliates of either or both of Landlord and Tenant.

“Qualified Professional” shall mean either (a) a Qualified Appraiser if Rent or property valuation is at issue or (b) other qualified professional suited to act as an arbitrator on the disputed matter if Rent or property valuation is not at issue.

“Release” shall mean the release or threatened release of any Hazardous Materials into or upon or under or above any land, water, or air, or otherwise into the environment, including by means of burial, disposal, discharge, emission, spillage, leakage, seepage, leaching, or dumping.

“Remedial Action” shall mean the investigation, response, clean up, remediation, prevention, mitigation, or removal of any Hazardous Materials necessary to comply with any Environmental Laws.

“Renewal Term” shall have the meaning set forth in Section 29.01 hereof.

“Rent” shall mean Base Rent and Additional Rent.

“Restoration” shall have the meaning set forth in Section 16.01 hereof.

“Restoration Funds” shall have the meaning set forth in Section 16.02(a) hereof.

“Restore” shall have the meaning set forth in Section 16.01 hereof.

“Section 42” shall mean Section 42 of the Code.

“Security Deposit” shall mean the amount of zero and 00/100 Dollars (\$0.00).

“Special Limited Partner” shall mean RBC Community Investments Manager II, Inc., a Delaware corporation, or its assignee and any Person who becomes a Special Limited Partner as provided in the Limited Partnership Agreement, in its capacity as a special limited partner of the Tenant.

“Substantially all of the Premises” shall mean: (a) that portion of the Premises in excess of seventy-five percent (75%) of the total rentable area of the Improvements; or (b) if the Improvements include a parking lot or parking facility, more than seventy-five percent

(75%) of the total number of parking spaces available at the Premises. If there is any dispute as to whether or not “Substantially all of the Premises” has been taken, such dispute shall be submitted to and determined by Arbitration.

“**Term**” shall mean the term of this Lease commencing on the Commencement Date and ending on the Expiration Date.

“**Threshold Amount**” shall mean the amount of Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00) adjusted annually on each anniversary of the Commencement Date by the percentage increase of the Consumer Price Index from the Commencement Date to the anniversary in question.

“**Transfer**” shall mean any transaction or series of transactions (including any Assignment, transfer, issuance, or redemption of any ownership interest, or any merger, consolidation, or dissolution) that results in a change of Control of Tenant, or any Person or entity which directly or indirectly Controls Tenant. Notwithstanding the foregoing, a Transfer shall not be deemed to include (i) an issuance or a transfer of stock through the “over the counter” market or through any recognized national stock exchange, (ii) the transfer of the partnership interests in Tenant to or by the Investor Limited Partner or the Special Limited Partner in accordance with the terms of the Limited Partnership Agreement, (iii) the transfer of ownership interests in the Investor Limited Partner or the Special Limited Partner, and (iv) the removal of the General Partner as general partner of Tenant for cause in accordance with the Limited Partnership Agreement by the Special Limited Partner and the replacement of the general partner as set forth in the Limited Partnership Agreement.

“**Transferee**” shall have the meaning set forth in Section 12.01 hereof.

“**Unavoidable Delays**” shall mean delays incurred by Tenant due to a Force Majeure Event; provided: (a) Tenant shall have notified Landlord not later than thirty (30) days after the discovery of the Force Majeure Event, explaining the nature or cause of the delay and stating the period of time the delay is expected to continue; and (b) Tenant uses commercially reasonable efforts to end the delay and ensure the effects of such Force Majeure Event are minimized.

ARTICLE II

LEASE OF PREMISES; CONDITION OF PREMISES; FAILURE TO DELIVER POSSESSION

Section 2.01 Lease of Premises. Subject to the terms and conditions of this Lease, Landlord leases to Tenant, and Tenant leases from Landlord, the Premises for a Term that shall commence on the Commencement Date and end on the Expiration Date (as such Term may be extended from time to time pursuant to Article XXIX hereof), subject to earlier termination pursuant to any of the terms, covenants, or conditions of this Lease or pursuant to Law.

Section 2.02 Condition of Premises. Tenant has inspected the Premises and accepts possession of the Premises in its “**AS IS**” condition on the Commencement Date. Except as

otherwise expressly provided in this Lease, Tenant has full responsibility for the repair, Alteration, maintenance, and replacement of the Premises. Tenant expressly acknowledges and agrees that Landlord has not made and is not making, and Tenant is not relying upon, any warranties or representations regarding the Premises, except to the extent same are expressly set forth in the Lease.

ARTICLE III BASE RENT; RENT PAYABLE TO LANDLORD; NET LEASE

Section 3.01 Base Rent.

(a) Tenant covenants and agrees to pay base rent to Landlord throughout the Term of this Lease as follows (“**Base Rent**”):

- (i) For the period commencing on the Commencement Date and ending on the Expiration Date an amount equal to one and 00/100 Dollars (\$1.00) *per annum*.

Section 3.02 Rent Payable to Landlord.

(a) Landlord acknowledges receipt of Forty-Five and 00/100 Dollars on the date hereof, which is the Base Rent for the Term. During any Renewal Term Tenant shall pay Base Rent to Landlord annually on each subsequent anniversary of the Effective Date throughout the Renewal Term.

(b) Tenant shall pay to Landlord all Additional Rent that is payable to Landlord pursuant to the terms and conditions of this Lease within thirty (30) days after written demand therefore from Landlord, unless a different time is specified in this Lease.

(c) All Base Rent and Additional Rent (such Additional Rent that is due and owing to Landlord pursuant to the terms and conditions of this Lease) shall be paid: (i) by good check drawn on an account at a bank in currency that at the time of payment is legal tender for public and private debts in the United States of America, made payable to Landlord at Landlord’s address set forth in Section 19.01 herein or to such other parties and at such other addresses as Landlord shall direct by notice to Tenant from time to time; (ii) if Landlord shall so direct (at any time upon not less than thirty (30) days’ prior notice), by wire transfer of immediately available funds to an account at a bank designated in writing by Landlord; or (iii) by any other method reasonably designated in writing by Landlord.

(d) If any installment of Base Rent or Additional Rent (such Additional Rent that is due and owing to Landlord) is not paid within thirty (30) days of the applicable Due Date, Tenant shall pay to Landlord, as Additional Rent, a late charge equal to five percent (5%) of the overdue amount to Landlord in order to defray the expenses incident to handling such delinquent payments. Such payment shall be in addition to, and not in lieu of, any other remedy Landlord may have.

Section 3.03 Net Lease. This Lease is a triple net lease. Tenant shall have the

unconditional obligation to pay for all cost of the Facility, to pay for all maintenance and operating costs in connection with the Premises, to keep the Premises in good condition and repair, to pay all taxes levied on, and assessment made with respect to the Premises, and the right to receive rental and any other income or profits from the operation of the Premises. Notwithstanding the foregoing, Landlord agrees to pay the following expenses: (a) any expenses expressly agreed to be paid by Landlord in this Lease; (b) debt service and other payments with respect to any Fee Mortgage; (c) expenses incurred by Landlord to monitor and administer this Lease; (d) expenses incurred by Landlord prior to the Commencement Date; and (e) expenses that are personal to the Landlord.

ARTICLE IV PAYMENT OF IMPOSITIONS; REDUCTION OF ASSESSED VALUATION; UTILITIES

Section 4.01 Payment of Impositions.

(a) Except as provided in Section 4.01(h), during the Term of this Lease, Tenant shall pay or shall cause to be paid all Impositions directly to the Governmental Authority charged with the collection thereof. Each Imposition, or installment thereof, during the Term shall be paid not later than the Due Date thereof. However, if, by Law, any Imposition may at the option of the taxpayer be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Tenant may exercise the option to pay the same in such installments and shall be responsible for the payment of such installments only, together with applicable interest, if any, provided that all such installment payments together with applicable interest, if any, relating to periods prior to the Expiration Date shall be made prior to the Expiration Date.

(b) Tenant shall not be required to pay municipal, gross receipts, inheritance, estate, succession, profit, capital, or transfer gains taxes of Landlord, or any corporate franchise tax imposed upon Landlord or any transfer or gains tax imposed on Landlord except Tenant shall pay Commonwealth and/or federal income tax.

(c) Any Imposition relating to a period, a part of which is included within the Term and a part of which is included in a period of time before the Commencement Date or after the Expiration Date shall be apportioned between Landlord and Tenant as of the Commencement Date or Expiration Date (other than an Expiration Date arising by reason of Tenant's default), as the case may be, so that Tenant shall pay only that portion of such Imposition which that part of such fiscal period included in the period of time after the Commencement Date or before the Expiration Date bears to such fiscal period, and Landlord shall pay the remainder thereof.

(d) Tenant shall have the right to contest the amount or validity, in whole or in part, of any Imposition by appropriate proceedings diligently conducted in good faith, in which event, notwithstanding the provisions of this Article IV, payment of such Imposition shall be postponed if, and only as long as:

(i) Neither the Premises nor any part thereof, or interest therein or any

income therefrom would by reason of such postponement or deferment, be, in the reasonable judgment of Landlord, in imminent danger of being forfeited or lost or subject to any lien, encumbrance, or charge, and neither Landlord nor Tenant would by reason thereof be subject to any civil or criminal liability; and

- (ii) No Event of Default has occurred and is continuing (in which event only Landlord may commence such proceedings but shall have no obligation to do so).

(e) Upon the termination of such proceedings, it shall be the obligation of Tenant to pay the amount of such Imposition or part thereof as finally determined in such proceedings, the payment of which may have been deferred during the prosecution of such proceedings, together with any costs, fees (including reasonable attorneys' fees and disbursements), interest, penalties, or other Liabilities in connection therewith.

(f) Landlord shall not be required to join in any proceedings referred to in this Article IV unless the provisions of any Law at the time in effect shall require that such proceedings be brought by or in the name of Landlord, in which event, Landlord shall join and reasonably cooperate in such proceedings or permit the same to be brought in its name but shall not be liable for the payment of any costs or expenses in connection with any such proceedings and Tenant shall reimburse Landlord for any and all costs or expenses which Landlord may reasonably sustain or incur in connection with any such proceedings, including reasonable attorneys' fees and disbursements.

(g) If there shall be any refunds or rebates on account of any Impositions paid by Landlord or Tenant, such refund or rebate shall belong to the party that paid the Imposition.

(h) If realty transfer tax shall be imposed as a result of the execution of this Lease, the exercise of an Extension Option, or the recording of a memorandum or other writing memorializing either of the foregoing, the parties shall each pay fifty (50%) percent of such tax at the time such tax is due and payable.

Section 4.02 Reduction of Assessed Valuation. Subject to the provisions of any Leasehold Mortgage, Tenant may, at Tenant's sole cost and expense, endeavor from time to time to reduce the assessed valuation of the Premises for the purpose of reducing the Impositions payable by Tenant. Landlord agrees to offer no objection to such contest or proceeding and, at the request of Tenant, to reasonably cooperate with Tenant in pursuing such contest or proceeding, but without expense to Landlord. Tenant agrees to indemnify and hold Landlord harmless from all Liabilities arising by reason of or in connection with any such contest or proceeding. If all or any part of an Imposition is refunded to either Landlord or Tenant (whether through cash payment or credit against Impositions), the party who paid the Imposition to which the refund relates shall be entitled to such refund to the extent such refund relates to any Imposition paid by such party.

ARTICLE V SECURITY DEPOSIT

Section 5.01 **Security Deposit.** None.

ARTICLE VI PERMITTED USE

Section 6.01 **Permitted Use.**

(a) Subject to all applicable Laws and this Lease, Tenant shall use the Premises only for the Permitted Use.

(b) Tenant shall not use or occupy, nor permit or suffer the Premises or any part thereof to be used or occupied for any unlawful, illegal, or hazardous business, use, or purpose, or in such manner as to constitute a nuisance of any kind (public or private), or for any purpose or in any way in violation of the Certificate of Occupancy or of any Laws, or which may make void or voidable any insurance then in force on the Premises. Tenant shall take, immediately upon the discovery of any such unpermitted, unlawful, illegal, or hazardous use, all necessary actions, legal and equitable, to compel the discontinuance of such use.

ARTICLE VII CONSTRUCTION OF FACILITY

Section 7.01 **Construction of Facility.** Any and all Improvements constructed by Tenant shall be constructed in a good and workmanlike manner, in compliance with all applicable Legal Requirements.

Section 7.02 **Liens Subordinate to Landlord.** Tenant shall not create or permit to be created or to remain, and shall promptly discharge, any lien, encumbrance, or charge levied on account of any mechanic's, laborer's, or materialman's lien which might or does constitute a lien, encumbrance, or charge upon the Premises, or any part thereof, or the income therefrom, having a priority or preference over or ranking on a parity with the estate, rights, or interest of Landlord in the Premises or any part thereof, or the income therefrom. Nothing in this Lease shall be deemed or construed in any way as constituting the consent or request of Landlord, express or implied, by inference or otherwise, to the filing of any lien against the Premises by any contractor, subcontractor, laborer, materialman, architect, engineer, or other Person for the performance of any labor or the furnishing of any materials or services for or in connection with the Premises or any part thereof.

Section 7.03 **Title to the Improvements and the Personalty.** The title to all Improvements and Personalty now or hereafter located on the Premises, including those to be

constructed, shall be vested in Tenant until either the termination or expiration of this Lease, at which time all title to and ownership of the Improvements and Personalty shall automatically and immediately vest (without the necessity of any further action being taken by Tenant or Landlord or any instrument being executed and delivered by Tenant to Landlord) in Landlord. Possession of the Improvements and Personalty shall be vested solely in the Tenant and the Tenant alone shall be entitled to all attributes of ownership of the Premises and the Improvements and Personalty for federal income tax purposes during the term of this Lease. The Landlord acknowledges that the Tenant, by the terms of this Lease, retains exclusive possession of the Improvements and Personalty therein and that the Tenant alone is entitled to all the benefits, and will bear all the burdens of possession of the Improvements and Personalty therein. Any and all depreciation, amortization, low-income housing tax credits described in Section 42, and other federal tax benefits or attributes of possession relating to the Improvements and Personalty therein located on the Premises and any additions thereto, substitutions therefore, fixtures therein and other property relating thereto shall be deducted, credited or otherwise claimed exclusively by the Tenant during the term of this Lease.

ARTICLE VIII OPERATION OF THE PREMISES

Section 8.01 Tenant's Operation of the Premises. Upon completion of construction of the Facility, Tenant shall operate the Premises in accordance with all Laws governing the Premises and this Lease.

Section 8.02 Mechanics' Liens. Tenant shall keep the Premises and this Lease free from any lien or other encumbrance filed or recorded in favor of any mechanic, materialman, architect, or engineer in accordance with Section 7.02 hereof. Tenant acknowledges and agrees that no erection, construction, alteration, or repair of the Facility undertaken at any point during the Term, as the same may be extended from time to time, is for the immediate use or benefit of the Landlord unless the Landlord agrees otherwise in a writing that is (a) signed by the Landlord and (b) specifically identifies the erection, construction, alteration, or repair that is for the use or benefit of the Landlord.

Section 8.03 Utilities. Tenant shall obtain from, and pay for all utilities directly to, the utilities and vendors serving the Premises, including fuel, gas, electric, water and sewer service, trash collection, telephone, and internet service.

ARTICLE IX MAINTENANCE, REPAIRS, AND ALTERATIONS

Section 9.01 Maintenance and Repair of the Premises. Tenant shall, at all times during the Term of this Lease, at Tenant's sole cost and expense, keep and maintain the Premises, including the Improvements, appurtenances, and every part thereof that may exist on, in, or be made a part of the Premises, in good order and condition, ordinary wear and tear excepted, and make all necessary repairs thereto, interior and exterior, structural and

nonstructural, ordinary, and extraordinary, and foreseen and unforeseen. If Tenant fails to keep and maintain the Premises and the Improvements as required by this Lease, Landlord may (but shall not be required to) perform and satisfy same, and Tenant hereby agrees to reimburse Landlord, as Additional Rent, for the reasonable cost thereof promptly upon demand. Tenant shall not permit any material waste of the Premises. Tenant shall keep the entire Premises, including adjoining sidewalks, substantially free of any accumulation of dirt, rubbish, snow, and ice. Unless otherwise expressly provided in this Lease, Landlord shall have no obligation to make or perform any repairs or maintenance of any kind, whatsoever, all of which shall be at Tenant's sole obligation and expense.

Section 9.02 **Alterations.** Tenant may, at its sole cost and expense, alter, replace, or remodel any Improvements upon the Premises ("**Alterations**"), provided that (a) the foregoing are made in compliance with all Laws; (b) are completed in accordance with general accepted construction standards; (c) any remodeling shall not materially diminish the value of Improvements or the Premises; (d) Tenant shall not allow mechanic's or materialmen's liens to affix to the Premises because of the Alterations; and (e) Tenant shall have procured, to the extent the same may be required from time to time, all permits and authorizations of all applicable government authorities and all required consent of any Leasehold Mortgagee. Landlord shall join in the application for such permits and authorizations whenever such action is necessary or helpful and is requested by Tenant, and, to the extent feasible, use Landlord's reasonable efforts to obtain such permits and authorizations, provided however, that all such permits shall be at Tenant's sole cost and expense.

ARTICLE X INSURANCE

Section 10.01 **Insurance.** It is the intent of the parties that all risk of loss for the Premises be shifted to insurance to the maximum extent practicable. Accordingly, unless Landlord otherwise agrees in its sole discretion, Tenant shall maintain, or cause to be maintained, insurance covering the risks enumerated below. The premiums for such insurance shall be paid by Tenant, except for the coverages set forth in Section 10.10 below, which shall be the responsibility of the party providing such insurance coverage. Such insurance shall be written on an occurrence basis unless Landlord otherwise consents in writing, but for errors and omissions insurance issued on a claims-made basis. The policy shall provide that: (a) such insurance shall be primary coverage without reduction or right of offset or contribution on account of any insurance provided by Landlord to itself or its officers, officials, or employees; (b) such insurance shall not be altered or cancelled without thirty (30) days' written notice to Landlord; (c) such insurance shall name Landlord as an additional insured; (d) any Fee Mortgagee and Leasehold Mortgagee shall be named as: (i) a loss payee or mortgagee on Tenant's property damage insurance policy under a standard mortgagee clause; and (ii) an additional insured on Tenant's liability insurance policies. The insurance policies purchased by Tenant must be issued by a company authorized to conduct business in the Commonwealth or by a company acceptable to the Landlord and which has a rating of A or better by AM Best.

Section 10.02 **Workers' Compensation and Employer's Liability.** At all times prior to the expiration or earlier termination of this Lease during any construction or Alteration

conducted by or on behalf of Tenant in or on the Premises, Tenant shall maintain, and cause its contractors to maintain, Workers' Compensation Insurance as required by the Laws of the Commonwealth. Tenant shall require all subcontractors performing work under this Lease to obtain an insurance certificate showing proof of Workers' Compensation and Employer's Liability Insurance.

Section 10.03 Property/Business Interruption. Tenant shall, at its sole cost and expense throughout the entire Term of this Lease:

(a) Keep the Improvements insured against loss or damage by fire, windstorm, flood, earthquake, and such other, further and additional risks as now are or hereafter may be embraced by the ISO special form and Builder's Risk extended coverage form or endorsements, with a deductible of no more than Ten Thousand and 00/100 Dollars (\$10,000.00) per occurrence, in each case in amounts equal to the full replacement cost of the Improvements from time to time. The full replacement cost shall be redetermined from time to time (but not more frequently than every five (5) years) at the request of Landlord, by a Qualified Appraiser designated by Tenant and approved by Landlord; and

(b) Maintain business interruption insurance covering loss of revenues or other income by Tenant due to total or partial suspension of, or interruption in, the operation of the Premises caused by damage or destruction of the Premises in an amount sufficient to meet Rent payments and other recurring payments for two (2) months, subject to the reasonable discretion of Landlord.

Section 10.04 Commercial General Liability. At all times during the Term of this Lease, Tenant shall maintain a primary commercial general liability insurance ("CGL") policy covering all claims for bodily injury (including death) and property damage, including loss of use thereof, in an amount not less than One Million and 00/100 Dollars (\$1,000,000.00) per occurrence and Two Million and 00/100 Dollars (\$2,000,000.00) aggregate, with deductible provisions not to exceed Ten Thousand and 00/100 Dollars (\$10,000.00) per occurrence, to include personal and advertising injury, general aggregate, products, and completed operations aggregate insurance beginning at the completion of each project component, and contract liability to cover all insurable obligations in this Lease. The policy limits shall be adjusted every five (5) years from the Commencement Date. Coverage shall be specific for this project or, upon approval of Landlord, covered under umbrella or pooled policies. The policy or policies must be on an "occurrence" basis unless waived by the Landlord. The CGL policy shall include contractual liability coverage, which shall be endorsed to state that indemnity obligations specified in this Lease are insured by the carrier.

Section 10.05 Errors and Omissions. Tenant shall obtain and maintain or cause to be obtained and maintained Professional Errors and Omissions Insurance covering all architects, engineers, specialists, and consultants in an amount and with coverage subject to the reasonable approval of Landlord. Coverages shall be specific for this project and not aggregated with insurance for other undertakings of the insureds.

Section 10.06 **Umbrella.** Tenant shall obtain and maintain an additional umbrella or all-risk coverage in an amount of Five Million and 00/100 Dollars (\$5,000,000.00) for any one occurrence and Five Million and 00/100 Dollars (\$5,000,000.00) in the aggregate, which shall include all insured coverages required by this Article X. The policy limits shall be adjusted every five (5) years from the Commencement Date.

Section 10.07 **Delivery of Insurance Certificates.** Upon the commencement of this Lease and at each policy renewal date, Tenant shall furnish to Landlord, any Fee Mortgagee, and any Leasehold Mortgagee, at the addresses set forth in Section 19.01 of this Lease, insurance certificates or renewal certificates or, if requested by Landlord, Fee Mortgagee, or Leasehold Mortgagee, certified copies of policies, evidencing all insurance required to be carried by Tenant in accordance with the Lease. Such certificates or policies shall name Landlord as an insured and shall name any Fee Mortgagee and Leasehold Mortgagee as mortgagee and loss payee, in accordance with the requirements contained in this Article X. The insurance certificate or policies, as applicable, must document that the liability insurance coverage purchased by the Tenant includes contractual liability coverage to insure the indemnity agreement as stated.

Section 10.08 **Evidence of Payment of Premiums.** Tenant shall within fourteen (14) days of payment furnish to Landlord duplicate receipts or satisfactory evidence of the payment of all premiums on any and all insurance required to be carried by Tenant in accordance with this Lease. The insurance carrier shall give Landlord, any Fee Mortgagee, and all Leasehold Mortgagees fourteen (14) days' prior notice (with respect to nonpayment of premiums) of cancellation, modification, or nonrenewal.

Section 10.09 **Payments for Tenant by Landlord.** If Tenant fails to procure the insurance required to be procured by Tenant under this Lease, or fails to pay any premium of insurance, Impositions, or any other sum in this Lease required to be paid by Tenant (other than Rent), Landlord may, after expiration of the applicable cure period, at Landlord's option, procure on behalf of Tenant any such insurance, and pay on behalf of Tenant any such payment or payments as may be necessary. Any sum[s] so paid or expended by Landlord on behalf of Tenant shall immediately be reimbursed and paid by Tenant to Landlord, as Additional Rent, within thirty (30) days after demand by Landlord.

Section 10.10 **Insurance Requirements for Contractors.** Tenant also shall require the Persons described below to carry the following insurance:

(a) Tenant shall require all its contractors, subcontractors, design-builders, construction managers, consultants, and other entities providing services, materials, or labor to all or any portion of the Premises to:

- (i) Include Landlord, Tenant, Investor Limited Partner and Special Limited Partner as additional insureds in their commercial general liability policies; and

- (ii) Obtain a waiver of subrogation endorsement in all policies in favor of Landlord and Tenant.

The policy limits set forth above shall be adjusted every five (5) years from the Commencement Date. Each of the required coverages, excluding the professional liability insurance, fidelity insurance, and automobile liability insurance, shall contain a waiver of subrogation endorsement, in form and substance reasonably satisfactory to Landlord, in favor of Landlord and Tenant.

Section 10.11 **Threshold Amount.** The loss under all policies required by this Lease insuring against damage to the Premises by fire or other casualty shall be payable to Depository, except that amounts of less than the Threshold Amount shall be payable in trust directly to Tenant for application to the cost of Restoration in accordance with this Lease. Proceeds of business interruption insurance shall be paid to Depository and shall be applied to the Rent payable by Tenant under this Lease until completion of such Restoration by Tenant.

ARTICLE XI INDEMNIFICATION

Section 11.01 **Indemnification.** Tenant hereby releases and agrees to indemnify and hold harmless Landlord and all its trustees, officers, employees, directors, agents, and consultants (hereinafter collectively referred to as the “**Indemnitees**”) of and from any and all claims, demands, Liabilities, losses, costs, or expenses for any loss including but not limited to bodily injury (including death), personal injury, property damage, expenses, and attorneys’ fees, caused by, growing out of, or otherwise happening in connection with this Lease, due to any negligent or intentional act or omission on the part of Tenant, its agents, employees, or others working at the direction of Tenant or on its behalf, or due to the application or violation of any pertinent federal, state, or local laws except for the gross negligence or intentional misconduct of the Indemnitees. In case any action or proceeding is brought against Landlord by reason of any claim mentioned in this Article XI, Tenant, upon notice from Landlord, shall, at Tenant’s expense, resist or defend such action or proceeding in Landlord’s name, if necessary, by counsel for the insurance company, if such claim is covered by insurance, or otherwise by counsel approved by Landlord. Landlord agrees to give Tenant prompt notice of any such claim or proceeding. This indemnification is binding on the successors and assigns of the Tenant, and this indemnification survives the expiration or earlier termination of the Lease, or the dissolution or, to the extent allowed by Law, the bankruptcy of Tenant. This indemnification does not extend beyond the scope of this Lease and does not extend to claims exclusively between the undersigned parties arising from the terms, or regarding the interpretation of this Lease.

ARTICLE XII ASSIGNMENT; NON-DISTURBANCE

Section 12.01 **Assignment and Transfer.** Tenant shall have the right, subject to the applicable provisions of this Article XII, without the consent of Landlord, to enter into an

Assignment, or Transfer with a Person (hereinafter called the “**Transferee**”) provided that: (a) the Facility is Substantially Completed; (b) the Transferee is not a debtor or debtor-in-possession in a voluntary or involuntary bankruptcy proceeding; and (c) with respect to an Assignment or a Transfer, the Transferee assumes all Tenant’s obligations under this Lease thereafter arising, and Landlord is provided with a fully executed copy of the Assignment and assumption agreement. If Tenant’s interest in this Lease is assigned in violation of the provisions of this Article XII, such Assignment shall be void and of no force and effect against Landlord. Neither any Assignment, Transfer, nor any subleasing, occupancy, or use of the Premises or any part thereof of any Person, nor any collection of Rent by Landlord from any Person other than Tenant, nor any application of any such Rent shall, in any circumstances relieve Tenant of its obligations under this Lease on Tenant’s party to be observed and performed.

Section 12.02 **Notice.** Tenant shall notify Landlord of its intention to enter into any Assignment or Transfer at least thirty (30) days prior to the proposed effective date or commencement date of the foregoing and with respect to any such Assignment or Transfer which Tenant shall not have notified Landlord, Tenant shall notify Landlord of the foregoing at least fourteen (14) days after the effective date of such Assignment or Transfer, but failure to give such notice shall not invalidate the Assignment or Transfer.

Section 12.03 **Copies to Landlord.** Tenant shall deliver to Landlord, or shall cause to be delivered to Landlord, within ten (10) Business Days after the effective date of an Assignment, a fully executed copy of the instrument of assignment and assumption.

Section 12.04 **Assignment to Leasehold Mortgagee.** Any other provisions of this Lease to the contrary notwithstanding, Tenant, and its permitted successors and assigns, shall have the right to Transfer this Lease or any interest herein or any right or privilege appurtenant hereto which Tenant desires to Transfer to a Leasehold Mortgagee, to the extent permitted in Article XIII of this Lease. Landlord agrees to recognize any Leasehold Mortgagee as Tenant for the performance of all duties and obligations arising due to the interest of this Lease being so Transferred; provided, however, it is hereby agreed and acknowledged by Landlord and Tenant that Tenant and its permitted successors and assigns shall not be relieved of its liability for the performance of such duties or obligations by any such Transfer.

ARTICLE XIII

FEE MORTGAGES; LEASEHOLD MORTGAGES

Section 13.01 **Fee Mortgages.** Landlord may mortgage its fee interest in the Premises subject to the provisions of Section 13.11 of this Lease.

Section 13.02 **Mortgaging of the Leasehold.** Tenant, and every permitted successor and assign of Tenant, shall have the right to encumber its interest in this Lease without

Landlord's prior consent, provided that: (a) no Event of Default has occurred and remains uncured under this Lease; and (b) all rights acquired under the Leasehold Mortgage shall be subject to each of the provisions set forth in this Lease and to all rights and interests of the Landlord therein. If, from time to time, Tenant or Tenant's permitted successors or assigns shall encumber this Lease with a Leasehold Mortgage, and if the Leasehold Mortgagee delivers to Landlord an executed counterpart of such Leasehold Mortgage, together with each assignment thereof certified by the holder of the Leasehold Mortgage to be true, together with written notice specifying the name and address of the Leasehold Mortgagee and the pertinent recording data with respect to the Leasehold Mortgage, Landlord agrees that, anything in this Lease to the contrary notwithstanding, from and after the date of receipt by Landlord of such notice and for the duration of such Leasehold Mortgage, the provisions of this Article XIII shall apply.

Section 13.03 Consent to Amendment. There shall be no cancellation, surrender, modification, or amendment to this Lease by Landlord or Tenant without the prior written consent of Leasehold Mortgagee. Notwithstanding the foregoing (but, in any event, subject to Leasehold Mortgagee's curative rights set forth in Section 13.06 and Section 13.07 hereof), nothing herein shall be deemed to prohibit Landlord from terminating this Lease in accordance with its terms. There shall be no material modification in the Leasehold Mortgage or related documentation without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed.

Section 13.04 Notices to Leasehold Mortgagees. Landlord, upon serving Tenant with any notice of default or termination, shall simultaneously serve a copy of such notice on Leasehold Mortgagee. The Leasehold Mortgagee shall then have the same period of time after service of the notice on it as was given to the Tenant under this Lease to remedy or cause to be remedied Tenant's default under this Lease, and Landlord shall accept performances by, or at the instigation of, Leasehold Mortgagee as if it had been done by Tenant. Any notice required to be given to Leasehold Mortgagee shall be provided as set forth in Article XIX of this Lease.

Section 13.05 Curative Rights of Leasehold Mortgagees. In addition to the rights granted to Leasehold Mortgagee under Section 13.04 hereof, Leasehold Mortgagee shall have an additional period of sixty (60) days to remedy or cause to be remedied any default of which it receives notice, provided such Leasehold Mortgagee shall reimburse Landlord, at the time of so remedying the default, for all reasonable costs and expenses to Landlord of maintaining, protecting, insuring, and operating the Premises during the additional sixty (60)-day period.

Section 13.06 Limitation Upon Termination Rights of Landlord. If Landlord shall elect to terminate this Lease by reason of any default of Tenant, Leasehold Mortgagee shall also have the right to postpone and extend the date of termination as fixed by the provisions of this Lease for a period of not more than ninety (90) days from the expiration of the sixty (60)-day period specified in Section 13.05 hereof, provided that Leasehold Mortgagee shall have cured, or shall have caused to be cured, any then-existing money or nonmonetary defaults (with the exception of Tenant's nonmonetary defaults of such a nature that they cannot be cured by Leasehold Mortgagee) and meanwhile shall pay the Rent and other charges required to be paid under this Lease. Leasehold Mortgagee shall take steps necessary to acquire

Tenant's interest and estate in this Lease by foreclosure of its Leasehold Mortgage, or otherwise, and shall prosecute such action to completion with due diligence. If at the end of the ninety (90)-day period, Leasehold Mortgagee shall be actively engaged in steps to acquire Tenant's interest in the Lease, and all monetary defaults and nonmonetary defaults have been cured (with the exception of Tenant's nonmonetary defaults of such a nature that they cannot be cured by Leasehold Mortgagee), the time for Leasehold Mortgagee to comply with the provisions of this Section 13.06 shall be extended for such period as shall be reasonably necessary to complete these steps with reasonable diligence and continuity. In no event shall Leasehold Mortgagee have any obligation to cure any default of Tenant under this Lease.

Section 13.07 Mortgage Lease. Landlord agrees that in the event of a termination of this Lease by reason of any default by Tenant, or if Tenant rejects the Lease in a bankruptcy proceeding, and subject to the rights herein granted to Leasehold Mortgagee, Landlord shall enter into a lease (the "**Mortgage Lease**") of the Premises with the Leasehold Mortgagee for the remainder of the Term effective as of the date of termination, at the same Rent and upon the same terms, provisions, covenants, and agreements as contained in this Lease, provided:

(a) Leasehold Mortgagee shall make written request upon Landlord for the execution of such a Mortgagee Lease within thirty (30) days after the date of termination and shall, within thirty (30) days after its receipt from Landlord of a written statement of all sums then due to Landlord under this Lease, pay to Landlord all such sums (with the exception of sums due by reason of Tenant's indemnification obligations set forth in Section 11.01).

(b) Leasehold Mortgagee shall pay to Landlord at the time of the execution and delivery of the Mortgagee Lease any sums that at the time of such execution and delivery would be due pursuant to this Lease but for the termination, and in addition, all reasonable attorneys' fees and expenses which Landlord shall have actually incurred.

(c) Leasehold Mortgagee shall perform and observe all covenants contained in the Mortgagee Lease on Tenant's part to be performed during such period of time commencing with the date of the execution of the Mortgagee Lease and terminating upon the expiration or earlier termination of the Mortgagee Lease or the abandonment or surrender of possession of the Premises under the Mortgagee Lease and shall further remedy any other conditions that Tenant was obligated to perform under the terms of this Lease.

(d) Leasehold Mortgagee, as Tenant under the Mortgagee Lease, shall have the same right, title, and interest in and to the Premises, the right to use the Improvements thereon as Tenant had under this Lease and the right to exercise the Extension Options.

Section 13.08 Agreement Between Landlord and Leasehold Mortgagee. Landlord, upon request, shall execute, acknowledge, and deliver to Leasehold Mortgagee an agreement, by and among Landlord, Tenant, and Leasehold Mortgagee (provided the same has been previously executed by Tenant and Leasehold Mortgagee) confirming all the provisions of this Article XIII, in form and substance reasonably satisfactory to Leasehold Mortgagee and

Landlord.

Section 13.09 Rights of Investor Limited Partner. The Investor Limited Partner or its successors and assigns in such capacity, shall have the same notice and cure rights as any Leasehold Mortgagee for as long as the Investor Limited Partner or its successors and assigns is a limited partner of Tenant. Landlord also agrees that it will take no action to effect a termination of this Lease by reason of any default without first giving to Investor Limited Partner, if the Investor Limited Partner has provided Landlord with written notice of its intention to, within a reasonable time, not to exceed sixty (60) days (or if the Investor Limited Partner is diligently pursuing the same, not to exceed 120 days), to replace any General Partner of Tenant and/or to admit an additional General Partner and cause the new General Partner to cure any Event of Default; provided, however, that as conditions of such forbearance, Landlord must receive notice of the substitution of any General Partner of Tenant within twenty (20) days following the expiration of the cure period given through Landlord's notice to the Investor Limited Partner, and Tenant, following such substitution of any General Partner shall thereupon proceed with due diligence to cure such default.

Section 13.10 No Merger. So long as any Leasehold Mortgage remains outstanding, the fee title and the leasehold estate created by this Lease shall not merge but shall always be kept separate and distinct, notwithstanding the union of such estates in either the Landlord or the Tenant or a third party, by purchase or otherwise.

Section 13.11 Subordination of Fee Mortgage. If one or more Leasehold Mortgages is in effect, the following shall apply: (a) all Fee Mortgages shall be expressly subject and subordinate to this Lease, any Mortgagee Lease, and all amendments, modifications, and extensions thereof and shall include the Fee Mortgagee's agreement to execute and deliver to Leasehold Mortgagee an agreement in accordance with Section 13.08 hereof; (b) Landlord shall not enter into any Fee Mortgage that violates this Section 13.11; (c) Tenant shall not subordinate this Lease without the prior written consents of all of the Leasehold Mortgagees; and (d) concurrently with the execution and delivery of this Lease, Landlord shall cause all Fee Mortgages to execute and deliver to Tenant a subordination agreement that is in recordable form and that contains such terms as are reasonably acceptable to Tenant and Leasehold Mortgagee.

ARTICLE XIV DEFAULT; REMEDIES

Section 14.01 Events of Default. Each of the following events shall be an event of default ("**Event of Default**"):

(a) If Tenant shall fail to pay any item of Rent, or any part thereof, when the same shall become due and payable and such failure shall continue for ninety (90) days after notice from Landlord to Tenant.

(b) If Tenant shall fail to observe or perform one or more of the other terms,

conditions, covenants, or agreements contained in this Lease, and such failure shall continue for a period of ninety (90) days after notice thereof by Landlord to Tenant specifying such failure unless such failure requires work to be performed, acts to be done, or conditions to be removed which cannot by their nature or because of Unavoidable Delays reasonably be performed, done, or removed, as the case may be, within such ninety (90)-day period, in which case no Event of Default shall be deemed to exist as long as Tenant shall have commenced curing the same within such ninety (90)-day period and shall, subject to Unavoidable Delays, diligently, continuously, and in good faith prosecute the same to completion.

(c) If Tenant shall make an Assignment for the benefit of creditors.

(d) The filing of any voluntary petition in bankruptcy by Tenant, or the filing of any involuntary petition by Tenant's creditors, which involuntary petition remains undischarged for a period of sixty (60) days.

(e) If within sixty (60) days after the commencement of any proceeding against Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future statute, law, or regulation, such proceeding shall not have been dismissed.

(f) If Tenant shall abandon the Premises for greater than ninety (90) days; however, the Tenant shall not be deemed to have abandoned the Premises if the Premises become uninhabitable as a result of Landlord's default under this Lease or as a result of a casualty or Condemnation proceeding.

(g) If a levy under execution or attachment shall be made against the Premises and such execution or attachment shall not be vacated or removed by court order, bonding, or otherwise within a period of sixty (60) days.

Upon the occurrence of an Event of Default, Landlord may, at its option, give notice to Tenant of the termination of this Lease and, upon ninety (90) days after service of such notice, this Lease, the Term, and subject to the rights of Leasehold Mortgagee contained in this Lease, Tenant's estate shall terminate (whether or not the Commencement Date shall have occurred) and shall end with the same force and effect as if that day were the day fixed for the expiration of this Lease. Notwithstanding the foregoing, Tenant shall remain liable for any damages as provided in this Lease and Landlord may enforce any of the remedies provided in Section 14.02.

Section 14.02 **Remedies.** If this Lease is terminated pursuant to Section 14.01, or if Landlord re-enters or obtains possession of the Premises by summary proceedings or any other legal action or proceeding or by any other legal act (without liability or obligation to Tenant or any other occupant of the Premises), all the following provisions shall apply:

(a) Tenant shall immediately vacate and surrender the Premises to Landlord in

good order, condition, and repair, reasonable wear and tear and damage that Tenant is not obligated under the terms of this Lease to repair excepted.

(b) Tenant shall promptly pay to Landlord all Rent payable to the date on which this Lease is terminated or the date on which Landlord re-enters or obtains possession of the Premises.

(c) Notwithstanding anything to the contrary contained herein, Landlord shall have no duty or obligation whatsoever to relet all or any portion of the Premises or to mitigate its damages hereunder.

(d) Landlord may: (i) complete all construction required to be performed by Tenant hereunder; (ii) repair and alter the Premises in such manner as Landlord may deem reasonably necessary or advisable (and may apply to the foregoing all funds, if any, then held by Depository pursuant to this Lease without relieving Tenant of any liability under this Lease or otherwise affecting any such liability); (iii) let or relet the Premises or any parts thereof for the whole or any part of the remainder of the Term or for a longer period, in Landlord's name or as agent of Tenant, and out of any Rent and other sums collected or received as a result of such reletting Landlord shall: (A) first, pay to itself the reasonable cost and expense of terminating this Lease, re-entering, retaking, repossessing, completing construction, and repairing or altering the Premises, or any part thereof, and the cost and expense of removing all persons and property therefrom, including in such costs legal expenses, and reasonable attorneys' fees and disbursements; (B) second, pay to itself the reasonable cost and expense sustained in securing any new tenants and other occupants, including in such costs, legal expenses, and reasonable attorneys' fees and disbursements and other expenses of preparing the Premises for reletting, and, if Landlord shall maintain and operate the Premises, the reasonable cost and expense of operating and maintaining the Premises; and (C) third, pay to itself any balance remaining on account of the liability of Tenant to Landlord. Landlord in no way shall be responsible or liable for any failure to relet the Premises or any part thereof, or for any failure to collect any rent due on any such reletting, and no such failure to relet or to collect rent shall operate to relieve Tenant of any liability under this Lease or to otherwise affect any such liability. Notwithstanding the foregoing, Landlord shall have no duty or obligation whatsoever to relet all or any portion of the Premises or to mitigate its damages hereunder.

(e) CONFESSION OF JUDGMENT – MONEY DAMAGES.

(i) TENANT HEREBY IRREVOCABLY AUTHORIZES AND EMPOWERS ANY PROTHONOTARY, CLERK OF COURT, OR ATTORNEY OF ANY COURT OF RECORD TO APPEAR FOR TENANT IN ANY AND ALL ACTIONS WHICH MAY BE BROUGHT FOR ANY RENT, OR ANY CHARGES HEREBY RESERVED OR DESIGNATED AS RENT, OR ANY OTHER SUM PAYABLE BY TENANT TO LANDLORD UNDER OR BY REASON OF THIS LEASE, AND TO SIGN FOR TENANT AN

AGREEMENT FOR ENTERING IN ANY COMPETENT COURT AN ACTION OR ACTIONS FOR THE RECOVERY OF SAID RENT, CHARGES, AND OTHER SUMS, AND IN SAID SUIT OR IN SAID ACTION OR ACTIONS TO CONFESS JUDGMENT AGAINST TENANT IN FAVOR OF LANDLORD FOR ALL OR ANY PART OF THE RENT SPECIFIED IN THIS LEASE AND THEN UNPAID INCLUDING, AT LANDLORD'S OPTION, THE RENT FOR THE ENTIRE UNEXPIRED BALANCE OF THE TERM OF THIS LEASE, AND ALL OR ANY PART OF ANY OTHER OF SAID CHARGES OR SUMS, AND FOR INTEREST AND COSTS TOGETHER WITH AN ATTORNEYS' COMMISSION OF FIVE PERCENT (5%) OF ANY JUDGMENT. SUCH AUTHORITY SHALL NOT BE EXHAUSTED BY ONE EXERCISE THEREOF, BUT JUDGMENT MAY BE CONFESSED AS AFORESAID FROM TIME TO TIME AS OFTEN AS ANY OF SAID RENT OR SUCH OTHER SUMS, CHARGES, PAYMENTS, COSTS, AND EXPENSES SHALL FALL DUE OR BE IN ARREARS, AND SUCH POWERS MAY BE EXERCISED AS WELL AFTER THE EXPIRATION OF THE TERM OR DURING ANY EXTENSION OR RENEWAL OF THIS LEASE.

- (ii) TENANT ACKNOWLEDGES AND AGREES THAT: (A) THE FOREGOING WARRANT OF ATTORNEY TO CONFESS JUDGMENT IS BEING EXECUTED IN CONNECTION WITH A COMMERCIAL TRANSACTION; (B) LANDLORD'S CONFESSION OF JUDGMENT FOLLOWING AN EVENT OF DEFAULT AND IN ACCORDANCE WITH THE FOREGOING WARRANT OF ATTORNEY WOULD BE IN ACCORDANCE WITH TENANT'S REASONABLE EXPECTATIONS; AND (C) LANDLORD DOES NOT AND, IN REGARDS TO THE LEASE, SHALL NOT HAVE ANY OF THE DUTIES TO TENANT SET FORTH IN 20 PA. C.S.A. § 5601.3, AND THE SAME ARE HEREBY IRREVOCABLY WAIVED BY TENANT.**

(f) CONFESSION OF JUDGMENT - POSSESSION.

- (i) TENANT COVENANTS AND AGREES THAT IF THIS LEASE SHALL BE TERMINATED (EITHER BECAUSE OF CONDITION BROKEN DURING THE TERM OF THIS LEASE OR ANY RENEWAL OR EXTENSION THEREOF AND/OR WHEN THE TERM HEREBY CREATED OR ANY EXTENSION THEREOF SHALL HAVE EXPIRED) THEN, AND IN THAT EVENT, LANDLORD MAY CAUSE A JUDGMENT IN EJECTMENT TO BE ENTERED AGAINST TENANT FOR POSSESSION OF THE PREMISES, AND FOR THAT PURPOSE TENANT HEREBY IRREVOCABLY AUTHORIZES AND**

EMPOWERS ANY PROTHONOTARY, CLERK OF COURT, OR ATTORNEY OF ANY COURT OF RECORD TO APPEAR FOR TENANT AND TO CONFESS JUDGMENT IN FAVOR OF LANDLORD AND AGAINST TENANT IN EJECTMENT FOR POSSESSION OF THE PREMISES, AND AGREES THAT LANDLORD MAY COMMENCE AN ACTION PURSUANT TO PENNSYLVANIA RULES OF PROCEDURE NO. 2970 ET SEQ. AS AMENDED FROM TIME TO TIME, FOR THE ENTRY OF AN ORDER IN EJECTMENT FOR POSSESSION OF PREMISES, AND TENANT FURTHER AGREES THAT A WRIT OF POSSESSION PURSUANT THERETO MAY ISSUE FORTHWITH, FOR WHICH AUTHORIZATION TO CONFESS JUDGMENT AND FOR THE ISSUANCE OF A WRIT OR WRITS OF POSSESSION PURSUANT THERETO, THIS LEASE, OR A TRUE AND CORRECT COPY THEREOF, SHALL BE SUFFICIENT WARRANT. TENANT FURTHER COVENANTS AND AGREES, THAT IF FOR ANY REASON WHATSOEVER, AFTER SAID ACTION SHALL HAVE COMMENCED, THE ACTION SHALL BE TERMINATED AND THE POSSESSION OF THE PREMISES SHALL REMAIN IN OR BE RESTORED TO TENANT, LANDLORD SHALL HAVE THE RIGHT UPON ANY SUBSEQUENT EVENT OF DEFAULT OR DEFAULTS, OR UPON THE TERMINATION OF THIS LEASE AS ABOVE SET FORTH TO COMMENCE SUCCESSIVE ACTIONS FOR POSSESSION OF PREMISES AND TO CAUSE THE ENTRY OF SUCCESSIVE JUDGMENTS BY CONFESSION IN EJECTMENT FOR POSSESSION OF THE PREMISES.

- (ii) TENANT ACKNOWLEDGES AND AGREES THAT: (A) THE FOREGOING WARRANT OF ATTORNEY TO CONFESS JUDGMENT IS BEING EXECUTED IN CONNECTION WITH A COMMERCIAL TRANSACTION; (B) LANDLORD'S CONFESSION OF JUDGMENT FOLLOWING AN EVENT OF DEFAULT AND IN ACCORDANCE WITH THE FOREGOING WARRANT OF ATTORNEY WOULD BE IN ACCORDANCE WITH TENANT'S REASONABLE EXPECTATIONS; AND (C) LANDLORD DOES NOT AND, IN REGARDS TO THE LEASE, SHALL NOT HAVE ANY OF THE DUTIES TO TENANT SET FORTH IN 20 PA. C.S.A. § 5601.3, AND THE SAME ARE HEREBY IRREVOCABLY WAIVED BY TENANT.

- (g) RELEASE.

IN ANY ACTION OR PROCEEDING DESCRIBED IN OR IN CONNECTION WITH SECTION 14.02(e) AND/OR SECTION 14.02(f), IF A COPY OF THIS LEASE IS

VERIFIED BY LANDLORD (OR SOMEONE ACTING FOR LANDLORD) TO BE A TRUE AND CORRECT COPY OF THIS LEASE (AND SUCH COPY SHALL BE CONCLUSIVELY PRESUMED TO BE TRUE AND CORRECT BY VIRTUE OF SUCH VERIFICATION), THEN THE FILING OF THE ORIGINAL OF THIS LEASE SHALL NOT BE NECESSARY, NOTWITHSTANDING ANY STATUTE, RULE OF COURT OF LAW, CUSTOM, OR PRACTICE TO THE CONTRARY. TENANT HEREBY RELEASES TO LANDLORD, ANYONE ACTING FOR LANDLORD, AND ALL ATTORNEYS WHO MAY APPEAR FOR TENANT, ALL ERRORS IN PROCEDURE REGARDING THE ENTRY OF JUDGMENT OR JUDGMENTS BY CONFESSION OR OTHERWISE AND ALL LIABILITY THEREFOR. THE RIGHT TO ENTER JUDGMENT OR JUDGMENTS BY CONFESSION OR OTHERWISE BY VIRTUE OF THE WARRANTS OF ATTORNEY CONTAINED IN THIS LEASE AND TO ENFORCE ALL THE OTHER PROVISIONS OF THIS LEASE MAY BE EXERCISED BY ANY ASSIGNEE OF LANDLORD'S RIGHT, TITLE, AND INTEREST IN THIS LEASE IN SUCH ASSIGNEE'S OWN NAME, NOTWITHSTANDING ANY STATUTE, RULE OF COURT OR LAW, CUSTOM, OR PRACTICE TO THE CONTRARY.

(h) Landlord may elect to proceed by appropriate judicial proceedings, either at law or in equity, to enforce the performance or observance by Tenant of the applicable provisions of this Lease or to recover damages for breach thereof. Each right and remedy of Landlord provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease now or hereafter existing at law, in equity, by statute, or otherwise, and the exercise or beginning of the exercise by Landlord of any one or more of the rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by Landlord of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

(i) **Standstill During Initial Compliance Period.** Notwithstanding anything in this Lease to the contrary, the Landlord shall not terminate this Lease provided that (a) the Facility is within the fifteen-year compliance period as defined in and determined in accordance with Section 42 or (b) the Investor Limited Partner, and/or any of its successors and/or assigns, remains the investor limited partner of the Tenant.

ARTICLE XV EXPIRATION OR TERMINATION

Section 15.01 Extinguishment of Tenant's Rights. Upon the termination or expiration of this Lease from any cause, all rights and interests of Tenant, and all Persons whomsoever claiming by, through, or under Tenant (with the exception of the rights of Leasehold Mortgagees arising under Article XIII and the rights of Landlord arising under Section 14.02), shall immediately cease and terminate, and the Premises, all Improvements, and all Personalty located thereon, shall thence forward constitute and belong to and be the absolute property of Landlord or Landlord's successors and assigns, without further act or conveyance, and without

liability to make such compensation to Tenant or to anyone whomsoever, and free and discharged from all and every lien, encumbrance, claim, and charge of any character created or attempted to be created by Tenant at any time. Tenant agrees, at the termination of this Lease, to surrender unto Landlord, all and singular the Premises with the then existing Improvements constructed and located thereon and therein, in the same condition as when the construction of Improvements was completed, only normal wear and tear excepted, unless Tenant shall be relieved of Tenant's obligation to repair, reconstruct, Restore, or replace damaged or destroyed buildings, other structures, or Improvements pursuant to Article XVI hereof.

Section 15.02 **Prepaid Items Assigned.** Upon the expiration of the Term of this Lease, or upon the prior termination of this Lease from any cause, all expense items prepaid by Tenant with respect to constructing, operating, maintaining, and protecting the Premises, including, but not limited to, prepaid insurance premiums, and any tax and utility deposits, shall inure to the benefit of and become the property of Landlord, and to this extent Tenant does hereby transfer, assign, and convey any such prepaid expense items to Landlord.

ARTICLE XVI DAMAGE AND DESTRUCTION

Section 16.01 **Damage and Destruction.** If all or any part of the Premises shall be destroyed or damaged in whole or in part by fire or other casualty (including any casualty for which insurance was not obtained or obtainable) of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, Tenant shall give to Landlord notice thereof within thirty (30) days after such casualty occurs, except that no notice shall be required if the estimated cost of repairs, Alterations, Restorations, replacements, and rebuilding the Premises or portion thereof so damaged or destroyed (collectively, "**Restoration**") shall be less than the Threshold Amount. Tenant shall, whether or not such damage or destruction shall have been insured, and whether or not insurance proceeds, if any, shall be sufficient for the purpose of such Restoration, with reasonable diligence (subject to Unavoidable Delays) repair, alter, restore, replace, and rebuild the Premises or portion thereof so damaged or destroyed (collectively, "**Restore**") the same, at least to the extent of the value and as nearly as possible to the condition, quality, and class of the Premises existing immediately prior to such occurrence. Landlord in no event shall be obligated to Restore the Premises or any portion thereof or to pay any of the costs or expenses thereof. If Tenant shall fail or neglect to Restore with reasonable diligence (subject to Unavoidable Delays) the Premises or the portion thereof so damaged or destroyed, or having so commenced such Restoration, shall fail to complete the same with reasonable diligence (subject to Unavoidable Delays) in accordance with the terms of this Lease, and in either case such failure or neglect continues for ninety (90) days after notice from Landlord, or if prior to the completion of any such Restoration by Tenant, this Lease shall expire or be terminated for any reason, Landlord, upon notice to Tenant, may, but shall not be required to, complete such Restoration at Tenant's expense. Each such Restoration shall be done in accordance with the provisions of this Lease. Tenant's obligations under this Section 16.01 shall survive the expiration or earlier termination of this Lease.

Section 16.02 **Restoration Funds.**

(a) Subject to the provisions of this Article XVI, Depository shall pay over to Tenant from time to time, upon the following terms, any monies which may be received by Depository from insurance provided by Tenant (other than business interruption insurance) or cash or the proceeds of any security deposited with Depository (collectively, the “**Restoration Funds**”); provided, however, that Depository, before paying such moneys over to Tenant, shall be entitled to reimburse itself, Landlord, and Leasehold Mortgagee therefrom to the extent, if any, of the necessary, reasonable and proper expenses (including, without limitation, reasonable attorneys’ fees) paid or incurred by Depository, Landlord, and Leasehold Mortgagee in the collection of such monies. Depository shall pay to Tenant, as hereinafter provided, the Restoration Funds, for the purpose of the Restoration.

(b) Prior to commencing any Restoration, Tenant shall furnish Landlord with an estimate of the cost of such Restoration, prepared by a licensed professional engineer or registered architect selected by Tenant and approved by Landlord. Landlord may engage a licensed professional engineer or registered architect to prepare its own estimate of the cost of such Restoration. If there is any dispute as to the estimated cost of the Restoration, such dispute shall be resolved by Arbitration.

(c) Subject to the provisions of this Article XVI, the Restoration Funds shall be paid to Tenant in installments as the Restoration progresses, less retainage equal to five percent (5%) of such installment until completion of fifty percent (50%) of the Restoration and two percent (2%) of each installment thereafter until completion of the Restoration, upon application to be submitted by Tenant to Depository and, for information only, to Landlord, showing the cost of labor and materials purchased and delivered to the Premises for incorporation in the Restoration, or incorporated therein since the last previous application, and due and payable or paid by Tenant. If any vendor’s, mechanic’s, laborer’s, or materialman’s lien is filed against the Premises or any part thereof, or if any public improvement lien relating to the Restoration of the Premises is created or permitted to be created by Tenant and is filed against Landlord, or any assets of, or funds appropriated to, Landlord, Tenant shall not be entitled to receive any further installment until such lien is satisfied or discharged (by bonding or otherwise). Notwithstanding the foregoing, the existence of any such lien shall not preclude Tenant from receiving any installment of Restoration Funds, provided: (i) such lien shall be discharged with funds from such installment; or (ii) if Depository shall be holding funds for the Restoration: (A) Depository certifies that it is retaining, in addition to amounts required to be retained hereunder, an amount equal to the funds required to satisfy or discharge such lien; and (B) failure to pay or discharge such lien will not result in the imminent loss or forfeiture of the Premises or the termination of Tenant’s interest under this Lease and will not subject Tenant or Landlord to any civil or criminal penalty or liability.

(d) Upon completion of and payment for the Restoration by Tenant, the balance of the Restoration Funds shall be paid over to Tenant.

(e) Notwithstanding the foregoing, if Landlord makes the Restoration at Tenant’s expense, as provided in Section 16.01 hereof, then Depository shall pay over the Restoration Funds to Landlord, upon request, to the extent not previously paid to Tenant pursuant to this Article XVI, and Tenant shall pay to Landlord, within ten (10) Business Days after demand, any sums in excess of the portion of the Restoration Funds received by Landlord necessary to complete the Restoration.

Section 16.03 **Restoration Costs Exceed the Threshold Amount.** If any loss, damage, or destruction occurs, the cost of Restoration of which equals or exceeds the Threshold Amount in the aggregate, in addition to the other requirements contained in this Article XVI, Tenant shall furnish to Landlord the documents and shall comply with the requirements set forth in Article VII.

Section 16.04 **Excess Costs of Restoration.** If the cost of any Restoration, determined as provided in Section 16.02, exceeds both: (a) the Threshold Amount; and (b) the net insurance proceeds, then, prior to the commencement of such Restoration, Tenant shall deposit with Depository, as security for completion of the Restoration, a bond, cash, or other security reasonably satisfactory to Landlord in the amount of such excess, to be held and applied by Depository in accordance with the provisions of Section 16.02.

Section 16.05 **No Termination; No Abatement.** This Lease shall not terminate or be forfeited or be affected in any manner, and there shall be no reduction or abatement of the Rent, by reason of damage to or total, substantial, or partial destruction of the Premises or any part thereof or by reason of the untenability of the same or any part thereof, for or due to any reason or cause whatsoever, and Tenant, notwithstanding any Law, waives any and all rights to quit or surrender the Premises or any part thereof. Tenant expressly agrees that its obligations hereunder, including the payment of Rent, shall continue as though the Premises had not been damaged or destroyed and without abatement, suspension, diminution, or reduction of any kind.

ARTICLE XVII CONDEMNATION

Section 17.01 Total Taking.

(a) If all or substantially all of the Premises shall be taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of Condemnation, eminent domain, or by agreement among Landlord, Tenant, and those authorized to exercise such right, the Term shall terminate on the Date of Taking and the Rent payable by Tenant hereunder shall be equitably apportioned as of the date of such taking.

(b) If all or substantially all of the Premises shall be taken or condemned as provided in Section 17.01(a), the award, awards or damages in respect thereof shall be apportioned as follows: (i) there shall first be paid to Landlord so much of the award which is for or attributable to the Land Value; (ii) there shall next be paid to the Leasehold Mortgagee so much of the balance of such award as shall equal the unpaid principal indebtedness secured by such Leasehold Mortgage with interest thereon at the rate specified therein to the date of payment (such payments to be made in order of lien priority and *pari passu* to Leasehold Mortgagee with liens of the same priority); and (iii) subject to rights of any Leasehold Mortgagee, Tenant shall receive the balance, if any, of the award (but if the taking occurs prior to Completion of the Facility, the balance, if any, shall be paid to Landlord). If any dispute arises as to which portion of the award is attributable to the Land and which portion is

attributable to the Improvements, such dispute shall be resolved by Arbitration (unless the condemning authority or a court of competent jurisdiction has made such determination, in which case its determination shall control).

(c) Each of the parties shall execute any and all documents that may be reasonably required in order to facilitate collection by them of such awards.

Section 17.02 Partial Taking. If less than substantially all of the Premises shall be so taken, this Lease and the Term shall continue as to the portion of the Premises remaining without diminution of any of Tenant's obligations hereunder, In the event of any taking pursuant to this Section 17.02, the entire award for or attributable to the Land taken and the Land Value thereof, shall be first paid to Landlord, and the balance of the award, if any, shall be paid to Depository, except that if such balance shall be less than the Threshold Amount, such balance shall be payable, in trust, to Tenant for application to the cost of Restoration of the part of the Premises not so taken. Subject to the provisions and limitations in this Section 16.03, Depository shall make available to Tenant as much of that portion of the award actually received and held by Depository, if any, less all necessary and proper expenses paid or incurred by Depository, the Leasehold Mortgagee most senior in lien and Landlord in the Condemnation proceedings, as may be necessary to pay the cost of Restoration of the part of the Premises remaining. Such Restoration shall be done in accordance with and subject to the provisions of Article XVI. Payments to Tenant as aforesaid shall be disbursed in the manner and subject to the conditions set forth in Article XVI. Any balance of the award held by Depository and any cash and the proceeds of any security deposited with Depository remaining after completion of the Restoration shall be paid to Tenant. Each of the parties shall execute any and all documents that may be reasonably required in order to facilitate collection by them of such awards.

Section 17.03 Depository. With respect to any Restoration required by the terms of Section 17.02, the cost of which, as determined in the manner set forth in Section 16.02(b), exceeds both: (a) the Threshold Amount; and (b) the balance of the Condemnation award after payment of the expenses set forth in Section 17.02, then, prior to the commencement of such Restoration, Tenant shall deposit with Depository a bond, cash, or other security reasonably satisfactory to Landlord in the amount of such excess, to be held and applied by Depository in accordance with the provisions of Section 17.02, as security for the completion of the Restoration.

Section 17.04 Temporary Taking. If the whole or any part of the Premises shall be taken temporarily for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of Condemnation or eminent domain or by agreement between Tenant and those authorized to exercise such right, Tenant shall give prompt notice thereof to Landlord and the Term shall not be reduced or affected in any way and Tenant shall continue to pay in full the Rent payable by Tenant hereunder without reduction or abatement, and Tenant shall be entitled to receive for itself any award or payments for such use; provided, however, that:

(a) If the taking is for a period not extending beyond the Term and if such award or payment is made less frequently than in monthly installments, the same shall be paid to and held by Depository as a fund which Depository shall apply from time to time to the payment of Rent, except that, if such taking results in changes or alterations in the Premises which would necessitate an expenditure to Restore the Premises to their former condition, then, a portion of such award or payment considered by Landlord, in its reasonable opinion, as appropriate to cover the expenses of the Restoration shall be retained by Depository, without application as aforesaid, and applied and paid over toward the Restoration of the Premises to their former condition, substantially in the same manner and subject to the same conditions as provided in Section 17.02; and any portion of such award or payment which shall not be required pursuant to this Section 17.04(a) to be applied to the Restoration of the Facility or to the payment of Rent until the end of the Term (or, if the taking is for a period terminating prior to the end of the Term, until the end of such period), shall be paid to Tenant.

(b) If the taking is for a period extending beyond the Term, such award or payment shall be apportioned between Landlord and Tenant as of the Expiration Date, and Landlord's and Tenant's share thereof, if paid less frequently than in monthly installments, shall be paid to Depository and applied in accordance with the provisions of this Section 17.04; provided, however, that the amount of any award or payment allowed or retained for the Restoration of the Premises and not previously applied for such purpose shall remain the property of Landlord if this Lease shall expire prior to such Restoration.

Section 17.05 Negotiated Sale in Lieu of Condemnation. In the event of a negotiated sale conveying all or a portion of the Premises to the condemning authority in lieu of Condemnation, the proceeds shall be distributed as provided in cases of Condemnation.

Section 17.06 Participation in Condemnation Proceeding. Landlord, Tenant, and any Leasehold Mortgagee shall be entitled to file a claim and otherwise participate in any Condemnation or similar proceeding and all hearings, trials, and appeals in respect thereof.

Section 17.07 Relocation Payments. Notwithstanding anything to the contrary contained in this Article XVII, in the event of any permanent or temporary taking of all or any part of the Premises, Tenant and the residents of the Facility shall have the exclusive right to assert claims for relocation expenses of Tenant or the residents of the Facility, and all awards and damages in respect thereof shall belong to Tenant and the residents of the Facility, and Landlord hereby waives any and all claims to any part thereof.

ARTICLE XVIII ESTOPPEL CERTIFICATES

Section 18.01 Estoppel Certificates. Landlord and Tenant shall execute, acknowledge, and deliver to the other promptly upon request, a certificate certifying as to the following:

(a) That this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect, as modified, and stating the modifications).

(b) The dates through which the Rent under this Lease has been paid.

(c) The amount of the Rent then payable.

(d) That no notice has been given by Landlord to Tenant of any Event of Default under this Lease that has not been cured and to the best of its knowledge and belief no Event of Default exists (or, if there has been any notice given or an Event of Default exists, describing the same).

Certificates from Landlord and Tenant pertaining to the same matters may be relied upon by any prospective Leasehold Mortgagee or Fee Mortgagee, or by any prospective assignee of an interest under this Lease.

ARTICLE XIX NOTICES

Section 19.01 **Notices.** Until a different address is provided in a notice to the other party, all notices, demands, or requests made by either party to the other which are required or permitted by the provisions of this Lease shall be in writing and shall be deemed sufficiently given when delivered by registered or certified mail, return receipt requested, addressed as follows:

Landlord: Township of Lower Merion
75 East Lancaster Avenue
Ardmore, PA 19003-2323
Attention: Brandon Ford, Assistant Township
Manager

with a copy to: High Swartz LLP
40 East Airy Street
Norristown, PA 19401
Attention: Gilbert P. High, Jr.

Tenant: Ardmore House II LP
c/o HumanGood East
2000 Joshua Road
Lafayette Hill, PA 19444
Attention: Jennifer S. Kappen

with a copy to: Nelson Mullins Riley & Scarborough LLP
One PPG Place, Suite 3200

Pittsburgh, PA 15222
Attention: Michelle R. Yarbrough Korb

Investor Limited Partner:

RBC-Ardmore House, LLC
600 Superior Avenue, Suite 2300
Cleveland, OH 44114
Attention: President and General Counsel
E-mail: RBCCI.GP.NOTICE@RBCCM.COM

with a copy to:

Nixon Peabody LLP
Exchange Place
53 State Street
Boston, MA 02109-2835
Attention: Roger W. Holmes

Notwithstanding anything contained in this Lease to the contrary, any notice required to be given by Landlord or Tenant hereunder shall be deemed to be effective as of the date such notice is received or refused as reflected on said notice.

ARTICLE XX SUBMISSION OF MATTERS TO LANDLORD FOR APPROVAL

Section 20.01 **Submission of Matters to Landlord for Approval.** Any matter which must be submitted to and consented to or approved in writing by Landlord or any matter which must be submitted to Landlord which may become effective if not denied by Landlord, as required under this Lease, shall be submitted to Landlord in the manner and to the address of Landlord designated for the giving of notice to Landlord under Article XIX of this Lease and shall either be approved or rejected by Landlord within thirty (30) days after receipt unless a shorter period of time is expressly stated elsewhere in this Lease. If Landlord should fail so to approve or reject within such thirty (30)-day period as provided for herein, Landlord's approval shall be deemed rejected. Upon Tenant's written request, Landlord shall inform Tenant in writing of its rejection or approval of such submitted matter in the manner and to the address of Tenant designated for the giving of notice to Tenant under Article XIX of this Lease. Any review by Landlord of any matter submitted to Landlord is for Landlord's own convenience and purpose only. By undertaking such review, Landlord shall not have any liability to Tenant or any other person, including, without limitation, the insurers and lenders of Tenant.

ARTICLE XXI HOLDING OVER

Section 21.01 **Holding Over by Tenant.** Tenant shall not use or remain in possession of the Premises after the expiration or sooner termination of this Lease. Any holding over, or continued use or occupancy by Tenant after the termination of this Lease, without the written consent of Landlord, shall not constitute a tenant-at-will interest on behalf of Tenant, but

Tenant shall become a tenant-at-sufferance and liable for holdover rent in an amount equal to two (2) times the monthly installment of Rent and all other expenses, obligations, and payments in effect for the immediately preceding year of the Term of this Lease. There shall be no renewal whatsoever of this Lease by operation of Law.

ARTICLE XXII

COMPLIANCE WITH LAWS; ENVIRONMENTAL LAWS

Section 22.01 **Compliance with Laws.** Tenant warrants and agrees that, during the entire Term of this Lease and at its expense: (a) Tenant shall conduct Tenant's business and activities on or related to the Premises only in full compliance with all applicable Laws; (b) Tenant shall neither do nor permit any act or omission which could cause the Premises and Tenant's use thereof to fail to be in full compliance with all applicable Laws; and (c) Tenant shall neither do nor permit any act or omission which could cause any Liabilities to exist or be asserted against Landlord or the Premises. Without limiting the foregoing, Tenant shall promptly cure all violations of Law for which Tenant has received notice or a public notice of violation has been issued and pay all fines, penalties, interest, or other costs imposed by any Governmental Authorities in connection with any violation or requirement of any Law.

Landlord warrants and agrees that, during the entire Term of this Lease and at its expense: (a) Landlord shall provide Tenant with copies of all forms and other information concerning any releases, spills, or other incidents relating to Hazardous Materials or any violations of Environmental Laws with respect to the Premises of which the Landlord has actual knowledge.

Section 22.02 Environmental Laws.

(a) Tenant warrants and agrees that, during the entire Term of this Lease and at its expense, Tenant shall comply with all Environmental Laws. Such compliance shall include Tenant's obligation to take Remedial Action when required by such Environmental Laws and to pay all fines, penalties, interest, or other costs imposed by any Governmental Authorities in connection with any violation or requirement of any Environmental Law.

(b) Tenant shall notify Landlord promptly in writing if: (i) Tenant becomes aware of the presence or Release of any Hazardous Material at, on, under, over, emanating from, or migrating to the Premises in any quantity or manner which could reasonably be expected to violate in any material respect any Environmental Law or give rise to any material Liability or the obligation to take Remedial Action; or (ii) Tenant receives any written notice, claim, demand, request for information, or other communication from a Governmental Authority regarding the presence or Release of any Hazardous Material at, on, under, over, emanating from, or migrating to the Premises.

(c) Tenant shall take and complete any Remedial Action with respect to the Premises in full compliance with all Laws and shall, when such Remedial Action is completed, submit to Landlord written confirmation from the applicable Governmental Authority that no further Remedial Action is required.

(d) Tenant shall provide Landlord with copies of all tests, studies, notices, claims, demands, requests for information, or other communications relating to the presence or Release of any Hazardous Materials at, on, under, over, emanating from, or migrating to the Premises.

ARTICLE XXIII NO BROKERS

Section 23.01 **No Brokers.** Landlord and Tenant each represent and warrant to the other that it has not dealt with any broker in connection with this Lease. Landlord and Tenant shall each indemnify and hold harmless the other from and against any and all claims for any brokerage fee or commission with respect to this Lease transaction by any broker with whom either Landlord or Tenant has dealt with or is alleged to have dealt with. The provisions of this Section 23.01 shall survive any termination of this Lease.

ARTICLE XXIV NO IMPAIRMENT OF LANDLORD'S TITLE

Section 24.01 **No Impairment of Landlord's Title.** Tenant shall not permit the Premises to be used by any Person at any time or times during the Term of this Lease in such a manner as would impair Landlord's title to or interest in the Premises or in such a manner as would cause a claim or claims of adverse possession, adverse use, prescription, or other similar claims of, in, to, or with respect to the Premises.

ARTICLE XXV QUIET ENJOYMENT

Section 25.01 **Quiet Enjoyment.** Landlord covenants and agrees that, if and so long as Tenant observes and performs each and every covenant, agreement, provision, and condition of this Lease on the part of Tenant to be observed and performed throughout the Term of this Lease, Tenant may peaceably and quietly enjoy the Premises without hindrance or molestation of Landlord or any Person acting through Landlord.

ARTICLE XXVI LIMITATION OF LANDLORD'S LIABILITY

Section 26.01 **Limitation of Landlord's Liability.**

(a) If Landlord sells, assigns, or otherwise transfers (whether by operation of Law or otherwise) all or part of its interests in the Premises or this Lease: (i) Landlord shall be relieved of all obligations and Liabilities of Landlord under this Lease accruing after the effective date of such transfer; and (ii) the transferee shall be deemed to have assumed all Landlord's obligations and Liabilities under this Lease effective from and after the effective

date of the transfer.

(b) Landlord, its officers, directors and any partners, members, shareholders, and principals, whether disclosed or undisclosed, shall have no personal liability under or in connection with this Lease. Tenant agrees that it shall look solely to Landlord's interest in the Premises and this Lease for the satisfaction of Tenant's remedies or to collect any judgment requiring payment of any money by Landlord.

ARTICLE XXVII

Reserved.

ARTICLE XXVIII MEMORANDUM

Section 28.01 **Memorandum.** Either Landlord or Tenant may record a memorandum of this Lease or a memorandum of any amendment or modification of this Lease, provided the memorandum shall not include the financial terms of this Lease. Each party shall, upon the request of the other, join in the execution of a memorandum of this Lease or a memorandum of any amendment or modification of this Lease in proper form for recordation together with any transfer tax returns or forms necessary for such recordation, if applicable. Upon the expiration or sooner termination of this Lease, Tenant covenants that it shall, at the request of Landlord, execute, acknowledge, and deliver an instrument canceling any memorandum of Lease that is recorded and all other documentation required to record same. If Tenant fails or refuses to execute, acknowledge, and deliver such instrument of cancellation, then Tenant hereby appoints Landlord as Tenant's attorney-in-fact, coupled with an interest, to execute, acknowledge, and deliver such instrument of cancellation on Tenant's behalf.

ARTICLE XXIX EXTENSION OPTIONS

Section 29.01 **Renewal.** Provided no Event of Default shall have occurred and be continuing at the time of exercise or at the expiration of the Term or, if applicable, the immediately preceding renewal period of the Term, the Lease shall automatically renew for a period of ten (10) years on the same terms and provisions of this Lease then in effect (each such additional term being referred to as a "**Renewal Term**").

Section 29.02 **Termination.** The Lease shall automatically renew as set out in Section 29.01 for two (2) consecutive renewal periods unless Tenant gives notice in accordance with Section 19 to Landlord regarding its intention to terminate the Lease no less than one (1) year prior to the expiration of the Term or the then applicable Renewal Term. After two (2) Renewal Terms, the Lease shall automatically renew as set out in Section 29.01 unless Tenant

or Landlord gives notice in accordance with Section 19 to the other party regarding their intention to terminate the Lease no less than one (1) year prior to the expiration of the Term or the then applicable Renewal Term.

ARTICLE XXX MISCELLANEOUS

Section 30.01 **Landlord and Tenant Representations and Warranties.** Landlord and Tenant each represent and warrant that:

(a) This Lease has been duly authorized, executed, and delivered by such party and constitutes the legal, valid, and binding obligation of such party.

(b) There are no actions, suits, or proceedings pending or, to the knowledge of such party, threatened against or affecting such party, at law or at equity or before any Governmental Authority that would impair such party's ability to perform its obligations under this Lease.

(c) The consummation of the transactions hereby contemplated and the performance of this Lease shall not result in any breach or violation of, or constitute a default under, any other lease or financing agreement.

Tenant agrees that, if it is not an individual, it shall provide to Landlord, upon Landlord's request, evidence that the execution and delivery of this Lease have been duly authorized by Tenant.

Section 30.02 Patriot Act.

(a) Tenant hereby represents and warrants to Landlord that Tenant: (i) is in compliance with the Office of Foreign Assets Control sanctions and regulations promulgated under the authority granted by the Trading with the Enemy Act, 12 U.S.C. § 95(a) *et seq.*, and the International Emergency Economic Powers Act, 50 U.S.C. § 1701 *et seq.*, as the same apply to it or its activities; (ii) is in compliance with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended from time to time (the "**Patriot Act**") and all rules and regulations promulgated under the Patriot Act applicable to Tenant; and (iii) (A) is not now, nor has ever been, under investigation by any Governmental Authority for, nor has been charged with or convicted of a crime under, 18 U.S.C. §§ 1956 or 1957 or any predicate offense thereunder; (B) has never been assessed a civil penalty under any anti-money laundering laws or predicate offenses thereunder; (C) has not had any of its funds seized, frozen or forfeited in any action relating to any anti-money laundering laws or predicate offenses thereunder; (D) has taken such steps and implemented such policies as are reasonably necessary to ensure that it is not promoting, facilitating or otherwise furthering, intentionally or unintentionally, the transfer, deposit or withdrawal of criminally derived property, or of money or monetary instruments which are (or

which Tenant suspects or has reason to believe are) the proceeds of any illegal activity or which are intended to be used to promote or further any illegal activity; and (E) has taken such steps and implemented such policies as are reasonably necessary to ensure that it is in compliance with all laws and regulations applicable to its business for the prevention of money laundering and with anti-terrorism laws and regulations, with respect both to the source of funds from its investors and from its operations, and that such steps include the development and implementation of an anti-money laundering compliance program within the meaning of Section 352 of the Patriot Act, to the extent such a party is required to develop such a program under the rules and regulations promulgated pursuant to Section 352 of the Patriot Act. Neither Tenant nor any other Person owning a direct or indirect, legal, or beneficial interest in Tenant is in violation of the Executive Order or the Patriot Act. Neither the Tenant nor any of its respective constituents, investors (direct or indirect and whether or not holding a legal or beneficial interest) or Affiliates, acting or benefiting, directly or indirectly, in any capacity in connection with the Landlord and/or the Facility or this Agreement or any of the transactions contemplated hereby or thereby, is: (w) listed in the Annex to, or otherwise subject to the provisions of, that certain Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit or Support Terrorism (the “**Executive Order**”); (x) named as a “specifically designated national (SDN)” on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website (<http://www.treas.gov/ofac/t11sdn.pdf>) or at any replacement website or other replacement official publication of such list or that is named on any other Governmental Authority list issued post 9/11/01; (y) acting, directly or indirectly for terrorist organizations or narcotics traffickers, including those persons that are included on any relevant lists maintained by the United Nations, North Atlantic Treaty Organization, Financial Action Task Force on Money Laundering, U.S. Office of Foreign Assets Control, U.S. Securities and Exchange Commission, U.S. Federal Bureau of Investigation, U.S. Central Intelligence Agency, U.S. Internal Revenue Service, all as may be amended or superseded from time to time; or (z) owned or controlled by, or acting for or on behalf of, any person described in clauses (w), (x) or (y) above (a “**Prohibited Person**”). None of the funds or other assets of the Tenant constitute property of, or are beneficially owned, directly or indirectly, by any Person, entity or government subject to trade restrictions under U.S. law, including but not limited to: (1) the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq.; (2) The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq.; and (3) any Executive Orders or regulations promulgated thereunder, with the result that sale by Tenant or other Persons (whether directly or indirectly), is prohibited by law (an “**Embargoed Person**”). No Embargoed Person has any interest of any nature whatsoever in Tenant (whether directly or indirectly); and none of the funds of Tenant have been derived from any unlawful activity with the result that an investment in the Tenant (whether directly or indirectly) or sale by the Tenant, is prohibited by law or that execution, delivery, and performance of this Lease or any of the transactions or other documents contemplated hereby or thereby is in violation of law.

(b) Landlord hereby represents and warrants to Tenant that Landlord: (i) is in compliance with Patriot Act and all rules and regulations promulgated under the Patriot Act applicable to Tenant; and (ii) (A) is not now, nor has ever been, under investigation by any governmental authority for, nor has been charged with or convicted of a crime under, 18

U.S.C. §§ 1956 or 1957 or any predicate offense thereunder; (B) has never been assessed a civil penalty under any anti-money laundering laws or predicate offenses thereunder; (C) has not had any of its funds seized, frozen or forfeited in any action relating to any anti-money laundering laws or predicate offenses thereunder; (D) has taken such steps and implemented such policies as are reasonably necessary to ensure that it is not promoting, facilitating, or otherwise furthering, intentionally or unintentionally, the transfer, deposit, or withdrawal of criminally derived property, or of money or monetary instruments which are (or which Tenant suspects or has reason to believe are) the proceeds of any illegal activity or which are intended to be used to promote or further any illegal activity; and (E) has taken such steps and implemented such policies as are reasonably necessary to ensure that it is in compliance with all laws and regulations applicable to its business for the prevention of money laundering and with anti-terrorism laws and regulations, with respect both to the source of funds from its investors and from its operations, and that such steps include the development and implementation of an anti-money laundering compliance program within the meaning of Section 352 of the Patriot Act, to the extent such a party is required to develop such a program under the rules and regulations promulgated pursuant to Section 352 of the Patriot Act. Neither Landlord nor any other Person owning a direct or indirect, legal, or beneficial interest in Landlord is in violation of the Executive Order or the Patriot Act. Neither Landlord nor any of its respective constituents, investors (direct or indirect and whether or not holding a legal or beneficial interest) or Affiliates, acting or benefiting, directly or indirectly, in any capacity in connection with the Landlord and/or the Facility or this Agreement or any of the transactions contemplated hereby or thereby, is a Prohibited Person. None of the funds or other assets of the Landlord constitute property of, or are beneficially owned, directly or indirectly, by an Embargoed Person. No Embargoed Person has any interest of any nature whatsoever in Landlord (whether directly or indirectly); and none of the funds of Landlord have been derived from any unlawful activity with the result that an investment in the Landlord (whether directly or indirectly) or sale by the Landlord, is prohibited by law or that execution, delivery, and performance of this Lease or any of the transactions or other documents contemplated hereby or thereby is in violation of law.

Section 30.03 No Waiver; Cumulative Rights of Landlord.

(a) No failure of Landlord to exercise any power given Landlord hereunder or to insist upon strict compliance by Tenant with its undertakings, duties, and obligations hereunder, and no custom or practice of the parties hereto at variance with the provisions hereof shall constitute a waiver of Landlord's right to demand exact compliance with the provisions contained in this Lease.

(b) All rights, powers, and privileges conferred herein upon both parties hereto are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

Section 30.04 Attorneys' Fees. If any action is brought by either party against the other in connection with or arising out of this Lease, the Prevailing Party shall be entitled to recover from the other party its reasonable out-of-pocket costs and expenses, including, without limitation, reasonable attorneys' fees, incurred in connection with the prosecution or defense of such action. The term, "**Prevailing Party**" shall include, without limitation, a party that

substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other party of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Landlord shall be entitled to attorneys' fees, costs, and expenses incurred in the preparation and service of notices of default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such default.

Section 30.05 Provisions Are Binding Upon Successors and Assigns. It is mutually covenanted, understood, and agreed by and between the parties hereto, that each of the provisions of this Lease shall apply to, extend to, be binding upon, and inure to the benefit or detriment of not only the parties hereto, but also the legal representatives, successors, and assigns of Landlord and Tenant hereto, and shall be deemed and treated as covenants running with the Premises during the Term of this Lease. Whenever a reference to the parties hereto is made, such reference shall be deemed to include the legal representatives, successors, and assigns of said party, the same as if in each case expressed.

Section 30.06 Applicable Law. This Lease shall be governed, construed, performed, and enforced in accordance with the Laws of the Commonwealth, without regard to the principles of conflict of laws and with respect to any dispute hereunder, jurisdiction and venue shall lie exclusively with the courts of Montgomery County, Pennsylvania.

Section 30.07 Waiver of Jury Trial. LANDLORD AND TENANT EACH WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, OR TENANT'S USE OR OCCUPANCY OF THE PREMISES.

Section 30.08 Interpretation and Construction. This Lease shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. Any captions or headings used in this Lease are for convenience only and do not define or limit the scope of this Lease. The singular of any term, including any defined term, shall include the plural and the plural of any term shall include the singular. Whenever the singular or plural number, or masculine or feminine gender is used in this Lease, it shall equally apply to, extend to, and include the other.

Section 30.09 Severability. In the event any provision, or any portion of any provision of this Lease is held invalid, the other provisions of this Lease and the remaining portion of said provision, shall not be affected thereby and shall continue in full force and effect and in lieu of each provision which is found to be illegal, invalid, or unenforceable, there will be added as a part of this Lease a provision as similar to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid and enforceable.

Section 30.10 Time Is of the Essence. All time limits stated in this Lease are of the essence of this Lease.

Section 30.11 **No Agency.** Nothing in this Lease is intended, or shall in any way be construed, so as to create any form of partnership or agency relationship between the parties. The parties hereby expressly disclaim any intention of any kind to create any partnership or agency relationship between themselves. Nothing in this Lease shall be construed to make either party liable for any of the indebtedness of the other, except as specifically provided in this Lease.

Section 30.12 **Entire Agreement.** The making, execution, and delivery of this Lease by Tenant has not been induced by any representations, statements, covenants, or warranties by Landlord except for those contained in this Lease. This Lease constitutes the full, complete, and entire agreement between and among the parties hereto with respect to the lease of the Premises; no agent, employee, officer, representative, or attorney of the parties hereto has authority to make, or has made, any statement, agreement, representation, or contemporaneous agreement, oral or written, in connection herewith modifying adding to, or changing the provisions of this Lease. No amendment of this Lease shall be binding unless such amendment shall be in writing, signed by both parties hereto and attached to, incorporated in and by reference made a part of this Lease. Notwithstanding the foregoing, the parties are parties to the Crossover Easement and the Parking Agreement, which were entered into separately and are independent from this Lease.

Section 30.13 **Counterparts.** This Lease may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

Section 30.14 **ACKNOWLEDGMENT OF CONFESSIONS OF JUDGMENT.**

SECTIONS 14.02(e) AND 14.02(f) SET FORTH WARRANTS OF AUTHORITY FOR AN ATTORNEY TO CONFESS JUDGMENT AGAINST THE TENANT. IN GRANTING THESE WARRANTS OF ATTORNEY TO CONFESS JUDGMENT AGAINST THE TENANT, THE TENANT HEREBY KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY, AND AFTER CONSULTING WITH SEPARATE COUNSEL OF THE TENANT, UNCONDITIONALLY WAIVES ANY AND ALL RIGHTS THE TENANT HAS OR MAY HAVE TO PRIOR NOTICE AND AN OPPORTUNITY FOR HEARING UNDER THE CONSTITUTION OF THE COMMONWEALTH OF PENNSYLVANIA OR OTHERWISE, INCLUDING ANY PRIOR NOTICE AND OPPORTUNITY BEFORE JUDGMENT IS ENTERED OR BEFORE EXECUTION IS ISSUED UPON ANY JUDGMENT SO ENTERED. THE TENANT, BY EXECUTING THE FOLLOWING SIGNATURE LINE, ACKNOWLEDGES THAT THE TENANT HAS READ AND THAT THE TENANT COMPREHENDS FULLY THE EFFECT OF THESE CONFESSIONS OF JUDGMENT, INCLUDING THE WAIVER OF PRIOR NOTICE AND OPPORTUNITY FOR A HEARING BEFORE THE ENTRY OF A JUDGMENT OR ANY EXECUTION ISSUING ON THAT JUDGMENT.

[Signature Page Follows]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the Effective Date.

LANDLORD:

TOWNSHIP OF LOWER MERION, a
Pennsylvania first class township

By: _____

Name:

Title:

TENANT:

ARDMORE HOUSE II LP, a Pennsylvania
limited partnership

By: Ardmore Housing II GP LLC, a
Pennsylvania limited liability company, its
general partner

By: HumanGood East, a Pennsylvania nonprofit
corporation, its sole member

By: _____

Name: Jennifer S. Kappen

Title: Senior Vice President of Affordable
Housing

EXHIBIT A

Land

ALL THAT CERTAIN lot or piece of ground, with the buildings and improvements thereon erected, situate in the Township of Lower Merion, County of Montgomery and Commonwealth of Pennsylvania, and bounded and described as follows, to wit:

Beginning at a point on the southeasterly line of Ardmore Avenue, State Route 3042 (40 feet wide), said point lying a distance North 60 degrees 50 minutes 00 seconds East, 289.00 feet from the intersection formed by the Northeasterly right-of-way line of School Lane (50 feet wide) and the Southeasterly right-of-way line of Ardmore Avenue:

1. Thence, leaving the Southeasterly right-of-way line of said Ardmore Avenue (40 feet wide), extending along the Northeasterly line of Parcel #40-00-01358-006, other lands of Lower Merion Township, said line also being the northeasterly side of a crossover easement for common access, South 29 degrees 10 minutes 00 seconds East, a distance of 169.50 feet to a point;
2. Thence, crossing over the head of said crossover easement for common access, and along the southeasterly line of said parcel #40-00-01358-006, South 60 degrees 50 minutes 00 seconds West, a distance of 289.00 feet to a point on the Northeasterly right-of-way of the aforesaid School Lane (50 feet wide);
3. Thence, continuing along the said Northeasterly right-of-way of School Lane, South 29 degrees 10 minutes 00 seconds East, a distance of 114.50 feet to a point in the same;
4. Thence, leaving the said Northeasterly right-of-way of School Lane, continuing North 60 degrees 50 minutes 00 seconds East, a distance of 312.25 feet to a point;
5. Thence, continuing North 29 degrees 10 minutes 00 seconds West, a distance of 284.00 feet along the southwesterly line of Parcel #'s 40-00-02568-00-2, 40-00-02572-00-7 and 40-00-01352-00-3 to a point on the Southeasterly right-of-way of aforesaid Ardmore Avenue; and
6. Thence, continuing along the Southeasterly right-of-way of Ardmore Avenue, South 60 Degrees 50 minutes 00 seconds West, a distance of 23.25 feet to a point, said point being the first mentioned POINT AND PLACE OF BEGINNING.

Containing 39,693.5 square feet (0.9112 acres) plane surface measure.

Being Parcel #40-00-01356-008

Being part of the same premises which School District of Lower Merion Township by Deed dated 6/2/1965 and recorded 6/7/1965 in Montgomery County, PA, in Deed Book 3382 Page 291, conveyed unto Township of Lower Merion, in fee.

TOGETHER WITH the benefit of appurtenant real property easements contained in Crossover Easement Agreement by and between Township of Lower Merion and Ardmore Housing for the Elderly, Inc., a Pennsylvania nonprofit corporation, dated June 15, 1984 and recorded in Deed Book 4765 page 859; as amended by _____ dated _____ and recorded _____ in Record Book _____page ____.