
LEASE AGREEMENT

between

APPIAN WAY FEE OWNER LLC,

as Landlord

and

APPIAN WAY OWNER LLC,

as Tenant

**Dated as of
August 6, 2024**

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Exhibit A – Description of Land
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Exhibit E – Form of Bill of Sale

LEASE AGREEMENT

THIS LEASE AGREEMENT (this “*Lease*”) is made and entered into effective as of August 6, 2024, by and between APPIAN WAY FEE OWNER LLC, a South Carolina limited liability company (“*Landlord*”), and APPIAN WAY OWNER LLC, a South Carolina limited liability company (“*Tenant*”).

Recitals

A. Landlord is the owner of certain Property (as defined herein) which Landlord has agreed to lease under the terms and conditions hereof to Tenant for Tenant’s operation upon the Property of a rental project (the “*Project*”) comprised of, among other things, 204 rental dwelling units (the “*Units*”).

B. Tenant and Landlord intend that within one year of the date hereof not less than 75% of the Units shall be rented to low- or very low-income lessees, in accordance with income limits establish by the U.S. Department of Housing and Urban Development (“*HUD*”) for the area in which the Project is located.

C. Landlord is the wholly owned subsidiary of Fairview Housing Partners Ltd., a Delaware nonprofit corporation (“*Nonprofit*”) that is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “*Code*”).

D. The charitable purposes of Nonprofit and Landlord include the provision of decent, safe, sanitary and affordable housing for low income persons.

E. Landlord has been authorized by Nonprofit to enter into this Lease and the transactions contemplated thereby in order to carry out such charitable purposes of Nonprofit and Landlord.

Granting Clauses

NOW THEREFORE, IN CONSIDERATION of the covenants and agreements of the parties hereto, as are hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each party hereto, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord all of that certain Land (as defined herein and more particularly described in Exhibit A attached hereto), Improvements (as defined herein) thereon and Equipment (as defined herein) therein (collectively, the “*Property*”), located at 8465 Patriot Boulevard, in the City of North Charleston, County of Dorchester (the “*County*”) within the State of South Carolina (the “*State*”),

TOGETHER WITH any and all rights, alleys, ways, privileges, appurtenances and advantages, to the same belonging or in any way appertaining (all of which, together with the Property, are hereinafter referred to collectively as the “*Premises*”),

SUBJECT TO THE OPERATION AND EFFECT of the Permitted Encumbrances,

TO HAVE AND TO HOLD the Premises unto Tenant, its successors and permitted assigns, for the sole purpose and term of years set forth herein,

ON THE TERMS AND SUBJECT TO THE CONDITIONS which are hereinafter set forth:

Agreement

SECTION 1. DEFINITIONS.

1.1. Specific. As used herein, the following terms have the following meanings:

“Additional Rent” has the meaning given to it in subsection 4.1.2.

“Annual Rent” has the meaning given it in subsection 4.1.1.

“Bankruptcy” shall be deemed, for any Person, to have occurred either

(a) if and when such Person (i) applies for or consents to the appointment of a receiver, trustee or liquidator of such Person or of all or a substantial part of its assets, (ii) files a voluntary petition in bankruptcy or admits in writing its inability to pay its debts as they come due, (iii) makes an assignment for the benefit of its creditors, (iv) files a petition or an answer seeking a reorganization or an arrangement with its creditors or seeks to take advantage of any insolvency law, (v) performs any other act of bankruptcy, or (vi) files an answer admitting the material allegations of a petition filed against such Person in any bankruptcy, reorganization or insolvency proceeding; or

(b) if (i) an order, judgment or decree is entered by any court of competent jurisdiction adjudicating such Person a bankrupt or an insolvent, approving a petition seeking such an adjudication, or reorganization, or appointing a receiver, trustee or liquidator of such Person or of all or a substantial part of its assets, or (ii) there otherwise commences with respect to such Person or any of its assets any proceeding under any bankruptcy, reorganization, arrangement, insolvency, readjustment, receivership or similar law, and if such order, judgment, decree or proceeding continues unstayed for any period of ninety (90) consecutive days.

“Central Filing Office” means the Secretary of State of the State.

“Code” means the Internal Revenue Code of 1986, as amended.

“County” has the meaning given it in the Recitals.

“Commencement Date” has the meaning given it in subsection 3.1.1.

“Declaration” shall mean the Agreement as to Restrictive Covenants dated as of September 1, 2005, recorded on January 18 2006 at Book 5149, Page 331 in the official records of Dorchester County, South Carolina, made and entered into by Appian Way Apartments,, L.P., a South Carolina limited partnership, with respect to the operation of the Project.

“Environmental Laws” shall mean any and all federal, State or local statutes, laws, rules, regulations, ordinances, orders, codes, determinations, decrees or rules of common law pertaining to health, safety or the environment now or at any time hereafter in effect and any judicial or administrative interpretation thereof (including, but not limited to, any judicial or administrative order, consent decree or judgment relating to the environment or Hazardous Substances, or exposure to Hazardous Substances) including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended; the Superfund Amendments and Reauthorization Act of 1986, as amended; the Resource, Conservation and Recovery Act of 1976, as amended; the Clean Air Act, as amended; the Federal Water Pollution Control Act, as amended; the Oil Pollution Act of 1990, as amended; the Safe Drinking Water Act, as amended; the Hazardous Materials Transportation Act, as amended; the Toxic Substances Control Act, as amended; and any other environmental or health conservation or protection laws.

“Equipment” means all apparatus, machinery, devices, furniture, fixtures, appurtenances, equipment and other personal property now or hereafter located on or within the Premises or the Improvements and necessary or desirable for the proper operation and maintenance of the Premises or the Improvements (other than moveable equipment belonging to any management company servicing the Improvements), including but not limited to any and all awnings, shades, screens and blinds; asphalt, vinyl, composition and other floor, wall and ceiling coverings; partitions, doors and hardware; elevators, escalators and hoists; heating, plumbing and ventilating apparatus; gas, electric and steam fixtures; chutes, ducts and tanks; oil burners, furnaces, heaters, incinerators and boilers; air-cooling and air-conditioning equipment; washroom, toilet and lavatory fixtures and equipment; engines, pumps, dynamos, motors, generators, electrical wiring and equipment; tools, building supplies, lobby decorations and window washing hoists and equipment; garage equipment, security systems, and gardening and landscaping equipment; swimming pool, recreational furniture and equipment; refrigerators, dishwashers, disposals, ranges, washers, dryers, and other kitchen appliances and all additions thereto and replacements thereof.

“Event of Default” has the meaning given it in subsection 15.1.

“Fee Estate” means the fee simple estate in the Premises, subject to the operation and effect of this Lease.

“Force Majeure” means any (a) strike, lock-out or other labor troubles; (b) governmental restrictions or limitations; (c) failure or shortage of electrical power, gas, water, fuel oil or other utility or service; (d) riot, war, insurrection or other national or local emergency; (e) accident, flood, fire or other casualty, (f) adverse weather conditions resulting in cessation of work on the Project for in excess of one (1) week; (g) pandemic, epidemic or other disease or similar circumstance; (h) other act of God; or (i) other cause similar or dissimilar to any of the foregoing and beyond the reasonable control of the Person in question.

“Holdover Rent” has the meaning given it in subsection 3.3.

“Improvements” has the meaning given it in subsection 5.2(b)(i).

“Institutional Lender” means any entity which is a lender to the Project or a servicer for such lender, and is either a commercial bank, savings bank, savings and loan institution or

insurance company authorized to do business in South Carolina, governmental revenue or development authority or any other governmental entity.

“Investor Limited Partner” means the Investor Limited Partner or Investor Member, Manager or Sole Member of Tenant from time to time, as such term is defined in the Partnership Agreement, and its respective successors and/or assigns.

“Land” shall mean that tract of realty located in the County that is described in **Exhibit A** attached hereto.

“Landlord” means Appian Way Fee Owner LLC, a South Carolina limited liability company, and its successors and assigns as holder of the Fee Estate.

“Landlord Event of Default” shall have the meaning given it in subsection 15.4.

“Landlord’s Related Parties” shall mean and refer to Landlord’s officers, directors, members, managers, affiliates, agents, contractors, volunteers and employees, and their respective heirs and personal representatives, successors and assigns, but excluding such agents and contractors who are engaged by the Tenant to perform work on the Property for the benefit of the Landlord as owner.

“Land Records” means the official public records of the Register of Deeds of the County.

“Lease Year” means (a) the period commencing on the Commencement Date and terminating on the first (1st) anniversary of the last day of the calendar month containing the Commencement Date; and (b) each successive period of twelve (12) calendar months thereafter during the Term.

“Leasehold Estate” means the leasehold estate in the Property held by Tenant under this Lease.

“Leasehold Mortgage” means any lender holding a Mortgage against the Tenant’s interest in the Property.

“Legal Requirements” has the meaning given it in subsection 5.2.

“Lender” means NEF Preservation PB Fund I LP, a Delaware limited partnership.

“Lender Loan” means that certain loan in the amount of \$22,954,312 made by Lender to Tenant.

“Loan Documents” means all documents and instruments executed and delivered in connection with a loan from any Permitted Leasehold Mortgagee.

“Mortgage” means any mortgage or deed of trust at any time encumbering any or all of the Property, and any other security interest therein existing at any time under any other form of security instrument or arrangement (including but not limited to any such other form of security arrangement arising under any mortgage, deed of trust, sale-and-leaseback documents, lease-and-

leaseback documents, security deed or conditional deed or any financing statement, security agreement or other documentation used pursuant to the Uniform Commercial Code or any successor or similar statute), provided that such mortgage, deed of trust or other form of security instrument, and an instrument evidencing any such other form of security arrangement, has been recorded among the Land Records, Central Filing Office or in such other place as is, under applicable law, required for such instrument to give constructive notice of the matters set forth therein.

“Mortgagee” means any Person whose loan is secured by a Mortgage.

“Nonprofit” has the meaning given it in the Recitals.

“Partnership Agreement” means the partnership agreement, limited partnership agreement, limited liability company agreement, operating agreement, member control agreement, shareholder control agreement, or similar controlling organizational document(s) of Tenant, as in effect from time to time.

“Permitted Encumbrances” means any and all instruments and matters of record or in fact on the date hereof, including but not limited to the instruments and matters listed in a schedule attached hereto as **Exhibit B** and matters permitted under subsection 9.1.5, and including but not limited to any liens or encumbrances securing any construction and/or permanent loans made to the Tenant, at Tenant’s request, in connection with the Project and matters permitted by lenders of such loans, and encumbrances arising from Permitted Transfers or otherwise permitted under Sections 14.1 or 14.2.

“Permitted Leasehold Mortgage” has the meaning given in subsection 8.1(a).

“Permitted Leasehold Mortgagee” has the meaning given in subsection 8.1(b).

“Person” means any natural person, trustee, corporation, general or limited partnership, limited liability company, governmental entity or any other form of legal entity.

“Premises” has the meaning given in the Granting Clauses hereof; *provided, however*, that if at any time hereafter any portion of the Premises becomes no longer subject to this Lease, then **“Premises”** shall thereafter mean so much thereof as remains subject to this Lease.

“Prime Rate” means the prime lending rate as announced and in effect from time to time by Southeast Bank.

“Property” means the Land, the Improvements and the Equipment.

“Property Tax Exemption” means the exemption from *ad valorem* property taxes applicable under Section 12-37-220(B)(11)(e) of the South Carolina Code of Laws of 1976, as amended, or any successor to such Section.

“Rent” means all Annual Rent and all Additional Rent payable under Section 4.

“Regulatory Agreement” means the Declaration and any declaration, covenant or agreement obligating Landlord or Tenant to use the Property in accordance with the Workforce Housing Requirements, and any amendments or supplements to such agreements.

“Resident” shall mean one or more individual person(s) occupying a Unit in the Project pursuant to a Tenancy Agreement.

“Restoration” means the repair, restoration or rebuilding of any or all of the Property after any damage thereto or destruction thereof, with such alterations or additions thereto as are made by Tenant in accordance with this Lease, together with any temporary repairs or improvements made to protect the Property pending the completion of such work.

“Restricted Units” means any Units in the Property which are from time to time subject to the terms and conditions of a Regulatory Agreement.

“State” means the State of South Carolina.

“Tax” and **“Taxes”** have the meanings given in subsection 6.1.

“Tenancy Agreement” shall mean the form of lease agreement between the Tenant and a Resident under the terms of which a Resident is entitled to enjoy possession of a Unit in the Project, subject to the terms hereof.

“Tenant” means Appian Way Owner LLC, a South Carolina limited liability company, and its successors and permitted assigns as holder of the Leasehold Estate.

“Tenant’s Related Parties” shall mean Tenant’s agents, contractors, employees, patrons, business invitees and guests including such agents and contractors who are engaged by the Tenant to perform work on the Property for the benefit of the Landlord as owner.

“Term” has the meaning given it in subsection 3.1.1.

“Termination Date” has the meaning given it in subsection 3.1.1.

“Transfer” has the meaning given it in subsection 14.1.

“Workforce Housing Requirements” has the meaning given in subsection 5.3.

1.2. General. Any other term to which meaning is expressly given in this Lease shall have such meaning.

SECTION 2. TITLE. Tenant and Landlord hereby acknowledge that the Fee Estate is held exclusively by Landlord.

SECTION 3. TERM.

3.1. Length.

3.1.1. Original Term. This Lease shall be for a term (the “*Term*”) commencing on the date of this Lease (the “*Commencement Date*”) and terminating at 11:59 P.M. on the day immediately before the ninety-ninth (99th) anniversary of the first (1st) day of the first (1st) full calendar month following the Commencement Date (the “*Termination Date*”), provided that if the date of such termination is hereafter advanced to an earlier date or postponed pursuant to any provision of this Lease, or by express, written agreement of the parties hereto or by operation of law, then the date to which it is advanced or postponed shall thereafter be the “*Termination Date*” for all purposes of this Lease.

3.1.2. Confirmation of Commencement and Termination. Landlord and Tenant shall upon either’s prior written request therefor, within fifteen (15) days after, respectively, (a) the commencement of the Term or (b) the expiration of the Term or any earlier termination of this Lease by action of law or in any other manner, confirm in writing by instrument in recordable form that, respectively, such commencement or such termination has occurred, setting forth therein the Commencement Date and the Termination Date.

3.2. Surrender. Tenant shall, at its expense and subject to subsection 3.3, at the expiration of the Term or any earlier termination of this Lease pursuant to the terms hereof, (a) promptly yield up to Landlord the Premises, the Units and the rest of the Land, Improvements and the Equipment, in good order and repair (ordinary wear and tear and damage by casualty, subject to Section 12, excepted) and broom clean; (b) remove therefrom Tenant’s signs, goods and effects and any machinery, trade fixtures and equipment used in conducting Tenant’s trade or business and not part of the Units or the Equipment or otherwise owned by Landlord; and (c) repair any damage to the Property caused by such removal. Upon such expiration or termination (whether by reason of an Event of Default or otherwise), (a) neither Tenant nor its creditors and representatives shall thereafter have any right at law or in equity in or to any or all of the Premises (including, but not limited to, the Units and the rest of the Improvements) or to repossess any of same, or in, to or under this Lease, and Landlord shall automatically be deemed immediately thereupon to have succeeded to all of the same, free and clear of the right, title or interest therein of any creditor of Tenant or any other person whatsoever (but subject to the rights of any person then holding any lien, right, title or interest in or to the Fee Estate); and (b) Tenant hereby waives any and all rights of redemption which it may otherwise hold under applicable law.

3.3. Holding Over.

Nothing in this Lease shall be deemed in any way to permit Tenant to use or occupy the Premises after the expiration of the Term or any earlier termination of this Lease. If and only if

Tenant continues to occupy the Premises after such expiration or termination after obtaining Landlord's express, written consent thereto,

(a) such occupancy shall (unless the parties hereto otherwise agree in writing) be deemed to be under a month-to-month tenancy, which shall continue until either party hereto notifies the other in writing, by at least thirty (30) days before the end of any calendar month, that the party giving such notice elects to terminate such tenancy at the end of such calendar month, in which event such tenancy shall so terminate;

(b) subject to the provisions of the last paragraph of this subsection 3.3 (concerning Holdover Rent), but anything in the remaining provisions of this Section to the contrary notwithstanding, the Annual Rent payable with respect to each such monthly period shall equal one-twelfth (1/12) of the Annual Rent for the Lease Year during which such expiration or termination occurred, as aforesaid, and the Additional Rent shall remain payable as under Section 4; and

(c) such month-to-month tenancy shall be on the same terms and subject to the same conditions as those set forth in this Lease, except that if Landlord gives Tenant, by at least thirty (30) days before the end of any calendar month during such month-to-month tenancy, written notice that such terms and conditions (including any thereof relating to the amount and payment of Rent) shall, after such month, be modified in any manner specified in such notice, then such tenancy shall, after such month, be on the said terms and subject to the said conditions, as so modified.

If Tenant continues to occupy the Premises after the expiration of the Term or any earlier termination of this Lease without having obtained Landlord's express, written consent thereto, then without altering or impairing any of Landlord's rights under this Lease or Legal Requirements, (a) Tenant hereby agrees to pay to Landlord immediately on demand by Landlord as holdover rental ("**Holdover Rent**") for the Premises, for each calendar month or portion thereof after such expiration of the Term or such earlier termination of this Lease, as aforesaid, until Tenant surrenders possession of the Premises to Landlord, a sum equaling one-twelfth (1/12) of the Annual Rent (plus any Additional Rent) plus One Hundred Dollars (\$100.00) per each day of such holdover occupancy; and (b) Tenant shall surrender possession of the Premises to Landlord immediately on Landlord's having demanded the same. Nothing in this Lease shall be deemed in any way to give Tenant any right to remain in possession of the Premises after such expiration or termination, regardless of whether Tenant has paid any such Holdover Rent to Landlord.

3.4. Title To and Alterations of the Property. At all times during the Term of this Lease, Tenant alone shall be considered the owner of the Property for Federal income tax purposes and shall be entitled to all of the tax attributes of ownership of the Property, including, without limitation, the right to claim depreciation or cost recovery deductions and amortization. At the expiration or earlier termination of the Term of this Lease, or any portion thereof, Tenant shall peaceably leave, quit and surrender the Premises in the manner required under subsection 3.2, subject to the rights of Residents in possession of Units under Tenancy Agreements with Tenant (provided, however, that such Residents are not then in default thereunder, and attorn to Landlord as their lessor). Upon such expiration or termination of this Lease pursuant to the terms hereof, the Premises or any portion thereof so terminated, shall become the sole property of Landlord at

no cost to Landlord, and shall be free of all liens and encumbrances other than Permitted Encumbrances and in good order and repair (ordinary wear and tear and damage by casualty, subject to Section 12, excepted) and broom clean.

SECTION 4. RENT.

4.1. Amount. As rent for the Premises, Tenant shall pay to Landlord:

4.1.1. Rent. (a) Tenant has paid an initial one-time upfront payment of rent to Landlord or the Landlord's designees in accordance with Landlord's written instructions upon execution of this Lease; and (b) Tenant shall pay an annual rent ("**Annual Rent**") equal to \$60.00 per apartment Unit at the Project (the "**Annual Rent Rate**"), subject to a minimum annual rent of \$9,000. The Annual Rent Rate shall be increased annually as of the first day of each calendar year, commencing on the first day of the first calendar year after the calendar year in which the first anniversary of the Commencement Date occurs, by 3% over the Annual Rent Rate previously in effect. The Annual Rent shall be payable in equal monthly installments commencing on the first day of the calendar month immediately following the Commencement Date. Any Rent or any other amount paid hereunder shall be construed as made by Tenant solely for the use of the Premises.

4.1.2. Additional Rent. Additional rent in the amount of any payment referred to as such in this Lease ("**Additional Rent**") which accrues while this Lease is in effect (which Additional Rent shall include any and all charges or other amounts which Tenant is obligated to pay under this Lease, including, but not limited to, costs of taxes, insurance and public utility charges, other than the Annual Rent). Notwithstanding anything to the contrary contained herein, if at any time Additional Rent shall be payable as provided in this subsection 4.1.2 or in any other section of this Lease, Landlord shall send notice thereof to Tenant, and such Additional Rent shall be due no earlier than thirty (30) days from the date of such notice (provided that Additional Rent payable pursuant to Section 4.2 shall be payable immediately upon demand). Third party payments shall not become Additional Rent unless not paid by Tenant directly to such applicable third parties when due. Landlord and Tenant shall work together so Tenant receives notice of any such cost, expense or fee directly and will be obligated to pay such cost, expense or fee directly to the applicable payee as required hereunder.

4.1.3. Reimbursement of Landlord Costs. Tenant shall reimburse Landlord for the following costs and expenses of Landlord in the manner hereinafter set forth, which reimbursements shall constitute Additional Rent hereunder: (a) Tenant shall reimburse Landlord its reasonable and documented administrative costs related to the Project, subject to approval of such costs by Tenant, which approval shall not be unreasonably withheld, conditioned or delayed; (b) Tenant shall reimburse Landlord for its actual, reasonable legal fees incurred in connection with the Landlord's underwriting and due diligence of the Project and negotiation of this Lease; and (c) Tenant shall pay Landlord a capital transaction fee in the amount of \$25,000 (the "**Transaction Fee**") upon the first of the following events to occur: (i) the refinancing of any indebtedness secured by the Project, (ii) the sale of the Project, and (iii) the one-year anniversary of the date of this Lease. The Transaction Fee payable under clause (c) of the preceding sentence shall be in addition to, and not in lieu of, any reimbursement under clause (a) and clause (b) of the preceding sentence of costs incurred by the Landlord in connection with the event giving rise to the payment of the Transaction Fee. Notwithstanding the foregoing, the Transaction Fee shall be

forfeited by Landlord and shall not be payable if one of the following events occur before the event triggering the Transaction Fee (x) the Property fails to qualify for the Property Tax Exemption, the Property Tax Exemption is lost or, the Property Tax Exemption is otherwise no longer available to the Property, or (y) Landlord materially defaults in its obligations under this Lease prior to the one-year anniversary of the date of this Lease, such default continues beyond any applicable grace, notice or cure period, and this Lease is terminated in response to such default, regardless of whether such termination occurs before, on or after the one-year anniversary of the Effective Date. The Transaction Fee shall be deemed earned upon payment by Tenant to Landlord.

4.2. Tax on Lease. If federal, State or local law now or hereafter in effect imposes any tax, assessment, levy or other charge directly or indirectly upon (a) Landlord with respect to this Lease or the value thereof, other than taxes measured by and imposed upon Landlord's general net income; (b) Tenant's use or occupancy of the Premises; (c) the Annual Rent, Additional Rent or any other sum payable under this Lease; or (d) this transaction, then Tenant shall pay the amount thereof as Additional Rent to Landlord or the appropriate payee immediately upon demand. Notwithstanding the foregoing, Tenant shall not be responsible for paying as Additional Rent any tax liability of Landlord or Landlord's Related Parties arising from the loss of Landlord's exempt status under Section 501(c)(3) as a result of Landlord's or Landlord's Related Parties' actions, including Landlord's execution of this Lease, or otherwise caused by Landlord's gross negligence, willful misconduct or with Landlord's consent.

4.3. Security Deposit. NONE.

4.4. Triple-Net Lease. Other than as is expressly set forth in this Lease (and except for Landlord's legal fees (other than legal fees reimbursable under Section 4.1.3), third-party consultants retained by Landlord and Landlord's own personnel costs), all costs, expenses, liabilities, charges or other deductions whatsoever with respect to the Premises and the construction (and rehabilitation if applicable), ownership, leasing, operation, maintenance, repair, rebuilding, replacement, use, occupation or conveyance of any or all of Tenant's Leasehold Estate in, this Lease shall be the sole responsibility of and payable by Tenant; all of which costs, expenses, liabilities and charges shall be deemed Additional Rent hereunder unless paid directly by Tenant and Landlord shall have no liability for the same.

4.5. Condition of the Premises. **TENANT ACKNOWLEDGES AND AGREES THAT THE PREMISES SHALL BE LEASED TO TENANT AND TENANT ACCEPTS THE PREMISES, "AS IS, WHERE IS, AND WITH ALL FAULTS". LANDLORD HEREBY EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PREMISES. WITHOUT LIMITING THE GENERALITY OF THE PRECEDING SENTENCE OR ANY OTHER DISCLAIMER SET FORTH HEREIN, LANDLORD AND TENANT HEREBY AGREE THAT LANDLORD HAS NOT MADE AND IS NOT MAKING ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WRITTEN OR ORAL, AS TO (A) THE NATURE OR CONDITION, PHYSICAL OR OTHERWISE, OF THE PREMISES OR ANY ASPECT THEREOF, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF HABITABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE; (B) THE SOIL CONDITIONS, DRAINAGE CONDITIONS,**

TOPOGRAPHICAL FEATURES, ACCESS TO PUBLIC RIGHTS-OF-WAY, AVAILABILITY OF UTILITIES OR OTHER CONDITIONS OR CIRCUMSTANCES WHICH AFFECT OR MAY AFFECT THE PREMISES OR ANY USE TO WHICH TENANT MAY PUT THE PREMISES; (C) ANY CONDITIONS AT OR WHICH AFFECT OR MAY AFFECT THE PREMISES WITH RESPECT TO ANY PARTICULAR PURPOSE, USE, DEVELOPMENT POTENTIAL OR OTHERWISE; (D) ANY ENVIRONMENTAL, GEOLOGICAL, METEOROLOGICAL, STRUCTURAL OR OTHER CONDITION OR HAZARD OR THE ABSENCE THEREOF, HERETOFORE, NOW, OR HEREAFTER AFFECTING IN ANY MANNER THE PREMISES, INCLUDING, BUT NOT LIMITED TO, THE ABSENCE OR PRESENCE OF ASBESTOS, LEAD PAINT, OR ANY OTHER ENVIRONMENTALLY HAZARDOUS SUBSTANCE ON, IN, UNDER OR ADJACENT TO THE PREMISES; OR (E) THE COMPLIANCE OF THE PREMISES OR THE OPERATION OR USE OF THE PREMISES WITH ANY APPLICABLE RESTRICTIVE COVENANTS, OR ANY LAWS, ORDINANCES, OR REGULATIONS OF ANY GOVERNMENTAL BODY (INCLUDING SPECIFICALLY, WITHOUT LIMITATION, ANY ZONING LAWS OR REGULATIONS, ANY BUILDING CODES, ANY ENVIRONMENTAL LAWS, AND THE AMERICANS WITH DISABILITIES ACT OF 1990, ALL AS AMENDED FROM TIME TO TIME). TENANT SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS LANDLORD FROM ANY AND ALL THIRD PARTY CLAIMS AND FROM ANY AND ALL LIABILITY, CLAIM OF LIABILITY OR EXPENSE ARISING OUT OF THE FOREGOING.

SECTION 5. USE OF PROPERTY.

5.1. Nature of Use. Tenant shall throughout the Term continuously use and operate the Property only for the following uses and such other uses as are reasonably and customarily attendant to such uses: The rehabilitation, development, marketing for lease and leasing of the Units in a manner which strictly satisfies the requirements of this Lease and as follows:

(a) the Project shall be operated by Tenant in accordance with the provisions of any applicable Regulatory Agreement; and

(b) the Project shall include:

(i) the following improvements to the Premises (all of which, together with the Project and the Units, being herein referred to collectively as the “*Improvements*”):

(A) 204 apartment units; and

(B) any community buildings on the Land.

(ii) the Equipment and any replacements, alterations, additions or repairs thereto.

(c) the Project shall be operated by Tenant in compliance with the Workforce Housing Requirements and the Legal Requirements.

5.2. Compliance With Law and Covenants. Throughout the Term of this Lease, Tenant

shall at its sole cost and expense (whether in connection with the undertaking, completion and operation of the Project, the possession, occupancy and use of the Units or the remainder of the Premises, or otherwise) comply promptly and fully with (a) all applicable laws, ordinances, notices, orders, rules, regulations and requirements of all federal, State and local governments and all departments, commissions, boards and officers thereof, including all applicable Workforce Housing Requirements (all of which are hereinafter referred to collectively as “**Legal Requirements**”); and (b) the provisions of all Permitted Encumbrances, all to the extent that any of the Legal Requirements, or the said provisions relate to all or any part of the Premises or the use or manner of use thereof. Without limiting the generality of the foregoing provisions of this subsection, Tenant shall (i) keep in force throughout the Term all licenses, consents and permits required from time to time by Legal Requirements to permit the Property to be used in accordance with this Lease; (ii) pay or cause to be paid when due all Taxes, income taxes, license fees and other taxes or special assessments assessed, levied or imposed upon Tenant or any other Person (other than Landlord with respect to the Annual Rent); (iii) not take or fail to take any action, as the result of which action or failure to act Landlord’s estate, right, title or interest in and to any or all of the Property or the rest of the Premises is impaired; and (iv) not either with or without negligence (A) cause or permit the escape, disposal or release of any biologically or chemically active or other hazardous substances or materials; (B) allow the storage or use of such substances or materials in any manner not sanctioned by law or by the highest standards prevailing in the industry for the storage and use of such substances or materials, or (C) allow any such materials or substances to be brought onto the Premises except to use in the ordinary course of Tenant’s business or by lessees of the Units in all such case in compliance with Legal Requirements. Notwithstanding the foregoing, Tenant shall not be liable to Landlord with regard to materials or substances brought onto the Premises, used or released by Residents. For purposes of this Lease, “**hazardous substances or materials**” shall include, without limitation, those substances described as such in any Environmental Law. If any lender or governmental agency requires testing to ascertain whether or not there has been any release of hazardous substances or materials on or from the Premises while this Lease is in effect, then the costs thereof shall be reimbursed by Tenant to Landlord upon demand as Additional Rent if such requirement applies to the Premises.

5.3. Workforce Housing Requirements. Tenant and Landlord agree to comply with the requirements from time to time applicable to the ownership, operation and maintenance of the Property in a manner eligible for the Property Tax Exemption and any affordability or sustainability requirements or use restrictions imposed by any governmental authority with jurisdiction over the Property or that administers a program for the promotion of workforce or low-income housing in which the Property or the Tenant is participating (“**Workforce Housing Requirements**”), including without limitation the following:

5.3.1. Charitable Purposes. Landlord is entering into this Lease in order to carry out the charitable purposes of Nonprofit. Landlord will carry out such charitable purposes in the following manner:

(a) Landlord does hereby require Tenant to comply with the safe harbor provisions of IRS Revenue Procedure 96-32 (provided that Landlord shall have no obligation or liability in the event Tenant shall fail to comply with such provisions).

(b) Tenant agrees that a purpose of the Project is the furtherance of the charitable purposes of Nonprofit and Landlord to provide decent, safe, sanitary and affordable housing for low income persons and families.

(c) Landlord is entering into this transaction in order to preserve and enhance the supply of decent, safe, sanitary and affordable housing for low income persons. Without the Property Tax Exemption, Landlord would not have purchased the Premises and the Premises likely would have become or otherwise remained a market-rate property. The savings to Tenant and to the Project attributable to the property tax exemption are expected to be used to create or maintain the affordability of the Units.

5.3.2. Restrictions Applicable to Restricted Units. Tenant agrees that the Restricted Units are subject to and benefit from the terms and conditions of the Declaration and any other Regulatory Agreement. Any Workforce Housing Requirements and the restrictions set forth in this Section 5 with respect to such Restricted Units shall be binding upon Tenant and each of its successors and assigns (and also, to the extent applicable to Landlord and within its control, Landlord and each of its successors and assigns).

SECTION 6. TAXES AND OPERATING EXPENSES.

6.1. Property Tax Exemption; Tenant to Pay. The parties acknowledge that the Premises are anticipated to qualify for exemption from all State and local government real estate taxes. Landlord agrees not to take any action within its control that would jeopardize the Property Tax Exemption and further agrees to cooperate in a commercially reasonable manner as Tenant may request (at Tenant's expense) to preserve the Property Tax Exemption. Tenant shall prepare and file, on its own behalf and on behalf of Landlord to the extent permitted under applicable law and administrative procedures, with the applicable governmental authorities all applications, reports, and other submissions required from time to time to obtain and preserve the Property Tax Exemption for the Property. Landlord hereby represents, warrants, and covenants it shall, as owner of the Property, use its reasonable efforts to receive and maintain (all at Tenant's expense) the Property Tax Exemption for the Property. Tenant (a) shall bear the full expense of any and all real property or other taxes, including without limitation any and all payments in lieu of taxes, if applicable, metropolitan district charges or other assessments or charges levied against any or all of the Property, whether against the Fee Estate or the Leasehold Estate therein or otherwise, and payable with respect to any calendar or tax year or other period falling wholly or partly within the Term (including but not limited to any assessments or fees levied against the Units pursuant to any Legal Requirements or Permitted Encumbrances) (each a "***Tax***" and all of which are hereinafter referred to collectively as "***Taxes***"); (b) shall pay the same when due and payable and before any penalty is incurred for late payment thereof; and (c) shall deliver to Landlord all receipted bills for such Taxes within ten (10) business days after Landlord requests them from Tenant in writing. Tenant shall not be required to pay any income taxes otherwise chargeable to Landlord with respect to any fees payable to Landlord under this Lease.

6.2. Delivery of Bills and Notices. Each party hereto shall deliver to the other, promptly after such party's receipt thereof, the originals or accurate copies of any and all bills for Taxes and notices of assessments or reassessments made or to be made for the purpose of levying any Taxes.

If the Premises are not now treated as a separate tax lot by the assessing authority, Landlord shall use its reasonable efforts promptly hereafter to have the Premises so treated (at Tenant's expense).

6.3. Proceedings to Contest. Subject to the terms and conditions in subsection 9.2.3 hereof, Tenant may, without postponing payment thereof, as aforesaid, bring proceedings to contest any Tax or Legal Requirement and/or to contest the validity or the amount of any Taxes, or to recover any amount thereof paid by Tenant. Tenant shall indemnify and hold harmless Landlord against and from any expense arising out of any such action. Landlord shall, upon written request by Tenant, cooperate with Tenant in taking any such action, provided that Tenant indemnifies and holds harmless Landlord against and from any expense or liability arising out of such cooperation.

6.4. Operating Expenses.

6.4.1. Tenant's Obligation. Subject to Tenant's legal rights to dispute in good faith such expenses and to the terms and conditions in subsection 9.2 hereof, Tenant shall pay (or cause to be paid) directly to the providers of such services all costs and expenses attributable to or incurred in connection with the development, construction, completion, marketing, leasing, maintenance, management, operation, financing or occupancy of the Property (collectively, "***Operating Expenses***") including without limitation, if applicable, (a) all energy sources such as propane, butane, natural gas, steam, electricity, solar energy and fuel oil; (b) all water, sewer and trash disposal services; (c) all maintenance, repair, replacement and rebuilding of all or any part of the Property (including, without limitation, all Equipment); (d) all landscaping, maintenance, repair and striping of all parking areas; (e) all insurance premiums relating to the Premises (including without limitation the Improvements) including fire and extended coverage, public liability insurance, rental insurance and all risk insurance; and (f) the cost and expenses of all capital improvements or repairs (whether structural or non-structural) required to maintain the Improvements in good order and repair, including but not limited to any required by any governmental or quasi-governmental authority having jurisdiction over the Premises (including, without limitation, the Improvements). It be being expressly agreed, that Landlord shall have no liability for any Operating Expenses.

6.4.2. Permits and Licenses. Tenant shall also procure, or cause to be procured, at Tenant's sole cost and expense, any and all necessary permits, licenses, or other authorizations applicable to the development, construction, completion, marketing, leasing, maintenance, management, operation, financing or occupancy of the Property including, but not limited to, all that may be required for the lawful and proper installation and maintenance upon the Premises of wires, cables, pipes, conduits, tubes, fiber optics and other equipment and appliances for use in supplying any such service to the Improvements and upon the Premises. Landlord, upon request of Tenant, and at the sole expense and liability of Tenant, will join with Tenant in any application or agreement required for obtaining or continuing any such services and will provide any necessary estoppels, certifications, affidavits or similar.

SECTION 7. INSURANCE AND INDEMNIFICATION.

7.1. Insurance to be Maintained by Tenant. Tenant shall maintain at its expense throughout the Term insurance meeting the requirements attached hereto as **Exhibit C**. Tenant

shall fully comply with all of the insurance requirements imposed upon Tenant under any Permitted Leasehold Mortgage and the Loan Documents to which the Tenant is a party. All insurance policies required hereby shall provide for waiver of subrogation by the insurer. Approval, disapproval or failure to act by Landlord regarding any insurance applied by Tenant shall not relieve Tenant of full responsibility or liability for damages or accidents as set forth in this Lease. Neither the bankruptcy, insolvency or denial of liability by any insurance company shall exonerate Tenant from any such responsibility or liability.

7.2. Insureds. Each policy of insurance required hereunder shall name (a) Tenant and Landlord as insureds thereunder; and (b) any Permitted Leasehold Mortgagee as additional insureds thereunder.

7.3. Insurer. All insurance required and all renewals of insurance shall be issued by companies of recognized responsibility licensed to issue such policies and otherwise transact business in the State of South Carolina. All insurance policies will expressly provide that such policies will not be canceled or altered without thirty (30) days' prior written notice to Landlord, and any other named insured thereunder, in the case of "All Risk" coverage insurance, and to Landlord, and all other named insureds thereunder, in the case of general liability insurance. Such insurance will, to the extent obtainable, provide that no act or omission of Tenant that would otherwise result in forfeiture or reduction of the insurance will affect or limit the obligation of the insurance company to pay the amount of any loss sustained; and will, to the extent obtainable, contain a waiver by the insurer of its rights of subrogation against Landlord. Upon request, Tenant shall deliver (or cause to be delivered) to Landlord each insurance policy or duplicate or certificate of such policy.

7.4. Evidence. Tenant shall deliver to Landlord, no later than thirty (30) days after Tenant's receipt of a request from the Landlord for the same, an original or a signed duplicate copy of each policy of insurance required hereunder and, upon Landlord's request, Tenant shall deliver to Landlord a signed duplicate copy of a certificate of insurance therefor for renewal coverage. All public liability, property damage liability, and casualty policies maintained by Tenant will be written as primary policies, not contributing with and not in excess of coverage that Landlord may carry.

7.5. Indemnification of Landlord.

TENANT SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS LANDLORD AND LANDLORD'S RELATED PARTIES FROM ANY AND ALL THIRD PARTY CLAIMS AND FROM ANY AND ALL LIABILITY, CLAIM OF LIABILITY OR EXPENSE ARISING OUT OF OR IN ANY WAY CONNECTED WITH (A) THE USE, OCCUPANCY, CONDUCT, OPERATION OR MANAGEMENT OF THE PROPERTY DURING THE TERM; (B) ANY WORK OR THING WHATSOEVER DONE OR NOT DONE ON THE PREMISES DURING THE TERM; (C) ANY BREACH OR DEFAULT BY TENANT IN PERFORMING ANY OF ITS OBLIGATIONS UNDER THIS LEASE, LEGAL REQUIREMENTS OR ANY PERMITTED LEASEHOLD MORTGAGE; (D) ANY NEGLIGENT, TORTIOUS OR OTHER ACT OR OMISSION OF TENANT OR ANY OF ITS AGENTS, CONTRACTORS, SERVANTS, EMPLOYEES, RESIDENTS OR OTHER SUBTENANTS, LICENSEES OR INVITEES DURING THE TERM; OR (E) ANY

INJURY TO OR DEATH OF ANY PERSON, OR DAMAGE TO ANY PROPERTY, OCCURRING ON THE PROPERTY DURING THE TERM (WHETHER OR NOT SUCH EVENT RESULTS FROM A CONDITION EXISTING BEFORE OR AFTER THE EXECUTION OF THIS LEASE AND FROM AND AGAINST ALL EXPENSES AND LIABILITIES INCURRED IN CONNECTION WITH ANY SUCH CLAIM OR ANY ACTION OR PROCEEDING BROUGHT THEREON (INCLUDING BUT NOT LIMITED TO THE REASONABLE FEES AND EXPENSES OF ATTORNEYS, INVESTIGATORS AND EXPERTS), ALL REGARDLESS OF WHETHER SUCH CLAIM IS ASSERTED DURING OR AFTER THE EXPIRATION OF THE TERM OR ANY EARLIER TERMINATION OF THIS LEASE BUT EXCLUDING, HOWEVER, ANY LIABILITY, CLAIM OF LIABILITY OR EXPENSE CAUSED THROUGH THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF LANDLORD AND LANDLORD'S RELATED PARTIES.

TENANT AGREES THAT LANDLORD AND LANDLORD'S RELATED PARTIES SHALL NOT BE LIABLE FOR ANY DAMAGE OR LIABILITY OF ANY KIND OR FOR ANY INJURY TO OR DEATH OF PERSONS OR DAMAGE TO PROPERTY OF TENANT OR ANY OTHER PERSON FROM ANY CAUSE WHATSOEVER BY REASON OF ANY WORK, LABOR OR MATERIALS PERFORMED OR DELIVERED TO, OR CONNECTED TO THE USE, OCCUPANCY, OR ENJOYMENT OF THE PREMISES BY TENANT OR ANY PERSON ON THE PREMISES OR HOLDING ALL OR ANY PART OF THE PREMISES UNDER TENANT. TENANT DOES HEREBY INDEMNIFY AND SAVE HARMLESS LANDLORD AND LANDLORD'S RELATED PARTIES FROM ALL CLAIMS, ACTIONS, DEMANDS, COSTS AND EXPENSES AND LIABILITY WHATSOEVER (INCLUDING BUT NOT LIMITED TO THE REASONABLE FEES AND EXPENSES OF ATTORNEYS, INVESTIGATORS AND EXPERTS) ON ACCOUNT OF ANY SUCH REAL OR CLAIMED DAMAGE OR LIABILITY SUSTAINED BY THIRD PARTIES AND FROM ALL LIENS, CLAIMS AND DEMANDS OCCURRING IN OR AT THE PREMISES, OR ARISING OUT OF THE CONSTRUCTION, USE, OCCUPANCY OR ENJOYMENT OF THE PREMISES AND ITS FACILITIES, OR ANY REPAIRS OR ALTERATIONS WHICH TENANT MAY MAKE UPON THE PREMISES, OR OCCASIONED IN WHOLE OR IN PART BY ANY ACT OR OMISSION OF TENANT, ITS AGENTS, CONTRACTORS, SERVANTS, EMPLOYEES, INVITEES OR ANY OTHER PARTY, OTHER THAN CLAIMS, ACTIONS, DEMANDS, COSTS AND EXPENSES AND LIABILITIES ARISING FROM THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF THE OF LANDLORD AND LANDLORD'S RELATED PARTIES.

TENANT ACKNOWLEDGES THAT TENANT IS REQUIRED AND LANDLORD IS NOT SO REQUIRED TO PROVIDE ALL SECURITY FOR PERSONS OR PROPERTY IN OR ABOUT THE PREMISES. TENANT HEREBY WAIVES AND RELEASES ANY CLAIM AGAINST LANDLORD FOR INJURY TO OR DEATH OF ANY PERSON AND ANY PROPERTY DAMAGE ARISING OUT OF OR ATTRIBUTABLE TO ANY CRIMINAL ACTIVITY IN OR ABOUT THE PREMISES, SPECIFICALLY INCLUDING, BUT NOT LIMITED TO, VANDALISM, THEFT, BURGLARY, ROBBERY, RAPE, MURDER OR ASSAULT, UNLESS ARISING DIRECTLY AND SOLELY FROM THE ACTS OR OMISSIONS OF LANDLORD, ITS EMPLOYEES OR AGENTS.

TENANT HEREBY AGREES TO INDEMNIFY, PROTECT, DEFEND AND HOLD LANDLORD AND LANDLORD'S RELATED PARTIES HARMLESS FROM ANY AND ALL CLAIMS, CAUSES OF ACTIONS AND SUITS FOR INJURY TO OR DEATH OF ANY OF TENANT'S RELATED PARTIES OR RESIDENTS OF THE UNITS RESULTING FROM CRIMINAL ACTIVITIES IN OR ABOUT THE PREMISES AND ALL RELATED COSTS AND EXPENSES (INCLUDING BUT NOT LIMITED TO THE REASONABLE FEES AND EXPENSES OF ATTORNEYS, INVESTIGATORS AND EXPERTS).

TENANT HEREBY AGREES TO INDEMNIFY LANDLORD AND LANDLORD'S RELATED PARTIES AND HOLD LANDLORD AND LANDLORD'S RELATED PARTIES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DAMAGES, LIABILITIES, EXPENSE AND COST INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES, PAID, INCURRED OR SUFFERED BY LANDLORD AS A DIRECT OR INDIRECT RESULT OF THE PRESENCE ON OR UNDER, OR THE ESCAPE, SEEPAGE, LEAKAGE, SPILLAGE, EMISSION, DISCHARGE, MIGRATION OR RELEASE FROM OR ONTO THE PROPERTY OF ANY HAZARDOUS SUBSTANCE, AS HEREINAFTER DEFINED.

TENANT HEREBY AGREES TO INDEMNIFY LANDLORD AND LANDLORD'S RELATED PARTIES AND HOLD LANDLORD AND LANDLORD'S RELATED PARTIES HARMLESS FROM AND AGAINST ANY INCOME TAX LIABILITY OF LANDLORD ARISING FROM THIS LEASE AND ASSESSED AGAINST THE LANDLORD, OTHER THAN INCOME TAX LIABILITY ASSOCIATED WITH THE FEES DESCRIBED HEREIN. FOR PURPOSES OF THIS LEASE, INCOME TAXES INCLUDE ANY TAX IMPOSED ON UNRELATED BUSINESS TAXABLE INCOME PURSUANT TO SECTION 511 OF THE INTERNAL REVENUE CODE OR SIMILAR STATE IMPOSITIONS. TENANT SHALL NOT BE OBLIGATED TO INDEMNIFY LANDLORD AND LANDLORD'S RELATED PARTIES FROM ANY INCOME TAX LIABILITY OF LANDLORD ARISING FROM THE LOSS OF LANDLORD'S EXEMPT STATUS UNDER SECTION 501(C)(3) OF THE CODE AS A RESULT OF LANDLORD'S OR LANDLORD'S RELATED PARTIES' ACTIONS, INCLUDING LANDLORD'S EXECUTION OF THIS LEASE.

ANY PARTY INDEMNIFIED UNDER THIS SUBSECTION 7.5 SHALL NOTIFY TENANT OF THE EXISTENCE OF ANY CLAIM, CAUSE OF ACTION OR SUIT TO WHICH TENANT'S INDEMNIFICATION OBLIGATIONS WOULD APPLY AND SHALL GIVE TO TENANT AN OPPORTUNITY TO DEFEND THE SAME AT TENANT'S EXPENSE AND WITH COUNSEL REASONABLY SATISFACTORY TO SUCH INDEMNIFIED PARTY, PROVIDED THAT SUCH INDEMNIFIED PARTY SHALL AT ALL TIMES ALSO HAVE THE RIGHT TO FULLY PARTICIPATE IN THE DEFENSE BUT NOT TO TAKE ANY ACTION TO SETTLE THE SAME WITHOUT THE APPROVAL OF TENANT. EACH INDEMNIFIED PARTY SHALL HAVE THE RIGHT TO ENGAGE SEPARATE COUNSEL IN ANY SUCH ACTION OR PROCEEDING AND PARTICIPATE IN THE INVESTIGATION AND DEFENSE OF THE ACTION OR PROCEEDING AND TENANT SHALL BE OBLIGATED TO PAY THE REASONABLE FEES AND EXPENSES OF SUCH SEPARATE COUNSEL IF THE INDEMNIFIED

PARTY REASONABLY DETERMINES THAT A CONFLICT OF INTEREST EXISTS BETWEEN THE INTERESTS OF THE INDEMNIFIED PARTY AND THE INTERESTS OF TENANT.

THIS SECTION 7.5 SHALL SURVIVE THE TERMINATION OF THIS LEASE.

7.6. Increase in Risk. Tenant shall not do or permit to be done any act or thing as a result of which any policy of insurance of any kind covering any or all of the Property or any liability of Landlord in connection therewith would become void or suspended. If any insurance is maintained by Landlord, Tenant shall pay as Additional Rent the amount of any increase in any premium for such insurance or replacement coverage resulting from any breach of the preceding covenants within ten (10) business days after Landlord notifies Tenant in writing of such increase.

7.7. Indemnification of Tenant. Landlord shall defend, indemnify and hold harmless Tenant and Tenant's related parties from any and all liability, claim of liability or expense caused through or arising out of (i) the fraud, willful misconduct or gross negligence of Landlord or Landlord's Related Parties, (ii) any representations, warranties or other certifications made by the Landlord or Landlord's Related Parties to any party in connection with the Project, to the extent relating solely to corporate and non-Project related matters of the Landlord or Landlord's Related Parties; (iii) the occurrence of any bankruptcy, receivership, or similar judicial proceedings by or against the Landlord or Landlord's Related Parties; and/or (iv) any act or omission of Landlord or Landlord's Related Parties that causes the Property to fail to qualify for the Property Tax Exemption, including the loss of Landlord's exempt status under Section 501(c)(3) of the Code.

SECTION 8. LEASEHOLD MORTGAGE REQUIREMENTS.

8.1. Permitted Leasehold Mortgages.

(a) Landlord hereby covenants and agrees that its interest in this Lease (including its Fee Estate in the Premises and any Rent due hereunder) is and shall be subject to, subordinate and inferior to any and all loans (interim, permanent, "cash flow," "soft" or refinancings thereof), including the Lender Loan, obtained by Tenant for the purpose of financing the acquisition and construction (and/or rehabilitation if applicable) of the Improvements and the development and operation of the Project, and to the lien of any mortgages, including the lien of such mortgage securing the Lender Loan (each, a "***Permitted Leasehold Mortgage***"), assignments of rents and leases, security agreements, and other collateral or security documents or instruments required by the lender or lenders providing such financing, and to all renewals, extensions, modifications, consolidations, replacements and refinancings thereof and to all advances made or hereafter to be made upon the security of such mortgages, assignments of rents and leases, security agreements, and other collateral or security documents or instruments and the Regulatory Agreement. Tenant shall notify Landlord of any Permitted Leasehold Mortgage it enters into within ten (10) days after the date thereof. Landlord shall, at Tenant's request, join in, execute and/or deliver any and all such subordination or similar agreements, assignments of rents and leases, security agreements, and other collateral or security documents or instruments as may be required by such lender or lenders in order to subject and subordinate the Landlord's interest in this Lease to the lien of such documents or instruments, and upon Tenant's request shall join in, execute and/or deliver any and all such further instruments or assurances as any such lender or lenders may reasonably deem necessary to evidence or confirm the subordination of this Lease or

the encumbrance of the Landlord's interest herein to the lien of any such mortgages, assignments of rents and leases, security agreements, and other collateral or security documents or instruments. Provided, however, and notwithstanding anything contained herein or in any such instruments as may be required by such lender or lenders to the contrary, neither Landlord nor any of Landlord's Related Parties shall be required to suffer, incur, accept or assume any liability for any such financing, loans or indebtedness, or any costs or expenses thereof, or any other indebtedness or liability of Tenant thereunder, and any subordination agreement, mortgage, assignments of rents and leases, security agreements, and other collateral or security documents or instruments of any nature whatsoever which the Landlord may be called upon to join in, execute and/or deliver under and pursuant to this section shall expressly exculpate Landlord from and against any and all such liability. If the conditions of the preceding sentence are or would not be met by the instrument the Landlord is requested to join, the form and content of such instrument shall be subject to approval by the Landlord, which approval shall not be withheld, conditioned or delayed.

(b) Tenant may, without Landlord's consent, assign or mortgage this Lease (including any options it contains) under a Permitted Leasehold Mortgage to any leasehold mortgagee for the purposes described in subsection 8.1(a) above (each a "***Permitted Leasehold Mortgage***"). A Permitted Leasehold Mortgagee (and anyone whose title derives from a Permitted Leasehold Mortgagee) may, without Landlord's consent but with notice to Landlord, hold a foreclosure sale, take title to this Lease, and transfer or assign this Lease, either in its own name or through a nominee to any party. Landlord acknowledges and agrees that Lender is a Permitted Leasehold Mortgagee.

8.2. Future Fee Estate Mortgages. Other than Permitted Encumbrances and the Regulatory Agreement, Landlord shall not grant or consent to any future mortgages or permit any future liens, or encumbrances against the Fee Estate or Premises, or otherwise pledge, assign or otherwise mortgage, pledge, convey or otherwise dispose of the Fee Estate or Premises without the prior written consent of Tenant, Investor Limited Partner and any Permitted Leasehold Mortgagee. To the extent that a future mortgage on the Fee Estate is permitted hereunder, such mortgage shall expressly provide that it is subordinate and subject to (a) Tenant's interest under this Lease and the Leasehold Estate (b) the applicable Permitted Leasehold Mortgagee's interest under each Permitted Leasehold Mortgage and (c) any subleases and any new lease given to a Permitted Leasehold Mortgagee after termination of this Lease. Additionally, Tenant shall not subordinate its Leasehold Estate to any future mortgage of the Fee Estate obtained by Landlord.

8.3. Nonmerger. This Lease shall not terminate and no Permitted Leasehold Mortgages shall be extinguished because of any conveyance (whether voluntary or involuntary) of Tenant's interest in the Leasehold Estate to Landlord or of the Landlord's interest hereunder to the Tenant. Accordingly, if the Leasehold Estate and the Fee Estate are commonly held, then they shall remain separate and distinct estates. They shall not merge without prior written consent by all Permitted Leasehold Mortgagees.

8.4. Foreclosure Rights of Leasehold Mortgagees. Upon foreclosure or assignment in lieu of foreclosure of the Leasehold Estate, the most senior Permitted Leasehold Mortgagee shall have the right to acquire the Lease in its own name or the name of a nominee without consent or approval of Landlord. In the event that the Leasehold Estate hereunder is acquired by any Leasehold Mortgagee, or its nominee or designee, then such Leasehold Mortgagee, or its nominee

or designee, shall also have the right to further assign or sublet the Leasehold Estate to a third party without the consent or approval of Landlord.

Foreclosure of any Permitted Leasehold Mortgage, or any sale, assignment or other conveyance thereunder, whether by judicial proceedings or by virtue of any power contained in such Permitted Leasehold Mortgage, or in lieu of, foreclosure or other appropriate proceedings in the nature thereof, shall not require the consent of Landlord or constitute a breach of any provision of, or a default under, the Lease, and upon such foreclosure, sale, assignment or other conveyance, Landlord shall recognize the purchaser or other transferee in connection therewith as the Tenant under this Lease (each, a “**New Tenant**”). Following such foreclosure, sale or conveyance in lieu thereof, New Tenant shall have the right to further mortgage, assign or sublet the Leasehold Estate to a third party without the consent or approval of Landlord and such third party shall have all the rights of a Permitted Leasehold Mortgagee hereunder.

8.4.1. Obligations of New Tenant. A Permitted Leasehold Mortgagee or New Tenant shall only be personally obligated for performance of obligations under this Lease commencing as of the date of such foreclosure, sale, assignment or other conveyance in lieu thereof and ending as of the date of any subsequent assignment of this Lease to a successor Tenant. Any liability of a Permitted Leasehold Mortgagee or New Tenant hereunder shall be limited to such Permitted Leasehold Mortgagee’s or New Tenant’s interest in the Leasehold Estate.

8.5. Voluntary Surrender. Notwithstanding anything set forth in this Lease to the contrary, Landlord shall not accept a voluntary surrender of this Lease at any time during which the Leasehold Estate is encumbered by a Permitted Leasehold Mortgage.

8.6. Subleases. Tenant may, without Landlord’s consent, sublease the Premises. Landlord shall not disturb the possession, interest, or quiet enjoyment of any subtenant. Any sublease is subordinate to the Lease, any Permitted Leasehold Mortgage and any new lease entered into between the Landlord and any Permitted Leasehold Mortgagee. Landlord agrees to enter into a reasonable non-disturbance agreement with the subtenants. In connection with any subletting right, the subtenant will be required to attorn to each Permitted Leasehold Mortgagee if any Permitted Leasehold Mortgagee forecloses and becomes the owner of the Leasehold Estate.

8.7. Right to Pay Taxes and Senior Mortgage. Any Permitted Leasehold Mortgagee shall have the right (but not the obligation) to pay any Taxes with respect to the Premises, and to cure any monetary or non-monetary default by Tenant under any mortgage or other encumbrance on the Premises; and if any such Permitted Leasehold Mortgagee does so pay or cure, Tenant agrees that it will reimburse such Permitted Leasehold Mortgagee for the amount thereof promptly following request by the Institutional Lender therefor unless the Tenant is protesting such Taxes in good faith (with reasonable reserves held by Tenant in connection therewith).

8.8. Insurance Proceeds. Landlord and the Tenant hereby agree that for so long as a Permitted Leasehold Mortgage is outstanding, any and all insurance proceeds received by the Tenant or the Landlord in connection with the Property shall be applied in accordance with the Loan Documents. If no Permitted Leasehold Mortgage is outstanding, such proceeds shall be payable to Tenant. Subject to subsection 12.4, Landlord agrees that Permitted Leasehold Mortgagees will have the right to participate with Tenant in the settlement of all insurance claims

and the Permitted Leasehold Mortgagee with the most senior mortgage lien on the Property shall control disbursements, and to the extent required by the Loan Documents, control use of all insurance proceeds pursuant to the terms thereof. Notwithstanding anything contained herein to the contrary, no parties other than the Permitted Leasehold Mortgagees and Tenant shall have the right to: (1) consent to or supervise the Restoration of the Property or Improvements; (2) participate in the adjustment of losses, approve budgets, plans and specifications in connection with a casualty or Restoration; or (3) control or supervise the administration and disbursement or insurance proceeds.

8.9. Notice. The Landlord will provide reasonable prior notice to Permitted Leasehold Mortgagees, the Investor Limited Partner, and Tenant of any proceeding for adjustment or adjudication of any insurance or condemnation claim involving the fee estate of the Premises and will permit the Permitted Leasehold Mortgagees, the Limited Partners, and Tenant to participate therein as interested parties.

8.10. Condemnation Proceeds. Notwithstanding anything herein to the contrary, for so long as a Permitted Leasehold Mortgage is in effect, the Loan Documents evidencing the most senior Permitted Leasehold Mortgage shall control the use and application of all condemnation proceeds relating to the Property and, as applicable, the Lease termination provisions hereunder. In any event, the Tenant and the Permitted Leasehold Mortgagees shall participate in all settlements.

8.11. New Lease. If this Lease terminates because of an Event of Default of Tenant, because Tenant rejects it in bankruptcy or similar proceedings or any other reason other than expiration of the Term, then Landlord shall upon request negotiate in good faith to enter into a new lease with the most senior Permitted Leasehold Mortgagee or its nominee on the same terms and with the same priority as this Lease.

8.12. Tenant's Rights, Generally. Upon and during the continuation of an event of default under, and subject to, any documents relating to the financing of the Property, any Permitted Leasehold Mortgagee may exercise all of Tenant's rights under this Lease subject to the terms hereof.

SECTION 9. IMPROVEMENTS TO PREMISES.

9.1. Alterations. Any improvements made to the Premises by Tenant shall be made only in good and workmanlike manner using new and good quality materials and in accordance with all applicable building codes and other laws.

9.2. Mechanic's or Other Liens.

9.2.1. Generally. Tenant shall (a) within sixty (60) days after it is filed or claimed, have released (by bonding or otherwise) any mechanic's, materialman's or other lien filed or claimed against any or all of the Premises by reason of labor or materials provided for or about any or all of the Premises during the Term, or otherwise arising out of Tenant's use or occupancy of any or all of the Premises; and (b) defend, indemnify and hold harmless Landlord against and from any and all liability, claim of liability or expense (including but not limited to that of reasonable attorneys' fees) incurred by Landlord on account of any such lien or claim other than such liens arising out of the actions of the Landlord or its agents, acting as Landlord.

9.2.2 Right to Contest Certain Claims. Notwithstanding the foregoing provisions to the contrary, Tenant shall not be in default for failure to comply with any Legal Requirement or to pay or discharge any Tax, assessment, fine, claim, or mechanic's or materialman's lien asserted against the Property if, and so long, as Tenant shall diligently and in good faith contest the same by appropriate legal proceedings that shall operate to prevent the enforcement or collection of the same and the sale of all or any part of the Premises to satisfy the same. Tenant shall promptly upon final determination thereof pay the amount of any such Tax, assessment or claim so determined, together with all costs, interest and penalties which may be payable in connection therewith. Notwithstanding the foregoing, Tenant shall immediately upon request of Landlord pay (and if Tenant shall fail to do so, Landlord may, but shall not be required to, pay or cause to be discharged or bonded against) any such Tax, claim, assessment, fine or claim or mechanic's or materialman's claim notwithstanding such contest, if in the reasonable opinion of Landlord the all or any part of the Premises shall be in jeopardy or in danger of being forfeited or foreclosed. Landlord may pay over any such cash deposit or part thereof to the claimant entitled thereto at any time after delivering advance written notice to Tenant when, in the reasonable judgment of Landlord, the entitlement of such claimant is legally established.

9.3. Fixtures. Any and all improvements, repairs, alterations and all other property attached to or otherwise installed as a fixture within the Premises by Tenant shall, immediately on the completion of their installation, become part of the Premises and remain with the Premises at the expiration or earlier termination of this Lease, except that any machinery, equipment or fixtures installed by Tenant at no expense to Landlord and used in the conduct of Tenant's trade or business (rather than to service the Property or any other part of the Premises generally) and not part of the Equipment shall remain Tenant's property, and shall be removed from the Premises by Tenant at the end of the Term (and any damage to the Property caused by such removal shall be repaired at Tenant's expense).

9.4. Signs. Tenant shall have the right to erect from time to time about the Units, in accordance with applicable laws, such signs as it desires.

SECTION 10. REPAIRS AND MAINTENANCE.

10.1. Repairs. Tenant shall, throughout the Term and at its sole cost and expense, take good care of the Premises and keep them in good order and condition and shall promptly make any and all repairs to the Premises as are necessary to maintain them in good condition and in compliance with all Legal Requirements and requirements of any Permitted Leasehold Mortgagee (subject to ordinary wear and tear), including but not limited to any and all such repairs and replacements to the roofing systems and plumbing, heating, ventilating, air conditioning, electrical and other systems for the furnishing of utilities or services to the Premises, and replace or renew the same where required hereby or by Legal Requirements and requirements of any Permitted Leasehold Mortgagee or otherwise necessary, and Landlord shall have no obligation hereunder as to the same.

10.2. Maintenance. Tenant shall keep and maintain all of the Property in a clean and orderly condition, free of accumulation of dirt, rubbish, snow and ice and Landlord shall have no obligation hereunder as to the same.

SECTION 11. LANDLORD'S RIGHT OF ENTRY.

11.1 Compliance With Charitable Purposes. Landlord shall have the right, from time to time during Tenant's business hours upon two (2) business days' written notice, to conduct a physical inspection of the Premises and the Project, discuss operation of the Premises and the Project with management and representatives of Tenant and inspect and copy relevant records for the purpose of ensuring that the Premises and the Project satisfy the requirements of this Lease.

SECTION 12. FIRE AND OTHER CASUALTIES.

12.1. Where Cost of Restoration Exceeds Specified Sum.

If any or all of the Property is damaged or destroyed, Tenant shall (a) immediately notify Landlord thereof if the cost of restoration on account thereof equals or exceeds Five Hundred Thousand Dollars (\$500,000); and (b) regardless of the dollar amount of such damage or loss (and regardless of whether the cost of restoration is less than or greater than Five Hundred Thousand Dollars (\$500,000), provided that any insurance proceeds are available to Tenant and are adequate for such purposes, commence and complete restoration with reasonable diligence at Tenant's expense, as nearly as possible to the Property's value, condition and character immediately before such damage or destruction to the extent of such available proceeds.

Subject to the provisions of subsections 8.8 and 12.4 hereof, all insurance proceeds (other than any proceeds which are separately paid on account of any damage to or destruction of Tenant's personal property, inventory or work-in-process, all of which shall be paid to Tenant) payable as a result of any casualty under policies of insurance held by or for the account of Tenant pursuant to Section 7 against such casualty and received by Tenant shall be treated in accordance with the applicable Loan Documents, and any remainder shall be disbursed to Tenant.

The provisions of this subsection 12.1 shall not be in derogation of the provisions of any Loan Documents.

12.2. Application of Proceeds on Termination. Anything in this Lease to the contrary notwithstanding, upon the expiration or earlier termination of this Lease before such restoration is completed free and clear of any such liens, any insurance proceeds not theretofore applied to the cost of such restoration or disbursed to Permitted Leasehold Mortgagees (the most senior Permitted Leasehold Mortgagee being entitled to proceeds first) shall be paid to Tenant to the extent permitted by the Loan Documents.

12.3. No Termination. No damage whatsoever to or destruction of any or all of the Property shall entitle Tenant to surrender or terminate this Lease, or shall relieve Tenant from its liability hereunder to pay in full the Annual Rent, any Additional Rent and all other sums and charges which are otherwise payable by Tenant hereunder, or from any of its other obligations hereunder, and Tenant hereby waives any right now or hereafter conferred upon it by statute or otherwise, on account of any such damage or destruction, to surrender this Lease, to quit or surrender any or all of the Premises or to have any suspension, diminution, abatement or reduction of the Annual Rent or any Additional Rent or other sum payable by Tenant under this Lease.

12.4. Rights of the Parties Under the Loan Documents. Notwithstanding anything herein to the contrary, for so long as a Permitted Leasehold Mortgage is in effect, the Loan Documents evidencing the most senior Permitted Leasehold Mortgage shall control the use and application of all casualty proceeds relating to the Premises. In such event, Tenant and Permitted Leasehold Mortgagee will participate in any proposed settlement to the extent provided therein.

SECTION 13. CONDEMNATION.

13.1. Notice of Taking. Forthwith upon receipt by either Landlord or Tenant of notice of the institution of any proceedings for the taking or condemnation of all or a portion of the Premises by the government of the United States, the State, the County or any other governmental authority, or any corporation under the right of eminent domain (a “***Taking***”), the party receiving such notice shall promptly give notice thereof to the other, and such other party may also appear in such proceeding and be represented by counsel, who may be counsel for the party receiving such notice.

13.2. Condemnation Awards. Subject to the provisions of subsection 8.8 hereof, Tenant’s share of any condemnation award shall be no less than the total condemnation award less the value of Landlord’s remainder interest in the Premises, considered as if encumbered by the Lease. Any condemnation award shall be handled in accordance with the applicable Loan Documents, and any remainder shall be disbursed to the Tenant.

13.3. Total Taking. Subject to the provisions of subsection 8.8 hereof, in the event of a permanent Taking of the entire fee title of the Premises or of the entire Leasehold Estate hereunder (a “***Total Taking***”), this Lease shall thereupon terminate as of the effective date of such Total Taking, without liability or further recourse to the parties, provided that any Annual Rent or Additional Rent payable or obligations owed by the Tenant to the Landlord as of the date of said Total Taking shall be paid or otherwise carried out in full with due credit given for any prepayment of the same.

13.4. Partial Taking. Subject to the provisions of subsection 8.8 hereof, in the event of a partial Taking of less than the entire Property (a “***Partial Taking***”), Tenant shall have the right to repair or restore the Property, as Tenant deems necessary to operate the Property, in order to return the Property to a condition substantially similar to the condition existing prior to the Partial Taking, to the extent proceeds from any condemnation award are available for such repair or restoration. In all circumstances, this Lease shall continue unless Tenant and Landlord shall agree to terminate this Lease with the prior written consent of the Permitted Leasehold Mortgagee and the Limited Partners. Any condemnation award shall be paid first to the most senior Permitted Leasehold Mortgagee or a trustee it designates to be used in accordance with the applicable Permitted Leasehold Mortgage and then to Tenant.

13.5. Termination Upon Non-Restoration. Following a partial taking, this Lease may be terminated by Tenant, with any required consent of the Permitted Leasehold Mortgagee and the Investor Limited Partner, if such partial taking prevents the use and operation of the Improvements as a low income or moderate income rental housing development in compliance with any applicable Regulatory Agreement or Workforce Housing Requirements, or if the proceeds made

available to Tenant are insufficient to restore the Improvements to a functional and aesthetic condition substantially similar to or better than the conditions existing prior to such partial taking.

13.6. No Waiver. No provisions in this Lease shall limit the rights of either Landlord or Tenant to seek compensation from a condemning authority as provided by statute, common law, the State's constitution or United States Constitution.

SECTION 14. ASSIGNMENT AND SUBLETTING AND TRANSFERS.

14.1. Assignments. Tenant may assign, sell, lease, convey, mortgage or pledge this Lease or any of its rights under this Lease as to all or any portion of the Premises or the occupancy or use thereof, or may assign membership interests in Tenant (in each case, a "***Transfer***"), without Landlord's consent, provided that Tenant shall notify Landlord of any Transfer within ten (10) days after the occurrence thereof. The parties hereto acknowledge that any Transfer shall be subject to the other terms of this Lease.

Notwithstanding anything to the contrary herein, during the term of this Lease, Landlord shall not transfer, encumber or otherwise dispose of the Premises or any interest therein without the consent of the Tenant, the Investor Limited Partner, and the Permitted Leasehold Mortgagee(s).

14.2. Permitted Transfers. Notwithstanding anything to the contrary set forth herein, transfers of ownership interests in Tenant, or beneficial interests therein, to affiliated entities of Tenant, shall not constitute Transfers hereunder and shall not require Landlord's consent, and any transfer, in whole or in part, of the Premises or the Leasehold Estate in accordance with any Permitted Leasehold Mortgage or the Regulatory Agreement, any transfer in the ordinary course of business including, without limitation, any residential lease and any utility and access easement, any transfer required by any applicable Workforce Housing Requirements shall be a Permitted Transfer hereunder and shall not require Landlord's consent.

14.3. Effect on Obligations. Except as otherwise expressly provided under this Lease, no Transfer shall alter or impair the obligations hereunder of Tenant or any other Person constituting Tenant or holding any interest hereunder before any such Transfer.

14.4. Benefit and Burden. This Lease shall be binding on and inure to the benefit of the parties hereto and their respective permitted successors and assigns in interest hereunder.

14.5. Replacement of Member of Landlord. Notwithstanding the foregoing, Tenant may require Landlord, by notice to Landlord, to replace Nonprofit (or any wholly owned subsidiary) as its sole member with a substitute sole member identified by Tenant (the "***Substitute Nonprofit***"), within (a) ten (10) days after the date of such notice if Landlord is in material default of its obligations under this Lease or has committed any act of fraud, intentional misrepresentation, gross negligence or willful misconduct in connection with the Lease or the Project, (b) sixty (60) days after the date of such notice, if notice is given within sixty (60) days after the occurrence of either (i) a Transfer as contemplated by Section 14.1, or (ii) a transfer of general partner, managing member or other controlling ownership interests of Tenant, or (c) one hundred twenty (120) days after the date of such notice in any other case (the "***Replacement Deadline***"). Tenant shall be responsible to ensure that its proposed replacement entity is an organization described under

Section 501(c)(3) of the Code and the assignment of Nonprofit's interests in Landlord to such replacement sole member of Landlord shall not cause the Property to fail to qualify for the Property Tax Exemption; provided, that Landlord shall not knowingly (i) replace Nonprofit as its sole member with any entity that is not such an organization, or (ii) permit the assignment of Nonprofit's interests in Landlord in any manner that would cause the Property to fail to qualify for the Property Tax Exemption. Any replacement of the member of Landlord or any change in the Landlord shall be subject to the prior written consent of the Investor Limited Partner and any Permitted Leasehold Mortgagee to the extent required under Tenant's Partnership Agreement or any applicable Loan Documents. So long as Landlord is not then in material default under this Agreement and has not committed any act of fraud, intentional misrepresentation, gross negligence or willful misconduct in connection with the Lease or the Project, Tenant shall be responsible for the payment of all reasonable costs and expenses incurred in connection with any replacement of Nonprofit pursuant to this Section 14.5, including without limitation attorney's fees, filing or recording costs, and any applicable deed, excise, or transfer taxes.

If such replacement does not take place by the Replacement Deadline, in addition to any other rights and remedies of Tenant under this Lease, at law or in equity, at Tenant's option Landlord shall convey the Premises to the Tenant, the Premises shall vest in Tenant and, subject to Section 8.2, this Lease shall terminate.

14.6. Landlord Permitted Transfers. Except as expressly permitted herein, any assignment, transfer, conveyance or pledge of membership interests of Landlord without the prior written consent of Tenant and any Permitted Leasehold Mortgagee shall be an event of default under this Lease.

14.6.1. Notwithstanding the foregoing, upon not less than one hundred twenty (120) days' prior written notice to Tenant and any Permitted Leasehold Mortgagee, Landlord may permit the assignment of all (but not less than all) of the membership interests in Landlord to an organization described under Section 501(c)(3) of the Code designated by Tenant within one hundred ten (110) days after Landlord's notice; *provided*, that (i) the Landlord shall promptly notify Tenant if it becomes aware that the assignment of Nonprofit's interests in Landlord to such designated Substitute Nonprofit could cause the Property to fail to qualify for the Property Tax Exemption, and (ii) if Landlord notifies Tenant of its intent to permit the assignment of the membership interest in Landlord pursuant to this paragraph at any time that a bona fide listing agreement or purchase agreement for the marketing or sale, respectively, of the Property or the Leasehold Estate to third parties unaffiliated with Landlord or Tenant has been executed and remains in effect, then such notice shall not be deemed effective and the notice period under this paragraph shall not commence until the earlier of (a) the later of (X) one hundred twenty (120) days after the date of full execution and delivery of any such listing agreement or purchase agreement (with respect to a listing agreement, a "***Listing Agreement Period***"), and (Y) one hundred twenty (120) days after the date of full execution of any such purchase agreement signed during a Listing Agreement Period, and (b) the sale or other conveyance of the Property or the Leasehold Estate to a third party unaffiliated with Landlord or Tenant. The operation of the preceding clause (ii) shall not cause Landlord's notice to be effective prior to the date of actual delivery thereof. If Tenant fails to designate a Substitute Nonprofit within one hundred ten (110) days after Landlord's notice, Landlord may convey the Premises to the Tenant, the Premises shall vest in Tenant and, subject to Section 8.2, this Lease shall terminate.

14.6.2. Notwithstanding the foregoing, upon not less than ninety (90) days' prior written notice to Tenant and any Permitted Leasehold Mortgagee following the occurrence of any of the following events: (a) the Termination Date, (b) a foreclosure sale of the Leasehold Estate or assignment of the Leasehold Estate in lieu thereof, and the expiration of any redemption period applicable thereto, or (c) a Total Taking; Landlord may permit the assignment of all (but not less than all) of the membership interests in Landlord to an organization described under Section 501(c)(3) of the Code; *provided*, that the assignment of Nonprofit's interests in Landlord to such Substitute Nonprofit shall not cause the Property to fail to qualify for the Property Tax Exemption, and *provided, further*, that any such Substitute Nonprofit shall be subject to the prior written consent of the Investor Limited Partner and any Permitted Leasehold Mortgagee to the extent required under Tenant's Partnership Agreement or any applicable Loan Documents, respectively.

14.6.3. Following any assignment permitted hereunder, Substitute Nonprofit shall become the substitute Nonprofit hereunder. In connection with any assignment pursuant to this Section 14.6, Landlord shall, at Landlord's expense (except in the case of an assignment pursuant to a notice of assignment given by Landlord under Section 14.6.1 within 30 days following a transfer described in Section 14.5(a) or (b), or pursuant to Section 14.6.2, in which case Tenant shall reimburse Landlord for its reasonable expenses), assist the Tenant in all reasonable respects in maintaining the Property Tax Exemption in effect at all times notwithstanding such assignment, including without limitation assistance with the preparation and submission of any applications or documentation to governmental authorities required in connection with the Property Tax Exemption. So long as no Event of Default then exists and is continuing under this Agreement, Landlord shall be responsible for the payment of all costs and expenses incurred in connection with any transfer of membership interests in Landlord pursuant to this Section 14.6, including without limitation attorney's fees, filing or recording costs, and any applicable deed, excise, or transfer taxes; *provided*, that (a) in the case of an assignment pursuant to a notice of assignment given by Landlord under Section 14.6.1 within 30 days following a transfer described in Section 14.5(a) or (b), Tenant shall reimburse Landlord for any applicable filing or recording costs and any deed, excise or transfer taxes incurred; and (b) in the case of an assignment pursuant to Section 14.6.2, in which case Tenant shall reimburse Landlord for its reasonable expenses and any applicable filing or recording costs and any deed, excise or transfer taxes incurred).

14.7. Cooperation. Landlord shall cooperate and cause Nonprofit to cooperate with the reasonable requests of Tenant and Substitute Nonprofit in connection with any replacement of Nonprofit as sole member of Landlord, including providing any information relating to the Landlord or the Project that they may reasonably request; *provided*, that neither Landlord nor Nonprofit shall be obligated to incur any additional unreimbursed out-of-pocket expenses, other than *de minimis* administrative expenses, as a result of such cooperation.

SECTION 15. DEFAULT.

15.1. Definition. As used in this Lease, each of the following events shall constitute a "*Default*":

(a) Tenant shall fail to pay any Annual Rent, Additional Rent or other sum which it is obligated to pay under this Lease, when and as it is due and payable hereunder;

- (b) Tenant shall fail to perform any of its obligations under this Lease; or
- (c) Tenant shall fail to abide by Workforce Housing Requirements, if applicable.

15.2. Notice to Tenant; Grace Period. Anything in this Section 15 to the contrary notwithstanding, if a Default occurs then Landlord shall not exercise any right or remedy on account thereof that it holds under this Lease or Legal Requirements unless and until Landlord provides notice and an opportunity to cure as follows:

15.2.1. Notice and Opportunity to Cure. (a) Landlord shall so notify Tenant, Investor Limited Partner and all Permitted Leasehold Mortgagees, each of whom shall have the right to cure such Event of Default; and (b) Landlord shall not terminate this Lease for a Default unless and until Landlord has given Tenant, all Permitted Leasehold Mortgagees and Investor Limited Partner notice of such Default and ninety (90) days in which to cure it. If it cannot be reasonably cured within ninety (90) days, then Tenant, Investor Limited Partner and each Permitted Leasehold Mortgagee shall have such additional time as it shall reasonably require, so long as Tenant, Investor Limited Partner and/or Permitted Leasehold Mortgagee is proceeding with reasonable diligence. For any Default that cannot be cured without possession of the Premises, Landlord shall allow such additional time as the Permitted Leasehold Mortgagee shall reasonably require to prosecute and complete a foreclosure or equivalent proceeding and obtain such possession, including time to obtain relief from a Bankruptcy stay in the Tenant's Bankruptcy. If a Permitted Leasehold Mortgagee completes a foreclosure or otherwise diligently exercises its rights and remedies hereunder, then Landlord shall waive any Default which cannot reasonably be cured by a Permitted Leasehold Mortgagee.

15.2.2. Event of Default. Any event constituting a Default under Section 15.1, which is not cured within the time and pursuant to the terms set forth in this Section 15.2, shall constitute an “**Event of Default**” hereunder.

15.2.3. Stand-still. Notwithstanding any provision of this Lease to the contrary, Landlord shall take no action with respect to a particular Event of Default if (i) Landlord or any of its affiliates is the general partner, managing member, or other controlling person of Tenant; and (ii) Tenant's Partnership Agreement obligates Tenant's general partner, managing member or other controlling person(s) to either prevent or cure such Event of Default.

15.3. Landlord's Rights on Event of Default.

15.3.1. Remedies. If an Event of Default occurs and continues beyond applicable notice and cure periods, Landlord may (subject to the provisions of subsection 15.2) take any or all of the following actions:

- (a) reenter and repossess any or all of the Premises and any or all Improvements thereon and additions thereto; and/or
- (b) declare the entire balance of the Annual Rent for the remainder of the Term to be due and payable immediately, and collect such balance in any manner not inconsistent with Legal Requirements; *provided* that if Landlord elects to relet any or all of the Premises following

such acceleration of Annual Rent, the amount of rents payable under such replacement lease shall be deducted from the balance of Annual Rent due, and the provisions of subsection 15.3(d) shall be applicable to the rights of Landlord and Tenant; and *provided, further*, that if, following a Permitted Leasehold Mortgagee's receipt of notice of such acceleration, a Permitted Leasehold Mortgagee commences foreclosure proceedings within forty-five (45) days and forecloses as soon as reasonably practicable thereafter, Landlord, without the necessity of any reservation of rights against the Tenant, agrees to waive such acceleration and this Lease shall be reinstated to the same extent as if no default had occurred hereunder. Accelerated payments payable hereunder shall not constitute a penalty or forfeiture or liquidated damages, but shall merely constitute payment of Annual Rent in advance; and/or

(c) with the written consent of all Permitted Leasehold Mortgagees, terminate this Lease by giving written notice of such termination to Tenant, which termination shall be effective as of the date of such notice or any later date therefor specified by Landlord therein (provided, that without limiting the generality of the foregoing provisions of this subsection 15.3(c), Landlord shall not be deemed to have accepted any abandonment or surrender by Tenant of any or all of the Premises or Tenant's Leasehold Estate under this Lease unless Landlord has so advised Tenant expressly and in writing, regardless of whether Landlord has reentered or relet any or all of the Premises or exercised any or all of Landlord's other rights under this Section 15 or Legal Requirements); and, on the date specified in such notice, Tenant's right to possession of the Premises will cease and the Leasehold Estate conveyed by this Lease upon Tenant shall revest in Landlord; *provided, however*, that such revesting of the Leasehold Estate and the reentry by Landlord shall be subject to and limited by and shall not defeat, render invalid or limit in any way the lien of any Leasehold Mortgage or any provision of Workforce Housing Requirements, if applicable; and/or

(d) pursue any combination of such remedies and/or any other right or remedy available to Landlord on account of such Event of Default under this Lease and/or at law or in equity. Nothing herein shall limit or prejudice Landlord's right to prove for and obtain as damages, by reason of such termination, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, such damages are to be proved.

15.3.2. Tenant Remains Liable. No such expiration or termination of this Lease, or summary dispossession proceedings, abandonment, reletting, bankruptcy, re-entry by Landlord or vacancy, shall relieve Tenant of any of its liabilities and obligations under this Lease (whether or not any or all of the Premises are relet), and Tenant shall remain liable to Landlord for all damages resulting from any Event of Default, including but not limited to any damage resulting from the breach by Tenant of any of its obligations under this Lease to pay Annual Rent, Additional Rent and any other sums which Tenant is obligated to pay hereunder.

15.3.3. Landlord Costs. If an Event of Default occurs, Tenant shall, immediately on its receipt of a written demand therefor from Landlord, reimburse Landlord for (a) all expenses (including but not limited to any and all reasonable repossession costs, management expenses, operating expenses, legal expenses and reasonable attorneys' fees) incurred by Landlord (i) in curing or seeking to cure any Event of Default and/or (ii) in exercising or seeking to exercise any of Landlord's rights and remedies under this Lease and/or at law or in equity on account of any

Event of Default, plus (b) interest on all such expenses, at the lesser of the Prime Rate plus 4% or the highest rate then permitted on account thereof by applicable law, all of which expenses and interest shall be Additional Rent and shall be payable by Tenant immediately on demand therefor by Landlord.

15.3.4. Stand-still. Notwithstanding anything contained in this Lease to the contrary, Landlord agrees that at any time during the period between the Commencement Date and the later of the date that (i) the Investor Limited Partner is no longer the Investor Limited Partner in Tenant, and (ii) any indebtedness, including any principal and accrued interest under the Lender Loan remains outstanding, Landlord shall not exercise any of its remedies under the Lease, other than to specifically enforce the Tenant's obligation to comply with Section 4, Section 5 and subsection 7.5 hereof, and the Lease shall not be terminated without the prior written consent of Investor Limited Partner and Permitted Leasehold Mortgagee.

15.4. Landlord Event of Default. Landlord shall be deemed in default of its obligations under this Lease if Landlord shall fail to perform, in a timely manner in accordance with the terms of this Lease, any obligation under this Lease required to be performed by Landlord, or if any Landlord representation made herein is false in any material respect (each, a "***Landlord Event of Default***"). If such Landlord Event of Default shall continue for thirty (30) days after written notice of such failure from Tenant or such additional period as may be reasonably required to cure such failure, if the same may not be reasonably cured within thirty (30) days so long as Landlord commences such cure within fifteen (15) days after notice thereof and thereafter diligently prosecutes the same to completion, but in any event such cure must be completed to Tenant's reasonable satisfaction within ninety (90) days of Tenant's notice to Landlord subject to the parties' mutual agreement to extend such time period and subject to delays caused directly by Force Majeure and any other matters outside the reasonable control of Landlord so long as Landlord has acted diligently, with dispatch, and in good faith to prevent or shorten any such delays to the extent within its control. If Landlord fails to complete such cure as provided above, then subject to the provisions of any Permitted Leasehold Mortgage, Tenant shall thereupon be entitled to exercise any and all remedies available to Tenant for such default under this Lease or at law or in equity, including specific enforcement of the provisions hereof and/or recovery of its actual damages; *provided, however*, that under no circumstances shall Landlord be liable to Tenant for punitive or exemplary damages. Without waiving or limiting any other remedies available to Tenant, upon such default by Landlord (and subject to the notice and cure rights of Landlord), Tenant shall be entitled (but not obligated) to perform or cause such obligations to be so performed on behalf of Landlord, and Landlord shall reimburse Tenant for its reasonable third-party out of pocket costs and expenses incurred by Tenant in doing so, which amount shall be due within thirty (30) days of Landlord's receipt of a written statement of the costs and expenses so incurred by Tenant. In the event Landlord or a creditor thereof files a petition for relief naming Landlord as a debtor under Title 11 of the United States Code, Landlord hereby acknowledges and agrees that Tenant's possessory interest under this Lease and ownership of the Improvements are unique interests and cannot be converted into a cash claim under Section 363 of Title 11 of the United States Code unless Tenant expressly consents to the same.

SECTION 16. ESTOPPEL CERTIFICATE; SHORT FORM.

16.1. Estoppel Certificate. Each party hereto shall, at any time and from time to time within ten (10) days after being requested to do so by the other party and/or any Investor Limited Partner or Permitted Leasehold Mortgagee in writing, execute, acknowledge, and address and deliver to the requesting party (or, at the latter's request, to any existing or prospective Mortgagee, transferee or other assignee of the requesting party's interest in the Premises or under this Lease which acquires such interest in accordance with this Lease) a certificate in recordable form certifying (a) that this Lease is unmodified and in full force and effect (or, if there has been any modification thereof, that it is in full force and effect as so modified, stating therein the nature of such modification); (b) that Tenant has accepted possession of the Premises, and the date on which the Term commenced; (c) as to the dates through which Annual Rent and any Additional Rent and other charges arising hereunder have been paid; (d) as to the amount of any prepaid Rent or any credit due to Tenant hereunder; (e) as to whether, to the best of such party's knowledge, information and belief, the requesting party is then in default in performing any of its obligations hereunder (and, if so, specifying the nature of each such default); and (f) as to any other fact or condition reasonably requested by the requesting party; and acknowledging and agreeing that any statement contained in such certificate may be relied upon by the requesting party and any such other addressee.

16.2. Recordation. A Memorandum or Short Form of this Lease shall be recorded by Tenant in the Land Records.

SECTION 17. CONDITION OF TITLE AND PREMISES.

17.1. Limited Warranties. Tenant hereby acknowledges that it has examined the Premises, the title thereto, zoning which may be applicable thereto, if any, the municipal parking ordinance, the streets, sidewalks, parking areas, curbs and access ways adjoining them, any surface and subsurface conditions thereof, and the present uses and non-uses thereof, if any, and that it accepts each of them in its present condition or state, without restriction, representation, covenant or (except as is set forth in subsection 17.2) warranty, express or implied, in fact or at law, by Landlord or any other person, and without recourse to Landlord, as to any appurtenances thereto, the nature, condition or usability thereof, or the uses to which any or all of the Premises may be put.

17.2. Quiet Enjoyment. Landlord hereby represents, warrants, covenants and agrees that, at the time of the execution and delivery of this Lease by the parties hereto, it (a) is the owner of the Fee Estate in and to the Premises, subject to the operation and effect of and only of the Permitted Encumbrances, and that it has no knowledge of any claim or demand contesting or impairing its interests in the Fee Estate; and (b) has the full right, power and authority to enter into this Lease and thereby to lease the Premises; and warrants that Tenant will have quiet and peaceful possession of the Premises during the Term so long as all of Tenant's obligations hereunder are timely performed, except if and to the extent that such possession is terminated pursuant to Sections 12 or 13, subsection 15.3 or any other provision of this Lease.

17.3. Limitation on Landlord's Liability. Nothing in this Lease other than Landlord's obligations under Section 7.7 shall be deemed to impose on Landlord or any Landlord's Related

Parties any liability on account of any act or failure to act by any Person other than related directly to the willful misconduct or gross negligence of the Landlord (or, where expressly so provided herein, Landlord's Related Parties) and any liability of Landlord, Landlord's Related Parties or their successors and assigns shall be limited to and will in no event exceed Landlord's equity interest in the Premises and the rents from the Premises, and the value of its interest in the Premises and no other property of Landlord or Landlord's Related Parties will be subject to levy, execution or other enforcement procedure for the satisfaction of a judgment or other remedies. Upon a sale or transfer of the Premises by Landlord or a subsequent transferor of the Premises, the transferee that has acquired the Premises shall be bound for the performance of all of Landlord's obligations under this Lease, and the transferor will be released from any and all liability for performance of obligations under this Lease after the date of the transfer.

17.4 Limitation on Tenant's Liability. Any liability of Tenant, its successors and assigns, shall be limited to and will in no event exceed Tenant's leasehold interest in the Premises pursuant to this Lease, and no other property of Tenant will be subject to levy, execution or other enforcement procedure for the satisfaction of a judgment or other remedies. Upon a Transfer by Tenant or a subsequent transferor of all of its leasehold interest in the Premises, the transferee that has acquired the leasehold interest in the Premises shall be bound for the performance of all of Tenant's obligations under this Lease, and the transferor will be released from any and all liability for performance of obligations under this Lease after the date of the transfer.

SECTION 18. NOTICES. Any notice, demand, consent, approval, request or other communication or document to be provided hereunder to Landlord or Tenant (a) shall be in writing, and (b) shall be deemed to have been provided on the earlier of (i) (1) five (5) business days after being sent as certified or registered mail in the United States mails, postage prepaid, return receipt requested, or (2) the next business day after having been deposited (in time for delivery by such service on such business day) with Federal Express or another national courier service, or (3) (if such party's receipt thereof is acknowledged in writing) upon having been sent by email or another means of immediate electronic communication, in each case to the address of such party as such party may designate from time to time by notice to each other party hereto, or (ii) (if such party's receipt thereof is acknowledged in writing) its having been given by hand or other actual delivery to such party. Notices shall be sent to the following:

To Landlord:	Appian Way Fee Owner LLC 680 5 th Avenue 17 th Floor New York, NY 10019
To Tenant:	Appian Way Owner LLC c/o Appian Way Investor LLC Attn: Russell Condas and Hanna Jamar 401 Wilshire Boulevard, Suite 401 Santa Monica, CA 90401
With a copy to:	Winthrop & Weinstine, P.A. Attn: Scott D. Jahnke 225 South Sixth Street, Suite 3500 Minneapolis, MN 55402

To Permitted Leasehold
Mortgagee

NEF Preservation PB Fund I LP
10 South Riverside Plaza
Suite 1700
Chicago, Illinois 60606
Attention: General Counsel

With a copy to:

Kraus Lam LLC
230 West Monroe Street, Suite 2528
Chicago, Illinois 60606
Attention: Edward Lam, Esq.

Any notices demands, consents, approvals, requests and other communication and documents (other than rent and other periodic billing notices) sent by Landlord to Tenant shall also be sent by Landlord to each Permitted Leasehold Mortgagee and any Investor Limited Partner.

Any notice required or permitted to be given under this Lease shall be deemed given if provided in accordance with this Section 18; *provided, however*, that any party may change its address for notice purposes by timely notice to the other party delivered in accordance with the terms and conditions of this Section 18.

SECTION 19. REPRESENTATIONS AND WARRANTIES.

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

(a) Landlord is a limited liability company, legally existing under the laws of the State. Landlord owns the fee simple interest in the Premises under State law and shall continue to own the fee simple interest in the Premises at all times during the Term of this Lease (subject to Permitted Encumbrances). Landlord has full right, power and authority to make, execute, deliver and perform its obligations under this Lease. Landlord has obtained and received all required and necessary consents and approvals to enter into this Lease with Tenant. The entry by Landlord into this Lease with Tenant and the performance of all of the terms, provisions and conditions contained herein does not and will not violate or cause a breach of or default under any agreement or obligation to which Landlord is a party or by which it is bound.

(b) There is no action, suit, litigation or proceeding pending or, to Landlord's knowledge, threatened against Landlord and/or to the best of Landlord's actual knowledge, the Premises, which could prevent or impair Landlord's entry into this Lease and/or performance of its or any of Tenant's obligations hereunder or materially and adversely impact Tenant's rights hereunder.

(c) The person signing this Lease on behalf of Landlord is duly and validly authorized to do so.

(d) Landlord is solely owned by an organization described under Section 501(3) of the Code. There are no known conditions, circumstances or reasons which would impair such organization's status as an organization described in Section 501(c)(3) of the Code.

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

(a) Tenant is organized and lawfully existing as a limited liability company under the laws of the State of South Carolina.

(b) Tenant has the full right, power and authority to make, execute, deliver and perform this Lease.

(c) Tenant's execution and delivery of this Lease has been authorized by all requisite action on the part of the Tenant, and the execution and delivery of this Lease by Tenant and the performance of its obligations hereunder will not violate or contravene any agreement or obligation to which Tenant is a party or by which it is bound.

(d) There is no action, suit, litigation or proceeding pending or, to Tenant's knowledge, threatened against Tenant that could prevent or impair Tenant's entry into this Lease and/or performance of its obligations hereunder.

(e) The person signing this Lease on behalf of Tenant is duly and validly authorized to do so.

SECTION 20. GENERAL.

20.1. Effectiveness. This Lease shall become effective on and only on its execution and delivery by each party hereto.

20.2. Complete Understanding. This Lease represents the complete understanding between the parties hereto as to the subject matter hereof, the Premises and the rights and obligations of the parties hereto as to the same, and supersedes all prior negotiations, representations, guaranties, warranties, promises, statements or agreements, either written or oral, between the parties hereto as to the same. No inducements, representations, understandings or agreements have been made or relied upon in the making of this Lease, except those specifically set forth in this Lease. Neither party hereto has any right to rely on any other prior or contemporaneous representation made by anyone concerning this Lease which is not set forth herein.

20.3. Amendment. This Lease may be amended, modified, restated, or supplemented by and only by an instrument executed and delivered by each party hereto, and only with the prior written consent of any Permitted Leasehold Mortgagee and the Investor Limited Partner. Any amendment, modification, restatement or supplement executed without such prior written consent is void at the option of the Permitted Leasehold Mortgagee and the Investor Limited Partner.

20.4. Waiver. No party hereto shall be deemed to have waived the exercise of any right which it holds hereunder unless such waiver is made expressly and in writing (and, without limiting

the generality of the foregoing, no delay or omission by any party hereto in exercising any such right shall be deemed a waiver of its future exercise). No such waiver made in any instance involving the exercise of any such right shall be deemed a waiver as to any other such instance, or any other such right. Without limiting the generality of the foregoing, no action taken or not taken by Landlord under this Section 20 or any other provision of this Lease (including but not limited to Landlord's acceptance of the payment of Rent after an Event of Default occurs) shall operate as a waiver of any right to be paid a late charge or of any other right or remedy which Landlord would otherwise have against Tenant on account of such Event of Default under this Lease or applicable law (Tenant hereby acknowledging that, in the interest of maintenance of good relations between Landlord and Tenant, there may be instances in which Landlord chooses not immediately to exercise some or all of its rights if an Event of Default occurs).

20.5. Applicable Law. This Lease shall be given effect and construed by application of the law of the State without regard to its conflicts of laws or principles, and any action or proceeding arising hereunder shall be brought in the courts of the County.

20.6. Time of Essence. Time shall be of the essence of this Lease, except that, whenever the last day for the exercise of any right or the discharge of any obligation hereunder falls on a Saturday, Sunday or statutory holiday, the party having such right or obligation shall have until 5:00 p.m. on the next succeeding day which is not a Saturday, Sunday or statutory holiday to exercise such right or discharge such obligation.

20.7. Headings. The headings of the sections and subsections hereof are provided herein for and only for convenience of reference and shall not be considered in construing their contents.

20.8. Construction. As used herein, all references made (a) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders; (b) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well; and (c) to any section or subsection shall be deemed, unless otherwise expressly indicated, to have been made to such section or subsection of this Lease.

20.9. Exhibits. Each writing or plat referred to herein as being attached hereto as an exhibit or otherwise designated herein as an exhibit hereto is hereby made a part hereof.

20.10. Severability. No determination by any court, governmental or administrative body or agency or otherwise that any provision of this Lease or any amendment hereof is invalid or unenforceable in any instance shall affect the validity or enforceability of (a) any other such provision, or (b) such provision in any circumstance not controlled by such determination. Each such provision shall remain valid and enforceable to the fullest extent allowed by, and shall be construed wherever possible as being consistent with, applicable law.

20.11. Disclaimer of Partnership Status. Nothing in this Lease shall be deemed in any way to create between the parties hereto any relationship of partnership, joint venture or association, and the parties hereto hereby disclaim the existence of any such relationship.

20.12. Commissions. Each party hereto hereby represents and warrants to the other that, in connection with the leasing of the Premises hereunder, the party so representing and warranting has not dealt with any real estate broker, agent or finder, and there is no commission, charge or

other compensation due on account thereof. Each party hereto shall defend, indemnify and hold harmless the other against and from any liability, claim of liability or expense arising out of any inaccuracy in such party's representation.

20.13. Prevailing Party. In the event either party hereunder initiates judicial action against the other in order to enforce the terms, covenants and provisions of this Lease, the non-prevailing party in such judicial action shall reimburse the prevailing party in such judicial action for all reasonable expenses, fees, costs, including reasonable attorneys' fees incurred by the prevailing party in connection with such judicial action.

20.14. Confidentiality. Except for any disclosure made pursuant to Section 16.2 hereof, Tenant and Landlord, and any successors, assigns, employees, and agents of either, agree to keep the existence of, and the terms and conditions contained in this Lease strictly confidential and not to disclose the terms to any third party (other than Permitted Leasehold Mortgagees, the Investor Limited Partner, and their respective potential transferees, attorneys and accountants; owners, officers, employees, attorneys and accountants and potential transferees or financing sources of the parties, and the County tax assessor) without the express prior written approval of the other party hereto, except that disclosure under compulsory judicial process shall require prior notice to but not consent of the other party.

SECTION 21. PURCHASES AND PURCHASE PRICES

21.1. Tenant's Option to Purchase. Tenant shall have an irrevocable and exclusive option to purchase the Property as a whole at any time during the Term or within thirty (30) days after the Termination Date. To exercise such option, Tenant shall (i) give Landlord at least five (5) days' prior written notice of its intent to exercise any option granted pursuant to this Section 21.1, which notice shall state the purchase date, and (ii) comply with the provisions of Section 21.2 hereof. The option to be exercised by hereunder may be exercised whether or not a default or Event of Default has occurred hereunder, and notice to exercise this option shall supersede any exercise of remedies as a result of any default or Event of Default. Tenant shall also have the option to purchase any item of Equipment upon five (5) days' prior written notice of its intent to exercise its option to purchase such item and upon compliance with Section 21.2.

21.2. Exercise of Tenant's Option.

21.2.1. To exercise any option contained in Section 21.1, Tenant shall pay, or cause to be paid, on or prior to the purchase date, as the total purchase price and consideration the sum of (i) \$1.00 plus (ii) any other amounts that are then due or that have accrued under this Lease (including, without limitation, any amounts due upon termination or expiration of this Lease).

21.2.2. On the purchase date for the purchase of the Property pursuant to Section 21.1, this Lease shall terminate and Landlord shall convey Landlord's interest in the Property to Tenant (or its assigns) by limited warranty deed and/or bill of sale, as appropriate. The form of the limited warranty deed and bill of sale pursuant to which property will be conveyed pursuant to this Section shall be in the forms attached hereto as Exhibit D and Exhibit E respectively. Tenant shall pay all expenses relating to such conveyance.

[Signature Page Follows]

IN WITNESS WHEREOF, each party hereto has executed this Lease by its duly authorized representatives, to be effective as of the above written day and year.

LANDLORD:

APPIAN WAY FEE OWNER LLC,
a South Carolina limited liability company

By: Fairview Housing Partners Ltd., a Delaware
non-stock corporation, its sole member

By: 

Thom Amdur, Executive Director

TENANT:

APPIAN WAY OWNER LLC,
a South Carolina limited liability company

By: Appian Way Investor LLC,
a Delaware limited liability company,
its Manager

By: _____

Russell Condas, Vice President

IN WITNESS WHEREOF, each party hereto has executed this Lease by its duly authorized representatives, to be effective as of the above written day and year.

LANDLORD:

APPIAN WAY FEE OWNER LLC,
a South Carolina limited liability company

By: Fairview Housing Partners Ltd., a Delaware
non-stock corporation, its sole member

By: _____
Thom Amdur, Executive Director

TENANT:

APPIAN WAY OWNER LLC,
a South Carolina limited liability company

By: Appian Way Investor LLC,
a Delaware limited liability company,
its Manager

By: _____
Tyler Conger, Vice President

EXHIBIT A

Description of Land

The land referred to herein below is situated in the County of Dorchester, State of South Carolina, and is described as follows:

All that certain lot, piece or parcel of land situate, lying and being in the County of Dorchester, State of South Carolina shown and designated as Tract C, 12.6598 Acres as shown on that certain plat by Thomas V. Bessent dated November 5, 2003 entitled "Re-Subdivision Plat of TMS 172-00-062 into Tract A (41.851 AC), Tract C (12.659 AC.) Lot C-1 (0.689 AC.) and Lot C-2 (1.516 AC.)" and recorded December 23, 2003 in Plat Book K, Page 86, Dorchester County RMC Office.

For Information Only: Said premises are described as 8465 Patriot Boulevard, North Charleston, SC and are designated as Tax Identification No. 172-00-00-111-000, in the Land Records of Dorchester County, SC.

EXHIBIT B

Permitted Encumbrances

1. Taxes and assessments for the year 2024 and subsequent years, not yet due and payable.
2. Right of Way in favor of South Carolina Electric & Gas Company recorded February 8, 1990 in Book 721 Page 74.
3. Easement in favor of American Telephone and Telegraph Company of South Carolina in Easement recorded December 29, 1924 in Book 47 Page 523.
4. Easement in favor of William Brady in Deed recorded July 8, 1930 in Book 56 Page 572.
5. Easement in favor of South Carolina Electric & Gas Company in Easement recorded February 9, 2007 in Book 5848 Page 271.
6. Easement in favor of Dorchester County in Grant of Perpetual Easement recorded May 15, 2007 in Book 6022 Page 231.
7. Easement in favor of Knology of Charleston, Inc. dba WOW! Internet, Cable & Phone recorded June 21, 2021 in Book 13442 Page 161.
8. Easement in favor of Dorchester County Public Works in Title to Sewer and Water Systems for Appian Way Apartments, L.P. Subdivision recorded May 15, 2007 in Book 6022 Page 240.
9. Rights contained in Deed in favor of Charleston Council Boy Scouts of America recorded February 26, 1940 in Book 71 Page 680.
10. Rights contained in Deed in favor of Charles Henry Mattlyn recorded November 22, 1930 in Book 57 Page 151.
11. Indenture in favor of Virginia Carolina Chemical Company recorded December 29, 1927 in Book 39 Page 303.
12. Agreement as to Restrictive Covenants (Appian Way Apartments Project) recorded January 18, 2006 in Book 5149 Page 331.
 - a. As amended by Amendment to Agreement as to Restrictive Covenants (Appian Way Apartments Project) recorded June 16, 2009 in Book 7110 Page 248.

- b. Assumption of Agreement to Restrictive Covenants recorded June 23, 2009 in Book 7121 Page 136.
- 13. Matters affecting the property, if any, as shown on Plat "Plat Showing the Subdivision of Lots "D" & "E" from Tract "C"" filed in Plat Book J Page 154.
- 14. Matters affecting the property, if any, as shown on Plat "Re-Subdivision Plat of TMS 172-00-00-062" filed in Plat Book K Page 86.
- 15. Survey by Princeton P. Pirkle, Jr. of Pirkle & Associates Surveying, Inc., dated 6/10/2024 entitled, "ALTA/NSPS Land Title Survey of Appian Way Apartments", discloses the following:
 - a. Access roadways encroach onto Patriot Boulevard.
 - b. Access roadway encroaches onto Appian Way.
 - c. Light poles on subject premises. Policy excepts rights of others to maintain same.
 - d. Fences vary with record lines of title.
- 16. Mortgage made by Appian Way Fee Owner LLC, a South Carolina limited liability company, to NEF Preservation Fund I LP, a Delaware limited liability company to secure the principal amount of \$23,190,000 dated _____, 2024 and recorded _____, 2024 as _____ in the Office of the Land Records of the County of Dorchester.

[Remainder of page intentionally left blank.]

EXHIBIT C

Insurance Requirements

All insurance must be compliant with requirements of the senior Mortgagee. To the extent not inconsistent with such requirements, Tenant shall maintain the following insurance coverages in force at all times during the Term of this Agreement:

Property:

Limits: Amount of insurance shall be the full insurable replacement cost of the building and personal property subject to the investment.

Coverage must include:

- Debris Removal
- Ordinance or Law Coverage
- Equipment Breakdown Coverage for the total building value limit
- Business Interruption (Loss of Rents) in amounts equal to 100% of the annual rent revenue

Deductible/Self-Insured Retention: Not to exceed \$250,000

General Liability:

Limits:	\$2,000,000	Policy Aggregate
	\$1,000,000	Products/Completed Operations
	\$1,000,000	Personal & Advertising Injury
	\$1,000,000	Each Occurrence
	\$ 50,000	Fire Damage – Premises

- Contractual Liability included.
- Endorsement included for vacant/unoccupied premises for up to 60 days.
- Per location aggregate endorsement is required if multiple locations are insured under the general liability coverage.

Deductible/Self-Insured Retention: Not to exceed \$250,000

EXHIBIT D

Form of Limited Warranty Deed

STATE OF SOUTH CAROLINA)	LIMITED WARRANTY
)	DEED TO REAL ESTATE
COUNTY OF DORCHESTER)	

KNOW ALL MEN BY THESE PRESENTS, that [Grantor/Landlord], a [State/Entity], hereinafter referred to as Grantor, in the State aforesaid, for and in consideration of the sum of Ten and no/100 (\$10.00) Dollars and other consideration paid to it by, [Grantee/Tenant], a [State/Entity], hereinafter referred to as Grantee, in the State aforesaid (the receipt of which is hereby acknowledged) have granted, bargained, sold and released, and by these presents do grant, bargain, sell and release unto the said Grantee the following premises, to wit:

[LEGAL DESCRIPTION]

TOGETHER with all and singular, the rights, members, hereditaments and appurtenances to the said premises belonging or in anywise incident or appertaining.

TO HAVE AND TO HOLD all and singular the premises before mentioned unto the said Grantee, its successors and assigns forever.

And the Grantor does hereby bind itself and its successor and assigns, to warrant and forever defend all and singular the said premises unto the said Grantee, its successors and assigns, against Grantor and Grantor's successors lawfully claiming or to claim the same or any part thereof.

WITNESS the Grantor's Hand and Seal effective the ____ day of _____, 20__.

Signature page to follow.

Signed, Sealed and Delivered
in the Presence of:

[GRANTOR]

Signature of Witness No. 1

By: _____(SEAL)

Name: _____

Its: _____

Signature of Witness No .2

STATE OF _____)

)

ACKNOWLEDGMENT

COUNTY OF _____)

I, _____, Notary Public for the State of South Carolina, do hereby
certify that the above-named _____, the _____, of
[Grantor], personally appeared before me this day and acknowledged the due execution of the
foregoing instrument.

Witness my hand and official seal this the ____ day of _____, 20__.

Notary Public for _____

My Commission Expires: _____

9. I understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

[GRANTOR]

By: _____
Name: _____
Title: _____

SWORN to before me this
____ day of _____, 20____.

Notary Public for _____
My commission expires: _____

INFORMATION

Except as provided in this paragraph, the term "value" means "the consideration paid or to be paid in money or money's worth for the realty." Consideration paid or to be paid in money's worth includes, but is not limited to, other realty, personal property, stocks, bonds, partnership interest and other intangible property, the forgiveness or cancellation of a debt, the assumption of a debt, and the surrendering of any right. The fair market value of the consideration must be used in calculating the consideration paid in money's worth. Taxpayers may elect to use the fair market value of the realty being transferred in determining fair market value of the consideration. In the case of realty transferred between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, and in the case of realty transferred to a trust or as a distribution to a trust beneficiary, "value" means the realty's fair market value. A deduction from value is allowed for the amount of any lien or encumbrance existing on the land, tenement, or realty before the transfer and remaining on the land, tenement, or realty after the transfer. Taxpayers may elect to use the fair market value for property tax purposes in determining fair market value under the provisions of the law.

Exempted from the fee are deeds:

- (1) transferring realty in which the value of the realty, as defined in Code Section 12-24-30, is equal to or less than one hundred dollars;
- (2) transferring realty to the federal government or to a state, its agencies and departments, and its political subdivisions, including school districts;
- (3) that are otherwise exempted under the laws and Constitution of this State or of the United States;
- (4) transferring realty in which no gain or loss is recognized by reason of Section 1041 of the Internal Revenue Code as defined in Section 12-6-40(A);
- (5) transferring realty in order to partition realty as long as no consideration is paid for the transfer other than the interest in the realty that are being exchanged in order to partition the realty;
- (6) transferring an individual grave space at a cemetery owned by a cemetery company licensed under Chapter 55 of Title 39;
- (7) that constitute a contract for the sale of timber to be cut;
- (8) transferring realty to a corporation, partnership, or a trust in order to become, or as, a stockholder, partner or trust beneficiary of the entity provided no consideration is paid for the transfer other than stock in the corporation, interest in the partnership, beneficiary interest in the trust, or the increase in value in such stock or interest held by the grantor. However, the transfer of realty from a corporation, a partnership, or a trust to a stockholder, partner, or trust beneficiary of the entity is subject to the fee even if the realty is transferred to another corporation, a partnership, or trust;

(9) transferring realty from a family partnership to a partner or from a family trust to a beneficiary, provided no consideration is paid for the transfer other than a reduction in the grantee's interest in the partnership or trust. A "family trust" is a trust, in which the beneficiaries are all members of the same family. The beneficiaries of a family trust may also include charitable entities. "Family" means the grantor and the grantor's spouse, parents, grandparents, sisters, brothers, children, stepchildren, and the spouses and lineal descendants of any the above. A "charitable entity" means an entity which may receive deductible contributions under Section 170 of the Internal Revenue Code as defined in Section 12-6-40(A).

(10) transferring realty in a statutory merger or consolidation from a constituent corporation to the continuing or new corporation;

(11) transferring realty in a merger or consolidation from a constituent partnership to the continuing or new partnership; and,

(12) that constitute a corrective deed or a quitclaim deed used to confirm title already vested in the grantee, provided that no consideration of any kind is paid or is to be paid under the corrective or quitclaim deed.

EXHIBIT E

Form of Bill of Sale

BILL OF SALE

For good and valuable consideration, the receipt of which is hereby acknowledged, [], a [] (“***Seller***”), does hereby sell, transfer and convey to [], a [State/Entity] (“***Buyer***”), all personal property of Seller described in Exhibit “B” attached hereto which is located on and used in the operation, repair and maintenance of the real property described in Exhibit “A” attached hereto, which personal property Seller warrants to be free and clear of all encumbrances.

Seller does hereby covenant with Buyer that Seller is the lawful owner of such personal property, free and clear of all liens, encumbrances, security agreements and financing statements, that such personal property is owned and not leased by Seller and that Seller has good right to sell the same as aforesaid and will warrant and defend the title thereto unto Buyer, its successors and assigns, against the claims and demands of all persons.

The personal property conveyed hereby is being transferred in its current condition, As-Is Where Is, and without any warranty, either express or implied.

Dated this ____ day of _____ 20__.

Signature Page to Bill of Sale

SELLER:

□

By:

_____(SEAL)

□

EXHIBIT "A"

LEGAL DESCRIPTION

EXHIBIT "B"

LIST OF PERSONAL PROPERTY