

# City of Philadelphia



(Bill No. 100372)

## AN ORDINANCE

Authorizing the Commissioner of Public Property, on behalf of the City of Philadelphia, to lease property bounded generally by Catharine, 12th, Clymer and Fawn Streets from the Philadelphia Housing Authority, and placing it in the Fairmount Park System, managed by the Department of Parks and Recreation, under certain terms and conditions.

### *THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:*

SECTION 1. The Commissioner of Public Property on behalf of the City of Philadelphia is hereby authorized to execute an agreement under which the City would lease property bounded generally by Catharine, 12th, Clymer and Fawn Streets from the Philadelphia Housing Authority for a term of ninety-nine (99) years in substantially the same form as the lease attached to this Ordinance as Exhibit "A". Effective upon the commencement date of the agreement authorized by this Ordinance, the property shall be under the jurisdiction of the Department of Parks and Recreation to be included in the Fairmount Park System, unless otherwise determined by the Commissioner of Parks and Recreation.

SECTION 2. The City Solicitor is hereby authorized to review and to approve the lease and other documents necessary to effectuate this Ordinance, which lease and documents shall contain such terms and conditions as the City Solicitor shall deem necessary and proper to protect the interests of the City of Philadelphia and to carry out the purpose of this Ordinance.

SECTION 3. The Chief Clerk of City Council shall keep on file and make available for inspection by the public all exhibits incorporated in this Ordinance.

# City of Philadelphia

BILL NO. 100372 continued

Certified Copy

## EXHIBIT A

### Lease Agreement

**GROUND LEASE**

THIS GROUND LEASE (this "Lease") is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2010 (the "Effective Date"), by and between THE PHILADELPHIA HOUSING AUTHORITY, a public body corporate and politic organized under the Housing Authorities Law of 1937, 35 Pa. Stat. § 1541 et seq. of the Commonwealth of Pennsylvania and a public housing agency as defined in the United States Housing Act of 1937, 42 U.S.C. § 1437 et seq. ("Landlord"), and the CITY OF PHILADELPHIA ("Tenant"), a City of the First Class of the Commonwealth of Pennsylvania, acting through its Department of Public Property for the benefit of the Department of Parks and Recreation.

## WITNESSETH:

WHEREAS, in November, 1998, the U.S. Department of Housing and Urban Development ("HUD") awarded Landlord a HOPE VI Revitalization Grant to rebuild and revitalize the former Martin Luther King public housing site and the surrounding area located in Philadelphia, Pennsylvania (the "MLK Revitalization Project");

WHEREAS, the MLK Revitalization Project includes the following phases: (i) MLK Phase I consisting of 49 rental units, (ii) MLK Phase III consisting of 45 rental units, (iii) MLK Phase IV consisting of 42 rental units, (iv) MLK Phase IIA consisting of 76 row-house and walk-up homeownership units, and (v) MLK Phase IIB consisting of 14 single-family homeownership units;

WHEREAS, Landlord intends to develop an additional phase of the MLK Revitalization Project to be known as Martin Luther King Plaza Phase IIC -- Homeownership Project (the "Project"), which will consist of nineteen (19) newly constructed single-family homeownership units, which will be marketed and sold in fee simple to individuals with incomes between 80% and 115% of the area median income;

WHEREAS, pursuant to a letter from HUD to Landlord dated March 21, 2008, HUD memorialized Landlord's agreement to develop and maintain a 38,540 square foot park bounded by Catharine Street, 12th Street, Clymer Street and Fawn Street that will serve the MLK Revitalization Project and the Hawthorne community and will be commonly referred to as "Hawthorne Park;"

WHEREAS, the Hawthorne Park design includes pedestrian pathways, benches, landscaping and streetscape improvements including trees and lighting;

WHEREAS, Tenant has agreed to develop and maintain Hawthorne Park on behalf of Landlord;

WHEREAS, Landlord, in order to facilitate such development and maintenance obligations of Hawthorne Park, desires to lease to Tenant and Tenant desires to lease from Landlord the land described more particularly in Exhibit "A" attached hereto and made a part hereof for the construction and operation of Hawthorne Park solely for the Permitted Use, as defined by Section 2.3.

NOW THEREFORE, for and in consideration of the foregoing premises, the sum of Ten and No/100 Dollars (\$10.00), the covenants, representations, warranties and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do, intending to be legally bound, hereby agree as follows:

## ARTICLE 1

### DEFINITIONS

Section 1.1 Definitions. For the purposes of this Lease, the following defined terms shall have the meanings ascribed thereto in this Article 1:

- (a) Casualty: As defined in Article 11 hereof.
- (b) Commencement Date: Shall mean the date hereof.
- (c) Delinquency Rate: The lesser of (a) the maximum amount of interest which may be lawfully charged under the laws of the Commonwealth of Pennsylvania, or (b) the rate per annum equal to the Prime Rate of interest from time to time as such rate is specified in The Wall Street Journal or in any successor publication.
- (d) Event of Default: As described in Article 12 hereof.
- (e) Governmental Authority(ies): Any applicable federal, state or local governmental or quasi-governmental entities, subdivisions, agencies, authorities or instrumentalities having jurisdiction over the Leased Premises, the Improvements, Landlord or Tenant.
- (f) Hazardous Substances: (a) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901 et seq.), as amended from time to time, and regulations promulgated thereunder ("RCRA"); (b) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 9601 et seq.), as amended from time to time, and the Superfund Amendments and Reauthorization Act of 1986, as amended, and regulations promulgated thereunder ("CERCLA"); (c) any other waste, substance or material designated or regulated in any way as "toxic" or "hazardous" in RCRA, CERCLA, the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Safe Drinking Water Act (42 U.S.C. § 300f et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), or in any applicable environmental law of the Commonwealth of Pennsylvania or any regulations promulgated thereunder, as each of said acts or regulations may be amended from time to time; (d) asbestos; (e) polychlorinated biphenyls; (f) petroleum, petroleum byproducts or petroleum constituents; (g) any substance, the presence of which, by any governmental requirement, requires special handling in its collection, storage, treatment, transportation or disposal; provided, however, that the foregoing definition of "Hazardous Substances" shall not be deemed to include (i) such of the foregoing as may exist on or be brought upon the Leased Premises in amounts which do not constitute a violation of applicable Legal Requirements; (ii) the existence on the Leased Premises of standard cleaning and



maintenance fluids, equipment and materials in normal quantities customarily used and in compliance with applicable Legal Requirements in connection with material or equipment of a type that would customarily be used by Tenant in connection with the development and operation of the Improvements; or (iii) oil and gasoline products in normal quantities customarily used in compliance with applicable Legal Requirements in connection with the development and operation of the Improvements.

(g) Hazardous Substances Contamination: (i) the contamination of any improvements, facilities, soil, subsurface strata, ambient air, biota, ground water, or other elements on or of the Leased Premises by Hazardous Substances, or (ii) the contamination of the buildings, facilities, soil, subsurface strata, ground water, or other elements on, or of, any other property as a result of Hazardous Substances emanating from the Leased Premises.

(h) Hazardous Substances Laws: All federal, state, and local laws, ordinances, regulations, orders and directives now or hereafter pertaining to Hazardous Substances in, on or under the Leased Premises or any portion thereof.

(i) Impositions: All taxes, assessments, water and sewer charges, charges for public utilities, excises, levies, license and permit fees and other charges that shall or may be assessed, levied or imposed during the Term by any Governmental Authorities upon the Leased Premises or any part thereof, including the buildings or improvements now or hereafter located thereon; provided, however, that the term "Impositions" shall not include any income tax, capital levy, estate, succession, inheritance, transfer or similar taxes of Landlord, or any franchise tax imposed upon any owner of the fee of the Leased Premises, or any income, profits or revenue tax, assessment or charge imposed upon the rent or other benefit received by Landlord under this Lease by any Governmental Authorities. Notwithstanding anything to the contrary contained herein, "Impositions" shall not include any transfer tax incurred in connection with this Lease.

(j) Improvements: The to-be-constructed approximately 38,540 square foot park that will serve the MLK Revitalization Project and the Hawthorne community and will be commonly referred to as "Hawthorne Park." Hawthorne Park's design will include, without limitation, pedestrian pathways, benches, landscaping and streetscape improvements including trees and lighting.

(k) Insurance Requirements: The requirements, whether now or hereafter in force, of any insurer or insurance carrier, any board of fire underwriters or any other company, bureau, organization or entity performing the same or similar functions, applicable to the Leased Premises and/or the Improvements, or any portion thereof, to the extent so applicable.

(l) Landlord's Estate: Landlord's right, title and interest in the Leased Premises, including Landlord's fee estate in the land underlying the Leased Premises and a reversionary interest in the Improvements.

(m) Lease Year: The first Lease Year of the Term shall commence on the Commencement Date and end on the last day of the calendar month in which occurs the first anniversary of the day immediately preceding the Commencement Date. Each succeeding Lease Year shall be each successive twelve (12) month period or portion thereof.

(n) Leased Premises: That certain parcel of real property lying and being in the City of Philadelphia, Pennsylvania (which real property is more particularly described on Exhibit "A" attached hereto and made a part hereof), together with all and singular the rights, easements, licenses, privileges and appurtenances thereunto attaching or in any way belonging thereto.

(o) Legal Requirements: All laws, statutes, codes, ordinances, orders, rules, regulations and requirements of all Governmental Authorities (including, without limitation, HUD) and the appropriate agencies, officers, departments, boards and commissions thereof, whether now or hereafter in force, applicable to Tenant, the Leased Premises, the Improvements, or any portion thereof, to the extent so applicable.

(p) Net Condemnation Award: The net amounts owed or paid to the Parties or to which either of the Parties may be or become entitled by reason of any Taking pursuant to any agreement with any condemning authority which has been made in settlement of any proceeding relating to a Taking, less any costs and expenses incurred by the Parties in collecting such award or payment.

(q) Party: Landlord or Tenant, as applicable. Landlord and Tenant shall be referred to collectively as the "Parties".

(r) Permitted Encumbrances: Those matters expressly set forth on Exhibit "B" attached hereto and made a part hereof, together with the encumbrances created by this Lease.

(s) Person: An individual, partnership, corporation, limited liability company, trust, unincorporated association, or other entity or association.

(t) Rent: As described in Section 4.1 hereof.

(u) Taking: A taking during the Term of all or any part of the Leased Premises and/or the Improvements, or any interest therein or right accruing thereto, as a result of the exercise of the right of condemnation or eminent domain or a change in grade affecting the Leased Premises or any part thereof. A conveyance in lieu of or in anticipation of the exercise of any such right of condemnation or eminent domain shall be considered a Taking. Any such Taking shall be deemed to have occurred upon the earlier to occur of (a) the date on which the property, right or interest so taken must be surrendered to the condemning authority, or (b) the date title vested in a condemning authority or other party pursuant to any Taking.

(v) Tenant's Estate: Tenant's leasehold interest in the Leased Premises acquired pursuant to this Lease together with its interest in the Improvements and any fee or other interest in the Leased Premises acquired by Tenant hereafter.

(w) Term: The period of time described in Section 2.2 hereof.

(x) Transfer: Any sale, assignment, transfer, conveyance, encumbrance, mortgage, or hypothecation, in any manner or form or any agreement to do any of the foregoing.

ARTICLE 2  
THE LEASE

Section 2.1 Leased Premises. Subject to the terms hereof and in consideration of the covenants of payment and performance stipulated herein, Landlord has leased, demised and let, and by these presents does hereby lease, demise and let unto Tenant, and Tenant hereby leases and takes from Landlord, the Leased Premises.

TO HAVE AND TO HOLD the Leased Premises unto Tenant, and its successors in interest, and permitted assigns, for and during the Term hereinafter set forth.

Section 2.2 Term. Unless sooner terminated pursuant to the provisions hereof, this Lease shall continue in full force and effect for a term (the "Term") commencing on the Commencement Date and expiring on the day immediately preceding the ninety-ninth (99th) anniversary of the Commencement Date.

Section 2.3 Use. Tenant shall use the Leased Premises solely for the construction, development, maintenance and operation of the Improvements in accordance with the terms of this Lease, and for no other purpose (the "Permitted Use").

Section 2.4 Possession. Landlord agrees to and shall tender possession of the Leased Premises to Tenant on the Commencement Date, and, as of the Commencement Date, the Leased Premises shall be free and clear of all rights, except as provided in the Permitted Encumbrances, to possession or use by any tenants or other individuals or entities other than Tenant.

Section 2.5 Landlord Termination Right. Notwithstanding anything contained in Section 12 to the contrary, in the event Tenant (i) fails to use the Leased Premises for the Permitted Use at any time during the Term of the Lease; or (ii) fails to complete the Improvements in accordance with Exhibit "C" on or before December 31, 2011, Landlord may, upon sixty (60) days written notice to Tenant, terminate this Lease and re-enter the Leased Premises whereupon this Lease shall be null and void and of no further force and effect. In addition, upon such termination, title to the Improvements shall automatically transfer to the Landlord and, upon request, Tenant shall promptly provide a deed, assignment or other conveyance document to Landlord reflecting such transfer. Landlord shall thereafter be permitted to operate the Improvements on account of Tenant. Alternatively, Landlord may correct such violations caused by Tenant and/or complete construction of the Improvements on behalf of and at the expense of Tenant and Tenant shall reimburse Landlord its actual out of pocket expenses for such work plus interest at the Delinquency Rate within ten (10) days after receipt of an invoice from the Landlord. Tenant's obligations pursuant to this Section 2.5 shall survive expiration or sooner termination of this Lease.

ARTICLE 3  
THE IMPROVEMENTS

Section 3.1 Construction. Tenant shall, on or before [December 31, 2011], complete construction of the Improvements in a good and workmanlike manner, in compliance

with all applicable Legal Requirements and in accordance with the plans and specifications attached hereto as Exhibit "C."

Section 3.2 Landlord Cooperation. Landlord agrees to use reasonable efforts (at the sole cost and expense of Tenant) to assist Tenant in such manner as Tenant shall reasonably request (including by means of entering into required applications) to obtain the permits, licenses and approvals required by applicable Governmental Authorities with respect to any construction or other work to be performed on the Leased Premises.

Section 3.3 No Liens. Tenant shall not have any right, authority or power to bind Landlord, Landlord's Estate or any other interest of Landlord in the Leased Premises, for any claim for labor or material or for any other charge or expense, lien or security interest incurred in connection with the development, construction or operation of the Improvements or any change, alteration or addition thereto. Tenant shall not permit to cause any encumbrances of Landlord's Estate, except for the Permitted Encumbrances, without the prior written approval of Landlord, which approval, solely with respect to any easements that are necessary or appropriate for the development of the Project, shall not be unreasonably withheld, delayed or conditioned.

Section 3.4 Title to Improvements.

(a) During the Term. Notwithstanding any provision in this Lease to the contrary, the Improvements and all alterations, additions, equipment and fixtures built, made or installed by the Tenant in, on, under or to the Leased Premises or the Improvements shall be the sole property of the Tenant until the expiration of the Term or earlier termination of this Lease.

(b) After the Term. Upon the expiration or earlier termination of this Lease, subject to Article 13 hereof, Tenant shall surrender the Leased Premises to Landlord with all Improvements in good condition, reasonable wear and tear excepted, and Tenant shall not be permitted to remove any Improvements. Upon the expiration or earlier termination of this Lease, subject to Article 13 hereof, all Improvements and all alterations, additions, equipment and fixtures thereto shall be deemed to be and shall automatically become the property of Landlord, without cost or charge to Landlord.

ARTICLE 4  
RENTS

Section 4.1 Ground Rent. Tenant shall pay to Landlord on the Commencement Date, and on each succeeding anniversary thereof during the Term, rent in advance for the next succeeding Lease Year ("Rent") in the amount of Ten Dollars (\$10.00) per Lease Year or partial Lease Year. Landlord hereby acknowledges receipt of the Rent due for the initial Lease Year of the Term.

Section 4.2 Additional Rent. In addition to the Rent specified in Section 4.1 hereof, any and all of the payments that Tenant is required to make hereunder to or for the benefit of Landlord shall be deemed to be "Additional Rent." In order that the Rent shall be absolutely net to Landlord, Tenant covenants and agrees to pay, as Additional Rent, without notice or demand and without set-off, abatement, suspension or deduction, all taxes, payment in lieu of taxes, betterment assessments, water and sewer rents and charges, liens, insurance, DMEAST #11237995 v215050.05-103115

maintenance, repairs, utilities charges and all other operating expenses and costs applicable to the Leased Premises. All such Additional Rent shall be payable in accordance with the provisions of the Sections of this Lease specifying the payment of such Additional Rent. The Rent specified in Section 4.1 hereof and Additional Rent payable hereunder shall be deemed "Rents" reserved by Landlord, and any remedies now or hereafter given to Landlord under the laws of the Commonwealth of Pennsylvania for collection of the Rents shall exist in favor of Landlord, in addition to any and all other remedies specified in this Lease.

Section 4.3 Payments. All Rents or other sums, if any, due Landlord hereunder shall be paid by Tenant to Landlord at the address of Landlord set forth hereinafter for notices, or to such other Person and/or at such other address as Landlord may direct by written notice to Tenant, without notice or demand, and without abatement, deduction or set off.

## ARTICLE 5 TAXES AND OTHER IMPOSITIONS; UTILITIES

Section 5.1 Payment of Impositions. As and when the same shall become due, Tenant will pay all of the Impositions, except that if any Imposition that Tenant is obligated to pay in whole or in part is permitted by law to be paid in installments, Tenant may pay or cause to be paid such Imposition (or its proportionate part thereof) in installments as and when such installments become due. Upon the written request of Landlord, Tenant shall deliver to Landlord evidence satisfactory to Landlord of payment of all Impositions. During the first and last years of the Term, all Impositions that shall become payable during each calendar, fiscal, tax or Lease Year, as applicable, shall be ratably adjusted on a per diem basis between Landlord and Tenant in accordance with the respective portions of such calendar, fiscal, tax, assessment or Lease Year during the Term. If any special assessments are payable in installments, Tenant shall pay only those installments that are due and payable during the Term.

### Section 5.2 Contested Taxes and Other Impositions.

(a) Tenant, at its sole cost and expense, in its own name or in the name of Landlord, may contest the validity or amount of any Imposition relating to all or any portion of the Leased Premises, upon compliance by Tenant with the following conditions:

(i) Tenant delivers to Landlord notice of the proposed contest no less than thirty (30) days prior to any date upon which penalties would otherwise be due as a result of the Tenant's failure to pay;

(ii) The contest is pursuant to a proceeding timely initiated and conducted diligently and in good faith;

(iii) The applicable proceeding suspends the collection of the contested tax or assessment;

(iv) The Tenant, upon the request of the Landlord, reserves or furnishes a bond or other security reasonably satisfactory to Landlord in any such case in an amount sufficient to pay the contested tax or assessment together with all interest and penalties or Tenant pays all of the contested tax or assessment under protest.

(b) As may be necessary or desirable, Landlord or Tenant, as applicable, upon the request of the other party, shall use its reasonable efforts to assist in any such proceeding to contest the validity or amount of any Imposition.

(c) Nothing contained in this Section 5.2, however, shall be construed to allow any such contested Imposition to remain unpaid for a length of time which shall permit the Leased Premises, or any part thereof, to be sold by any Governmental Authorities for the non-payment of such Imposition. Tenant shall promptly furnish Landlord copies of all notices, appeals, pleadings, motions and orders in any proceedings commenced with respect to such contested Imposition.

Section 5.3 Valuation Assessment. Tenant, at its expense, may attempt to obtain a lowering of the assessed valuation of the Leased Premises for any year for the purpose of reducing taxes thereon. In such event, upon Tenant's request, Landlord shall use its reasonable efforts at Tenant's cost and expense to assist Tenant in such endeavor.

Section 5.4 Failure to Pay Impositions. If Tenant shall fail to pay any Impositions before the same become delinquent, or as otherwise required pursuant to Section 5.2 hereof, Landlord, at its election, may pay such Impositions (but shall not be obligated to pay same), together with any interest and penalties due thereon, and the amount so paid by Landlord shall be repayable to Landlord by Tenant as Additional Rent, together with interest on the total amount so paid by Landlord, accruing at the Delinquency Rate from the date of Landlord's payment thereof through the date of Tenant's repayment thereof to Landlord.

Section 5.5 Utilities. Tenant shall pay for all utilities used, rendered or supplied upon or in connection with the Improvements and the construction thereof including, but not limited to, all charges for gas, electricity, light, heat or power, all telephone and other communications services, all water rents and sewer service charges, and all sanitation fees or charges levied or charged against the Leased Premises during the Term.

## ARTICLE 6 INSURANCE; INDEMNIFICATION

Section 6.1 The City of Philadelphia is self-insured against claims to persons or property, subject to the immunities, rights and defenses available to the City of Philadelphia in accordance with the provisions of the Pennsylvania Political Subdivision Tort Claims Act, 42 Pa. C.S.A. § 8541, et seq., as amended. The City is also a qualified self insurer for workers compensation in the Commonwealth of Pennsylvania.

Section 6.2 Tenant's Insurance. During the Term, Tenant shall keep and maintain in force, at no cost or expense to Landlord, the following insurance, all of which shall be provided by companies and/or agencies reasonably satisfactory to Landlord and any leasehold mortgagees:

(a) Property Insurance. "All risk" insurance covering all risks of physical loss or damage to any of the Improvements, with liability limits of not less than one hundred percent (100%) of the "full replacement value" thereof. Such policies shall be broad form and shall include, but shall not be limited to, coverage for fire, extended coverage, vandalism, malicious

mischievous and storm. Perils customarily excluded from all risk insurance, e.g., earthquake and flood, may be excluded. The term "full replacement value" shall exclude the cost of paving, excavation, foundations and footings, grading, site preparation, utilities and other "below-grade" improvements and installations.

(b) Public Liability Insurance. Comprehensive general public liability and automobile liability insurance, covering loss or damage resulting from accidents or occurrences on or about or in connection with the Improvements or any work, matters or things under, or in connection with, or related to this Lease, with personal injury, death and property damage combined single limit liability of not less than Five Million Dollars (\$5,000,000.00) (or such greater amount as may be required by any leasehold mortgagee) for each accident or occurrence. The \$5,000,000 policy amount referenced above shall be increased annually by the percentage increase in the "CPI U" (as defined below) during the twelve (12) month period ending on each anniversary of the date of this Lease. Coverage under any such comprehensive policy shall include, but shall not be limited to, operations, contractual, owner's and contractor's protective, and the use of all owned, non-owned and hired vehicles. As used herein, the "CPI U" shall be the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index for All Urban Consumers, U.S. City Average. If at any time the CPI U shall be discontinued, Landlord shall propose a substitute comparable index, which shall be subject to Tenant's approval, which shall not be unreasonably withheld or delayed.

Section 6.3 General Requirements. All policies described in Section 6.2 shall include Landlord and Tenant, together with any leasehold mortgagees, as additional insureds, as their respective interests may appear. All policies described in Section 6.2 shall contain: (a) the agreement of the insurer to give Landlord at least thirty (30) days notice prior to cancellation (10 days for non-payment of premium) or any material change in said policies; (b) an agreement that such policies are primary and non-contributing with any insurance that may be carried by Tenant or Landlord; (c) a provision that no act or omission of Tenant shall affect or limit the obligation of the insurance carrier to pay the amount of any loss sustained; (d) a waiver by the insurer providing casualty insurance of all right of subrogation against Landlord and its authorized parties in connection with any loss or damage thereby insured against; and (e) terms providing that any loss covered by such insurance may be adjusted with the Landlord and Tenant.

Section 6.4 Evidence of Insurance. Initial certificates of insurance for all insurance required to be maintained by Tenant under this Article 6 shall be furnished by Tenant to Landlord on or before the date of this Lease. During the Term, Tenant shall deliver certificates of insurance evidencing the continuance of all required coverages at least thirty (30) days prior to the expiration date of any such policy. Tenant shall also deliver to Landlord, upon Landlord's written request, but no more frequently than annually, complete copies of all original policies and endorsements.

Failure to Maintain. If Tenant fails to maintain such insurance after fifteen (15) days written notice from Landlord to Tenant, Landlord, at its election, may procure such insurance as may be necessary to comply with the above requirements (but shall not be obligated to procure same), and Tenant agrees to repay to Landlord as Additional Rent the cost of such insurance, together with interest on the amount so paid by Landlord, accruing at the Delinquency Rate from

the date of Landlord's payment for such insurance through the date of Tenant's repayment thereof to Landlord.

Section 6.5 Indemnification. To the fullest extent permitted by law, Tenant hereby indemnifies, defends and holds harmless Landlord, its subsidiaries and affiliates and their respective officers, directors, agents and employees from and against all claims, damages, losses and expenses, including but not limited to, reasonable attorneys' fees, arising out of or resulting from the activities of Tenant or any of its contractors or affiliates, or any of their respective principals, partners, directors, officers, employees, agents, successors and assigns and only to the extent caused in whole or in part, directly or indirectly, by any acts or omissions of such persons; provided, however, that this provision shall not apply to the extent such claims are the result of the gross negligence or willful misconduct of the Landlord or its respective officers, employees, contractors, subcontractors or agents. Such obligation of Tenant shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person. The indemnification obligation of Tenant hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by Tenant or any consultant of Tenant or any other person or entity under workers' or workmen's compensation acts, disability benefit acts or other employee benefit acts. This Section 6.5 shall survive the cancellation, termination or expiration of this Lease.

Nothing herein shall waive or amend any defense or immunity which the City, its officers, agents or employees may have under the Pennsylvania Political Subdivision Tort Claims Act, 42 Pa.C.S.A. § 8541 et. Seq., as amended. Notwithstanding the foregoing, the City shall not have any obligation of indemnification for any claims unless the City has been given written notice of the filing of any such claims.

Section 6.6 Waiver of Subrogation. Landlord and Tenant hereby release the other from any and all liability or responsibility (to the other or anyone claiming through or under them by way of subrogation or otherwise) for any loss or damage to property caused by fire or any of the extended coverage or supplementary contract casualties, even if such fire or other casualty shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible; provided, however, that this release shall be applicable and in force and effect only with respect to loss or damage occurring during such time as the releasor's insurance policies shall contain a clause or endorsement to the effect that any such release shall not adversely affect or impair said policies or prejudice the right of the releasor to recover thereunder. Tenant agrees that its policies will include such a clause or endorsement so long as the same shall be obtainable.

## ARTICLE 7

### MAINTENANCE, ALTERATIONS, REPAIRS AND REPLACEMENTS

Section 7.1 Maintenance of Leased Premises. During the Term, at Tenant's sole cost and expense, Tenant shall keep and maintain the Leased Premises, the Improvements as hereafter developed, and all appurtenances thereunto belonging, in good and safe order, condition and repair, ordinary wear and tear and damage by casualty excepted. All such maintenance and repair shall conform to and comply with all Legal Requirements affecting the Leased Premises.



Section 7.2 Alterations to Leased Premises. Tenant may make any additions, alterations or changes (sometimes collectively referred to herein as "Alterations") in or to the Improvements subject, however, to the following conditions:

(a) No Alterations shall be undertaken that are prohibited by, or would cause the Leased Premises, the Improvements, the Tenant or the Landlord to be in breach or violation of the Legal Requirements;

(b) No Alterations shall be undertaken until Tenant shall have procured, to the extent the same may be required from time to time, all permits and authorizations of all applicable Governmental Authorities. Landlord shall join in the application for such permits or authorizations whenever such action is necessary or helpful and is requested by Tenant, and shall use Landlord's reasonable efforts to obtain such permits or authorizations;

(c) Any Alterations shall be performed in good and workmanlike manner and in compliance with all applicable Legal Requirements and all applicable Insurance Requirements; and

(d) The Landlord must approve all substantial alterations prior to the commencement of work ("substantial" meaning single alterations costing in excess of \$50,000 or alterations that materially affect the design or scope of the Improvements), which approval will not be unreasonably withheld, delayed or conditioned.

## ARTICLE 8 ESTOPPEL CERTIFICATES

Section 8.1 Estoppel Certificates. Landlord and Tenant agree that at any time and from time to time upon not less than twenty (20) days' prior written notice by the other Party, Landlord or Tenant will execute, acknowledge and deliver to the other Party a statement in writing certifying (a) that this Lease is unmodified and in full force and effect; (b) the date through which the Rents have been paid; (c) that, to the knowledge of the certifier (if such be the case), there is no default, set-off, defense or other claim against Landlord or Tenant, as applicable, other than those, if any, so specified under the provisions of this Lease; and (d) as to such other matters as the requesting party may reasonably specify. It is intended that any such statement may be relied upon by any persons proposing to acquire the interest of Landlord or Tenant.

Section 8.2 Mortgage of Landlord's Estate. Landlord agrees not to encumber or convey any interest in Landlord's Estate with any deed to secure debt, mortgage, deed of trust or other instrument in the nature thereof as security for any debt which is not expressly subordinate to Tenant's Estate under this Lease, without the written consent of Tenant, which consent shall not be unreasonably withheld or delayed.

## ARTICLE 9 REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 9.1 Representations, Warranties and Covenants of Landlord. As an inducement to Tenant to enter into and proceed under this Lease, Landlord warrants and

represents to Tenant as follows, which warranties, representations and covenants are true and correct as of the date of this Lease:

(a) Landlord has the right, power and authority to enter into this Lease and to lease the Leased Premises to Tenant in accordance with the terms, provisions and conditions contained in this Lease; and

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

(c) Landlord warrants and represents to Tenant that there is not present on, under or about the Leased Premises any Hazardous Substances in such a manner as would require remediation or notice to any governmental authority under Hazardous Substance Laws.

Section 9.2 Representations, Warranties and Covenants of Tenant. As an inducement to Landlord to enter into and to proceed under this Lease, Tenant warrants and represents to Landlord as follows, which warranties, representations and covenants are true and correct as of the date of this Lease:

(a) Tenant has the right, power and authority to enter into this Lease and the right, power and authority to comply with the terms, obligations, provisions and conditions contained in this Lease;

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

(c) Tenant (i) shall not cause or permit any Hazardous Substances to be placed, held, located or disposed of on, under or at the Leased Premises or any part thereof (except for such Hazardous Substances as may be commonly and legally used or stored at the Leased Premises as a consequence of the construction and operation of the Improvements thereon, but only so long as the quantities thereof do not pose a threat to public health or to the environment, or would necessitate a "response action," as that term is defined in CERCLA, and so long as Tenant strictly complies or causes compliance with all applicable rules and regulations concerning the use or production of such Hazardous Substances), and (ii) shall not cause or permit any Hazardous Substances Contamination of the Leased Premises or any part thereof; provided, however, that Tenant shall not be in violation of this Subsection 9.2(c) for any of the foregoing occasioned solely by reason of Hazardous Substances already located on the Leased Premises as of the Commencement Date.

## ARTICLE 10 EMINENT DOMAIN

Section 10.1 Termination of Lease. Landlord and Tenant agree that, in the event of a Taking such that Landlord and Tenant jointly reasonably determine that the Leased  
DMEAST #11237995 v215050.05-103115 - 12 -

Premises cannot continue to be operated, at reasonable cost, for its then current use, then this Lease shall terminate as of the date of such Taking. In the event of disagreement between the Parties, the decision of Landlord shall govern.

Section 10.2 Continuation of Lease. Landlord and Tenant agree that, in the event of a Taking that does not result in the termination of this Lease pursuant to Section 10.1 above, this Lease shall continue in effect as to the remainder of the Leased Premises, and the Net Condemnation Award will be disbursed in accordance with Section 10.4 below to Tenant, and shall be used so as to make the same a complete, unified and efficient operating unit as nearly as reasonably possible to the condition existing prior to the Taking.

Section 10.3 Temporary Taking. If there shall be a temporary Taking with respect to all or any part of the Leased Premises or of Tenant's interest in this Lease, then the Term shall not be reduced and Tenant shall continue to pay in full all Rents, Impositions and other charges required herein, without reduction or abatement thereof at the times herein specified; provided, however, that Tenant shall not be required to perform such obligations that Tenant is prevented from performing by reason of such temporary Taking.

Section 10.4 Apportionment of Award. If there is a Taking, whether whole or partial, Landlord and Tenant shall be entitled to receive and retain such separate awards and portions of lump sum awards as may be allocated to their respective interests in any condemnation proceedings, or as may be otherwise agreed, taking into consideration the fact that Landlord's interest in the Leased Premises is limited to the land (exclusive of the Improvements), as encumbered by this Lease, and a reversionary interest in the Leased Premises (including the Improvements) upon the expiration of the Term. If the Leased Premises shall be restored as is contemplated in Section 10.2 above, Tenant shall be entitled to recover the costs and expenses incurred in such restoration out of any Net Condemnation Award. Thereafter, if the condemning authority does not make separate awards, the Parties agree that any Net Condemnation Award will be allocated on a proportionate basis. If the Parties are unable to agree as to the exact amount of such allocation, then each Party shall select an independent M.A.I. real estate appraiser (an "Appraiser"). Each Appraiser shall separately determine the amount of the balance of the Net Condemnation Award that is to be allocated to the interests of each Party. If the percentage of the balance of the Net Condemnation Award each Appraiser allocates to Landlord (a) are within ten percent (10%) of each other, the two (2) allocations shall be averaged, and such average shall be the final allocation of the Net Condemnation Award, or (b) are not within ten percent (10%) of each other, the two Appraisers shall then select a third Appraiser, who shall independently allocate the Net Condemnation Award between Landlord and Tenant, and the middle of such three (3) allocations shall be the final allocation of the Net Condemnation Award.

## ARTICLE 11 DAMAGE OR DESTRUCTION

Section 11.1 Damage or Destruction to Leased Premises. Tenant shall give prompt written notice to Landlord after the occurrence of any fire, earthquake, act of God or other casualty to or in connection with damage to the Leased Premises, the Improvements or any portion thereof (hereinafter sometimes referred to as a "Casualty"). If, during the Term the Improvements shall be damaged or destroyed by Casualty, Tenant shall promptly and diligently

repair or restore the Improvements as soon as reasonably possible. In the event the insurance proceeds are not sufficient to repair or restore the Improvements, Tenant shall provide or cause to be provided sufficient additional funds which, when added to such insurance proceeds, will fully effect such repair or restoration. Upon the occurrence of any such Casualty, Tenant, promptly and with all due diligence, shall apply for and collect all applicable insurance proceeds recoverable with respect to such Casualty. In the event that Tenant shall reasonably determine, by notice to Landlord, given within sixty (60) days of the Casualty that it is not economically practical to restore the Improvements and/or the Leased Premises to substantially the same condition in which they existed prior to the occurrence of such Casualty, then Tenant may terminate this Lease as of a date that is not less than thirty (30) days after the date of such notice. If Tenant terminates this Lease pursuant to this Section 11.1, Tenant shall surrender possession of the Leased Premises to Landlord as of the effective date of such termination and shall assign to Landlord (or, if same has already been received by Tenant, pay to Landlord) all of its right, title and interest in and to the proceeds from Tenant's insurance upon the Leased Premises.

Section 11.2 Distribution of Insurance Proceeds. In the event of a Casualty and subsequent termination of this Lease pursuant to Section 11.1 hereof, the insurance proceeds received as the result of such Casualty shall be assigned or paid over to Landlord and/or Tenant in accordance with the provisions of Section 10.4 herein.

Section 11.3 Tenant's Responsibilities on Termination. If Tenant terminates this Lease following a Casualty in accordance with Section 11.1, Tenant, at its sole cost and expense, shall deliver to Landlord (to the extent transferable) any plans or other technical materials related to the Leased Premises prepared by or for Tenant or in Tenant's possession. Tenant shall surrender the Leased Premises to Landlord in accordance with the provisions of this Lease and, upon the payment of all applicable insurance proceeds to Landlord and/or the leasehold mortgagee(s) as their interests may appear, this Lease shall be terminated without liability or further recourse to the parties hereto provided that any Rent or Additional Rent payable under the terms of this Lease or indemnification obligations of Tenant under this Lease owed to Landlord as the date of such said termination shall be paid or otherwise carried out thereafter in full. The provisions of this Section 11.3 shall also be applicable in the event of a termination of this Lease following a partial Taking or condemnation.

## ARTICLE 12 EVENTS OF DEFAULT/REMEDIES

Section 12.1 Events of Default. Each of the following shall be an "Event of Default" by Tenant hereunder:

(a) failure by Tenant to pay any Rent or Additional Rent when due or to pay or cause to be paid any Impositions, insurance premiums or other liquidated sums of money herein stipulated to be paid by Tenant, if such failure shall continue for a period of thirty (30) days after written notice thereof has been given by Landlord to Tenant;

(b) failure by Tenant to perform or observe any of the provisions of this Lease (other than the provisions requiring the payment of Rent, Additional Rent, Impositions, insurance premiums or other liquidated sums of money) stipulated in this Lease to be observed

and performed by Tenant, if such failure shall continue for a period of thirty (30) days after written notice thereof has been given by Landlord to Tenant. Notwithstanding the preceding sentence, if the default is not susceptible of being cured within said 30-day period, the Tenant shall not be deemed to be in default under this Lease if Tenant, promptly following receipt of the notice of default, commences and diligently and continuously prosecutes a curing of such default and shall cause the default to be cured within one hundred twenty (120) days from the notice of default;

(c) failure by Tenant to occupy, utilize, develop and/or maintain the Leased Premises or Improvements for the Permitted Use or as otherwise provided herein;

(d) the subjection of any right or interest of Tenant in this Lease to attachment, execution or other levy, or to seizure under legal process, if not released within ninety (90) days;

(e) the appointment of a receiver to take possession of Tenant's Estate or of Tenant's operations on the Leased Premises for any reason, if such receivership is not terminated, dismissed or vacated within ninety (90) days after the appointment of the receiver;

(f) Tenant shall file a petition for bankruptcy under the Bankruptcy Code of the United States or any similar law, state or federal, now or hereafter in effect;

(g) within ninety (90) days after the filing against Tenant of any involuntary proceedings under such Bankruptcy Code or similar law, such proceedings shall not have been vacated or stayed; or

(h) a trustee or receiver shall be appointed for Tenant or for all or the major part of Tenant's property or the Leased Premises, in any involuntary proceeding, or any court shall have taken jurisdiction of all or the major part of Tenant's property or the Leased Premises in any involuntary proceeding for the reorganization, dissolution, liquidation or winding up of Tenant, and such trustee or receiver shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within ninety (90) days.

#### Section 12.2 Rights and Remedies.

(a) At any time after the occurrence of an Event of Default hereunder, Landlord, subject in all respects to the provisions of this Lease with respect to Landlord's rights to cure defaults by Tenant may terminate this Lease by giving Tenant written notice thereof, setting forth in such notice an effective date for termination which is not less than thirty (30) days after the date of such notice, in which event this Lease and Tenant's Estate created hereby and all interest of Tenant and all parties claiming by, through or under Tenant shall automatically terminate upon the effective date for termination as set forth in such notice, with the same force and effect and to the same extent as if the effective date of such notice had been the date originally fixed in Article 2 hereof for the expiration of the Term. In such event, Landlord, its agents or representatives, shall have the right, without further demand or notice, to re-enter and take possession of the Leased Premises at any time from and after the effective termination date without being deemed guilty of any manner of trespass and without prejudice to any remedies for arrears of rent or existing breaches of covenants.

(b) Upon the occurrence of an Event of Default, Landlord shall have the right to invoke any remedy allowed at law or in equity, including, without limitation, injunction (both mandatory and negative) and specific performance. Notwithstanding anything to the contrary herein, mention in this Lease or exercise by Landlord of any particular remedy shall not preclude Landlord from exercising any other remedies expressly provided in this Lease or from bringing a lawsuit for or otherwise claiming its right of indemnification.

(c) In addition to the other rights and remedies possessed by Landlord under this Lease or otherwise at law or in equity upon a termination of this Lease pursuant to this Section 12.2, upon the occurrence of an Event of Default, Landlord may require Tenant to deliver to Landlord or otherwise effectively transfer to Landlord (to the extent transferable and permitted under city, state and federal laws) any and all governmental approvals and permits, and any and all rights of possession, ownership or control Tenant may have in and to any and all financing arrangements, plans, specifications and other technical documents or materials related to the Leased Premises. In addition, upon such a termination, Tenant shall reimburse Landlord for any and all actual expenditures incurred and for any and all actual damages suffered by Landlord as a result of such Event of Default or such termination, however caused, including all costs, claims, losses, liabilities, damages and expenses (including without limitation, reasonable attorneys' fees and costs) incurred by Landlord as a result thereof.

(d) Upon the exercise of Landlord's remedies pursuant to this Section 12.2, Tenant shall execute such releases, deeds and other instruments in recordable form as Landlord shall reasonably request in order to accurately set forth of record the then current status of the Tenant's Estate and Tenant's rights hereunder.

### Section 12.3 Lease Default by the Parties.

(a) Landlord and Tenant Events of Default. For purposes of this Section, "Party" shall have the meaning of either Landlord or Tenant and "Parties" shall have the meaning of Landlord and Tenant. A Party shall be in default of this Lease if it fails to perform any provision of this Lease that it is obligated to perform or if any of the Parties' representations or warranties is untrue or becomes untrue in any material respect, and if the failure to perform or the failure of such representation or warranty is not cured within thirty (30) days after written notice of the default has been given to the other party. If the default cannot reasonably be cured within thirty (30) days, the defaulting party shall not be in default of this Lease if the defaulting party commences to cure the default within such thirty-day period and diligently and in good faith continues to cure the default until completion.

(b) Right to Cure; Remedies. If either Party shall have failed to cure a default under this Section 12.3 after expiration of the applicable time for cure of a particular default, the non-defaulting party, at its election, but without obligation therefor (i) may seek specific performance of any obligation of the defaulting party, after which the non-defaulting party shall retain, and may exercise and enforce, any and all rights that the non-defaulting party may have against the defaulting party as a result of such default, (ii) from time to time without releasing the defaulting party in whole or in part from the obligations to be performed hereunder, may cure the default at defaulting party's cost, (iii) may terminate this Lease, and/or (iv) may exercise any other remedy given hereunder or now or hereafter existing at law or in equity. Any reasonable

costs incurred by non-defaulting party in order to cure such a default by defaulting party shall be due immediately from the defaulting party.

Section 12.4 Notices of Default. Notices of default given by either Party hereunder shall specify the alleged default and the applicable Lease provisions, and shall demand that Tenant or Landlord, as applicable, perform the appropriate provisions of this Lease within the applicable period of time for cure.

(a) Landlord Events of Default. Landlord shall be in default of this Lease if it fails to perform any provision of this Lease that it is obligated to perform or if any of Landlord's representations or warranties is untrue or becomes untrue in any material respect, and if the failure to perform or the failure of such representation or warranty is not cured within thirty (30) days after written notice of the default has been given to Landlord. If the default cannot reasonably be cured within thirty (30) days, Landlord shall not be in default of this Lease if Landlord commences to cure the default within such thirty-day period and diligently and in good faith continues to cure the default until completion.

(b) Right to Cure; Tenant's Remedies. If Landlord shall have failed to cure a default under this Section 12.3 after expiration of the applicable time for cure of a particular default, Tenant, at its election, but without obligation therefor (i) may seek specific performance of any obligation of Landlord, after which Tenant shall retain, and may exercise and enforce, any and all rights that Tenant may have against Landlord as a result of such default, (ii) from time to time without releasing Landlord in whole or in part from the obligations to be performed by Landlord hereunder, may cure the default at Landlord's cost (and may offset any costs so incurred against any Rents or indebtedness owed by Tenant to Landlord), (iii) may terminate this Lease, and/or (iv) may exercise any other remedy given hereunder or now or hereafter existing at law or in equity. Any reasonable costs incurred by Tenant in order to cure such a default by Landlord shall be due immediately from Landlord.

Section 12.5 Notices of Default. Notices of default given by Landlord or by Tenant hereunder shall specify the alleged default and the applicable Lease provisions, and shall demand that Tenant or Landlord, as applicable, perform the appropriate provisions of this Lease within the applicable period of time for cure.

## ARTICLE 13 QUIET ENJOYMENT AND POSSESSION; INSPECTIONS

Section 13.1 Quiet Enjoyment. Landlord covenants and warrants that Tenant, upon payment of all sums herein provided and upon performance and observance of all of its covenants herein contained, shall peaceably and quietly have, hold, occupy, use and enjoy, and shall have the full, exclusive and unrestricted use and enjoyment of, all of the Leased Premises during the Term, subject only to the provisions of this Lease and all applicable Legal Requirements.

Section 13.2 Landlord's Right of Inspection. Notwithstanding Section 13.1 above, Landlord, in person or through its agents, upon reasonable prior notice to Tenant (except in the case of an emergency), shall have the right to enter upon the Leased Premises for purposes

of reasonable inspections performed during reasonable business hours, and at any time in the case of an emergency, in order to assure compliance by Tenant with its obligations under this Lease.

#### ARTICLE 14 SURRENDER

Section 14.1 Tenant Must Surrender Leased Premises. Tenant covenants that upon any termination of this Lease, whether by lapse of time or because of any of the conditions or provisions contained herein, Tenant will peaceably and quietly yield and surrender possession of the Leased Premises to Landlord without objection or delay. An action of forcible detainer shall lie if Tenant holds over after a demand for possession is made by Landlord.

#### ARTICLE 15 NON-MERGER

There shall be no merger of either this Lease or Tenant's Estate created hereunder with the fee estate of the Leased Premises or any part thereof by reason of the fact that the same person (including without limitation Landlord) may acquire, own or hold, directly or indirectly, (x) this Lease, Tenant's Estate created hereunder or any interest in this Lease or Tenant's Estate (including the Improvements), and (y) the fee estate in the Leased Premises or any part thereof or any interest in such fee estate (including the Improvements), unless and until all persons, including any assignee of Landlord, having an interest in (1) this Lease or Tenant's Estate created hereunder, and (2) the fee estate in the Leased Premises or any part thereof, shall join in a written instrument effecting such merger and shall duly record the same.

#### ARTICLE 16 TRANSFERS

##### Section 16.1 Transfer by Tenant.

(a) Other than a transfer of the maintenance obligations set forth herein to the City of Philadelphia or as otherwise provided in this Article 16, Tenant shall have no right to Transfer any legal or beneficial interest in Tenant's Estate hereunder or to sublease the Leased Premises or any portion thereof without Landlord's, and HUD's if required, prior written consent. Any attempted Transfer or sublease without such consents shall be null and void.

(b) Upon the granting of any consent by Landlord with respect to a Transfer by Tenant, this Lease shall be binding upon and shall inure to the benefit of Landlord and Tenant and their respective heirs, successors, assigns, legal representatives, and other transferees, and, notwithstanding any assumption by an assignee of all of the rights and obligations of the assignor as landlord under this Lease, the assignor shall not be released from any liability hereunder from and after the date of such Transfer.

Section 16.2 Transfer by Landlord. Landlord may transfer all or any portion of its interest in Landlord's Estate with prior written notice to Tenant.



ARTICLE 17  
SELF-HELP

Section 17.1 Upon an Event of Default, Landlord may at its reasonable option, without waiving any claims for breach of agreement, at any time thereafter cure such default for the account of Tenant and the Tenant shall reimburse the Landlord for any reasonable amount paid in connection therewith and any amounts due from Tenant shall be deemed an additional charge due and payable, with interest at the Delinquency Rate, with the next installment of Rent. Landlord shall not be required to wait for the expiration of such grace period in emergency situations.

ARTICLE 18  
MISCELLANEOUS PROVISIONS

Section 18.1 Entire Agreement; Modifications. This Lease supersedes all prior discussions and agreements between the Parties with respect to the leasing of the Leased Premises. This Lease contains the sole and entire understanding between the parties with respect to the transactions contemplated by this Lease, and all promises, inducements, offers, solicitations, agreements, representations and warranties heretofore made between the Parties, if any, are merged into this Lease. This Lease shall not be modified or amended in any respect, except by written instrument specifically referencing such a modification or amendment which is executed by or on behalf of the Parties in the same manner as this Lease is executed.

Section 18.2 Governing Law. This Lease, and the rights and obligations of the Parties hereunder, shall be governed by and construed in accordance with the substantive laws, without giving effect to choice of law rules, of the Commonwealth of Pennsylvania.

Section 18.3 Binding Effect. This Lease shall inure to the benefit of and be binding upon the Parties hereto, their heirs, successors, administrators, executors and permitted assigns.

Section 18.4 Severability. In the event any provision or portion of this Lease is held by any court of competent jurisdiction to be invalid or unenforceable, such holdings shall not affect the remainder hereof, and the remaining provisions shall continue in full force and effect to the same extent as would have been the case had such invalid or unenforceable provision or portion never been a part hereof.

Section 18.5 Further Assurances. From and after the date of this Lease, Landlord and Tenant, at the request of the other Party, shall make, execute and deliver or obtain and deliver all such affidavits, deeds, certificates, resolutions and other instruments and documents, and shall do or cause to be done all such other things that either Party may reasonably require in order to effectuate the provisions and the intention of this Lease.

Section 18.6 Captions. All captions, headings, paragraphs, subparagraphs, letters and other reference captions are solely for the purpose of facilitating convenient reference to this Lease, shall not supplement, limit or otherwise vary the text of this Lease in any respect, and shall be wholly disregarded when interpreting the meaning of any terms or provisions

hereof. All references to particular articles, sections, subsections, paragraphs and subparagraphs by number refer to the text of such items as so numbered in this Lease.

Section 18.7 Gender. Words of any gender used in this Lease shall be held and construed to include any other gender, and words of a singular number shall be held to include the plural, and vice-versa, unless the context requires otherwise.

Section 18.8 Exhibits. Each and every exhibit referred to or otherwise mentioned in this Lease is attached to this Lease and is and shall be construed to be made a part of this Lease by such reference or other mention at each point at which such reference or other mention occurs, in the same manner and with the same effect as if each exhibit were set forth in full at length every time it is referred to and otherwise mentioned.

Section 18.9 References. All references to paragraphs or subparagraphs shall be deemed to refer to the appropriate paragraph or subparagraph of this Lease. Unless otherwise specified in this Lease, the terms "herein," "hereof," "hereinafter," "hereunder" and other terms of like or similar import, shall be deemed to refer to this Lease as a whole, and not to any particular paragraph or subparagraph hereof.

Section 18.10 Rights Cumulative. Except as expressly limited by the terms of this Lease, all rights, powers and privileges conferred hereunder shall be cumulative and not restrictive of those provided at law or in equity.

Section 18.11 Notices. Any notice or other communication given or made pursuant to this Agreement shall be in writing and shall be deemed given if (i) delivered personally or by courier, (ii) telecopier, with an original sent via first class mail, (iii) sent by overnight express delivery, or (iv) mailed by registered or certified mail (return receipt requested), postage prepaid, to a party at its respective address set forth below (or at such other address as shall be specified by the party):

If to Landlord, to: Philadelphia Housing Authority  
12 S. 23rd Street  
Philadelphia, PA 19103  
Attention: Executive Director  
Telecopier: (215) 684-4163

and a copy to:

Ballard Spahr LLP  
1735 Market Street, 51<sup>st</sup> Floor  
Philadelphia, PA 19103  
Attention: Monique Y. DeLapenha, Esq.  
Telecopier: (215) 864-9077

If to the Tenant, to: City of Philadelphia  
Commissioner, Department of Parks and Recreation  
1515 Arch Street, 10<sup>th</sup> Floor  
Philadelphia, PA 19102

City of Philadelphia  
Divisional Deputy City Solicitor, Real Estate  
1515 Arch Street, 17<sup>th</sup> Floor  
Philadelphia, PA 19102

All such notices and other communications shall be deemed given on the date of personal or local courier delivery, delivery to overnight courier or express delivery service, or via certified mail return receipt requested, and shall be deemed to have been received (i) in the case of personal or local courier delivery, on the date of such delivery, (ii) in the case of delivery by overnight courier or express delivery service, on the next business day following dispatch, and (iii) in the case of certified mail return receipt requested, the date that is three (3) business days after the date of such mailing. Rejection or other refusal to accept or inability to deliver because of changed address of which proper notice was not given shall be deemed to be receipt of the notice, request, demand or other communication. By giving prior written notice thereof, any Party, from time to time, may change its address for notices hereunder. Legal counsel for the respective Parties may send to the other Party any notices, requests, demands or other communications required or permitted to be given hereunder by such Party.

Section 18.12 Counterparts. This Lease may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same agreement.

Section 18.13 Time of Essence. Time is and shall be of the essence for each and every provision of this Lease.

Section 18.14 Relationship of Parties; No Third Party Beneficiary. No relationship is created hereunder between Landlord and Tenant other than landlord and tenant. The parties hereto expressly declare that, in connection with the activities and operations contemplated by this Lease, they are neither partners nor joint venturers, nor does a debtor-creditor, principal-agent or any other relationship except as aforesaid, exist between them. No party is intended to be a third party beneficiary or any of the terms of this Agreement.

Section 18.15 Limitation of Liability. THE LIABILITY OF LANDLORD UNDER THIS LEASE SHALL BE ENFORCEABLE ONLY OUT OF THE INTEREST OF LANDLORD IN THE LEASED PREMISES, AND THE RENTS AND ISSUES THEREFROM. NEITHER THE LANDLORD NOR ANY PRIOR, CURRENT OR FUTURE PARTNER OF LANDLORD, NOR ANY STOCKHOLDER, OFFICER OR DIRECTOR OF ANY PARTNER OF THE LANDLORD SHALL HAVE ANY PERSONAL LIABILITY FOR THE OBLIGATIONS UNDER THIS LEASE; IT BEING UNDERSTOOD THAT THE TENANT'S SOLE RECOURSE SHALL BE TO THE INTEREST OF THE LANDLORD IN THE LEASED PREMISES. Neither the Tenant nor the Landlord shall have any right to seek collection of any amount owed pursuant to this Lease out of the assets of any general or limited partner or partners of the Tenant.

Section 18.16 No Brokers. Neither Landlord nor Tenant has dealt with any broker or finder with regard to the Leased Premises or this Lease. Both Landlord and Tenant

will indemnify, defend and hold the other harmless from and against any loss, liability and expense (including attorneys' fees and court costs) arising out of claims for fees or commissions in connection with this Lease.

Section 18.17 Waiver of Jury Trial. Landlord and Tenant hereby waive trial by jury in any action, proceeding or counterclaim brought by either of them against the other on all matters arising out of this Lease or the use and occupancy of the Leased Premises.

Section 18.18 Counterparts. This Lease may be executed in counterparts and all such counterparts shall be deemed to be originals and together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, this Ground Lease is made and entered by the parties hereto, intending to be legally bound, on the day and year first above written.

LANDLORD:

THE PHILADELPHIA HOUSING  
AUTHORITY

By: \_\_\_\_\_

Name: Carl R. Greene

Title: Executive Director

TENANT:

CITY OF PHILADELPHIA, through the  
Department of Public Property

By: \_\_\_\_\_

Name: Joan Schlotterbeck

Title: Commissioner

CITY OF PHILADELPHIA, through the  
Department of Parks and Recreation

APPROVED AS TO FORM:  
Shelley R. Smith, City Solicitor

By: \_\_\_\_\_

Name: Mark Focht

Title: Executive Director, Fairmount Park  
System

BY: \_\_\_\_\_

Deputy City Solicitor

**EXHIBIT "A"****Legal Description****Description and Recital**

ALL THAT CERTAIN lot or tract of land with improvements thereon, situate on the easterly side of the Fawn Street, southerly side of Clymer Street, westerly side of South 12th Street and the northerly side of Catharine Street, located in the 2nd Ward of the City of Philadelphia, County of Philadelphia, Pennsylvania, known as Proposed Park - Parcel 'R' as shown on the Site Plan for Martin Luther King Plaza Renovation and Uni-Penn, LLC, Project No. 1993, Sheet 1 of 2, prepared by Richard C. Mast Associates, P.C., last revised on December 9, 2004, being recorded in SD#7327-C, being more fully bounded and described as follows:

BEGINNING at a point at the intersection of street lines of the westerly side of South 12th Street (50 feet wide) and the northerly side of Catharine Street (50 feet wide); Thence along Catharine Street, North  $79^{\circ} 05' 33''$  West, a distance of 215.007 feet to a point on the easterly side of Fawn Street (30 feet wide); Thence along the same the following two courses and distances:

- 1.) North  $11^{\circ} 20' 21''$  East, a distance of 135.079 feet to a point;
- 2.) in a line curving to the right having a radius of 10.000 feet and an arc length of 15.633 feet to a point on the southerly side of Clymer Street (30 feet wide);

Thence along the same, South  $79^{\circ} 05' 33''$  East, a distance of 205.082 feet to a point on the westerly side of South 12th Street; Thence along the same, South  $11^{\circ} 20' 21''$  West, a distance of 145.005 feet to a point, the Place of Beginning.

**EXHIBIT "B"**

**Permitted Encumbrances**

**EXHIBIT "C"**

**Plans and Specifications**



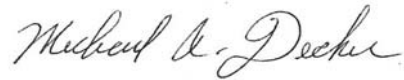


# City of Philadelphia

BILL NO. 100372 continued

Certified Copy

CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on June 17, 2010. The Bill was Signed by the Mayor on June 30, 2010.



Michael A. Decker  
Chief Clerk of the City Council