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by the Commanding Officer, connecting the leased premises with public road or highway, and to include the right to use, install, maintain and operate utility lines for the purpose of furnishing utility services to the housing units within the above described premises.

THIS LEASE is granted subject to the following covenants and conditions:

1. That the Lessee shall pay as total rental to the Department at the time of delivery of this lease the sum of One Thousand (\$1,000) Dollars, payable by certified or cashier's check to the Treasurer of the United States and delivered to the Contracting Officer for the Department (hereinafter called the "Contracting Officer").

2. That the Lessee shall have filed or caused to be filed with the Federal Housing Administration an application for mortgage insurance in accordance with the Statute and requirements thereunder of the Federal Housing Commissioner (hereinafter referred to as the "Commissioner"), and pursuant thereto, the Commissioner shall have issued a commitment for mortgage insurance prior to the delivery of this lease.

3. That the Lessee shall place each housing unit in the Project under the control of the Department as soon as it is available for occupancy as determined by the Commissioner.

4. (a) That the Department shall furnish to each housing unit available for occupancy the following utilities and services during the term of this lease but in no case beyond the period for which the facilities from which such services are to be furnished remain under the control of the Government:

- a. Fire Protection
- b. Police Protection
- c. Water Service
- d. Sewerage Service
- e. Electric Service
- f. Gas Service
- g. Refuse and Trash Collection

(b) Any utilities or services furnished the Lessee during the period of construction shall be on a reimbursable basis. The Department retains the right to permit municipalities or public utility companies to extend water, sewer, gas, telephone and electric power lines on the leased premises for the purpose of furnishing utilities to the Project.

5. That the buildings and other improvements, including all items required to be furnished the Project in accordance with the Drawings and Specifications, shall be and become real estate and part of the leased premises and property of the United States; provided, however, that this Condition 5 shall not apply to facilities erected by municipalities or public utility companies on the leased premises for the purpose of furnishing utility services to the Project.

6. That the use and occupancy of the leased premises shall be subject to such rules and regulations as the Department may from time

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to time prescribe and the Lessee shall at all times exercise due diligence in the protection of the leased premises.

7. That the right is hereby reserved to the Department to enter upon the leased premises at any reasonable time for the purpose of inspection and when otherwise deemed necessary for the protection of the interests of the Department; provided, however, that, if the Department desires such entry, the opportunity shall be afforded to the Lessee's representatives to accompany the representatives of the Department. The Lessee shall have no claim against the Department or any officer, agent or employee thereof on account of any inspection. This Condition 7 is subject to Condition 12 hereof.

8. That the Lessee shall maintain at its own cost and expense such insurance coverage as may be required by the Commissioner. This Condition 8 is subject to Condition 12 hereof.

9. That the Department shall not be responsible for damage to the Project or to property of the Lessee, nor for damages to the property or injuries to the person of the Lessee's officers, agents, servants, or employees, or other persons on the leased premises as invitees or licensees of the Lessee, and the Lessee shall indemnify and save the Department harmless from any and all such claims. The Department shall not be responsible for damages to any persons or property off the leased premises arising from the use of the leased premises by the Lessee, and the Lessee shall indemnify and save the Department harmless from any and all such claims. The provisions of this Condition 9 shall not apply to such claims as are cognizable under the Federal Tort Claims Act, as amended. This Condition 9 is subject to Condition 12 hereof.

10. That any property of the United States (excluding the buildings and other improvements constituting the Project) damaged or destroyed by the Lessee incident to the Lessee's use and occupation of the leased premises shall be promptly repaired or replaced by the Lessee to the satisfaction of the Department, or in lieu of such repair or replacement the Lessee shall, if so required by the Department, pay to the Department an amount sufficient to compensate the Department for the loss sustained by reason of such damage or destruction. This Condition 10 is subject to Condition 12 hereof.

11. That the Lessee shall comply with and save the Department harmless from laws, ordinances and regulations applicable to the leased premises with regard to construction, sanitation, licenses or permits to do business. This Condition 11 is subject to Condition 12 hereof.

12. That Conditions 7, 8, 9, 10 and 11 shall not be applicable after final endorsement of the mortgage note for mortgage insurance by the Commissioner and transfer of the capital stock of the Lessee to the Department.

13. That this lease is not affected by Title VI of the Act of Congress approved September 28, 1951 (10 U.S.C. 2662).

14. That no member of, or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this lease or to any benefit that may arise therefrom, but this Condition 14 shall not be construed to extend to this lease if made with a corporation for its general benefit.

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