

PROGRAMMATIC AGREEMENT
AMONG
THE UNITED STATES OF AMERICA, DEPARTMENT OF THE NAVY
AND
THE ILLINOIS STATE HISTORIC PRESERVATION OFFICER
FOR THE
THE PRIVATIZATION OF FAMILY HOUSING IN
NAVAL STATION GREAT LAKES,
GREAT LAKES, ILLINOIS
SEPTEMBER 20, 2005

WHEREAS, The Department of Navy (DoN), pursuant to the Military Housing Privatization Initiative (P.L. 104-106, 110 Stat. 544, Title XXVIII, Subtitle A, Section 2801), which amends 10 U.S.C. 169 by addition of a new subchapter, IV – Alternative Authority for Acquisition and Improvement of Military Housing, has determined to privatize family housing in the Midwest Region through the Midwest Regional Housing Privatization Project (Undertaking); and

WHEREAS, under the Midwest Regional Housing Privatization Project (MWRHPP), Midwest Military Communities, LLC (MMC) will implement the privatization of current and future family housing for DoN resulting in the transfer of a long-term interest in the DoN family housing and other ancillary supporting facilities for construction, demolition, renovation, rehabilitation, operation and maintenance largely independent of direct government control, but intended for the use of military members and their families; and ancillary supporting facilities in the Midwest Region; and,

WHEREAS, MMC and the DoN will form a partnership, Midwest Family Housing, LLC (MFH), after Congressional review and approval of the DoN's MWRHPP; and,

WHEREAS, MMC is a legal entity formed by Forest City Military Communities, LLC, to be the Managing Member of MFH; and,

WHEREAS, MMC will be granted a ground lease of the DoN MWRHPP housing areas and the stipulations of this Programmatic Agreement (PA) will be made an exhibit to the ground lease so that the PA becomes an integral part of the ground lease; and,

WHEREAS, the DoN may divest some housing areas, permanently transferring land, housing, and ancillary supporting facilities to the private sector, and use the proceeds

received from these transactions to support the extent of project work for the other privatized units within the MWRHPP; and

WHEREAS, the DoN has determined that implementation of the Undertaking has the potential to adversely affect properties listed or eligible for listing on the National Register of Historic Places (NRHP) and has consulted with the Illinois State Historic Preservation Officer (SHPO), federally recognized Tribes in accordance with Sections 106 and 111 of the National Historic Preservation Act (the Act), as amended, (16 U.S.C. 470 et. seq.) and the implementing regulations found at 36 CFR Part 800 (2000); and,

WHEREAS, the Area of Potential Effect (APE) for the MWRHPP includes existing DoN housing areas and any areas proposed for development of new housing and supporting ancillary improvements; and,

WHEREAS, the DoN has conducted an inventory of all historic properties within the APE. DoN identified historic properties at Mainside, Hospitalside (NAVSTA GL) and Fort Sheridan (NAVSTA GL remote site). The affected properties include: the 18 housing units listed on the National Register as part of the Naval Station Great Lakes Historic District, (Brick Row, Quarters AA, and Quarters A thru K, [twelve family houses], Quarters 63 and 64 [two single family houses], Surgeons' Quarters [Buildings 201H-203H, three single family houses], and the Quadruplex [204H, a four apartment building]). Additional properties identified as eligible for the National Register include; Squirrel Hollow (buildings 142 and 143, two buildings with 15 housing units), Fishbowl (buildings 205H-209H, 5 buildings with 10 housing units), Also identified as eligible for the National Register at Fort Sheridan are Building 142 (formerly a barracks) , and the Westover Road Housing (15 buildings, 30 housing units);and,

WHEREAS, the DoN has conducted a Phase I archaeological survey and no sites of archaeological significance were located within the area affected by this endeavor and none are reasonably expected to be located as a result of the Undertaking; and,

WHEREAS, the DoN has a signed *Program Comment for Wherry and Capehart Era Family Housing at Air Force and Navy Bases* that specifically addresses these housing types and that the DoN has identified Wherry and Capehart housing at NAVSTA GL. There is no further preservation requirement for Wherry housing under this PA; and,

WHEREAS, the DoN has determined that the Undertaking has the potential to adversely affect all of the historic properties in the APE listed or eligible for listing in the NRHP, and the SHPO has concurred with these determinations; and,

WHEREAS, the DoN has consulted with MMC and designates them to implement the terms of this PA; and,

WHEREAS, the DoN has consulted with the Fort Sheridan Master Homeowners Board, the Landmarks Preservation Council of Illinois and MMC and invited them to concur as consulting parties to this PA; and,

NOW, THEREFORE, the DoN and the SHPO agree that the Undertaking shall be implemented in accordance with the following stipulations in order to take into account the effect of the Undertaking on historic properties.

STIPULATIONS

The DoN will ensure that the following measures are carried out:

I. APPLICABILITY, BASELINE INFORMATION, AND PROFESSIONAL QUALIFICATIONS STANDARDS

A. The DoN has provided a baseline information package to MMC concerning the NRHP eligibility of historic properties identified by the DoN. This information package describes NRHP eligible and contributing structures, buildings, historic landscapes, and archaeological sites that may be present within or adjacent to existing housing developments and areas proposed for development of housing and supporting amenities. The information package was provided as the FINAL REPORT Cultural Resources Survey of Navy Family Housing for Public Private Venture (PPV), Naval Station Great Lakes, Illinois, dated October 2004, (including the supplement dated April 2005, prepared for Southern Division Naval Facilities Engineering Command, prepared by Hardlines Design Company).

B. Based on analysis of the residential infrastructure, the DoN has determined in consultation with the SHPO that no other existing residential buildings, structures, objects, districts or landscapes affected by the Undertaking are currently eligible for listing on the NRHP under the present criteria. In accordance with established DoN policy the DoN will conduct a periodic historic architectural survey of all buildings, structures, and landscapes on DoN land leased to MMC for properties that have reached fifty (50) years of age since the previous survey. These periodic surveys will occur at pre-established five (5) year intervals. The DoN may use MMC provided annual reports for this purpose. Any new NRHP eligible properties recognized through this process and administered or affected by MMC will be subject to the provisions of this PA. This stipulation does not limit any other evaluation and possible nomination that may occur at the discretion of MMC as long as the nomination includes only units administered by MMC. MMC must coordinate with the DoN Cultural Resources Management Program (CRMP) staff in the preparation of the nomination.

C. The DoN has documented the existing interior and exterior conditions of contributing (NRHP-eligible) structures, buildings, and landscapes in the historic housing areas. Refer to the FINAL REPORT indicated in I.A. above. One copy of the documentation has been provided to MMC and one to the SHPO. The condition report may be amended to indicate any changes to historic properties between the time of the report and the execution of the PA as agreed by the DoN and the MMC. This documentation will serve as a reference throughout the term of the ground lease agreement.

D. The SHPO may, at any time, request MMC to provide an NRHP-eligibility evaluation of a property administered or affected by MMC under the DoN's MWRHPP. The evaluation shall be accomplished by individuals that meet the Secretary of the Interior's qualification standards (Part II Department of the Interior, National Park Service, Secretary of the Interior's Historic Preservation Professional Qualification Standards; Notice, Federal Register, Friday June 20, 1997—36 CFR 61) for the appropriate resource type. MMC shall provide the requested NRHP eligibility evaluation to the SHPO via the CRMP staff thirty (30) days prior to submittal of any work affecting historic properties.

E. For the purposes of this PA, MMC shall have access to and utilize qualified staff, on an as needed basis, for the preparation and development of rehabilitation plans to review and screen proposed projects and work requirements that affect historic properties. The qualified staff will act on behalf of MMC in consultations between the CRMP staff and the SHPO. For the purposes of this PA, "Qualified Staff" is defined as an individual who meets Professional Qualification Standards for Architectural History, Historical Architect, or other appropriate profession as defined in the Federal Register referenced in D above.

F. For the purposes of this PA, the CRMP staff shall include at least one employee who meets the Secretary of the Interior's Professional Qualification Standards for Architectural History, Historical Architect or other appropriate profession.

II. CONVEYANCE ACTIVITIES

A. The DoN may convey long-term or permanent interests in family housing units and supporting ancillary improvements to MMC by real estate instruments. To ensure that the real estate instruments contain such terms and conditions as necessary and appropriate to meet the requirements of Sections 106 and 111 of the Act to provide for adequate consideration and treatment of historic properties that may be affected by the DoN's MWRHPP, this PA in its entirety shall be made part of the conveyance documents that shall be conveyed with the architectural preservation covenant as shown in Attachment A.

B. As stated in I.C. above the DoN has provided MMC all previously compiled information on any historic properties within the APE to guide MMC in the management and use of the properties.

C. Renewal or any modifications to a ground lease shall be subject to consultation between the signatories to determine whether such renewal or modifications constitute a new federal undertaking subject to provisions of the Act.

III. RECORDATION

A. Implementation of the Undertaking will necessitate the demolition of Building 142 at Fort Sheridan, Fishbowl (205H-209H), and Quadruplex (204H)

B. The DoN shall ensure that the following documentation is carried out by a professionally qualified individual as stated in the 36 CFR 61:

1. Documentation and recordation of Quadruplex (Building 204H) and Fishbowl (Buildings 205H-209H) shall be accomplished in compliance with Illinois Historic American Buildings Survey (IL HABS), Level II Standards;
2. Documentation and recordation of Building 142 at Fort Sheridan shall be accomplished in accordance with IL HABS, Level III Standards;
3. A draft document shall be submitted and accepted by the SHPO prior to initiation of demolition activities, provided that such documentation is in compliance with IL HABS standards and guidelines. If no response is received from the SHPO within thirty (30) days of receipt, followed by a written confirmation by SHPO, said documents may be deemed accepted.
4. One original and one microfiche copy of the final IL HABS documentation shall be delivered to the SHPO to be archived at the Abraham Lincoln Presidential Library.

IV. WESTOVER HOUSING DIVESTITURE

A. The DoN will transfer ownership of land and improvements known as Westover Housing to MMC with a historic preservation covenant (see Attachment

B). MMC will divest these properties with an attached covenant to the deed of sale.

B. MMC, SHPO and the Board of Fort Sheridan Master Homeowner's Association will consult on a marketing plan and implementation schedule. MMC will consult with SHPO on the format and contents of the marketing plan.

C. MMC will complete an amendment for the Fort Sheridan National Register Historic Landmark District and submit to the SHPO for nomination. The amendment shall include the Westover Housing properties. MMC is responsible for the preparation and associated costs of the submittal. The SHPO agrees to submit documentation to the Illinois Historic Sites Advisory Council for its review and recommendation; and if recommended, the SHPO will submit to the Keeper of the National Register for appropriate action.

D. Other stipulations and management activities listed in this PA will cover Westover Housing properties until they are divested.

V. HISTORIC PROPERTY MANAGEMENT FOR GROUND LEASED PROPERTIES

A. MMC shall conform to the management standards and guidelines for treatment of historic properties at NAVSTA GL (Brick Row, Mainside Quarters 63 and 64, Squirrel Hollow, and the Surgeon's Quarters) established by the Secretary of the Interior's Standards for Rehabilitation and illustrated guidelines for rehabilitating historic buildings (Standards).

B. MMC shall incorporate in landlord/tenant agreements for occupation of historic properties all pertinent conditions of this PA and allow the DoN and the SHPO an opportunity to review and comment upon the language of such agreements.

C. Project Review and Consultation. The DoN will monitor the activities of MMC using the review process specified in paragraphs C.1. through C.4. The DoN shall be responsible for creating and keeping a record of each project review.

1. Planned and future rehabilitation of the historic properties shall be accomplished in accordance with the Standards unless otherwise approved pursuant to this PA. MMC shall submit for SHPO review complete information for rehabilitation projects on all historic buildings, except for work covered by Stipulation VI. Exempt Activities. Information submitted to the SHPO shall include but not be limited to: a map indicating the location of the proposed project; documentation, including photographs, sufficient to illustrate existing and proposed

conditions; written descriptions of the work to be undertaken; and architectural drawings and specifications.

2. If the SHPO does not concur that the proposed rehabilitation project is consistent with V.C.3 and the Standards, it shall so notify the DoN and MMC within thirty (30) days. MMC shall consult with the SHPO to address the SHPO's concerns. Upon resolution of the concerns, SHPO will respond to MMC within thirty (30) days of receipt by SHPO. If MMC cannot revise the project to address the SHPO's concerns MMC shall notify the DoN. If after reasonable efforts the DoN cannot resolve the disagreement the DoN shall proceed in accordance with 36 CFR Parts 800.5 and 800.6.

3. SHPO will review and accept in writing planning documents and drawings, outlining the proposed scope of work on historic units, agreed upon by the MMC, DoN and SHPO prior to the implementation of the PA.

D. MMC shall consult with the SHPO to ensure that new construction and landscaping within or adjacent to historic properties is consistent with the Standards.

E. In the case of an emergency, MMC will perform those actions necessary for the protection of the historic properties. MMC is not required to consult with DoN or the SHPO in advance of emergency actions affecting historic properties. Where possible, such emergency measures will be undertaken in a manner that is consistent with the Standards. MMC will notify CRMP staff and SHPO, following execution of all emergency measures affecting historic properties. This emergency provision is limited to undertakings initiated within thirty (30) days of the emergency. If the response to emergency conditions requires no ground lease modification, MMC must act in conformance with the consultations terms previously reviewed by the SHPO and there is no new federal undertaking as defined in this PA.

F. The SHPO may at any time request to review and comment on a project submitted to the CRMP staff pursuant to Stipulation V.C.1 above, if it has reason to believe that a historic property may be adversely affected by a proposed undertaking.

VI. EXEMPT ACTIVITIES

A. The following activities will be carried out in a fashion that is consistent with the Standards. The following are exempt from SHPO consultations:

1. General operation and maintenance

2. New construction within or adjacent to the historic district provided such construction does not visibly affect historic properties.
3. Temporary installation of facilities to provide access to historic properties by disabled persons provided these changes make no permanent modification to NRHP-eligible architectural or landscape elements.
4. Changes to the kitchen, bathroom or basement spaces of historic properties that do not change or affect any significant exterior or interior historic character-defining elements.
5. Changes to the mechanical systems that do not change or affect any significant exterior or interior historic character-defining elements.

B. Activities not listed above shall be completed as directed in Stipulation V.C above. The replacement of existing windows and doors are not exempt and must be reviewed using the process outlined in Stipulation V.C above. Window and door dimensions must be maintained and windows and doors may not be covered or in-filled.

C. In the event that the parties to this PA concur in writing that additional exemptions are appropriate, such exemptions may be enacted in accordance with Stipulation XI of this PA.

VII. UNANTICIPATED ARCHAEOLOGICAL DISCOVERIES

A. Prior to any new construction, MMC will consult with the CRMP staff and the SHPO to determine the need for an archaeological survey. If a survey is recommended, MMC will undertake a survey of the APE sufficient to determine the presence or absence of any historic properties. The properties will be evaluated for National Register eligibility in accordance with Section 36 CFR 800.4.

B. If historic properties will be affected by the Undertaking, MMC will consult with the CRMP staff, the SHPO, and any appropriate federally recognized Tribes to determine how to avoid or resolve the adverse effect on the property, in accordance with 36 CFR 800.6.

C. In the event of discovery of archaeological materials during any of its activities, MMC shall immediately stop work in the area of discovery and notify the appropriate CRMP staff. MMC shall protect the discovery until the DoN has complied with 36 CFR 800.13(b) and any other legal requirements.

VIII. FISCAL REQUIREMENTS AND SOURCES

The stipulations of this PA are subject to the provision of the Anti-Deficiency Act. If compliance with the Anti-Deficiency Act alters or impairs the DoN's ability to implement the stipulations of this PA, the DoN will consult in accordance with the dispute resolution and amendment stipulations as specified in Stipulations X and XI below.

IX. ANNUAL REPORTING

MMC shall provide a condition report on all historic properties annually to the DoN and the SHPO. The report shall provide information on all proposed, in-progress and/or completed projects affecting historic properties. This report shall provide narrative and photographic documentation of any/all changes made in the subject year above and beyond exempt activities. The condition report shall be provided within thirty (30) days following the completion of the prior federal fiscal year.

X. DISPUTE RESOLUTION

A. Should either party to this agreement, object within thirty (30) days to any plans or other documents provided by DoN, MMC, or others for review pursuant to this PA, the DoN will consult with the objecting party with the intent to resolve the objection. If either party determines it cannot resolve the objection, the DoN shall forward all dispute-relevant documentation and a recommended course of action to the Advisory Council on Historic Preservation (ACHP). Within thirty (30) days after receipt of documentation, the ACHP will either:

1. Provide DoN with recommendations, which the DoN will take into account in reaching a final decision regarding the dispute; or

2. Notify the DoN that it will or will not comment pursuant to 36 CFR 800.7(c). The DoN will take into account comments the ACHP provides in response to such request and do so in accordance with 36 CFR 800.7(c)(4) with reference to the subject of the dispute.

B. Any recommendation or comment that the ACHP provides will pertain only to the subject of the dispute. The DoN's responsibility to carry out all other actions under this PA, other than those disputed, shall not change.

XI. AMENDMENT AND TERMINATION

A. If a change occurs in the Undertaking that creates new circumstances that the DoN must address, or, if the DoN or MMC is unable to carry out the terms of this PA, either party to this PA may request an amendment in accordance with 36 CFR Part 800.6(c)(7).

B. Should the parties to this PA not agree on an amendment or in the event the DoN or MMC fail to comply with the stipulations of this PA prior to execution of a ground lease or a conveyance document permanently divesting a property, this PA shall be terminated. In such an event, the DoN shall not execute a ground lease or a divestiture action that has the potential to adversely affect historic properties until applicable stipulations of the PA are met or it obtains alternative documentation from the ACHP that the DoN has met the requirements of the Act.

XII. EFFECTIVE DATE, END DATE, APPLICABILITY

A. This PA is effective on the last date that all signatories signed and dated this document. The DoN and MMC will comply with all terms and stipulations from that date forward.

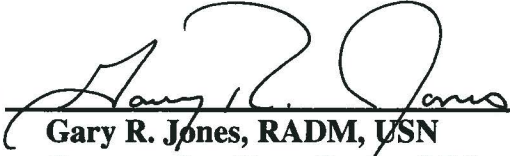
B. This PA shall be attached to the ground lease and any divestiture documents as an exhibit and shall become an integral part of the ground lease or the divestiture deed. The PA and associated covenants shall become applicable to MMC, and after assignment to MFH, upon the execution of the ground lease or divestiture documents.

C. This PA shall be in effect so long as a ground lease is in effect, unless previously terminated under the provision of Stipulation XI above. If the parties to the ground lease agree to extend the ground lease, the parties to this PA will consult on the need to renew or amend this PA at the same time as the ground lease is being considered for renewal.

D. Execution of this PA and implementation of its terms evidence that the DoN has afforded the SHPO an opportunity to comment on the Undertaking to privatize family housing at NAVSTA GL in the State of Illinois, and its effects on historic properties, and that the DoN has taken into account the effects of the Undertaking on historic properties.

SIGNATORIES:

DEPARTMENT OF THE NAVY

By: 
Gary R. Jones, RADM, USN
Commander, Navy Region Midwest

Date: 22 SEP 2005

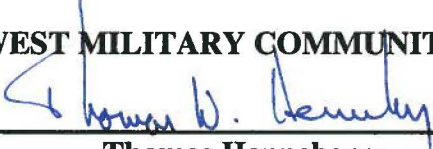
ILLINOIS STATE HISTORIC PRESERVATION OFFICER

By: 
State Historic Preservation Officer

Date: 22 SEP 2005

CONCUR:

MIDWEST MILITARY COMMUNITIES, LLC

By: 
Thomas Henneberry,
Forest City Military Communities, LLC

Date: 9.20.2005

LANDMARKS PRESERVATION COUNCIL OF ILLINOIS

By: _____
Council President

Date: _____

FORT SHERIDAN MASTER HOMEOWNERS ASSOCIATION

By: 
Board President

Date: 11/11/05

LIST OF ATTACHMENTS:

ATTACHMENT A

Architectural Preservation Covenant

ATTACHMENT B

Historic Covenant (Westover Road Units)

ATTACHMENT C

Maps pertaining to Historic Housing Areas (Divested, Demolished, and Rehabilitated)

**ARCHITECTURAL PRESERVATION
COVENANT**

BETWEEN

**MIDWEST FAMILY HOUSING, LLC
AND THE ILLINOIS STATE HISTORIC PRESERVATION OFFICER**

**FOR THE PRIVATIZATION OF FAMILY HOUSING AT NAVAL STATION GREAT
LAKES, ILLINOIS**

Midwest Family Housing, LLC (hereinafter "MFH"), the Grantee, hereby covenants, except as provided herein or in that Programmatic Agreement of _____, __, 2005 (the "PA"), on behalf of itself, its successors and assigns at all times to the Illinois State Historic Preservation Officer (hereinafter "SHPO") to preserve and maintain the historic resources (the "Property" or "Historic Property"), more particularly described in the PA, and within the Midwest Regional Housing Privatization Project (hereinafter "MWRHPP") housing areas, which are subject to specific treatment outlined in the PA, in a manner that preserves and maintains the attributes that contribute to the eligibility of the historic property for listing in the National Register of Historic Places. Such attributes include exterior features (including facades and fenestration, scale, color, materials, and mass) and interior features determined significant in the Cultural Resources Management Study, which are set forth in an exhibit to the PA. As more clearly set forth in the PA, by and between the Department of the Navy (hereinafter "DoN") and the SHPO, MFH has acquired the MWRHPP housing areas by ground lease, and ownership of the improvements within those areas for the term of the ground lease.

(1) The Historic Property will be preserved and maintained in accordance with The Secretary of Interior's Standard for Rehabilitation and guidelines for rehabilitating historic buildings. As described in the PA, no construction, alteration, rehabilitation, remodeling, demolition, disturbance of the ground surface, or other action shall be undertaken or permitted to be undertaken that would materially affect the integrity of the appearance of the attributes described above without the prior written permission of the SHPO, or any other applicable official and signed by a fully authorized representative thereof.

(2) MFH shall utilize the services of a consultant who meets the qualifications of a Federal Preservation Officer ("FPO") in 36 C.F.R. Part 61, as its own FPO, hereinafter referred to as the Federal Partner Preservation Officer ("FPPO"). The FPPO shall be responsible for coordination of the preservation program and implementation of the terms of the PA and this Covenant and shall perform those duties and responsibilities outlined in the PA for the Navy Region Midwest Cultural Resources Management Program (CRMP) staff. The person designated as the FPPO shall meet the requirements for that position as defined in "The Secretary of the Interior's Standards and Guidelines for Federal Agency Historic Preservation Programs Pursuant to the National Historic Preservation Act."

(a) All work pursuant to the PA regarding historic buildings and structures will be reviewed by, or under the supervision of, a person meeting the professional

qualifications for Historian, Architectural Historian or Historic Architect included in "The Secretary of the Interior's Historic Preservation Professional Qualification Standards."

(b) All work pursuant to the PA and this Covenant regarding archaeological resources will be carried out by or under the supervision of a Registered Professional Archaeologist meeting the professional qualifications for Archaeologist included in "Archaeology and Historic Preservation, Secretary of the Interior's Standards and Guidelines."

(c) All analyses to determine if an undertaking falls under the provisions of Stipulation VI of the PA and therefore requires no further review will be carried out by persons who meet the standards set forth above in this paragraph. All such persons are deemed for purposes of the PA and this Covenant as "qualified personnel" under the standards and guidelines cited above.

(d) Any responsibility or obligation required to be exercised by the FPPO shall be carried out within fifteen (15) calendar days from the FPPO's receipt of plans or information from MFH.

(3) The FPPO's determination that design and construction documents conform to the planning documents reviewed in accordance with Stipulation V of the PA shall be documented in the project's administrative record and in the report developed in accordance with Stipulation IX. Where changes to the project are required to ensure conformity, these changes shall also be documented in writing.

(4) MFH will allow the SHPO or his/her designee, at all reasonable times and upon reasonable advance notice of not less than two (2) days to MFH, to inspect the historic property in order to ascertain whether MFH is complying with the conditions of this Covenant.

(5) If there is damage to all or substantially all buildings or structures eligible for listing on the National Register, either individually or as contributing to any National Register eligible historic district, resulting from casualty loss to an extent that it is not commercially practicable or feasible to repair or reconstruct, then the design and plans for construction of a replacement building or structure shall be reviewed as provided in Stipulation V.C. of the PA.

(6) MFH will provide the SHPO with a written summary of actions taken to implement the provisions of the Covenant within the timeframe outlined in Stipulation IX of the PA.

(7) Failure of the SHPO to exercise any right or remedy granted under this Covenant shall not have the effect of waiving or limiting the exercise by the SHPO or any other right or remedy or the invocation of such right or remedy at any other time, except as provided herein.

(8) In the event of a violation of this Covenant, and in addition to any remedy now or hereafter provided by law, the SHPO may, following reasonable notice to MFH of not less than seven (7) days in writing, first provide MFH with an opportunity to cure said violation

within thirty (30) days of such notice and thereafter institute suit, upon the expiration of said cure period, to enjoin said violation or to require the restoration of the historic property.

(9) This Covenant is binding on MFH, its successors and assigns, for the period of the ground lease. The restrictions, stipulations and covenants contained herein shall be inserted by MFH, its successors and assigns, verbatim or by express reference in any deed or other legal instrument by which it divests itself of either the fee simple title or any lesser estate in the historic property, or any part thereof, unless the property subject to this Covenant and which is the subject of any transfer of a leasehold interest or a fee simple interest, as provided in the PA, reverts to the United States or any agency or department of the United States.

(10) To the extent any obligation or responsibility imposed by this Covenant on MFH pertains to property leased from Navy Region Midwest, as distinct from any improvements of the property owned by MFH, the terms of this Covenant shall only apply to those obligations and responsibilities of MFH and shall not be construed as a "covenant running with the land."

(11) The terms of this Covenant may be modified upon written agreement between the SHPO and MFH.

In witness whereof, the signatories hereto have caused this Covenant to be executed by their proper and duly authorized officers.

SIGNATORIES:

MIDWEST FAMILY HOUSING, LLC

By: Thomas W. Henneberry
Thomas Henneberry,
Midwest Military Communities, LLC

Date: 9.20.2005

ILLINOIS STATE HISTORIC PRESERVATION OFFICER

By: [Signature]
State Historic Preservation Officer

Date: 21 SEP 2005

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HISTORIC COVENANT

AMONG

**MIDWEST FAMILY HOUSING, LLC, THE DEPARTMENT OF THE NAVY,
AND THE ILLINOIS STATE HISTORIC PRESERVATION
OFFICER**

**FOR THE PRESERVATION AND MAINTENANCE OF THE WESTOVER
UNITS AT NAVAL STATION GREAT LAKES, AT FORT SHERIDAN,
ILLINOIS**

I. Historic Preservation

A. Standard Architectural Preservation Covenant

1. In consideration of the conveyance of the Westover Units (the "Property"), Midwest Family Housing, LLC (hereinafter "MFH") hereby covenants on behalf of itself, its heirs, successors, and assigns at all times to the Department of the Navy (hereinafter "DoN") and the Illinois State Historic Preservation Officer (hereinafter "SHPO") to preserve and maintain the Property, in accordance with the recommended approaches in the Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings in order to preserve and enhance those qualities that make the Property eligible for inclusion in the National Register of Historic Places.

2. No construction, alteration, remodeling or other modification to structures or setting shall be undertaken or permitted to be undertaken on the Property without the express prior written permission of the SHPO if not already approved in the Westover Units Management Plan below.

3. The SHPO shall be permitted at all reasonable times to inspect the Property in order to ascertain if the above conditions are met.

4. In the event of a violation of the covenant, and in addition to any remedy now or hereafter provided by law, the SHPO may, following reasonable notice to MFH, institute suit to enjoin said violation or to require the restoration of the Property.

5. MFH agrees that the SHPO may at its discretion, without prior notice to MFH, convey and assign all or part of its rights and responsibilities contained herein to a third party.

6. This covenant is binding on MFH, its successors, and assigns in perpetuity, unless waived by the SHPO. Restrictions, stipulations, and covenants contained herein shall be inserted by MFH verbatim or by express reference in any

1 deed or other legal instrument by which it divests itself of either the fee simple title or
2 any other lesser estate in the Property or any part thereof.

3
4 7. The failure of the SHPO to exercise any right or remedy granted
5 under this instrument shall not have the effect of waiving or limiting the exercise of
6 any other right or remedy or the use of such right or remedy at any other time. The
7 covenant shall be binding servitude upon the Property and shall be deemed to run
8 with the land. Execution of this covenant shall constitute conclusive evidence that
9 MFH agrees to be bound by the foregoing conditions and restrictions and to perform
10 the obligations herein set forth.

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12 II. Section 330 of Defense Authorization Act

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14 The DoN recognizes its obligation to hold harmless, defend, and indemnify
15 MFH and any successor, assignee, transferee, lender, or lease of MFH or its
16 successors and assigns, as required by Section 330 of the Department of Defense
17 Authorization Act of 1993, as amended, and to otherwise meet its obligations under
18 law.

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20 III. Notice of Non-Discrimination

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22 With respect to activities related to the Property, MFH covenants for itself, its
23 successors and assigns that MFH, and such successors and assigns shall not
24 discriminate upon the basis of race, color, religion, sex, age, handicap, or national
25 origin in the use, occupancy, sale or lease of the Property, or in their employment
26 practices conducted thereon in violation of the provisions of the Title VI of the Civil
27 Rights Act of 1964, as amended (42 U.S.C. Section 2000d); the Age Discrimination
28 Act of 1975 (42 U.S.C. Section 6102); and the Rehabilitation Act of 1973, as
29 amended (29 U.S.C. Section 794). The DoN shall be deemed a beneficiary of this
30 covenant without regard to whether it remains the owner of any land or interest
31 therein in the locality of the Property hereby conveyed, and shall have the sole right
32 to enforce this covenant in any court of competent jurisdiction.

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34 IV. Westover Units Management Plan

35
36 There will be no material changes to the front and side facades; alterations and
37 additions will be allowed to rear facades only inasmuch as the non-original rear
38 powder room is removed. The roofs will all be in slate gray color roofing material.
39 Where windows are original, they will be retained and repaired. If retention is not
40 possible, reasons for removal must be documented and windows may be replaced in
41 kind. Where windows are not original, they may be replaced with wood windows
42 with historically compatible configuration, with no applied muntins permitted.
43 Where mismatched brick is removed, it shall be replaced with cream-colored brick
44 that matches the existing to the extent reasonably practicable. Where original
45 openings that have been filled in with replacement windows, glass block, or
46 mismatched brick are changed, the infill shall be replaced by wood windows. There

1 may be no changes to the location or size of the front porch or any exterior staircase
2 on the front or side facades. Non-original features and alterations to historic features
3 may be removed. Where original elements have been removed, they may but need
4 not be replaced. Basement garages and sloped driveways may be filled in. Party
5 walls between duplexes may be altered in consultation with the SHPO to convert
6 duplexes into single family dwellings.
7

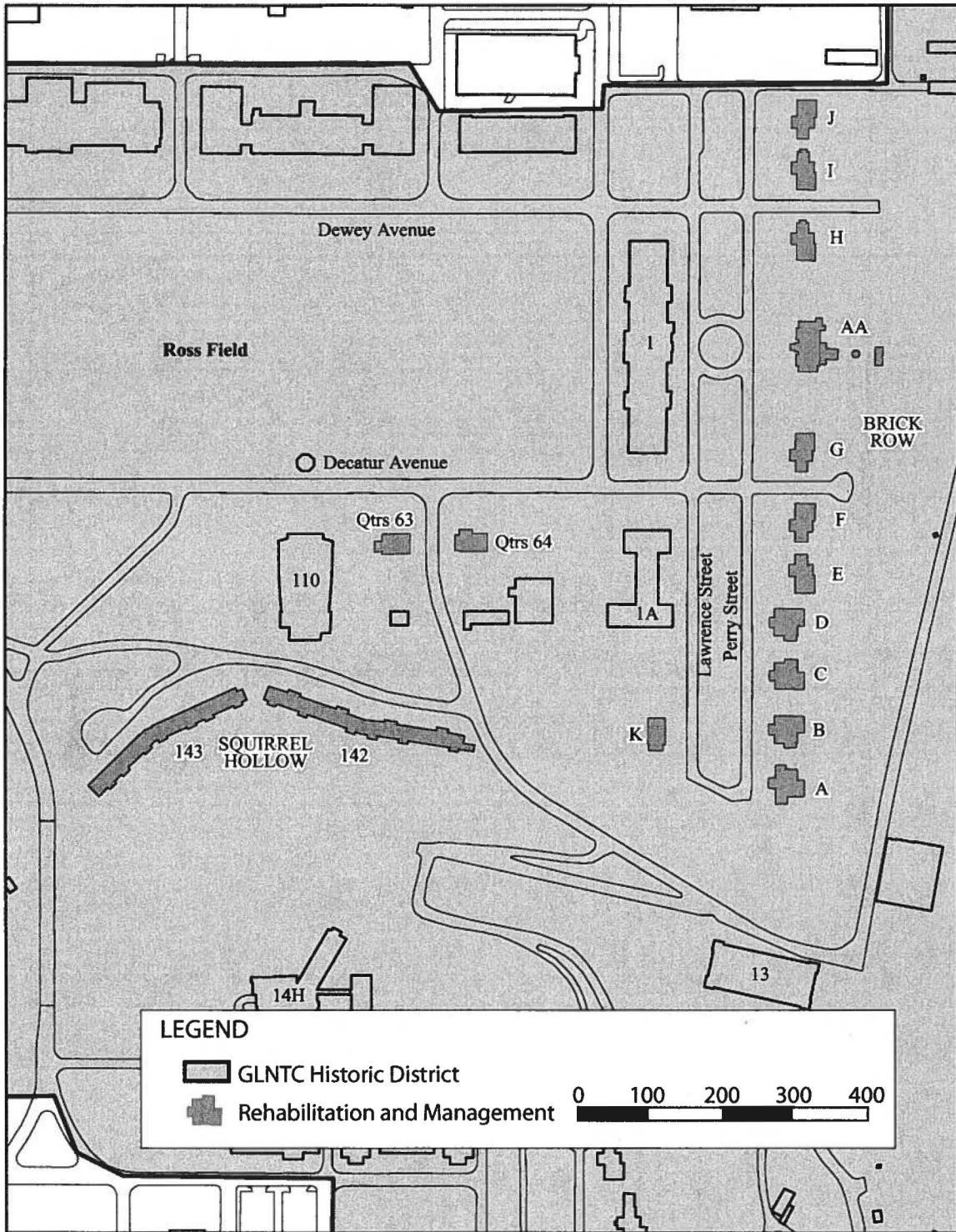


Figure 1. Brick Row, Squirrel Hollow, and Quarters 63 and 64, Naval Station Great Lakes

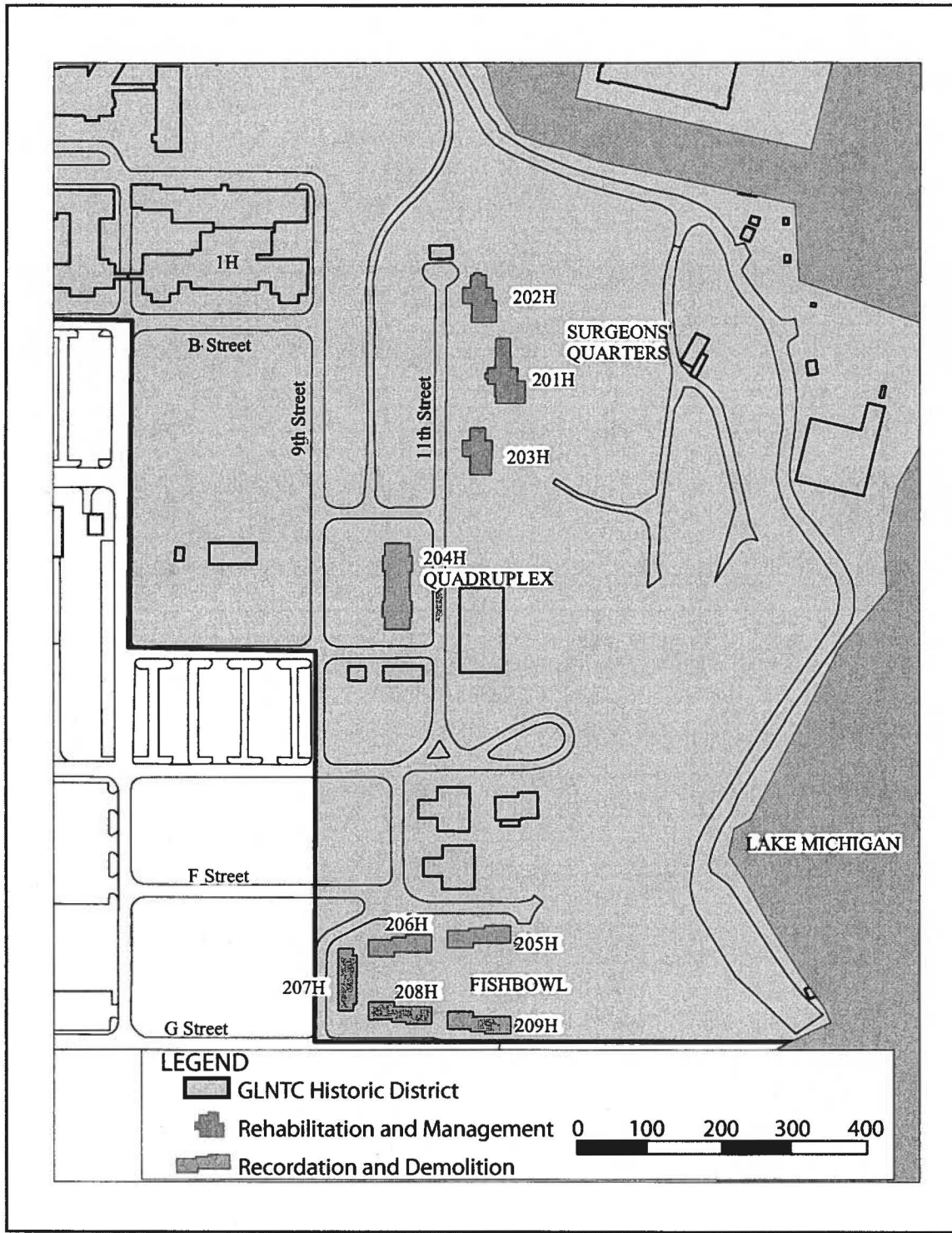


Figure 2. Fishbowl, Surgeons' Quarters, and Quadruplex, Naval Station Great Lakes.

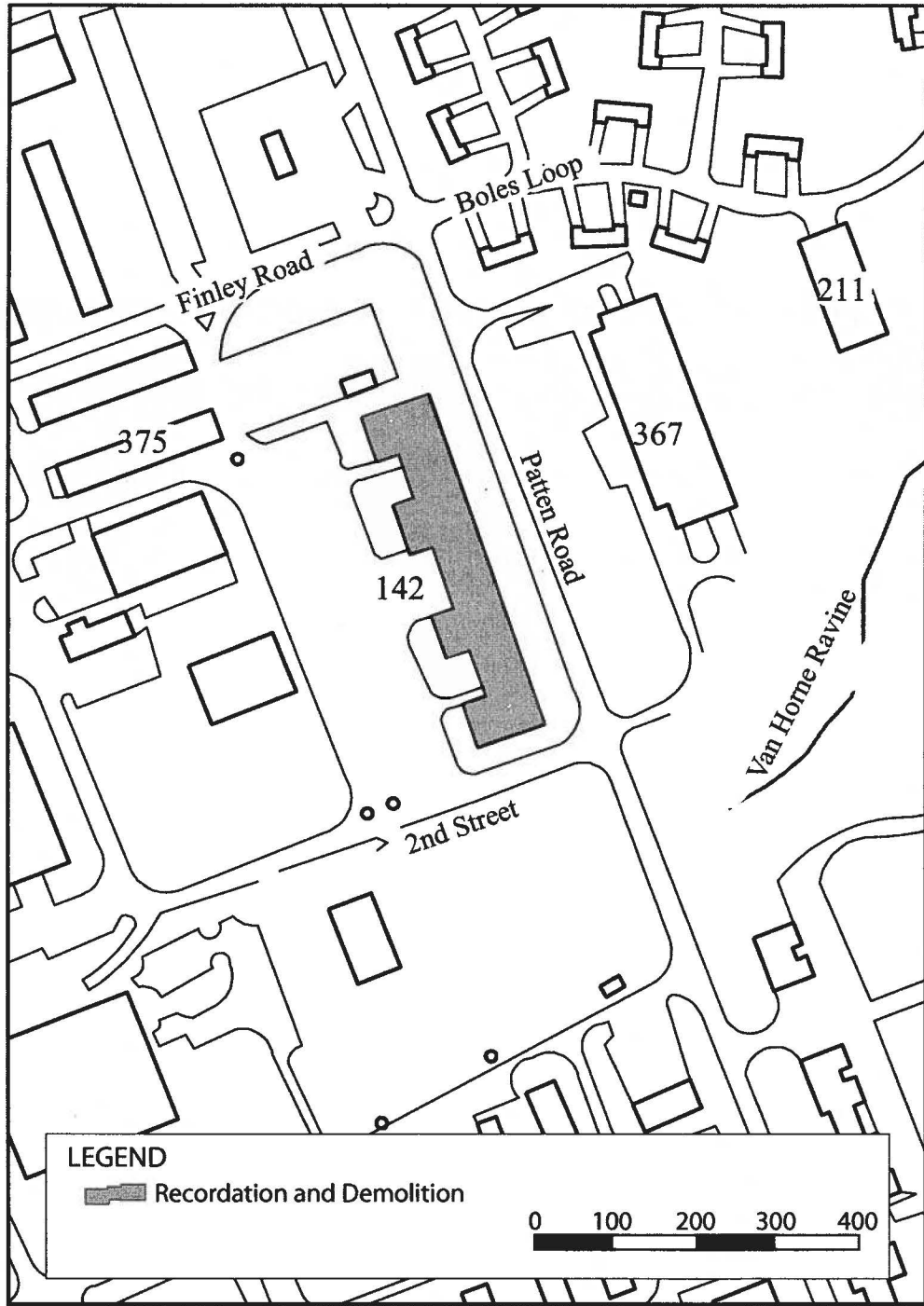


Figure 3. Building 142, Fort Sheridan.

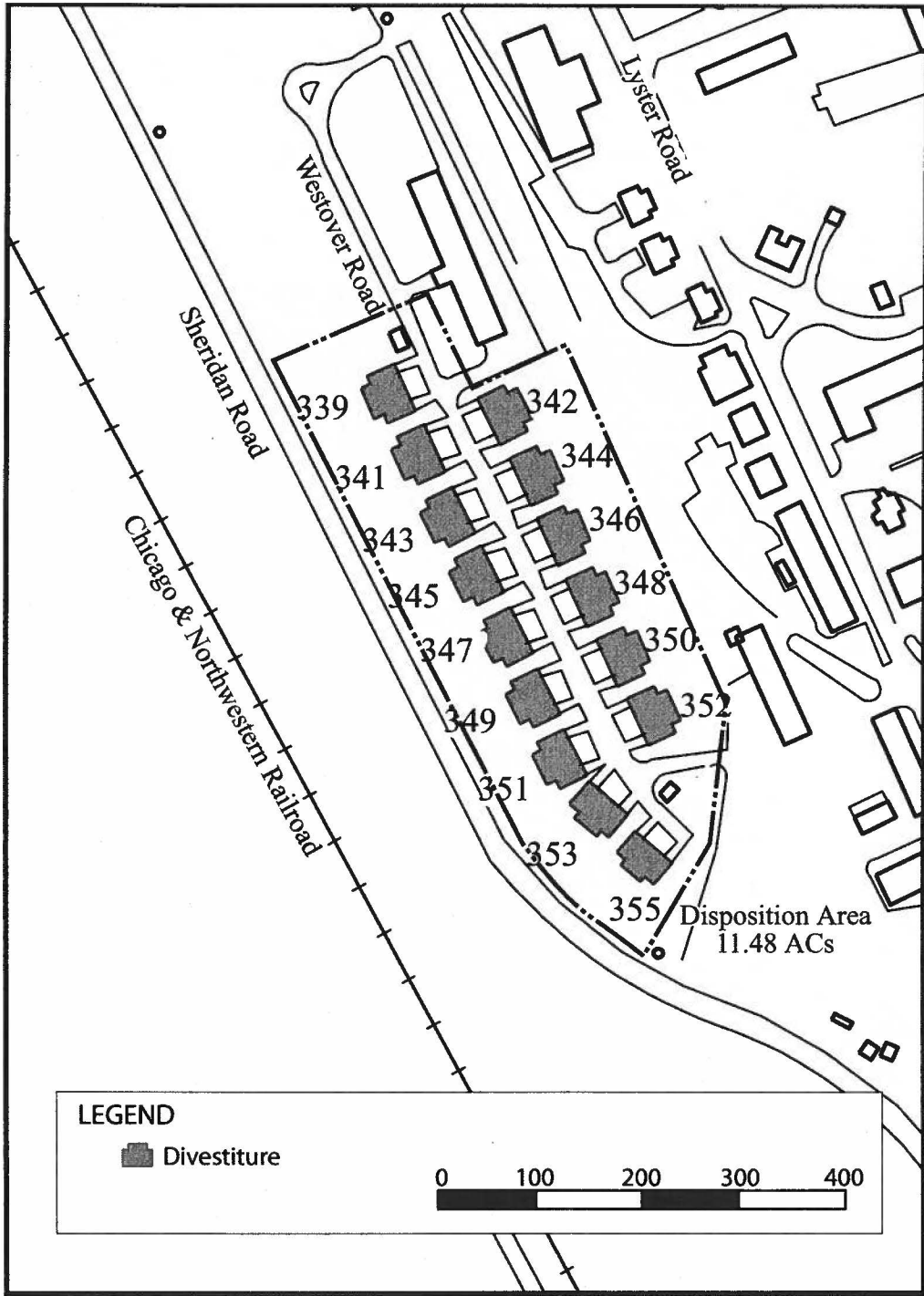


Figure 4. Westover Road Housing, Fort Sheridan