

REDEVELOPMENT CONTRACT

THIS CONTRACT is made on or as of the ____ day of _____, _____ by and between the

REDEVELOPMENT AUTHORITY OF THE CITY OF HARRISBURG, a public body corporate (which, together with any successor public body of officer hereafter designated by or pursuant to law, is hereinafter called "AUTHORITY"), with principal address as 10 North Second Street, P.O. Box 2157, Harrisburg, Pennsylvania.

AND

_____, a limited partnership duly organized and existing in accordance with the laws of the _____, with its principal offices located at _____ (hereinafter referred to as the "DEVELOPER").

WHEREAS, in furtherance of the objectives of and pursuant to Urban Redevelopment Law, _____, as amended, an urban renewal project named the _____ (hereinafter referred to as the "_____") was established in _____ located in the uptown area of Harrisburg by the City of Harrisburg, (hereinafter referred to as the "CITY") and administered by the Authority to help eliminate blight and to revitalize the neighborhoods; and

WHEREAS, while the Urban Renewal Plan for the Hamilton NDP was still in effect, the Authority undertook many renewal activities in the project area including, but not limited to the following: acquisition of deteriorated and abandoned structures, relocation of individuals and businesses, demolition of deteriorated and abandon structures, installation of sidewalks and other infrastructure improvements, and disposition of parcels for rehabilitation or new construction purposes for residential, commercial, semi-public and public uses; and

WHEREAS, the Urban Renewal Plan for Hamilton NDP expired in April, 1997 with a large number of assembled sites still available for development purposes; and

WHEREAS, since the expiration of the Urban Renewal Plan, the CITY and the AUTHORITY, have continued to work toward meeting some of the remaining objectives of the now defunct Urban Renewal Plan, by among other activities, offering for residential development the residual publicly owned parcels in the Hamilton NDP, as well as additional vacant parcels acquired or to be acquired by the AUTHORITY through the Harrisburg Vacant Property Reinvestment Board process for consolidation with the existing publicly owned parcels to make more viable development sites; and

WHEREAS, in response to a 1998 Request for Proposals issued by the CITY for the above purpose, a proposal was received from the DEVELOPER to construct 140 single family residential dwelling units for home ownership, together with related site improvements and on-site parking, in a multiple phased development (hereinafter referred to as “CAPITOL HEIGHTS”); and

WHEREAS, CAPITOL HEIGHTS is to be located in a 20 block area of the City’s Twelfth Ward on vacant publicly owned (or to be owned) parcels in a portion of the former Hamilton NDP, generally bounded by Harris, North Third, Kelker, and North Fifth Streets; and

WHEREAS, based upon the recommendations of the CITY, by Resolution No. 24-1999 dated April 22, 1999, as amended by Resolution No. 52-1999, dated November 16, 1999, and Resolution No. 13-2000, dated March 21, 2000, the AUTHORITY agreed that the DEVELOPER’s planning had progressed to a sufficient level that it was appropriate for the AUTHORITY to thereby designate the DEVELOPER as (a) “conditional” DEVELOPER to construct up to nine (9) homes in the 1700 block of North Third Street (“Phase IA”) and up to thirty (30) homes on both sides of the 1700 block of Logan Street and the west side of the 1700 block of North Fourth Street (“Phase I”) and as (b) “conditional” Potential DEVELOPER for the remaining area of CAPITOL HEIGHTS anticipated to be completed in three additional construction phases; and

WHEREAS, the DEVELOPER has made satisfactory progress toward completion of Phase IA, I, & IB, II, III and now desires to undertake Phase IV and add one parcel to Phase III; and

WHEREAS, the AUTHORITY and the CITY agree that because of the substantial progress by the AUTHORITY in completing the remaining site acquisition activities and by the CITY in completing the remaining building demolitions and infrastructure improvements necessary for PHASE IV, as well as the level of planning, financing, and marketing efforts achieved by the DEVELOPER, it is timely and appropriate to enter into this Contract; and

WHEREAS, in accordance with applicable Urban Renewal Law, the AUTHORITY acquired and has offered to sell, and the DEVELOPER, its successors and assigns, is willing to purchase, fifty-nine (59) parcels of real property located in the city of Harrisburg, as listed and described on Property Acquisition List, Exhibit "C" attached hereto and made a part hereof and to cause redevelopment, by construction of improvements and/or rehabilitation, to the property or properties (hereinafter referred to as "PROPERTY") for residential and related reuse purposes, in accordance with applicable Urban Renewal Law, the duly approved Land Development and Subdivision Plans for PHASE IV and PHASE III and the provisions of this Contract; and

WHEREAS, it was anticipated that the parcels for future construction phases of CAPITOL HEIGHTS will be conveyed by separate Special Warranty Deeds and Redevelopment Contracts.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

SECTION 1. SALE: PURCHASE PRICE.

Subject to all the terms, covenants and conditions of the Contract, the AUTHORITY will sell the PROPERTY to the DEVELOPER for, and the DEVELOPER will purchase the PROPERTY from the AUTHORITY and pay therefore, the amount Twenty two Thousand Seven Hundred and 00/100 Dollars (\$22,700.00), hereinafter called "Purchase Price", to be paid in cash or by cashier or certified check.

SECTION 2. CONVEYANCE OF PROPERTY.

(A) Form of Deed. The AUTHORITY shall convey to the DEVELOPER title to the PROPERTY, by SPECIAL WARRANTY DEED hereinafter called "Deed". The conveyance and title shall, in addition to all other conditions, covenants and restrictions set forth or referred to elsewhere in the Contract, be subject to:

- (1) Such easements as it shall have been necessary for the AUTHORITY to dedicate or grant, or shall be necessary at the time of the conveyance for the AUTHORITY to reserve, for itself or for future dedication or grant, for sewers, drains, water and gas distribution lines, electric, telephone installations and other public or private utilities and facilities.
- (2) Easements or servitudes apparent from an inspection of the premises, and any variation in location or dimensions, conflict with lines of adjoining property, encroachments, project or other matters which might be disclosed by an accurate survey of the property.
- (3) Any reservations, restrictions, limitations, conditions or agreements set forth in the chain of title.
- (4) Zoning ordinances of the City.

- (5) Condition that construction shall fully comply with the approved Final Subdivision/Land Development Plans for PHASE IV, being recorded in the Recorder of Deeds Office in and for Dauphin County in Plan Book __H__, Volume __9__, Page _23_, et seq. The Plan is on file with the AUTHORITY and incorporated as if fully set forth herein hereinafter together referred to as the “Land Development Plans” and more particularly shown on Exhibit “D”.
- (B) Time and Place for Delivery of Deeds. The AUTHORITY shall deliver the Deed and possession of the PROPERTY to the DEVELOPER at settlement. Conveyance shall be made at the principal office of the AUTHORITY (or at another location designated by the AUTHORITY), and the DEVELOPER shall accept such conveyance and pay the Purchase Price to the AUTHORITY at such time and place.
- (C) Title Insurance. The DEVELOPER shall be responsible for the cost of any title insurance that may be necessary for its own purposes.
- (D) Realty Transfer Taxes and Miscellaneous Costs. The DEVELOPER shall be responsible for the payment of the full State and local realty transfer taxes of two (2%) percent of the Purchase Price as required by law (or such other amount if is determined that the transfer taxes need or needed to be calculated based upon Affidavit of Value calculations), as well as any miscellaneous costs in connection with recordation of Deed.

SECTION 3. CONDITION OF THE PROPERTY

The PROPERTY that is the subject of this Contract shall be conveyed “as is”. The DEVELOPER has inspected the same and agrees to accept the PROPERTY in its present condition, excepting for the additional work that the CITY has agreed to complete by separate cooperation agreement between the CITY and the DEVELOPER, dated June 14, 2000 (The Cooperation Agreement”).

SECTION 4. DEVELOPMENT DESCRIPTION

Construction of the required Improvements for PHASE IV and one additional site at PHASE III shall be undertaken by the DEVELOPER and be comprised of up to fifty-nine (59) single family residential dwelling units, consisting of townhouses, semi-detached houses, detached houses, and together with related site improvements and on-site parking, as listed and described on Property Construction List on Exhibit “C”, attached hereto and made a part hereof.

SECTION 5. PLANS AND SPECIFICATIONS

The PROPERTY shall be improved by the DEVELOPER in general conformance with the Land Development Plans, Exhibit “D”, Building Specifications on file with the Authority and incorporated as if fully set forth herein and more particularly described in Exhibit “G”, and Development Budget and Construction Cost Estimates on file with the Authority and incorporated as if fully set forth herein and more particularly described in Exhibit “H”, hereinafter together referred to as “Improvements”. The term “Improvements” as used in this Contract means the new construction specified in this Section. Said Improvements shall be completed in conformity with this Contract, applicable Urban Renewal Law, the planning, zoning and building codes of the City and any other applicable local, State or Federal laws and regulations.

Any Improvements, not in general conformity with the requirements indicated in this Section and elsewhere in this Contract, shall be removed immediately, upon notification from the AUTHORITY, and be replaced with Improvements in general conformity with said requirements in this Section and elsewhere in this Contract at the DEVELOPER’s sole cost and expense.

The DEVELOPER, its successor and assigns expressly understand and agree that the construction of the Improvements for PHASE IV as required herein shall be considered as one development, and a default with regard to non-completion of any part or portion of the PHASE IV shall be a default of this Contract, it being the intent of the parties that the obligations of the DEVELOPER, its successors and assigns shall not be divisible; provided, however, that the AUTHORITY shall issue individual Certificates of Completion in a timely manner for each dwelling unit, together with a related site improvements and on-site parking, which has been successfully completed in accordance with this Section and elsewhere in this Contract.

SECTION 6. DEVELOPMENT SCHEDULE AND EXPENDITURES

The construction of the Improvements required by this conveyance, shall be in accordance with the following:

- (A) Development Schedule for this Conveyance.
 - (1) Within six (6) months after date of conveyance of the PROPERTY - begin the construction of the Improvements required for fifty-eight (58) residential dwelling units in PHASE IV and one (1) additional residential unit in Phase III, together with related site improvements and on-site parking.
 - (2) Complete the construction of the units required in (A) (1) within forty-eight (48) months after the date of conveyance of the PROPERTY.

(B) Development Expenditures.

The DEVELOPER shall construct the Improvements for PHASE IV in general conformance within the costs and amounts specified in the estimated Development Budget and Construction Cost Estimates that have been received by the Authority.

(C) Other Requirements.

- (1) As a condition of the execution of this Contract, the DEVELOPER has furnished evidence satisfactory to the AUTHORITY that the DEVELOPER has the financial ability to undertake and complete the development of the PROPERTY to be conveyed with this Contract.
- (2) The DEVELOPER agrees to use its best efforts to protect the PROPERTY from vandalism and thievery during the period from the date of conveyance of the PROPERTY to the date of occupancy.
- (3) Within ten (10) days of this conveyance, the DEVELOPER, at its sole cost, shall erect project signs on the 4th & 5th Streets sides of the PROPERTY. The signs shall remain on the sites for at least thirty (30) days after completion of the construction of the Improvements and identify the participants in CAPITOL HEIGHTS and acknowledge the contribution of the AUTHORITY and the CITY to same. Said signs shall be consistent with the drawing of the sample sign previously submitted to the DEVELOPER by the AUTHORITY.
- (4) The DEVELOPER agrees to obtain all necessary building permits from the City's Bureau of Codes Enforcement prior to the construction of the Improvements.
- (5) The DEVELOPER agrees not to occupy, or have occupied, any structure built on the PROPERTY until the City's Bureau of Codes Enforcement issues a Certificate of Occupancy certifying that that structure is safe, sanitary and suitable for occupation.
- (6) The DEVELOPER agrees to have all electrical, heating and plumbing work undertaken at the PROPERTY, accomplished by licensed tradesmen, under permits issued by the City's Bureau of Codes Enforcement.
- (7) The DEVELOPER agrees to carry throughout the term of this Contract General Liability and Builder's Risk Insurance, or substitute insurance acceptable to the AUTHORITY, on the PROPERTY in an amount and form acceptable to the AUTHORITY, naming the AUTHORITY and the CITY as additional insureds, as their interest may appear.

- (8) The DEVELOPER agrees to use its best efforts to notify and allow the AUTHORITY and the City's Department of Building and Housing Development to participate in regularly scheduled development progress meetings and allow the AUTHORITY and the City's Department of Building and Housing Development to inspect construction progress. Additionally, the DEVELOPER shall provide the AUTHORITY and City's Department of Building and Housing Development with weekly construction reports and marketing report. The reports shall be in such detail as may reasonably be requested by the AUTHORITY and the City's Department of Building and Housing Development, as to the actual progress of the DEVELOPER with respect to such construction and marketing.
- (9) The DEVELOPER shall meet all local standards and ordinances, designed to minimize problems caused to the neighborhood by the construction of the Improvements, including but not limited to problems of: 1) noise, dust and debris; 2) traffic and parking congestion; 3) temporary utility disconnections; 4) construction work hours; and 5) abutting construction, etc.
- (10) The DEVELOPER shall be responsible for any damage to any private property, or water or sewer line, or newly paved or constructed or reconstructed street including alleys, or any street lights, or street trees, or curbs and sidewalks.
- (11) DEVELOPER shall provide annual evidence of payment of all real estate taxes.
- (12) The DEVELOPER agrees that in the event:
 - (a) the PROPERTY is not Improved in general conformity with the improvements referred to in Section 5 herein; or
 - (b) the DEVELOPER fails to commence the construction of the Improvements within the time period specified in paragraph (A), subparagraph 1 of this Section; or
 - (c) the DEVELOPER fails to proceed with the construction of the Improvements so that the same will be completed in accordance with the time period specified in paragraph (A), subparagraph 2 of this Section; or
 - (d) the DEVELOPER assigns any interest in the PROPERTY without the prior written approval of the Authority which may be withheld (except for purposes of financing as approved in advance by the AUTHORITY), then the AUTHORITY shall have to right to re-enter and take possession of the PROPERTY, and title and all rights and interests shall revert to the AUTHORITY in accordance with Section

16.

SECTION 7. RIGHTS OF ACCESS TO PROPERTY.

- (A) Right of Entry for Utility Service. The AUTHORITY reserves for itself, the CITY and any public utility company, as may be appropriate, the unqualified right to enter upon the PROPERTY at all reasonable times for the purpose of reconstructing, maintaining, repairing or servicing the public utilities located within the PROPERTY boundary lines and provided for in the easements described or referred to in Section 2, subparagraph A (1) and (2).
- (B) No Construction Over Utility Easements. The DEVELOPER, its successors and assigns shall not construct any building or other structure or improvement on, over or within the boundary lines of any easement for public utilities described or referred to in Section 2, or shown on the Land Development Plans, unless such construction is provided for in such easement or has been approved by the CITY and the appropriate public utility company. Furthermore, the DEVELOPER, its successors and assigns shall not commence any underground excavation or site preparation without first having notified and received verification of the location of public utilities from both of the following:
- (1) Pennsylvania One Call System, Inc. (1-800-242-1776) for electric, gas, telephone and cable lines; and
 - (2) City Engineer (255-3091) for City electric, water, sewer and steam lines.
- (C) Access to PROPERTY. After the conveyance of the PROPERTY by the AUTHORITY to the DEVELOPER, its successors and assigns agree to permit periodic inspections by the AUTHORITY and various City Departments, upon reasonable notice providing for a mutually convenient time, for a determination by the AUTHORITY and those Departments as to whether reasonable, satisfactory progress, as defined by the AUTHORITY, is being made by the DEVELOPER, its successors and assigns in improving the PROPERTY.

Prior to the conveyance of the parcels by the AUTHORITY to the DEVELOPER for future construction phases of CAPITOL HEIGHTS, the AUTHORITY shall permit representatives of the DEVELOPER to have access, upon advance notification, to any parcel or part thereof to which the AUTHORITY holds title, at all reasonable times for the purpose of obtaining data and making various tests concerning the parcels necessary to carry out construction for CAPITOL HEIGHTS.

SECTION 8. COMMENCEMENT AND COMPLETION OF CONSTRUCTION OF IMPROVEMENTS.

The DEVELOPER agrees for itself, its heirs, successors and assigns, and every successor in interest to the PROPERTY, or any part thereof, that the DEVELOPER, and its heirs, successors and assigns, shall promptly begin and diligently complete the redevelopment of the PROPERTY through the construction of the Improvements thereon and that the construction of the Improvements shall in any event begun and completed within the period specified herein. It is intended and agreed that these agreements and covenants shall be covenants running with the land, binding for the benefit of the community and the AUTHORITY, and enforceable by the AUTHORITY and/or the CITY against the DEVELOPER and its successors and assigns to or of the PROPERTY or any part thereof or any interest therein.

SECTION 9. CERTIFICATES OF COMPLETION

Promptly after the completion of the construction of the Improvements on a dwelling unit by dwelling unit basis (together with related site improvements and on-site parking) in accordance with this Contract, the DEVELOPER, its successors and assigns shall arrange for final inspections of the Improvements with the AUTHORITY and the City's Bureau of Codes Enforcement. Upon determination that the Improvements have been completed in full compliance with applicable building codes of the City, the Land Development Plans, the Building Specifications, and the other requirements of this Contract, the AUTHORITY will furnish an appropriate instrument so certifying for each dwelling unit (together with related site improvements and on-site parking) when the construction of the Improvements are totally completed. The certification by the AUTHORITY shall be a conclusive determination of satisfaction and termination of the covenants in the Contract with respect to the obligations of the DEVELOPER and its successors and assigns to construct the Improvements and the dates for the beginning and completion thereof. The certification shall be in such form as will enable it to be recorded. If the AUTHORITY refuses or fails to provide the certification, the AUTHORITY shall, within five (5) business days after written request, provide a written statement indicating in adequate detail how the DEVELOPER has failed to complete the construction of the Improvements in general conformity with the applicable building codes of the City, the Land Development Plans, the Building Specifications, this Contract, or other default, and what measures or acts will be necessary, in the opinion of the AUTHORITY, to for the DEVELOPER to take or perform in order to obtain the certification.

SECTION 10. RESTRICTIONS ON USE.

The DEVELOPER agrees for itself and its heirs, successors and assigns, and every successor in interest to the PROPERTY, or any part thereof, that the DEVELOPER, and its heirs, successors and assigns shall:

- (A) Devote the PROPERTY for residential and related purposes for the following permitted uses:
 - 1) single and multi-family residential dwelling for ownership or rental purposes;
 - 2) mixed-use residential buildings, combined with retail, commercial, or professional office uses;
 - 3) accessory parking pads and garages;
 - 4) yards and landscaped open areas and etc.

- (B) Not discriminate upon the basis of race, color, religion, ancestry, national origin, place of birth, sex, age, handicap or disability or the use of guide or support animals, marital status, familial status or sexual preference/orientation in the sale, lease, or rental or in the use or occupancy of the PROPERTY or in any Improvements located or to be erected thereon, or any part thereof.

- (C) Comply with the regulations issued by the Secretary of Housing and Urban Development set forth in 37 F.R. 22732-3 and all applicable rules and orders issued thereunder which prohibit the use of lead-based paint in residential structures undergoing federally assisted construction or rehabilitation and require the elimination of any lead-based paint hazards present.

- (D) Abide by the provision that the PROPERTY, or any part thereof, including any building presently, or hereafter erected thereon shall remain subject to all real estate taxes in perpetuity, regardless of whether the use qualifies for an exemption from the same, except for any phase in or abated real estate taxes that the DEVELOPER might be eligible to receive for new construction and rehabilitation completed under and in accordance with the regulations of the LERTA Program.

SECTION 11. COVENANTS: BINDING UPON SUCCESSORS IN INTEREST: PERIOD OF DURATION

It is intended and agreed that the covenants provided in this Contract shall be covenants running with the land, binding to the fullest extent permitted by law and equity for the benefit and in favor of and enforceable by the AUTHORITY, its heirs, successors and assigns, the CITY, and any other successor in interest to the PROPERTY, or any part thereof, against the DEVELOPER, its heirs, successors and assigns, and every successor in interest to the PROPERTY or any part thereof or any interest therein, and any party in possession or occupancy of the PROPERTY or any part thereof. It is further intended and agreed that the covenant provided in Section 10 (A through D) shall remain in effect without limitation as to time.

SECTION 12. PROHIBITION AGAINST TRANSFER OF PROPERTY.

The DEVELOPER has not made or created, and shall not, prior to the completion of the Improvements as certified by the AUTHORITY, make or suffer to be made any sale, assignment, conveyance, lease or transfer in any other form of or with respect to this Contract or the PROPERTY, or any part thereof or any interest therein, or contract or agree to do any of the same, without the prior written approval of the AUTHORITY excepting Contracts for Sale and/or Lot Reservations to third party purchasers of the house. In the event of any proposed assignment, conveyance or transfer, the DEVELOPER shall give the AUTHORITY thirty (30) days prior written notice of its request to assign, convey or transfer.

SECTION 13. LIMITATION UPON ENCUMBRANCE OF PROPERTY.

Prior to the completion of the Improvements as certified by the AUTHORITY, neither the DEVELOPER nor any successor in interest to the PROPERTY shall engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the PROPERTY, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attach to the AUTHORITY. Subsequent to the issuance of the final Certificate of Completion for PHASE IV the DEVELOPER (or successor in interest) shall notify the CITY and the staff of the AUTHORITY of any encumbrance or lien that has been created on or attached to the PROPERTY, within thirty (30) days of receipt of notice of such encumbrance or lien by the DEVELOPER.

SECTION 14. MORTGAGES NOT OBLIGATED TO CONSTRUCT.

Notwithstanding any of the provisions of this Contract, including, but not limited to, those which are intended to be covenants running with the land, the holder of any mortgage authorized by this Contract (including any holder who obtains title to the PROPERTY or any part thereof as a result of foreclosure proceedings, or action in lieu thereof, but not including (a) any other party who thereafter obtains title to the PROPERTY or such part from or through such holder or (b) any other purchaser at foreclosure sale other than the holder of the mortgage itself) shall not be obligated by the provisions of this Contract to construct the Improvements or complete the construction of the Improvements or to guarantee such Improvements or completion; nor shall any covenant or any other provision in the Deed be construed to so obligate such holder. Nothing in this Section or any other Section or provision of this Contract shall be deemed or construed to permit or authorize any such holder to devote the PROPERTY or any part thereof to any uses, or to construct any Improvements thereon, other than those uses or Improvements provided or permitted by the provisions of this Contract.

SECTION 15. ENFORCED DELAY IN PERFORMANCE.

Neither the DEVELOPER, nor any successor in interest, shall be considered in breach or default of its obligations with respect to the preparation of the PROPERTY for the Improvements or the commencement and substantial completion of construction of the Improvements in the event of enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence. The time for the performance of the obligations shall be extended for the period of the enforced delay, as determined by the AUTHORITY, if the DEVELOPER or any successor in interest shall request an extension in writing within forty-five (45) days after the beginning of the enforced delay.

SECTION 16. REMEDIES.

- (A) In General. In the event of any material default in or breach of this Contract, or any of its terms or conditions, by the DEVELOPER, or its successors or assigns, the DEVELOPER shall, upon written notice from the AUTHORITY, proceed immediately to cure or remedy such default or breach within forty-five (45) days after receipt of such notice. If the default or breach cannot be cured within forty-five (45) days and the DEVELOPER is diligently pursuing such cure, the AUTHORITY shall extend the time to cure for a reasonable period as is necessary. In case such action is not taken or not diligently pursued, or the default or breach shall not be cured or remedied, the AUTHORITY may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including, but not limited to, proceedings to compel specific performance by the party in default or breach of its obligations or proceeding by the AUTHORITY to revert in the AUTHORITY as set forth herein.

- (B) Revesting Title. In the event that subsequent to conveyance of the PROPERTY to the DEVELOPER or its successors and assigns and prior to completion of construction of the Improvements as certified by the AUTHORITY, the DEVELOPER materially defaults in or breaches its obligations under this Contract and the default or breach is not cured or remedied as set forth in subparagraph A of this Section, then the AUTHORITY shall have the right to re-enter and take possession of the PROPERTY or any remaining part thereof still in ownership by the DEVELOPER, and to terminate and re-vest in the AUTHORITY the estate, or any remaining part thereof still in ownership by the DEVELOPER, conveyed by the Deed to the DEVELOPER. Revesting of said title shall occur by the filing of a Quit Claim Deed; provided, that such revesting of title in the AUTHORITY shall not defeat, render invalid or limit in any way (a) the lien of any mortgage authorized by this Contract. Simultaneously with the execution of this Contract, the DEVELOPER shall execute a Quit Claim Deed in favor of the AUTHORITY, which shall be held in escrow by the AUTHORITY, until such time as the final Certificate of Completion is issued to the DEVELOPER as set forth in Section 9. The Quit Claim Deed to the AUTHORITY shall be recorded only in the event the AUTHORITY revests title to the PROPERTY as set forth herein. The AUTHORITY shall provide releases from the Quit Claim Deed with each Certificate of Completion on a lot-by-lot basis as set forth above.

SECTION 17. RESALE OF RE-ACQUIRED PROPERTY: DISPOSITION OF PROCEEDS.

Upon the revesting in the AUTHORITY of title to the PROPERTY or any part thereof as provided herein, the AUTHORITY shall use its best efforts to resell or otherwise convey the PROPERTY (subject to such mortgage liens and leasehold interests) as soon and in such manner as set forth herein. Said resale or conveyance shall be consistent with the objectives of applicable law and of the regulations of the City to a qualified and responsible party or parties (as determined by the AUTHORITY) who will assume the obligation of making or completing the construction of the Improvements or such other Improvements in their stead as shall be satisfactory to the AUTHORITY and in accordance with the uses specified for such PROPERTY or part thereof in the regulations of the City and this Contract. The AUTHORITY, as further consideration for entering into this Contract, agrees not to offer the PROPERTY for resale for a price less than the fair market value for said PROPERTY. Upon the revesting of title to the PROPERTY by the AUTHORITY, the parties shall, within thirty (30) days, negotiate a fair market value for the PROPERTY. Should the parties, upon the expiration of the thirty (30) day period, fail to amicably arrive at an agreed upon fair market value for said PROPERTY, each party shall have the right, but not the obligation, to obtain a fair market appraisal from an independent MAI appraiser of the respective party's choice. Based upon said independent appraisals, the parties shall negotiate a fair market value for said PROPERTY. Should the parties, upon the expiration of thirty (30) days from the receipt of said appraisals, fail to amicably arrive at an agreed upon fair market value, the two independent appraisers shall choose a third independent MAI appraiser to perform the valuation of said PROPERTY. The fair market value as determined by said third independent appraiser shall be binding upon the parties as the sale price for said PROPERTY. Upon such resale of the PROPERTY, the proceeds thereof shall be applied as follows:

- (A) First, to satisfy mortgage liens against the PROPERTY authorized by this Contract.
- (B) Second, to reimburse the AUTHORITY and the CITY for all reasonable costs and expenses incurred by the AUTHORITY and the CITY, including, but not limited to, salaries of personnel in connection with the recapture, management and resale of the PROPERTY or part thereof (but less any income derived by the AUTHORITY from the PROPERTY or part thereof in connection with such management); all taxes, assessments, and water and sewer charges with respect to the PROPERTY and part thereof (or, in the event the PROPERTY is exempt from taxation or assessment of such charges during the period of ownership thereof by the AUTHORITY, an amount, if paid, equal to such taxes, assessments or charges (as determined by the City assessing officials) as would have been payable if the PROPERTY were not so exempt); any payments made or necessary to be made to discharge any encumbrances or liens due to obligations, defaults or acts of the DEVELOPER, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the Improvements or any part thereof on the PROPERTY or part thereof; and any amounts otherwise owing the AUTHORITY by the DEVELOPER and its successors or transferees all costs associated with the construction of water and sewer laterals paid by the City; and
- (C) Third, the DEVELOPER'S actual costs for professional services, title insurance, settlement costs, attorney fees prior to settlement, land acquisition price and other out of pocket costs and expenses all as documented and proven to the AUTHORITY; and
- (D) Fourth, any balance remaining shall be retained by the AUTHORITY as its property.

SECTION 18. CONFLICT OF INTEREST: AUTHORITY'S REPRESENTATIVES NOT INDIVIDUALLY LIABLE.

No member, official, or employee of the AUTHORITY shall have any personal interest, direct or indirect, in this Contract, nor shall any such member, official or employee participate in any decisions relating to this Contract which affects his personal interests or the interests of any corporation, partnership or association in which he is, directly or indirectly, interested. No member, official or employee of the AUTHORITY shall be personally liable to the DEVELOPER or any successor in interest, in the event of any default or breach by the AUTHORITY or the City or for any amount which may become due to the DEVELOPER or successor or on any obligation under the terms of this Contract.

SECTION 19. SPECIAL PROVISIONS.

- (A) Every contract for construction, installation, alteration, repair, or addition, or other improvements to the PROPERTY where the estimated cost shall exceed One Thousand Five-Hundred Dollars (\$1,500.00) shall include the following:

Mechanic's Lien Preclusion. Contain a provision obligating the contractor to promptly pay for all material, labor, rental for equipment and services rendered by public utilities in or in connection with the construction of Improvements on, in or about the PROPERTY, notwithstanding that said material, labor, rental of equipment and services become component parts of the Improvements contemplated. Such provision shall be deemed to be included for the benefit of every person, partnership or corporation, who as a subcontractor or otherwise has furnished material, supplied or performed labor, rented equipment or supplied services in or in connection with the construction of the Improvements, and the inclusion thereof in any contract shall preclude the filing of any mechanic's lien claim for such material, labor or equipment rental by such persons, partnerships or corporations. To implement this provision the said contractor(s) shall be required to execute, and the DEVELOPER shall file, a "Stipulation Against Liens" in the Office of the Prothonotary of Dauphin County prior to the commencement of any work or the delivery of any materials on the site and shall require the same of all subcontractors.

SECTION 20. EQUAL EMPLOYMENT OPPORTUNITY.

The DEVELOPER, for itself and its heirs, successors and assigns, agrees that during the construction of the Improvements provided for in this Contract:

- (A) It will not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, national origin, place of birth, sex, age, handicap or disability or the use of guide or support animals, marital status, familial status or sexual preference/orientation. The DEVELOPER will take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, ancestry, national origin, place of birth, sex, age, handicap or disability or the use of guide or support animals, marital status, familial status or sexual preference/orientation. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The DEVELOPER agrees to post in conspicuous places available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

- (B) The DEVELOPER will, in all solicitations or advertisements for employees placed by or on behalf of the DEVELOPER, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, ancestry, national origin, place of birth, sex, age, handicap or disability or the use of guide or support animals, marital status, familial status or sexual preference/orientation.
- (C) The DEVELOPER shall comply with all local, state and federal requirements, including, but not limited, to, all reporting requirements.
- (D) The form of this Contract is subject to the approval of the City Council of the City of Harrisburg and its execution is contingent thereon.

SECTION 21. AFFIRMATIVE ACTION PLAN.

DEVELOPER shall use its best efforts to solicit minority, women, and disadvantaged owned businesses for any contracted services to perform the terms and requirements of this Contract.

SECTION 22. PROVISIONS INCORPORATED INTO DEED.

The provisions of this Contract are intended to and shall be a part of the Deed.

SECTION 23. LACK OF STRICT ENFORCEMENT: NO WAIVER.

Failure of the AUTHORITY to insist on strict performance by the DEVELOPER of the terms of this Contract shall not be construed as a waiver, release or relinquishment thereof.

SECTION 24. ADDRESSES.

All notices and documents required by this Contract shall be sufficiently delivered, if mailed by certified mail, postage prepaid, return receipt requested, or personally delivered, as follows:

- (1) To the AUTHORITY, addressed as follows:

Executive Director
Redevelopment Authority of the City of Harrisburg
10 North Second Street
P. O. Box 2157
Harrisburg, Pennsylvania 17105-2157

- (2) To the DEVELOPER, addressed as follows:

Winstead Rouse
Struever Rouse Homes of Capitol Heights, Limited Partnership
1040 Hull Street, Suite 200
Baltimore, Maryland 21230

- (3) To the CITY, addressed as follows:

Director
Dept. of Building and Housing Development
Dr. Martin Luther King, Jr. City Government Center, Suite 206
10 North Second Street
Harrisburg, Pennsylvania 17101

SECTION 25. ENTIRE CONTRACT.

Regarding PHASE IV this Contract contains the whole agreement between the Authority and the DEVELOPER and there are no other terms, obligations, warranties, covenants, representations, statements or conditions, oral or otherwise, of any kind whatsoever, and it may not be altered, amended or modified other than in writing executed by the parties hereto. The terms, covenants and conditions of this Contract shall extend to and be legally binding upon the parties hereto, their respective heirs, personal representative, executors, administrators, successors and assigns.

SECTION 26. EXHIBITS

All exhibits, lists, resolutions, and agreements referenced herein and made part hereof, which are not attached to this Contract, are on file in the offices of the AUTHORITY at 10 North Second Street, Harrisburg, Pennsylvania.

SECTION 27. COUNTERPARTS.

This Contract is executed in three (3) counterparts, each of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the AUTHORITY has caused this Contract to be duly executed in its name and on behalf of its Vice Chairman and its seal to be hereunto duly affixed and attested by its (Assistant) Secretary, and the DEVELOPER have signed and sealed the same on or as of the day and year first above written.

ATTEST:

SELLER:
REDEVELOPMENT AUTHORITY OF THE
CITY OF HARRISBURG

(Assistant)Secretary

BY _____
Theresa A. Martini, Chairperson

ATTEST:

DEVELOPER:
STRUEVER ROUSE HOMES OF CAPITOL
HEIGHTS LIMITED PARTNERSHIP

BY _____

Name: _____

Title: _____

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COMMONWEALTH OF PENNSYLVANIA:

:ss.

COUNTY OF DAUPHIN

:

On this the ____ day of _____, 2005, before me, a Notary Public in and for said County and Commonwealth, personally appeared Theresa A. Martini, Chairperson, the named in the foregoing Contract, and by virtue of and in pursuance of the authority therein conferred upon her, acknowledged the said Contract to be the act and deed of the said REDEVELOPMENT AUTHORITY OF THE City OF HARRISBURG.

Witness my hand and notarial seal the day and year aforesaid.

Notary Public

STATE OF MARYLAND

:

:ss.

COUNTY OF BALTIMORE

:

On this the ___ day of _____, 2005, before, a Notary Public in and for said County and State personally appeared _____ of Struever Rouse Homes of Capitol Heights Limited Partnership, a Maryland limited partnership, who, being duly sworn, acknowledged the foregoing instrument to be the voluntary act and deed of Struever Rouse Homes of Capitol Heights Limited Partnership, and that _____, as the _____ of Struever Rouse Homes of Capitol Heights Limited Partnership, being authorized to do so, executed the forgoing instrument for the purposes therein contained.

In witness whereof, I hereunto set my hand and notarial seal.

Notary Public

EXHIBIT C

Capitol Heights, Phase IV

ALL THOSE CERTAIN lots being situate in the City of Harrisburg, County of Dauphin and Commonwealth of Pennsylvania being set forth as follows, to wit:

BEING Lots 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 122A, 123, 124, 125, 126, 127, 128, 129, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 185A, 185B, 186, 187, 188, 189, 190, 191, and 192 of the Preliminary/Final Subdivision Plan for Capitol Heights, Phase IV, as prepared by Dawood Engineering and being recorded in Plan Book H, Volume 9, pages 23-45;