

RESOLUTION NO. 14

HARRISBURG REDEVELOPMENT AUTHORITY

WHEREAS, the Authority is the fee simple owner of two tracts of real estate, the first located along Walnut Street between North Third Street and North Fourth Street in the City of Harrisburg, Pennsylvania and extending to the bed of the former Strawberry Street ("Tract No. 1") and the other being known as 321-333 Market Street in the City of Harrisburg, Pennsylvania ("Tract No. 2"), as more fully described in Exhibit "A" attached to this Resolution and made a part hereof (Tract No. 1 and Tract No. 2 are collectively the "Property") upon which are located certain retail, common and public areas, plus certain parking and two office towers leased to the Commonwealth of Pennsylvania ("SO1" and "SO2") and an office tower now leased to Verizon (the "Verizon Tower"); and

WHEREAS, the Authority acquired title to the Property pursuant to a certain Deed and a Purchase and Sale Agreement, both dated December 30, 1998, acquiring the Property subject to certain leases to, and other rights and interests of Harristown Development Corporation ("HDC") and certain subleases by HDC to the Commonwealth of Pennsylvania, as more fully described in the aforesaid Purchase and Sale Agreement (the "Agreement"); and

WHEREAS, the rights of HDC in and to the Property include the "Retail/Commonalities Ground Lease", the term of which extends until July 15, 2033, and an option to own for One Dollar (\$1.00) the portion of Tract No. 1 of the Property that is covered by that Retail/Commonalities Ground Lease; and

WHEREAS, the ground leases to HDC for the SO1 and SO2 portions of the Property now have a term that ends March 1, 2016 (the "SO1 and SO2 Ground Leases"), pursuant to the original terms, but the subleases by HDC to the Commonwealth now extend to April 1, 2025, and in order to facilitate bond refinancings (including refinancing the Authority's 1998 Series B Bonds), to help keep SO1 and SO2 on the tax rolls and to allow HDC to continue functioning as the Landlord to the Commonwealth (instead of this Authority having to perform as such), it is in the best interests of the Authority for the SO1 and SO2 Ground Leases to match the term of the subleases to the Commonwealth; and

WHEREAS, to honor and implement the options granted to HDC (**Retail/Commonalities**) and to the Commonwealth (SO1 and SO2), and to deal with the Verizon Tower as a separate parcel of real estate, each of the two tracts need to be

subdivided or condominiumized, and with the common systems, etc. it is most appropriate to submit each tract to the condominium form of ownership; and

WHEREAS, HDC has offered to take certain steps to manage and secure the Verizon Tower upon the departure of Verizon, at no added cost to the Authority, if the Verizon Tower is empty because no tenant or buyer for same is arranged by March 1, 2016 (the date for the end of the "Verizon Tower Ground Lease" and of the sublease to Verizon) and to avoid added costs to the Authority it is in its best interests to accept such offer from HDC to manage and secure same;

NOW THEREFORE, BE IT RESOLVED, that the Authority shall cooperate with HDC, and as appropriate the Commonwealth, to accomplish the conversion of both tracts to the condominium form of ownership;

RESOLVED FURTHER, that the Authority shall extend the SO1 and SO2 Ground Leases to be co-terminus with the subleases of SO1 and SO2 by HDC to the Commonwealth (now ending April 1, 2025) and shall cooperate with HDC and the Commonwealth to refinance and retire the Authority's 1998 Series B Bonds (which are to be paid from the Commonwealth subleases between 2016 and 2025);

RESOLVED FURTHER, that the Authority shall retain HDC or its affiliate, HBG Realty, Inc., to manage, maintain insurance and secure the empty Verizon Tower starting March 1, 2016, at no additional cost to the Authority and in cooperation with the Authority to seek a buyer and/or tenant(s) for same (extending the Verizon Tower Ground Lease if appropriate to facilitate tenants); and

RESOLVED FURTHER, that the Authority and the officers thereof are authorized to negotiate, execute, deliver and perform under any and all agreements, documents and instruments, and to take such other actions, as may be necessary or appropriate to effectuate the foregoing Resolutions, including without limitation the Condominium Declaration, Bylaws, and an Agreement with HDC.

7-23-13
Date

Harold Dunbar
Signature

Exhibit "A"

ALL those certain tracts or parcels of land situate in the City of Harrisburg, County of Dauphin, Commonwealth of Pennsylvania, more particularly bounded and described as follows, to wit:

TRACT NO. 1.

BEGINNING at a brass pin at the Southeast corner of the intersection of North Third Street and Walnut Street; thence along the Easterly line of the North Third Street, S-41°-30'-34"-E, a distance of 209.64 feet to a point, the Northeast corner of the intersection of North Third Street and Strawberry Street; thence, along the Northerly line of Strawberry Street N-48°-32'-46"-E, a distance of 441.24 feet to a drill hole, the Northwest corner of the intersection of Strawberry Street and North Fourth Street, N-41°-28'-51"-W, a distance of 209.65 feet to a drill hole the Southwest corner of the intersection of North Fourth Street and Walnut Street; thence, along the Southerly line of Walnut Street S-48°-32'-42"-W, a distance of 441.34 feet to a brass pin at the Southeast corner of the intersection of North Third Street and Walnut Street, the Place of BEGINNING

CONTAINING an area of 92,514 square feet or 2.124 acres.

TRACT NO. 2.

BEGINNING at the Southeastern corner of Market and Dewberry Streets; thence, Eastwardly along the Southern line of Market Street including the properties known as 321 Market Street, 325 Market Street, 327 Market Street, 329 Market Street and 331-333 Market Street, 157' 6" to the Northeast corner of the property known as 335-337 Market Street; thence, along the division line between property known as 335-337 Market Street and property 331-333 Market Street in a Southwardly direction, 210' to Blackberry Street; thence, Westwardly along the Northern line of said street including the properties known as 324 and 328 Blackberry Street, 157' 6" to the Eastern line of Dewberry Street; thence, Northwardly along the Eastern line of Dewberry Street, 210' to the Place of BEGINNING.