

NEIGHBORHOOD DEVELOPMENT AGREEMENT
BETWEEN
CENTER CITY RESIDENTS' ASSOCIATION AND
CHANCELLOR HOTEL ASSOCIATES, LP

RE: 1602-1634 CHANCELLOR STREET PROJECT

THIS AGREEMENT ("Agreement"), entered into as of 11 Feb, 2015, between **CENTER CITY RESIDENTS' ASSOCIATION (CCRA)**, a Pennsylvania nonprofit corporation and **CHANCELLOR HOTEL ASSOCIATES, LP ("CHANCELLOR")**, it's successors and assigns, whose address is 1435 Walnut Street, Philadelphia, Pa. 19102.

WHEREAS, Chancellor is the equitable owner in real property located at 1602-1634 Chancellor Street, also having frontage on South 17th Street in Philadelphia, PA (the "Property");

WHEREAS, the Property is currently an operating parking garage with retail fronting 17th Street.

WHEREAS, Chancellor proposes to develop the property substantially in accordance with the schematic design prepared by DAS Architects dated November 18, 2014, and the related site plans (the Project).

WHEREAS, the Philadelphia City Council is considering Ordinance #140858, which Councilman Kenyatta Johnson introduced October 30, 2014, which proposes the remapping of the Philadelphia Zoning District maps for this Property to a zoning district of CMX-5 which allows the proposed Project as a matter of right and allows for an exception from the on-site, enclosed loading requirement as required in the Philadelphia Zoning Code.

WHEREAS, the site plan is entitled, "Site Plan", prepared by Bohler Engineering, dated November 25, 2014, and consisting of one (1) sheet.

WHEREAS, CCRA agreed not to oppose or object to the Ordinance #140858 in consideration of Chancellor entering into an agreement concerning the subjects covered in this Agreement.

NOW, THEREFORE, in consideration of the above premises and the mutual agreements of the parties hereto, and each intending to be legally bound, CCRA and Chancellor agree as follows:

1. The Approved Project.

- a. The Project will be developed in substantial accordance with the Schematic Design prepared by DAS Architects dated November 18, 2014 and the site plan entitled, "Site Plan", prepared by Bohler Engineering, dated November 25, 2014, and consisting of one (1) sheet. See Exhibit 1 attached hereto. A legal description of the property is attached hereto as Exhibit 2.
- b. Hotel use: The hotel use will be located on floors 1 through 13 with the 13th floor containing a food and beverage establishment for use by the public and hotel guests.

- c. Commercial/Retail Uses: The commercial and retail uses will be located on the 1st and 2nd Floors, along with a hotel lobby, trash and loading facility.
- d. Parking Garage: A parking garage having approximately 173 parking spaces will be located below ground and beneath the Project. Access to the garage will be from Chancellor Street.
- e. Lighting Plan: Chancellor agrees to improve street lighting along Chancellor and St. James Streets. Chancellor will share details of proposed exterior lighting for review and comment as the design is developed. CCRA acknowledges that Philadelphia Streets Department has jurisdiction over street/sidewalk lighting, but that Chancellor will work with the Department regarding the street lighting selection and installation to the extent possible. Chancellor will install no neon or blinking lights along Chancellor or 17th Streets. Chancellor will provide CCRA with a copy of all lighting plans approved by the Streets Department.
- f. Landscaping Plan: Chancellor agrees to improve landscaping along Chancellor and St. James Streets. Chancellor will share details of proposed landscaping for review and comment as the design is developed. CCRA acknowledges that Philadelphia Streets Department has jurisdiction over street/sidewalk furniture and lighting, and Philadelphia Parks and Recreation has jurisdiction over street/sidewalk trees, but that Chancellor will work with these Departments regarding such items to the extent possible. Chancellor will install no neon or blinking lights along Chancellor or 17th Streets. Chancellor will provide CCRA with a copy of all landscaping plans approved by the City.
- g. Ground level building facade treatment: Chancellor agrees to maintain a minimum of 50% of the street level façade as transparent glazing for all three street fronts that bound the Retail area footprint, as represented on the Schematic Design dated November 25, 2014.
- h. Chancellor agrees to meet with the CCRA Task Force intermittently as the project design develops, but not less than twice prior to submitting the project to obtain a Building Permit.

2. Project Revisions.

- a. Chancellor may from time to time revise its plans and will apply for Zoning/Use Registration Permits for such things as a building permits, building revisions, adjustments or improvements, as well for uses. The Agreement covers, and CCRA does not object to uses, or building revisions, and Permits that are permissible as a matter of right.
- b. For zoning plan revisions and Permits that require ZBA variance or other relief, Chancellor will timely notify CCRA of any such applications Chancellor has submitted, and CCRA will not object so long as there are no substantive changes.

- c. CCRA will not unreasonably withhold its support or non-objection to such applications for variance or other relief. However, failure or denial of CCRA to support or not object does not prevent Chancellor from pursuing such variance or other relief.
- d. Chancellor will provide CCRA with one copy of Permits, approvals, and approved zoning plans regarding building revisions upon request. Requests by CCRA for multiple copies will require that CCRA pay for all costs associated with reproducing same.

3. Construction and Related Activities.

a. Staging; street and sidewalk closings.

- i. Chancellor agrees to maintain 17th Street open to two lanes of traffic, so long as it can insure pedestrian and vehicular safety and as permitted by permits and the City of Philadelphia, during the full duration of construction except as may be limited by occasional loading activity.
- ii. Chancellor will stage construction within the footprint of the property, adjacent sidewalks and with the street limits to the extent possible and permissible by permits.
- iii. Chancellor expects to close the south side of Chancellor Street and east side of 17th Street sidewalks for most of the project construction work, as well as erect fencing and scaffolding at or above the sidewalk.
- iv. Chancellor expects to close Chancellor Street for the delivery of the crane and similar equipment.
- v. Chancellor expects to close the parking lane and south side travel lane on Chancellor Street for most of the project construction work.
- vi. Chancellor expects to close St. James Street at various times during demolition and construction.
- vii. Chancellor expects to close the north side of St. James Street sidewalk for most of the project construction work, as well as erect fencing and scaffolding at or above the sidewalk.

b. Construction times. To the extent possible, Chancellor will undertake construction activities during the following times, which Chancellor may discuss updating or revising with CCRA from time to time:

- i. Mondays through Fridays: 7:00AM to 5:30PM; staging from 6:30AM to 7:00AM; cleanup from 5:30PM to 6:00PM. During construction of the concrete superstructure, activities will require work to extend to 6:30 PM. Exterior wall panel erection may occur between 3:00 PM and 11:00 PM. The wall erection will be performed in accordance with Philadelphia noise ordinance regulation. Concrete finishing may require work to extend beyond 6:30 PM. Concrete deliveries may occur prior to 6:30 AM.

- ii. Saturdays: 7:00AM to 4:30PM; staging from 6:30AM to 7:00AM; cleanup from 4:30PM to 5:00PM. Concrete finishing may require work to extend beyond 6:30 PM. Concrete deliveries may occur prior to 6:30 AM.
- iii. Sundays: No exterior work, except in very limited circumstances (e.g., materials shipments) to allow work to proceed on Mondays, and with Chancellor providing CCRA with advanced notice of such work as soon as practical. Chancellor may conduct interior work in areas where the building has been enclosed such that no construction noise violates any noise ordinances which may be in effect at the time.
- iv. Pre-work staging: Staging and clean-up activities beyond the stated work hours as set forth above is permitted provided the activities do not create noise that violates any noise ordinances which may be in effect at the time.
- v. General night work:
 - 1. Chancellor will not allow jack-hammering type of activities within the Property boundaries after the above stated work times.
 - 2. Chancellor and CCRA acknowledge, however, that Chancellor has no control over construction and jack-hammering activities and schedules of governmental agencies (such as Philadelphia Water Department, Philadelphia Gas Works, PECO, Comcast, Verizon, etc.). But to the extent known and possible, Chancellor will notify CCRA once it is aware of such governmental work.
- c. Construction Schedules. Chancellor will regularly provide CCRA with construction schedules.
- d. Rodent control. Chancellor shall perform a rodent extermination program in the property before commencing demolition and shall take all reasonable steps, including the installation of rat traps, to control the spread of rodents and other vermin from the Property during the course of demolition, construction and thereafter.
- e. Erosion and Sediment Control. Chancellor will have an erosion and sediment control plan consistent with Philadelphia Water Department Standards.
- f. Communications.
 - i. Should CCRA or its designee desire to communicate with Chancellor during business hours concerning operation of the Property, CCRA may contact Chancellor. Chancellor will provide CCRA with the appropriate contact information.
 - ii. For emergencies and urgent matters after business hours, CCRA may call a contact that Chancellor will provide.
 - iii. In the event any of Chancellor's contact information provided above should change, Chancellor will timely notify CCRA of such changes.

- iv. In order to ensure clear communication between Chancellor and CCRA, CCRA will appoint one individual to serve as a contact for Chancellor to provide information on sidewalk/street closures and other relevant information. That CCRA contact person or its designee will have the responsibility to disseminate official Chancellor notices, information and correspondence to CCRA and the immediately affected neighbors. Chancellor will provide a contact person and phone number for CCRA or its designee to contact during the entire period of construction activity for notification and resolution of any problems which may arise. That person will be available from 7:00 am to 5:00 pm Monday through Friday (except National Holidays) for contact and problem resolution, and at any time for emergencies. CCRA and Chancellor will provide this information separately and update it if the contacts change.

4. Project Operations, Functions and Activities.

a. Uses.

- i. Chancellor anticipates having one or more retail/commercial/office spaces on the ground and second level floors.
- ii. Any uses requiring relief necessary to be granted by the ZBA will be presented to CCRA for its review.
- iii. Chancellor agrees to not allow the following types of uses even though a use may be permitted under the applicable Zoning Code as a matter of right at the Property, which include, but which are not limited to, the following:
 1. Public motion picture theatre;
 2. Public billiard hall or center;
 3. Bowling alley;
 4. Automobile repairs;
 5. Gasoline sales or dispensing;
 6. Dry cleaning plant or laundry plant (but not including dry cleaning or laundry drop-off and pick-up services);
 7. Check cashing; and
 8. Adult bookstore, adult cabaret, and any other adult uses classified as a regulated use under the Zoning Code.
- b. Off Street Loading. Chancellor will limit all loading to and from the Property to St. James Street. Loading areas that are designated for use by each of the building tenants will be provided within the footprint of the Property.
- c. Drop-Off and Taxi Que. Chancellor will negotiate with the Streets Department and/or Philadelphia Parking Authority to provide a no parking lane between the Hotel entry and

17th Street for use as hotel guest drop-off, taxi queuing, and shared loading with businesses located within 40' of the north-east corner of 17th and Chancellor Streets.

- d. **Noise.** Chancellor agrees to limit the uses and environment of the rooftop restaurant, bar, and conference spaces to meet the City of Philadelphia Noise Ordinance.
 - e. **Signage.**
 - i. Chancellor expects to install building identification-related signs, as well as authorize its tenants to seek approval for accessory signs. Chancellor or its tenants will contact CCRA regarding any signage that requires ZBA variance relief and/or Art Commission approval.
 - ii. Except for directional type signs and signs required by code or ordinance, Chancellor will allow no accessory or non-accessory signs along the property line façade of Chancellor Street.
 - f. **Parking Garage.** The parking garage is for public parking and for private parking for the Chancellor guests and commercial tenants. Chancellor will work with CCRA and the Lanesborough Condominium Association (Association) to secure up to 18 parking spaces in the new garage that will replace the existing garage at 1602-34 Chancellor Street, Philadelphia, Pa. Chancellor will convey the need for 18 monthly parking spaces to the ultimate owner, lessee, or parking manager of the garage and will diligently work with the Association to make arrangements that allow for parking on a monthly basis in the new garage at ongoing posted rates for the garage. However, Chancellor cannot guarantee such parking arrangements will be available or continue to be available over time.
 - g. **Bike racks.** In accordance with its plans, Chancellor expects to provide bike racks within the building for building occupants. Chancellor also is providing bike racks for public use along the sidewalks.
 - h. **Trash.**
 - i. As per Chancellor's plans, Chancellor is providing an interior trash storage area. Hence all trash storage will occur within the Property, and will be collected and hauled away by a commercial trash hauler pursuant to applicable City Code requirements.
 - ii. Chancellor will not place, allow, or store trash or trash containers outside the Property for collection. Chancellor will not store trash on any City street.
 - iii. Chancellor will not allow trash pick up to occur before 5:00 a.m. or after 9:00 p.m.
5. **Changes to Property, Project or Agreement.** From time to time, Chancellor may seek to modify, renovate, alter (and the like) the Property which may require alteration, modification or amendment to this Agreement. In that event, once Chancellor contacts or notifies CCRA of such an event, CCRA agrees to expeditiously (taking into account regular meeting schedules and

procedures) consider, but shall not be obligated to approve, any request by Chancellor to make changes to the Project that would require approval at a public hearing (such as the ZBA). However, CCRA will not unreasonably withhold any approval or decision on a request.

6. **Escrow and Enforcement of Breach of the Agreement.**

- a. Chancellor shall establish an escrow account (Escrow) with Prestige Abstract upon closing on the financing and receipt of building permit for the Project, in the amount of \$15,000, subject to a mutually acceptable escrow agreement.
- b. The purpose of the Escrow is to enable CCRA to enforce this Agreement should all reasonable efforts to resolve an alleged breach of this Agreement by Chancellor fail.
- c. Should CCRA believe or have actual knowledge that Chancellor has allegedly breached this Agreement in whole or in parts, then the President of CCRA or his/her designee shall notify Chancellor in writing of the alleged breach and set forth in sufficient detail the exact nature of Chancellor's alleged breach (Notice).
- d. Within ten (10) days of Chancellor receiving such Notice, Chancellor shall respond to the Notice in writing advising CCRA whether:
 - i. It disagrees that an alleged breach has occurred;
 - ii. It needs additional time and proposes a reasonable time to investigate or cure the alleged defect; or
 - iii. It intends to cure the alleged defect and by when.
- e. CCRA will respond in writing and, if applicable, reasonably agree upon a course of action to cure the alleged defect.
- f. In the event that Chancellor has not complied with the Agreement, upon exhausting the notice and cure provisions above, CCRA may draw upon the Escrow for use by CCRA to pay for incurred reasonable legal fees and expenses necessary to enforce this Agreement.
- g. CCRA claims against the Escrow shall only be done by delivering to the Escrow agent a certification signed by the CCRA President or his/her designee that a default has occurred under the Agreement. CCRA shall have the right to make a claim for counsel fees and expenses without a prior court determination. Reimbursement by CCRA to Chancellor of the portion of the Escrow CCRA withdrew from the Escrow account shall occur only if a court of competent jurisdiction determines that CCRA's actions were wrong.
- h. Chancellor shall maintain the Escrow for a period equal to the earlier of (i) the second anniversary of Chancellor's receipt of a Certificate of Occupancy from the City of Philadelphia, or (ii) five (5) years after the date of the execution of this Agreement.

7. **Successors and Assigns.** Chancellor acknowledges that CCRA's assent to this Agreement and, more specifically, its non-opposition to the remapping of the Philadelphia Zoning District maps for this Property to a zoning district of CMX-5 and an exception from the on-

site, enclosed loading requirement as required in the Philadelphia Zoning Code, is predicated on the construction of the Project, and that CCRA would not necessarily have given its assent and non-opposition to any other development on this Property. Accordingly, for the avoidance of doubt, Chancellor agrees that this Agreement shall be binding on any successors and assigns to whom the Property may be sold or conveyed and, toward that end, Chancellor agrees to provide a copy of this Agreement to any prospective successor or assign, and require that any successor or assign agree to be bound by this Agreement as a condition of any sale or conveyance.

8. **Enforcement.** In addition to CCRA's recourse pursuant to paragraph 6, CCRA may pursue other remedies at law and in equity available against Chancellor, its successors and assigns, for enforcement of this Agreement and the right to seek reimbursement for associated incurred attorney's fees and costs.
9. **Recording.** At its expense, Chancellor shall record this Agreement with the City of Philadelphia within 30 days of the date of the execution of this Agreement, and provide CCRA with a recorded copy.
10. **Notices:** All notices required under this Agreement shall be given by certified or registered mail, or by hand delivery, all with return receipt requested. Notices shall be provided to:
 - a. President of CCRA
 - b. Co-Chairperson of the CCRA Zoning Committee
 - c. Chancellor
11. **Authority.** The individuals executing this Agreement represent and warrant that they are each authorized to bind the respective parties.
12. **Applicable Law, Choice of Forum.** This Agreement shall be interpreted under the laws of the Commonwealth of Pennsylvania without regard to choice of law provisions.
13. **Counterparts.** This Agreement may be executed in counterparts.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have executed this Agreement as of this day and year first above written.

CENTER CITY RESIDENTS' ASSOCIATION,
a Pennsylvania nonprofit corporation.

By: _____

Name: Jeffrey Bruff

President

1600 Market Street, Suite 2500

Philadelphia, PA 19103

CHANCELLOR HOTEL ASSOCIATES, LP

By: 

Name: Stephen W. Pouppirt
Member
1635 Walnut Street
Philadelphia, Pa. 19102

COMMONWEALTH OF PENNSYLVANIA)

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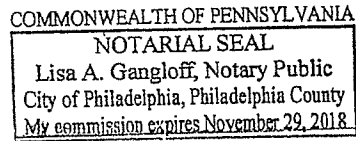
COUNTY OF PHILADELPHIA)

On this 23rd day of February, 2015, before me, the subscriber, a notary public in and for Philadelphia County, Pennsylvania appeared Jeffrey Braff who acknowledged himself to be the President, of CENTER CITY RESIDENTS ASSOCIATION, a Pennsylvania nonprofit corporation, and that they, as such President being authorized to do so, executed and attested the foregoing instrument for the purposes contained by signing the name of the corporation by themselves as President of such corporation.

My commission expires:

11/29/2018


Notary Public



COMMONWEALTH OF PENNSYLVANIA)

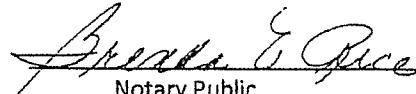
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COUNTY OF PHILADELPHIA)

On this 16th day of February, 2015, before me, the subscriber, a notary public in and for Philadelphia County, Pennsylvania appeared Stephen W. Pouppirt who acknowledged himself to be a Member of CHANCELLOR HOTEL ASSOCIATES, LP and that he, being authorized to do so, executed and attested the foregoing instrument for the purposes contained by signing the name of the LP.

My commission expires:

August 30, 2015


Notary Public

COMMONWEALTH OF PENNSYLVANIA

