

COMMUNITY BENEFITS AGREEMENT

THIS COMMUNITY BENEFITS AGREEMENT is entered into this __ day of March, 2021 by and between 2300 Market Block Holdings LP, a Delaware limited liability company, ("ENTITY") and the Center City Residents Association ("CCRA"), a Pennsylvania non-profit corporation;

WHEREAS Entity owns the properties at 2300-2012 Market Street, 2314 Market Street and has entered into an agreement to control 2324 Market Street for the purpose of a development project in Philadelphia; and

WHEREAS Entity proposes to combine the parcels set forth above into a single unit and develop them jointly (the "Project"); and

WHEREAS Entity has hired Tantillo Architecture ("Tantillo") to act as the Project Architect; and

WHEREAS Entity has shown representatives of CCRA its design for the Project and has asked for CCRA's support for the Project; and

WHEREAS in consideration of the proposed Project and Entity entering into this Agreement with CCRA;

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

1. Plans and Specifications. Entity agrees to construct the Project substantially in accordance with the plans attached as Exhibit "A" (the "Plans"), subject to any design modifications which may be made by the Project Architect and/or in connection with obtaining any approvals or permits from all relevant agencies of the City of Philadelphia or by the entities financing the Project, provided that such changes do not materially alter the height, mass or appearance of the Project. Notwithstanding the foregoing, Entity may alter the exterior materials and finishes, as it refines the final Project design, provided that it maintains the general quality and character of the exterior appearance.
2. Support and Non-Opposition for Approvals and Permits. CCRA agrees that, in consideration of Entity's execution of this Agreement and compliance therewith and with the Plans, CCRA shall not oppose, contest or appeal any permit or approvals required by Entity with respect to the Project, including but not limited to zoning, street, building, historic or utility permits and approvals (collectively, "Project Approvals"), so long as the same are substantially consistent with the Plans. In the event of any appeal of any such Project Approvals by CCRA, Entity shall have the right to unilaterally terminate this Agreement as provided in Section 11 below. Nothing in this Agreement shall prohibit CCRA from supporting reasonable comments to the Plans based on issues raised for the first time at the Civic Design Review public meeting for the Project.

3. Construction Activity.

a) Entity shall provide CCRA with a proposed construction schedule for the Project prior to commencement of construction work on the Project. Once construction work begins, to the extent any material schedule changes thereto are made, Entity shall provide CCRA with an updated construction schedule. All schedules shall be subject to the approval of the City and subject to compliance with the requirements of the City.

b) Entity shall use commercially reasonable efforts to cause its construction contractors, subcontractors, material suppliers and agents to conduct construction activities and deliveries at the Property in such a manner as to limit, to the extent reasonably possible, the raising and spreading of debris and dust, which may migrate from the Property to the immediate neighbor properties, and/or the creation (without prompt removal thereof) of waste and dirt piles, except in connection with site excavation and foundation construction activities; provided, that such activities are conducted in accordance with applicable laws and codes.

c) Regular construction activity will be performed Mondays through Fridays from 7:00 a.m. until no later than 8:00 p.m., and from 8:00 a.m. until 8:00 p.m. on Saturdays. If Entity and/or its construction contractors or subcontractors find it necessary to work outside of the hours set forth above, Entity shall use reasonable efforts to give CCRA reasonable advance notice that such work at such times is necessary, and the reasons therefor. CCRA acknowledges that Entity cannot control the hours for work activity by City agencies and utilities in the area around the Property, but requests that Entity provide advance notice to CCRA of such work when possible.

d) Entity shall use commercially reasonable efforts to cause its construction contractors to restrict vehicles, cranes or other equipment from idling before or after the hours when construction is allowed.

e) Entity shall use commercially reasonable efforts to direct its construction contractors to cause temporary lighting to be used during construction to the maximum extent practical, to not shine on or into windows of neighbor properties directly.

f) To the extent reasonably possible, Entity, its construction contractors and subcontractors shall require that all construction materials and equipment shall be staged within the Property.

g) Entity shall use its commercially reasonable efforts throughout the duration of the Project to avoid interference or obstruction of the utilities of and to neighboring residents, including (without limitation) the electrical, natural gas, cable, telephone and water supply. In the event of any such interference or obstruction caused by Entity, Entity shall make repair of such interference or obstruction its highest priority and shall repair the same on an emergency basis. Notwithstanding the foregoing, to the extent any interference or obstruction to neighboring residents or their tenants is caused by the utilities, Entity shall not be held responsible therefore.

4. **Parking and Loading.** Entity covenants and agrees as follows:
- a. The primary residential entry to the Project shall be located on Market Street, and the Project shall include enclosed, off-street loading which will be accessible from Ludlow Street, in each case, substantially as shown on the Plans. Deliveries for both the commercial and residential tenants of the Property and for trash removal for all occupants of the Project shall be to and from Ludlow Street, as and where shown on the Plans.
 - b. Entity will implement and communicate policies to restrict its tenants from using trucks over 32 feet in length except in the case of emergencies (including required deliveries for commercial tenants of Entity due to unusual circumstances) which make this limit impracticable and then only to the extent of such emergency.
 - c. The off-street loading entrance will be buffered and lit to the extent commercially reasonable to keep pedestrians and other vehicles safely away from them.
 - d. To avoid congestion and back-up, Entity will take commercially reasonable steps to schedule deliveries and move-ins and move-outs to restrict simultaneous use of the off- street loading area by more than two vehicles
 - e. Entity will implement and communicate policies to require that all deliveries shall be taken inside promptly by its tenants and not staged on the sidewalk or street.
 - f. Entity will implement and communicate policies to restrict its tenants' use of the off-street loading area to the hours of 7AM to 8 PM daily and on weekends, in each instance, with the exception of emergencies (including required deliveries for commercial tenants of Entity due to unusual circumstances) which make these limits impracticable and then only to the extent of such emergency.
5. **Trash Storage.** Entity will require all trash generated by its tenants to be stored within the Property in the trash facility to be constructed as part of the Project as shown on the Plans.
6. **Restaurant/Commercial.** Entity intends to establish and lease multiple retail spaces on the ground floor along Market Street, as shown on the Plans. If the retail space is leased to one or more restaurants serving alcoholic beverages either at the tables or at a bar within the facility, and the restaurant elects to hold a liquor license, CCRA agrees to cooperate with Entity in connection with the transfer of one or more liquor licenses to the Property, including reaching agreement on a customary Conditional Licensing Agreement. CCRA's consideration, as an RCO, of any referral to the Philadelphia Zoning Board of Adjustment and/or application for a zoning variance relating to the planned ground floor restaurant(s)

(or alternatively, ground level retail or other commercial use) shall be exempt from the requirements of Section 2 of this Agreement. For the avoidance of doubt, CCRA shall have the right under this Agreement to oppose or not oppose any such future application. CCRA acknowledges, however, that with regard to referrals relating sit-down and take-out restaurants, CCRA frequently does not oppose the applications provided that the tenant or occupant agrees to certain standard restrictions concerning, *inter alia*, trash storage, trash pick-up, delivery times, live music, and noise mitigation.

7. Green Elements. Entity will use commercially reasonable efforts to incorporate landscaping and other such "green" items in the Project, including replacing at least all existing trees which may be removed on Market or 23rd Streets during construction of the Project. CCRA acknowledges that a number of considerations, including mechanical system feasibility, storm water management and system design will impact Entity's ability to install "green" items within the Project. Nothing contained herein shall obligate Entity to install a green roof.
8. Trash Removal. Trash and waste may be removed commercially, on a daily basis and at times as required or permitted by applicable codes. Entity will direct its waste hauling provider to pick up trash only during these times. Trash and waste will not be put out for pick-up and shall be picked-up from inside. Entity will also maintain commercially reasonable security in the areas of the loading docks and trash activities.
9. Exterior Maintenance. Entity will maintain the exterior of the Project in a commercially reasonable manner in keeping with the character of the surrounding neighborhood. Entity will act promptly to address any acts of vandalism or graffiti occurring on or around the Property.
10. Successors and Assigns. The terms and conditions set forth herein are covenants intended by the parties hereto to apply to and bind Entity, CCRA and their respective successors and assigns (including any condominium and/or co-operative association and members thereof, in the event that the Project is ever converted into condominium or co-operative type ownership) and any managers or operators of the Project and the Property. Entity agrees to provide a copy of this Agreement to any prospective successor or assignee and require that any successor or assign agree to be bound by this Agreement as a condition of any sale or conveyance.
11. Termination of this Agreement. This Agreement shall automatically terminate and be of no further force and effect if CCRA, which has in writing waived the right to do so by signing this Agreement, appeals or otherwise opposes the granting of any Project Approvals (unless such appeal or opposition is pursuant to Section 6 of this Agreement).
12. Diverse Enterprise and Workforce Opportunities. Entity is committed to certain diverse enterprise and workforce goals for construction of the Project, which are designed both to facilitate a diverse business enterprise pool as well as a workforce that is both diverse and reflective of the City of Philadelphia. These goals are as follows:

- (i) Sub-Contractors and Suppliers: The Project will have diverse business utilization goals of 20-25% Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) utilization (combined), and a showing of best good faith efforts for Disadvantaged Business Enterprise (DSBE) utilization.
- (ii) Workforce: The Project will have journey person utilization goals as follows: 15-20% of trade hours to be utilized with African American journeypersons, Hispanic journeypersons, and women tradespersons (combined). The Project will also have a goal that 30% of trade hours be utilized by local residents (Philadelphia county). The Project will have the following apprenticeship utilization goals: 50% of apprentice hours to be utilized by minorities and women (combined).

Entity agrees that it will provide CCRA with summary reports, not less than every 6 months during the construction of the Project, describing its efforts toward meeting such goals, and shall meet with CCRA's representatives at their request to review such reports and discuss strategies to improve progress therewith if the goals are not on track to be achieved.

- 13. Alternative Dispute Resolution. All parties hereto shall attempt to mediate disputes arising under this Agreement in good faith before seeking judicial remedies for any breach hereunder. A party shall notify the other parties of any such dispute in writing and shall receive a response from the party or parties claimed to be in breach within 5 business days following receipt of such notice substantively responding to the dispute notice and proposing a time and place for meeting within the five business days following the date of the response if such response does not fully resolve the dispute.
- 14. Entire Agreement. This Agreement and the Easement Agreement constitute the complete and entire understanding and agreement among the parties with respect to the subject matter, and it supersedes any negotiations, representations, prior discussions, and/or preliminary agreements among the parties. This Agreement may not be modified except by a written instrument signed by the parties against whom enforcement of such modification is sought.
- 15. Pennsylvania Law. This Agreement shall be interpreted under the laws of the Commonwealth of Pennsylvania without reference to its conflicts of laws principles that would make the laws of any other jurisdiction applicable to this Agreement.
- 16. Recording. Owner and/or Developer will record notice of this Agreement with the Philadelphia Department of Records.
- 17. Notices. All notices required under the terms of this Agreement shall be sent via overnight courier with proof of delivery, and simultaneously sent via email (and shall be deemed to be received on the date such notice is sent), addressed as follows:

If to Entity:

2300 Market
Block Holdings, LP
2400 Market Street,
Suite 301
Philadelphia, PA 19103
Attn: Tony Bates
Email: tony@batesmill.co

With a required copy to:
Saul Ewing Arnstein & Lehr LLP
1500 Market Street
Suite 3800
Philadelphia, PA 19102
Attn: Tony Forte, Esq.
Email: tony.forte@saul.com

If to CCRA:
CCRA
1901 Market Street
Philadelphia, PA 1910
Attn: President
Email:
centercity@centercityresidents.org

With a required copy to
Stevens & Lee, P.C.
1500 Market Street
Suite 1800
Philadelphia, PA 19102
Attn: Wade Albert, Esq.
Email: wda@stevenslee.com

18. **Headings.** The headings and captions in this Agreement are for convenience of reference only and in no way define or limit the scope or intend of this Agreement or any provision thereof.
19. **Lender Modifications.** If, in connection with obtaining financing for the Project, Entity's lender for the Project shall request reasonable, immaterial modifications to this Agreement, the parties will cooperate in acknowledging and documenting such modifications.
20. **Authority.** The individuals executing this Agreement represent and warrant that they are each authorized to bind the respective parties.
21. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to an original and all of which together shall comprise but a single document.

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



For 2300 Market Block Holdings LP

By: Robert J. Gorovitz
Print name



For the Center City Residents' Association

By: Maggie Mund
Print name

3/31/20

Date

Vice President, L-A 2300
Title Market Block GP, LLC,
Its General Partner

4/1/21

Date

President

Title

EXHIBIT "A"

PLANS