

COMMUNITY DEVELOPMENT AND BENEFITS AGREEMENT

THIS COMMUNITY DEVELOPMENT AND BENEFITS AGREEMENT (hereinafter, "the Agreement") is entered into this 24th day of October, 2019, by and between **PARKWAY CORPORATION** (hereinafter "the Owner") and the **CENTER CITY RESIDENTS' ASSOCIATION** (hereinafter "CCRA").

WHEREAS, the Owner owns certain adjacent real property in the City of Philadelphia, Pennsylvania, currently known as 2216 Market Street, 2218-20 Market Street, 2222-24 Market Street, 2226 Market Street, 2228 Market Street, 2230-34 Market Street, and 15-17 S. 23rd Street (hereinafter collectively, "the Property");

WHEREAS, the Owner desires and intends to construct on the Property, *inter alia*, a 300,000+ square foot commercial office tower, with parking below grade, an at-grade restaurant, and an on-site drop off for passenger vehicles at the corner of 23rd and Market Streets (hereinafter, "the Project");

WHEREAS, CCRA is the registered community organization (hereinafter, "RCO") under the Philadelphia Zone Code authorized to represent the interests of the residents who live in the territory encompassing the south side of John F. Kennedy Boulevard to the north side of South Street, and from west side of Broad Street to the Schuylkill River; and which such territory includes the Property and the cite of the Proposed Property; and

WHEREAS, the Owner has, to date, made considerable efforts to engage CCRA and near neighbors regarding its plans to develop the Property to construct the Project;

NOW THEREFORE, in consideration of the mutual promises and obligations contained herein, the adequacy and sufficiency of which are hereby expressly acknowledged by the parties hereto, and intending to be legally bound, the parties hereby enter into this Agreement and agree to the following terms:

1. **Design Plans and Specifications**. The Owner will agree to construct the Project substantially in accordance with the plans attached to this Agreement as Exhibit "A" (hereinafter "the Current Plans") with respect to massing, design, and materials visible on the proposed building's exterior, subject to any and all necessary modifications that may be required or requested in connection with obtaining any zoning ordinance(s), approval(s), and/or permit(s) from the City of Philadelphia and/or any other governmental agency (hereinafter, "Necessary Modifications"). Notwithstanding the foregoing, and subject to all such Necessary Modifications, the final plans for the Project shall have at least the following parameters:

- (a) The Project will include a ground level restaurant (or alternatively, ground level retail/commercial) on the side of the building that fronts Market Street.
- (b) The Project will not include above-grade parking. For avoidance of doubt, it is expected that the new building may be constructed overhead in the area of 2205-2209 Ludlow St, leaving the surface in that area (approximately

912 square feet) generally undisturbed, and in such case that surface area may be used for parking.

- (c) The Project will include at least one (1) level of below grade parking, with the entrance to and exit from such parking to be located on the 2200 block of Ludlow Street.
- (d) The Project will have enclosed, off-street loading and trash storage to be accessed from the 2200 block of Ludlow Street, in each case as substantially shown on Exhibit "A".
- (e) There will be no vehicle entrance, loading, or unloading on Market Street.

2. **Modification of Design Plans and Specifications.** The parties acknowledge and understand that the Current Plans are not final, and further acknowledge and understand that the Current Plans will be modified as planning for the Project progresses. Prior to the submission of any request for zoning approvals with the Philadelphia Department of Licenses and Inspections (hereinafter, "**L&I**"), the Owner agrees to submit updated plans for the Project (hereinafter, "**Updated Plans**") to CCRA; and CCRA shall then determine, within ten (10) days following receipt thereof, whether the Updated Plans are substantially consistent in all relevant respects with the parameters outlined in Paragraph 1 of this Agreement. Updated Plans that are reasonably determined by CCRA not to be substantially consistent shall be modified by the Owner to the satisfaction of both the Owner and CCRA prior to the Owner submitting the Updated Plans for zoning approval(s), provided that CCRA shall have a maximum of five (5) days to comment on any additional revisions made to the Updated Plans pursuant this Paragraph.

3. **Additional Promises and Community Benefits.** In a further effort to be a good neighbor and encourage the beneficial development the area near the Property, the Owner further agrees to the following:

- (a) **Ludlow Street.** The Owner agrees to make reasonable efforts to work with the residents of the neighboring 23:A Condominium to obtain approval from the City of Philadelphia to reverse the flow of traffic on the 2200 block of Ludlow Street to one way eastbound.
- (b) **Sustainable Design.** The Project will be designed to a minimum of LEED silver. The LEED strategies will include daylighting strategies and lighting controls to minimize the use of artificial light, particularly during non-office hours. The Project shall include six weather protected bicycle parking spaces that can be reached and used by the general public, located under cover of the new building above. The bicycle facilities shall not be located within 50 feet of the 23:A Condominium entrance.
- (c) **Office Lighting.** The office lighting will be designed with controls that turn off the lighting (other than required emergency lighting) when occupants are not present in the spaces.



- (d) **Streetscape Improvements.** The sidewalk improvements will include granite curbs, cast concrete or stone sidewalk pavers, street lighting, and street trees.
- (e) **Stormwater Management.** The Project will meet the Philadelphia Water Department (PWD) stormwater requirements. The new building will occupy all or substantially all of the Property. The Property is located in the Schuylkill River Watershed, Management District A, in a combined sewer area. To address the PWD Water Quality requirements in combined sewer area, the Project will utilize roof runoff isolation as the pollutant reducing practice by piping the entire roof area directly into a detention tank in the garage parking level. The water quality storm event (1.5" runoff depth) will be slow released out of the tank and into the existing street sewer at a maximum release rate of 0.05 cfs/acre of impervious area. To address the PWD Flood Control requirements for Management District A, the detention tank will be designed with an overflow structure to reduce peak rates of runoff from the 2-yr post-development runoff rate to be at or below the 1-yr pre-development runoff rate and the 5, 10, 25, 50, 100-yr post-development runoff rates to be at or below the respective 5, 10, 25, 50, 100-yr pre-development runoff rates. The street sidewalk and curb adjacent to the Property frontage will be replaced and will drain into the existing street inlets.
- (f) **Parking and Loading Security.** The Owner will make commercially reasonable efforts to ensure that the parking and off-street loading on the 2200 block of Ludlow Street will be buffered and lit to the extent feasible to keep pedestrians and other vehicles safely away from them.
- (g) **Exterior Maintenance.** The Owner will make commercially reasonable efforts to maintain the exterior of the Project as appropriate for a high-rise building. The Owner will act promptly to cure any acts of vandalism or graffiti occurring on or around the premises.
- (h) **Trash Storage.** The Owner agrees to cause all trash generated by occupants of the Project to be stored within the premises of the Property in a shared trash facility to be constructed as part of the Project.
- (i) **Deliveries and Trash Removal.** The Owner agrees that deliveries for tenants of the Project and for trash removal shall be exclusively through the off-street loading accessed from the 2200 block of Ludlow Street. Trash and waste may be removed commercially, on a daily basis and at times as required or permitted by applicable law. The Owner shall direct its waste hauling provider to pick up trash only during these times. Trash and waste shall not be put out for pick-up and shall be picked up from inside the Project. The Owner shall also maintain appropriate security in the areas of the loading docks and trash activities.

- (j) **Building Lighting; Signs.** The building exterior (including interior glazed spaces facing the outside) shall not have LED ornamental lighting. Flashing, color changing and other LED lighting shall be prohibited. Animated and electronic message signs shall be prohibited. Owner may from time to time propose accessory signs which make use of LED or other state of the art lighting. Except for building identification signs as permitted under 14-904(3) of the Philadelphia Code, all proposed illuminated signs will be submitted to CCRA for approval prior to Owner seeking approval from the City, such approval by CCRA not to be unreasonably withheld, conditioned or delayed as to signs which comply with this subsection 3(j).

4. **Support for Approvals.** As consideration for CCRA entering into this Agreement, CCRA agrees to the following:

- (a) CCRA shall affirmatively support the Owner's efforts to re-designate the zoning classification for the Property from CMX-4 to CMX-5. For the avoidance of doubt, such affirmative support shall include, but shall not be limited to, writing a letter of support of the proposed zoning re-classification to Philadelphia City Councilperson Kenyatta Johnson, or any such person who may succeed him as the District City Councilperson for the Property; and at the request of the Owner, sending a representative to appear and offer testimony at any hearing of Philadelphia City Council, or meeting of any board or agency of the City of Philadelphia, to indicate CCRA's support for the zoning re-classification.
- (b) Except as otherwise provided by this Agreement, CCRA shall not protest, oppose, contest, or appeal any application for a permit submitted by or on behalf of the Owner with respect to the Project, including but not limited to, any application relating to zoning, streets, building, historic, or utilities. Except as otherwise provided by this Agreement, at the request of the Owner, CCRA shall write to or send a representative to appear before any governmental board or agency to testify or otherwise indicate CCRA's support for any application for a permit submitted by or on behalf of the Owner in connection with the Project.

In the event of any appeal by CCRA of any permit or approval obtained by or on behalf of the Owner, the Owner shall have the right to unilaterally terminate this Agreement and all of its obligations hereunder.

5. **Subsequent Zoning Re-Classifications.** Notwithstanding CCRA's requirements under Article 4 of this Agreement, if three (3) years after any zoning ordinance re-classifying the zoning designation for the Property from CMX-4 to CMX-5 goes into effect and the Owner has failed or refused to apply for zoning approvals with L&I (or has failed or refused to commence demolition and construction on the Property), CCRA reserves the right to petition Philadelphia City Council to re-classify the zoning designation for the Property back to CMX-4.

6. **Construction Activity.**

(a) The Owner shall provide 23:A Condominiums and the John Fox Towers with a proposed construction schedule prior to the commencement of construction work for the Project. Once construction begins, to the extent any material schedule changes are made, the Owner shall provide those parties with an updated construction schedule. All schedules shall be subject to the approval of the City of Philadelphia and subject to compliance with the requirements of the City of Philadelphia.

(b) The Owner shall use commercially reasonable efforts to cause its contractors, subcontractors, material suppliers, and agents to conduct construction activities and construction-related deliveries at the Property in such 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 neighboring properties.

(c) The Owner shall use commercially reasonable efforts to direct its contractors, subcontractors, material suppliers, and agents to not shine lights directly on or into windows of neighboring properties.

(d) The Owner shall use its commercially reasonable efforts throughout the duration of the construction of the Project to avoid interference with or obstruction of the utilities of and to neighboring residents including, but not limited to, the electrical, natural gas, cable, telephone, water, and sewer supply. In the event of any such interference or obstruction caused by the Owner or any of its contractors, subcontractors, material suppliers, and/or agents, then the Owner shall make repair of the interference or obstruction its highest priority.

7. **Ground Floor Restaurant/Retail Variances.**

(a) CCRA's consideration, as an RCO, of any referral from the Philadelphia Zoning Board of Adjudgment and/or application for a zoning variance relating to the planned ground floor restaurant (or alternatively, ground level retail or other commercial use) shall be exempt from the requirements of Article 4 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. The Owner acknowledges and understands 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.

(b) If any ground floor restaurant operating within the Project desires to hold a liquor license, CCRA shall cooperate with the Owner in connection with the granting or transfer of one (1) or more liquor licenses to the Property. Such cooperation shall also include working in good faith with the Owner to enter into a standard conditional licensing agreement (hereinafter, "CLA") with the Pennsylvania Liquor Control Board. The Owner acknowledges and understands that with regard to CLAs, CCRA frequently asks liquor license applicants to agree to certain standard restrictions concerning, *inter alia*, live music, outdoor music, and noise mitigation.

8. **Signage Variances.** CCRA's consideration, as an RCO, of any application for a zoning variance relating to exterior signage on the Project shall be exempt from the requirements of Article 4 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.

9. **Notices.** All notices and other communications required herein shall be sent by email and U.S. first class mail (or in lieu of U.S. first class mail, by other recognized overnight delivery service) to the following addresses:

(1) **If to the Owner:**
Parkway Corporation
150 N. Broad Street
Philadelphia, PA 19102
Attn: Howard A. Trachtman,
Senior Vice President
Email: htrachtman@parkwaycorp.com

(2) **If to CCRA:**
Center City Residents' Association
1900 Market Street, 8th Fl.
Philadelphia, PA 19103
Attn: Travis Oliver
Operations Manager
Email: centercity@centercityresidents.org

with a copy to:
Cozen O'Connor
1650 Market Street
Suite 2800
Philadelphia, PA 19103
Attn: Tom Witt
Email: TWitt@cozen.com

with a copy to:
Wade D. Albert
1845 Walnut Street, 23rd Fl.
Philadelphia, PA 19103
Email: wade.d.albert@gmail.com

or in each case, at such other addresses as may, from time-to-time, be specified in writing, provided that no change shall be deemed to have been given until it is actually received by the other party.

10. **Lender and Partner Modifications.** In connection with the Owner obtaining any debt and/or equity financing for the Project, if the Owner's lender requests reasonable modification to this Agreement and/or a subordination, non-disturbance, and attornment agreement (hereinafter, "SNDA"), the parties will cooperate in acknowledging and documenting such modifications and/or in executing a SNDA. CCRA shall not terminate this Agreement in the event of a default hereunder by the Owner unless CCRA shall have first given the Owner's lender notice of and an opportunity to cure such default. Upon request by any lender or successor owner, CCRA shall provide a commercially reasonable estoppel certificate confirming whether the Owner is in compliance with the terms of this Agreement.

11. **Authority.** The individuals executing this Agreement represent and warrant that they are each authorized to bind their respective party.

12. **Successors and Assigns.** The terms and conditions set forth herein are covenants intended by the parties hereto to apply to and bind the Owner and CCRA, and each of their respective successors and assigns, as well as any managers or operators of the Project and the premises thereof. The Owner 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; and this Agreement shall be solely binding upon such successors and assigns, and any previous owner shall be released from any liability hereunder. As a condition to such release, the Owner agrees to provide CCRA with a copy of the Owner's written notice to such successor or assign, and such successor's or assign's acceptance thereof, regarding the requirements of this Paragraph.

13. **Voluntary Agreement.** The parties acknowledge and represent that each has had the opportunity to thoroughly discuss all aspects of this Agreement with an attorney, that each has carefully read and fully understood all of the provisions of this Agreement, and that each is voluntarily entering into this Agreement.

14. **Submission to Jurisdiction.** The parties hereby consent to the jurisdiction of any state or federal court in Philadelphia County, Pennsylvania, and irrevocably agree that all actions and proceedings relating to this Agreement may and shall promptly be litigated in such courts. Each party further waives any objection it may have to the conduct of any action or proceeding in any such court based on improper venue or *forum non conveniens*.

15. **Additional Terms.**

- (a) This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. This Agreement supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof. All other agreements, understandings, and negotiations, by the parties with respect to the subject matter hereof, as of the date hereof, are merged into this Agreement.
- (b) Intentionally omitted.
- (c) This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.
- (d) In the event that any court or governmental agency of competent jurisdiction finds that any provision of this Agreement, or part thereof, is illegal, invalid, or unenforceable in any respect, the court or governmental agency may limit, alter or reform such provision to render it valid and enforceable. In the event that any court or governmental agency of competent jurisdiction finds that any part of this Agreement is illegal, invalid, or unenforceable in any respect, and that limitation, alteration, or reformation of the provision is not possible, then the validity, legality, and enforceability of the remainder shall not be affected.
- (e) Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law.
- (f) The terms of this Agreement may be changed, waived, discharged, or terminated only by an agreement in writing signed by all parties.
- (g) No waiver by a party of any condition or of any breach of any term, covenant, representation or warranty contained herein shall be effective unless in writing, and no waiver in any one or more instances shall be deemed to be a further or continuing waiver of any such condition or breach in any other instances or a waiver of any other condition or breach of any other term, covenant, representation or warranty.
- (h) The recitals contained in this Agreement are incorporated herein as if set forth at length. The headings in this Agreement are for convenience of the parties and are not part of the substance thereof.
- (i) This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original and all of which, taken together, shall constitute one and the same Agreement.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the dates set forth below.



For Parkway Corporation

10/24/19

Date

By: Brian Bowen

Print name

SVP.

Title



For the Center City Residents' Association

10.23.19

Date

By: Margaret R Mund

Print name

President

Title