

INTRODUCED: December 11, 2017

AN ORDINANCE No. 2017-251

To declare that a public necessity exists and to authorize the Chief Administrative Officer or the designee thereof, for and on behalf of the City of Richmond, to acquire, at a tax delinquent judicial sale, the property located at 418 North 23rd Street and to authorize the conveyance of such property for \$2,556.00 to The Maggie Walker Community Land Trust for the purposes of eliminating blight and making such property available for redevelopment.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: JAN 22 2018 AT 6 P.M.

WHEREAS, pursuant to sections 58.1-3970 and 58.1-3970.1 of the Code of Virginia (1950), as amended, the City of Richmond is authorized to acquire tax delinquent properties sold pursuant to sections 58.1-3965 through 58.1-3974 of the Code of Virginia (1950), as amended, or pursuant to any other provision of law for the enforcement of tax liens; and

WHEREAS, the property located at 418 North 23rd Street, with Tax Parcel No. E000-0257/003, is eligible to be sold at a judicial sale for delinquent taxes; and

WHEREAS, the City desires to acquire the aforesaid property for the purposes of eliminating blight and making such property available for redevelopment; and

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: JAN 22 2018 REJECTED: _____ STRICKEN: _____

WHEREAS, any such acquisition is subject to the approval of the Circuit Court of the City of Richmond; and

WHEREAS, upon acquisition, the City desires to convey the aforesaid property to The Maggie Walker Community Land Trust by special warranty deed for the purposes of eliminating blight and making such property available for redevelopment; and

WHEREAS, the Chief Administrative Officer's authority to convey the aforesaid property to The Maggie Walker Community Land Trust is contingent upon the City's acquisition of the aforesaid property and is, therefore, null and void if the Circuit Court of the City Richmond should reject the City's offer to acquire;

NOW, THEREFORE,

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That pursuant to sections 58.1-3970 and 58.1-3970.1 of the Code of Virginia (1950), as amended, the Chief Administrative Officer, or the designee thereof, is hereby authorized to acquire, at a tax delinquent judicial sale, the property located at 418 North 23rd Street, with Tax Parcel No. E000-0257/003, for the purposes of eliminating blight and making such property available for redevelopment.

§ 2. That upon acquisition of said property and in accordance with section 8-68 of the Code of the City of Richmond (2015), as amended, the Chief Administrative Officer, or the designee thereof, is hereby authorized on behalf of the City of Richmond to convey the property located at 418 North 23rd Street, with Tax Parcel No. E000-0257/003, to The Maggie Walker Community Land Trust for \$2,556.00 for the purposes of eliminating blight and making such property available for redevelopment. Such sale shall be subject to and conditioned upon

appropriate requirements, limitations or conditions to encourage the redevelopment of the subject property and the elimination of blight.

§ 3. This ordinance shall be in force and effect upon adoption.



CITY OF RICHMOND
INTRACITY CORRESPONDENCE

O & R REQUEST

4-7203

NOV 2 2017

Office of the Chief Administrative Officer

O&R REQUEST

DATE: October 31, 2017

EDITION: 1

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

Handwritten initials and date: JB 12/6/17

THROUGH: Selena Cuffee-Glenn, Chief Administrative Officer

Handwritten initials: SC

THROUGH: Lenora Reid, Deputy Chief Administrative Officer for Finance and Administration

Handwritten initials: LR

THROUGH: John Wack, Director of Finance

Handwritten initials: JW

THROUGH: Peter L. Downey, DCAO for Planning and Economic Development

Handwritten initials and date: PLD 11-1-17

FROM: Nicholas Feucht, Special Assistant to the DCAO

Handwritten initials: NPF

SUBJECT: To declare that a public necessity exists and to authorize the Chief Administrative Officer to acquire, through the tax delinquent judicial sale process, the property located at 418 North 23rd Street and transfer, by special warranty deed, to the Maggie Walker Community Land Trust for the purposes of creating affordable home ownership opportunities, reducing blight and increasing neighborhood reinvestment.

ORD. OR RES. No. _____

PURPOSE: To declare that a public necessity exists and to authorize the Chief Administrative Officer or designee, for and on behalf of the City of Richmond, to acquire via the tax delinquent judicial sale process the property located at 418 North 23rd Street, and to authorize the conveyance of such property with a development agreement, through a special warranty deed, to Maggie Walker Community Land Trust for the purposes making such property available for rehabilitation and affordable home ownership.

REASON: The property is a blighted parcel that the city seeks to sell through a process established by the Commonwealth of Virginia for the disposition of tax delinquent property to a qualified non-profit for the purpose of affordable housing, as set forth in Section 58.1-3970.1 of the Code of Virginia. The property will be sold with a development agreement that requires a building

RECEIVED DEC 07 2017 OFFICE OF CITY ATTORNEY

permit application within six months and the completion of work within two years from the date of title transfer. Staff in the department of Economic and Community Development monitor progress and ensure that property is sold in accordance with the Code of Virginia.

RECOMMENDATION: Approval is recommended by the City Administration.

BACKGROUND: As part of the city's neighborhood revitalization and affordable housing efforts, the city sometimes acquires tax delinquent properties pursuant to Sections 58.1-3970 and 58.1-3970.1 of the Code of Virginia. The city endeavors to return the properties to productive use and add to the supply of the quality, affordable home ownership opportunities (and the tax base) by conveying properties to a qualified nonprofit organization to substantially renovate or construct a single-family dwelling on the parcel for sale to persons to reside in the dwelling whose income is at or below the area median income. Richmond's 2017 area median income for a family of four is \$78,700.

FISCAL IMPACT/COST: Legal fees and expenses incurred by the city to make this property available for transfer in the amount of \$2,556 will be paid by the receiving non-profit when the title is transferred. The low acquisition cost enables the non-profit entity to deliver a high quality, yet affordable home to a moderate income family.

FISCAL IMPLICATIONS: The return of the property to the tax base will create another source of real estate tax revenue, no longer require the city to expend resources boarding and securing the building and provide housing to citizens whose consumption will contribute to the local economy. The Center for Community Progress (CCP), a national non-profit focused solely on vacant, abandoned and deteriorated property, has participated in several studies estimating the loss in revenue to a municipality from abandoned buildings. CCP estimates the cost to a municipality from decreased assessments, additional service calls and forgone tax revenue at \$2,250 per property, per year.

BUDGET AMENDMENT NECESSARY: No

REVENUE TO CITY: \$2,556 for legal fees and expenses incurred by the city.

DESIRED EFFECTIVE DATE: Upon Adoption

REQUESTED INTRODUCTION DATE: December 11, 2017

CITY COUNCIL PUBLIC HEARING DATE: January 8, 2018

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Land Use, Housing and Transportation

AFFECTED AGENCIES: Economic and Community Development, Planning and Development Review, Law, Finance

STAFF: Nicholas Feucht, Special Assistant to the DCAO for Economic Development and Planning

ATTACHMENTS: Standard Development Agreement

**NON-PROFIT HOUSING REHABILITATION for AFFORDABLE HOME OWNERSHIP
DEVELOPMENT AGREEMENT**

THIS AGREEMENT, made this *(date)*, by and between the **CITY OF RICHMOND, VIRGINIA**, A Municipal Corporation of the Commonwealth of Virginia (hereinafter "CITY"), and _____ hereinafter "Purchaser").

WITNESSETH:

WHEREAS, the Richmond City Council has authorized the Chief Administrative Officer to convey the herein described property, also known as _____, Richmond, Virginia, (hereinafter the "Property") to _____, by way of Ordinance No. _____, adopted ____; and

WHEREAS, the CITY agrees to sell and Purchaser agrees purchase, the Property more particularly described in Schedule A attached hereto, on the condition that Purchaser complete redevelopment and rehabilitation of, or construction of improvements to, the Property in accordance with the provisions of this Agreement:

NOW THEREFORE, THIS AGREEMENT FURTHER WITNESSETH:

**ARTICLE I
CONVEYANCE OF PROPERTY**

Section 1.01. Conveyance of _____ Subject to all of the terms, covenants and conditions of this Agreement, the CITY will convey, at the cost of \$ 1,750 to Purchaser, the Property described in Schedule A and attached hereto.

Section 1.02. Acceptance of Improvements on the Current Property "As Is" - Condition of Property on Delivery. Purchaser agrees to accept the Property "as is."

Section 1.03. Prorated Items. Utilities, insurance, rent and other charges, if any, on the Property shall be prorated as of the Closing Date.

**ARTICLE II
CONVEYANCE OF PROPERTY - CLOSING DATE**

Section 2.01. Form of Deed. The CITY will convey to Purchaser title to the Property by Special Warranty Deed. The conveyance and title shall be subject to the covenants, restrictions, limitations and conditions contained in this Agreement, which are hereby imposed as covenants running with and binding on the land.

Section 2.02. Time and Place for Delivery of Deed - Closing Date. The CITY shall deliver the deed and possession of the Property to Purchaser on such date as mutually agreed upon (herein the "Closing Date").

Section 2.03. Recordation of Deed. The CITY shall promptly file the deed for recordation in the Richmond Circuit Court Clerk's Office. Purchaser shall pay all costs for recording the deed.

ARTICLE III OBLIGATION TO REHABILITATE AND REPAIR

Section 3.01. Purchaser Obligated to Rehabilitate and Construct Improvements. Purchaser shall: a) within six (6) months of the date of delivery of the aforesaid Special Warranty Deed by the CITY to the Purchaser, obtain all necessary federal, state and City permits, approvals, authorizations for the rehabilitation or construction of a single-family residential dwelling on the Property; and b) within 24 months from the date of delivery of the Special Warranty Deed by the CITY to the Purchaser, rehabilitate the existing single-family family dwelling or construct a new single-family residential dwelling on the Property in accordance with all applicable state, federal and local laws, rules and regulations.

Section 3.02. Option of Purchaser to Consolidate Parcels. If the Property contains no structures on the date of this agreement, the Purchaser may consolidate the Property with the adjacent parcel, in lieu of constructing a dwelling on the Property as required by Section 3.01 if: 1) the lot width is less than or equal to thirty (30) feet; or 2) if the Purchaser owns the adjacent parcel whose lot width is less than or equal to thirty (30) feet. If Purchaser elects to consolidate the Property pursuant to this paragraph, Purchaser shall, within six (6) months of the date of delivery of the aforesaid Special Warranty Deed by the CITY to the Purchaser, obtain any necessary federal, state and City permits, approvals or authorizations and record a deed of consolidation.

Section 3.03. Design Approval of New Construction Plans. Purchaser is obligated to submit all plans for demolition and new construction to the Director of Planning and Development Review for approval within six (6) months of the date of delivery of the aforesaid Special Warranty Deed by the CITY to the Purchaser. The purchaser shall not demolish or remove existing improvements without approval from the Director of Planning and Development Review. New construction of dwelling units must be compatible in exterior design with the prevailing design character of the block in which the Property is located, as determined by the Director of Community Development. The Director of Planning and Development Review will evaluate construction plans to determine if the exterior design-materials, massing, prominent features, height, elevations, roof form, fenestration, doors, and siting are compatible with the prevailing architecture on the block.

ARTICLE IV COMMENCEMENT AND COMPLETION OF CONSTRUCTION OF IMPROVEMENTS - NO PARTNERSHIP - HOLD HARMLESS

Section 4.01. Obligation of Purchaser to Complete Construction. Purchaser agrees to promptly begin and diligently complete the redevelopment or rehabilitation of the Property through the construction or rehabilitation of the Improvements thereon, and that the construction or rehabilitation shall in any event be completed within the period specified in Article III. It is

intended and agreed that these agreements and covenants shall be covenants running with the land, binding for the benefit of the CITY, and enforceable by the CITY against Purchaser and its successors and assigns.

Section 4.02. CITY not a Partner or a Joint Venturer - CITY to be Held Harmless. Nothing in this Agreement shall be construed as making the CITY a partner or joint venturer with Purchaser and Purchaser shall indemnify and hold the CITY harmless of and from any loss, claims, or damage, including reasonable counsel fees, arising from the construction of Improvements on the Property.

ARTICLE V CERTIFICATE OF COMPLETION

Section 5.01. Obligation of CITY to Furnish Certification. Promptly after completion of construction or rehabilitation of the Improvements on the Property, the CITY will furnish Purchaser with an appropriate instrument in recordable form so certifying. The certification by the CITY shall be (and it shall be so provided in the certification itself) a conclusive determination of satisfaction and termination of the covenants in the Agreement and the deed with respect to the obligations of Purchaser to construct or rehabilitate the Improvements and the dates for the beginning and completion thereof. Such determination shall be in the sole discretion of the CITY.

Section 5.02. Written Request on Failure to Provide Certification. If the CITY shall refuse or fail to provide the certification, the CITY shall, within thirty (30) days after written request by Purchaser, provide Purchaser with a written statement indicating in adequate detail how Purchaser has failed to complete the construction or rehabilitation of the Improvements in conformity with this Agreement, or is otherwise in default, and what measures or acts will be necessary, in the opinion of the CITY, for Purchaser to take or perform in order to obtain the certifications.

ARTICLE VI AFFIRMATIVE COVENANTS

Section 6.01. Affirmative Covenants. Purchaser and Purchaser's successors and assigns, and every successor in interest to the Property, or any part thereof, shall by reference to this Agreement in the deed be bound by the following covenants requiring Purchaser and Purchaser's successors and assigns to:

(a) Not discriminate upon the basis of race, color, religion, sex or national origin in the sale, lease or rental or in the use or occupancy of the Property or any improvements located or to be erected thereon, or any part thereof; and

(b) Comply with the regulations issued by the Secretary of Housing and Urban Development, 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 abatement of lead-based paint hazards.

(c) To surrender possession of, and any interest in, the Property upon any breach of this Agreement, including defaults on any financing secured by the Property, which the CITY, in its sole discretion, considers material.

(d) Keep the Property in good condition including, but not limited to, the mowing of grass,

unauthorized encumbrance or lien to attach, and such taxes or assessment shall not have been paid, or the encumbrance or lien removed or discharged or provision satisfactory to the CITY made for such payment, removal, or discharge, within sixty (60) days after written demand by the CITY so to do; (c) there is, in violation of this Agreement, any transfer of the Property or any part thereof, and such violation shall not be cured within sixty (60) days after written demand by the CITY to Purchaser; or (d) there is any other violation of any of Purchaser's other covenants or obligations expressed in this Agreement; then the CITY shall have the right to reenter and take possession of and to terminate (and revert in the CITY) the title to such Property conveyed to Purchaser, it being the intent of this provision, together with other provisions of this Agreement, that the conveyance of the Property to Purchaser shall be made upon, and that the deed shall contain, a condition subsequent to the effect that in the event of any default, failure, violation or other action or inaction by Purchaser specified in subdivisions (a), (b), (c), and (d) of this Section 12.02, failure on the part of Purchaser to remedy, end, or abrogate such default, failure, violation or other action or inaction, within the period and in the manner stated in such subdivisions, the CITY at its option may declare a termination in favor of the CITY of the title and of all the rights and interests in and to that portion of the Property conveyed by the deed to Purchaser that is affected by any of the foregoing events of default, and that such title and all Purchaser's rights and interests in such affected Property, shall revert to the CITY; Provided, that **any revesting of title as a result thereof in the CITY shall always be subject to and limited by, shall not defeat, render invalid or limit in any way (a) the lien of any mortgage authorized by this Agreement, and (b) any right or interest provided in the Agreement for the protection of the holder of such mortgage.**

Section 12.03. Other Rights and Remedies of CITY. The CITY shall have the right to institute such actions or proceedings as it may deem desirable for effectuating the purposes of this Article XII, including (i.) the right to execute and record or file in the Richmond Circuit Court Clerk's Office a written declaration of the termination of all the right, title and interest of Purchaser, and (subject to such mortgage liens and leasehold interests as provided in this Article XII hereof), their successors in interest and assigns, in the Property, and of the revesting of title thereto in the CITY or, (ii.) The right to execute and record a deed of conveyance to reconvey the Property from Purchaser to the CITY which deed shall be a general warranty deed containing English covenants of title. Purchaser hereby irrevocably appoints the City Attorney and Assistant City Attorney Gregory Lukanuski, either of whom may act, as Purchaser's attorney-in-fact to execute such a deed. This power shall be deemed a power coupled with an interest and shall not be revocable by the death, disability, or voluntary or involuntary actions of Purchaser.

Section 12.04. No Waiver by Delay. Any delay by the CITY in instituting or prosecuting any actions or proceedings or otherwise asserting its rights under this Article XII shall not operate as a waiver of such rights or to deprive it of or limit such rights in any way (it being the intent of this provision that the CITY should not be constrained, so as to avoid the risk of being deprived of or limited in the exercise of the remedy provided in this Article because of concepts of waiver, laches, or otherwise to exercise such remedy at a time when it may still hope otherwise to resolve the problems created by the default involved); nor shall any waiver in fact made by the CITY with respect to any specific default by Purchaser under this Article be considered or treated as a waiver of the rights of the CITY with respect to any other defaults by Purchaser under this Article or with respect to the particular default except to the extent specifically waived in writing.

ARTICLE XIII
RESALE OF REACQUIRED PROPERTY - DISPOSITION OF PROCEEDS

Section 13.01. CITY's Right to Resell Property. Upon the revesting in the CITY of title to the Property or any part thereof as provided in Article XII, the CITY may resell the Property (subject to such mortgage liens and leasehold interests as in Article XII set forth and provided) as soon and in such manner as the CITY shall find feasible and consistent with the objectives of applicable law and of the Agreement, to a qualified and responsible party or parties (as determined by the CITY) who will assume the obligation of making or completing the construction or rehabilitation of the Improvements or such other improvements in their stead as shall be satisfactory to the CITY and in accordance with the uses specified for such Property in this Agreement. Upon such resale of the Property, the proceeds thereof shall be applied: (a) First, to reimburse the CITY, on its own behalf or on behalf of the City, for all costs and expenses incurred by the CITY, including, but not limited to, legal fees, salaries of personnel in connection with the recapture, management and resale of the Property or part thereof (but less any income derived by the CITY from the Property or part thereof in connection with such management); all taxes, assessments, and water and sewer charges with respect to the Property or part thereof (or, in the event the Property is exempt from taxation or assessment or such charges during the period of ownership thereof by the CITY, an amount, if paid, equal to such taxes, assessments, or charges [as determined by the City assessing official] 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 existing on the Property or part thereof at the time of revesting of title thereto in the CITY or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of Purchaser or Purchaser's 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 CITY by Purchaser and (b) Second, to reimburse Purchaser, up to the amount equal to (1) the sum of any purchase price paid by the Purchaser for the Property (or allocable to the part thereof) and the cash actually invested by the Purchaser in performing any construction or rehabilitation of the Improvements on the Property or part thereof, less (2) any gains or income withdrawn or made by it from the Agreement or the Property. Any balance remaining after such reimbursements shall be retained by the CITY as its property.

ARTICLE XIV
PROVISIONS NOT MERGED WITH DEED

Section 14.01. Transfer of Title not to Affect Agreement. No provision of this Agreement is intended to or shall be merged by reason of any deed transferring title to the Property from the CITY to Purchaser or any successor in interest, and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement. All such provisions of this Agreement shall survive the execution and delivery of any such deed.

ARTICLE XV
MISCELLANEOUS

Section 15.01. Notice. Notices shall be deemed received by the party to whom it is given

on the date deposited into the U. S. Mail, certified mail, return receipt requested, to the following addresses:

If to the CITY: City Attorney
 Office of the City Attorney
 900 East Broad Street, Room 300
 Richmond, Virginia 23219

With a Copy to: Director of Economic and Community Development
 1500 East Main Street, Suite 400
 Richmond, Virginia 23219

If to the Purchaser:

Section 15.02. Successors and Assigns. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective successors and assigns. No assignment by Purchaser shall relieve her of her obligations under this Agreement.

Section 15.03. Amendments. The CITY and Purchaser shall have the right to amend from time to time any of the terms and conditions of this Agreement, provided that all amendments shall be in writing and shall be signed by or on behalf of the CITY and Purchaser.

Section 15.04. Applicable Law. This Agreement shall be governed by the applicable laws of Virginia and any dispute arising from this Agreement shall be resolved in a state court located in the City of Richmond, Virginia.

Section 15.05. Severability. If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or section shall not affect the remainder of this Agreement which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Agreement. If any agreement or obligation contained in this Agreement is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the CITY and Purchaser only to the extent permitted by law.

Section 15.06. Headings. The headings of the several articles and sections of this Agreement are inserted for convenience only and do not comprise a part of this Agreement.

Section 15.07. Non-Assignability. This Agreement shall not be assigned, in whole or in part, by Purchaser without the express written consent of the CITY.

Section 15.08. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

WITNESS the following signatures and seals:

CITY OF RICHMOND, a Municipal Corporation of the Commonwealth of Virginia

By _____ (SEAL)
Selena Cuffee-Glenn
Chief Administrative Officer

(PURCHASER)

By _____ (SEAL)

COMMONWEALTH OF VIRGINIA,
CITY OF RICHMOND, to wit:

The foregoing instrument was acknowledged before me this _____ day of _____ 2016, by the Chief Administrative Officer, on behalf of the City of Richmond, Virginia, a Municipal Corporation of the Commonwealth of Virginia.

My commission expires _____.

Notary Public

COMMONWEALTH OF VIRGINIA,
CITY OF RICHMOND, to wit:

The foregoing instrument was acknowledged before me this _____ day of _____ 2016, by _____.

My commission expires _____.

Notary Public

the removal of weeds and brush, the extermination of vermin and pests, and the removal of all garbage and trash.

**ARTICLE VII
COVENANTS - BINDING UPON SUCCESSORS IN INTEREST - PERIOD DURATION**

Section 7.01. Covenants to Run With Land. It is intended and agreed that the covenants provided in this Agreement 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 CITY, or any successor thereto, against Purchaser, 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.

**ARTICLE VIII
PROHIBITION AGAINST TRANSFER OF PROPERTY**

Section 8.01. No Transfer Prior to Completion of Improvements Without Prior Written Approval of the CITY. Purchaser has not made or created, and (except as permitted by Article IX) will not, prior to the fulfillment of the obligations described in Article III of this Agreement, make or suffer to be made any sale, assignment, conveyance, lease, or transfer in any other form, of 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 CITY.

**ARTICLE IX
LIMITATION UPON ENCUMBRANCE OF PROPERTY - ADVANCE NOTIFICATION**

Section 9.01. Limitation on Encumbrances. Prior to the fulfillment of the obligations of Article III of this Agreement, Purchaser shall not engage in any financing or other transaction creating any mortgage or other encumbrance or lien upon the Property, or any part thereof, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attached to the Property, or any part thereof, **except for the purposes of obtaining funds only to the extent necessary for making the Improvements and completing the rehabilitation.**

Section 9.02. CITY to be Notified in Advance of Secured Financing. Until the fulfillment of the obligations of Article III of this agreement, Purchaser shall notify the CITY in advance of any financing, secured by mortgage or other similar lien instrument, it proposes to enter into with respect to the Property, and of any encumbrance or lien that has been created on or attached to the Property or any part thereof, whether by voluntary act of Purchaser or otherwise.

**ARTICLE X
MORTGAGEES AND SUBSEQUENT TITLE HOLDERS
NOT OBLIGATED TO CONSTRUCT**

Section 10.01. Duty of Mortgage Holder to Complete Construction. The holder of any mortgage or deed of trust authorized by this Agreement (including any holder who obtains title to the Property or any part thereof as a result of foreclosure proceedings or an action in lieu thereof,

but not including (a) any other party who thereafter obtains title to the Property or any part thereof from or through such holder or (b) any purchaser at a foreclosure sale other than the holder of the mortgage or deed of trust itself) shall not be obligated by the provisions of this Agreement to construct or complete the rehabilitation work or to guarantee such construction 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 Agreement shall be deemed or construed to permit or authorize any such holder to devote the Property or any part thereof to any uses thereon other than those uses provided for or permitted under this Agreement

ARTICLE XI DELAY IN PERFORMANCE

Section 11.01. Need for Request to Extend Time due to Enforced Delay. Neither the CITY nor Purchaser shall be considered in breach of or default in its obligations with respect to the preparation of the Property for redevelopment or rehabilitation or the commencement and completion of construction or rehabilitation of the Improvements, in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, as determined solely by the CITY. The time for the performance of the obligations shall be extended for the period of the delay, as determined solely by the CITY, if the party seeking the extension shall request it in writing of the other party within ten (10) days after the beginning of the enforced delay.

ARTICLE XII REMEDIES

Section 12.01. In General. Except as otherwise provided in this Agreement, in the event of any default in or breach of the Agreement, or any of its terms or conditions, by either party hereto, such party shall, upon written notice from the other, proceed immediately to cure or remedy such default or breach, and, in such event, within sixty (60) days after receipt of such notice. In case such action is not taken or not diligently pursued, or the default or breach shall not be cured or remedied within a reasonable time, the aggrieved party may institute such proceedings as may be necessary or desirable in its option 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.

Section 12.02. Revesting Title in CITY Upon Happening of Event Subsequent to Conveyance to Purchaser. In the event that subsequent to conveyance of the Property or any part thereof to Purchaser and prior to fulfillment of the obligations of Article III by Purchaser: (a) Purchaser shall default in or violate the obligations imposed by this Agreement with respect to the construction or rehabilitation of the Improvements (including the nature and the dates for the completion thereof), or shall abandon or substantially suspend construction or rehabilitation work, and any such default, violation, abandonment or suspension shall not be cured, ended or remedied within sixty (60) days after written demand by the CITY so to do; or (b) Purchaser shall fail to pay real estate taxes, if any, or assessments on the Property or any part thereof when due, or shall place thereon any encumbrance or lien unauthorized under Article IX of this Agreement, or shall suffer any levy or attachment to be made, or any materialmen's or mechanics' lien, or any other