

INTRODUCED: September 9, 2019

AN ORDINANCE No. 2019-243

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 3108 Q Street and to authorize the conveyance of such property for \$50,600.00 to Hafiz Ibrahim 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: SEP 23 2019 AT 6 P.M.

WHEREAS, pursuant to sections 58.1-3965 through 58.1-3975 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 58.1-3975 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 3108 Q Street with Tax Parcel No. E000-0722/021, has been 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: SEP 23 2019 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 Hafiz Ibrahim 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 Hafiz Ibrahim is contingent upon the City's acquisition of the aforesaid property and is, therefore, null and void if the Circuit Court of the City of Richmond should reject the City's offer to acquire;

NOW, THEREFORE,

THE CITY OF RICHMOND HEREBY ORDAINS:

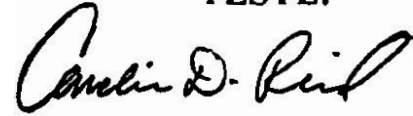
§ 1. That pursuant to sections 58.1-3965 through 58.1-3975 of the Code of Virginia (1950), as amended, the Chief Administrative Officer, or the designee thereof, is hereby authorized to acquire, at a tax delinquent judicial sale, the property located at 3108 Q Street, with Tax Parcel No. E000-0722/021, 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 3108 Q Street, with Tax Parcel No. E000-0722/021, to Hafiz Ibrahim for \$50,600.00 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.

A TRUE COPY:

TESTE:

A handwritten signature in black ink, appearing to read "Carolin D. Reif". The signature is written in a cursive style with a large initial 'C'.

City Clerk



CITY OF RICHMOND
INTRACITY CORRESPONDENCE

Received

4-9057
AUG 13 2019

Office of the
Chief Administrative Officer

O&R REQUEST

DATE: August 14, 2019

TO: The Honorable Members of City Council

EDITION: 1
RECEIVED

THROUGH: The Honorable Levar M. Stoney, Mayor

THROUGH: Selena Cuffee-Glenn, Chief Administrative Officer

SEP 03 2019
OFFICE OF THE CITY ATTORNEY

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

THROUGH: John B. Wack, Director for Finance

THROUGH: Sharon L. Ebert, Deputy Chief Administrative Officer for Planning & Economic Development

FROM: Mark A. Olinger, Director for Planning & Development Review

RE: To declare that a public necessity exists and to authorize the Chief Administrative Officer to acquire, through the tax delinquent judicial sale process, the properties identified in Exhibit A and transfer, by special warranty deed with a Development Agreement, to various purchasers for the purposes of 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 at tax delinquent judicial sale the properties identified in Exhibit A, and to authorize the conveyance of such property, through a special warranty deed with a Development Agreement, to various purchasers for the purposes making such property available for rehabilitation, reinvestment, and neighborhood revitalization.

REASON: The property is a tax delinquent parcel that the City seeks to sell through the tax sale process to new owners for the purpose of blight reduction and neighborhood revitalization as allowed by Sections 58.1-3970 and 58.1-3970.1 of the Code of Virginia. The properties will be transferred with a Development Agreement to ensure the completion of a permitted structure on the property within two (2) years from the date of title recordation.

RECOMMENDATION: The Administration recommends approval.

BACKGROUND: The City endeavors to sell vacant, tax delinquent real estate to ensure that it will be stabilized and productively used, thereby transforming what is often a city liability into an asset that contributes to the health and safety of a neighborhood and the city's real estate tax base.

The City's tax delinquent property auction is a public auction conducted on a regular basis by a third party (Motley's Asset Disposition Group). Weeks prior to the auction, information about the properties for sale, as well as rules and format of the auction, are provided and distributed by the auctioneer to potential buyers. Property is sold to the highest bidder, who signs a purchase agreement and provides the requisite deposit amount that day. In the weeks following the auction property title is transferred to the winning bidder after the auction results are confirmed by a Virginia District Court judge and the new owner pays the balance of the purchase price.

A tax delinquent property is eligible for the tax delinquent judicial sale after collection efforts have been exhausted by the City's Finance Department. The process follows the Commonwealth of Virginia's mandated procedures for locating and notifying all potential parties with a legal interest in the property, conducting title research, and posting public notice. A Virginia District Court judge reviews and confirms that the City's processing of each property is in accordance with state law.

In the months preceding tax auction, a team from Housing and Community Development (HCD) and Planning and Development Review (PDR) assess which tax sale properties are candidates for Development Agreements. Development Agreements help the City protect the property, any existing historic structures, surrounding and adjoining structures, and the surrounding area. Evaluation criteria include the location, condition, and economic and historical significance of the property, among other factors.

Tax delinquent properties sold at auction receiving a Development Agreement follow the same process as outlined above, with the addition of a Development Agreement signed by the new owner, the court appointed special commissioner (a Richmond City Attorney), Chief Administrative Officer, and passage of an ordinance by City Council. Staff from PDR monitors and coordinates compliance with the terms and timeline stated in the Development Agreement. Should an owner fail to begin or complete the work required on the property within the stated time period, the City can amend terms of the Development Agreement or reclaim title to the property and sell to a new owner.

FISCAL IMPACT / COST: The act of transferring this property to a new owner has zero cost.

FISCAL IMPLICATIONS: The return of this property to the tax base will create another source of real estate tax revenue and release City resources currently used to secure the parcel and structure.

BUDGET AMENDMENT NECESSARY: No.

REVENUE TO CITY: Revenue realized from the sale of a tax delinquent property is highly variable among properties. Revenue from auction is distributed in accordance with state law. Revenue received by the City is directed to as follows:

- All delinquent taxes, penalties, and interest go to the general fund
- The legal expense revenue recoveries go the City Attorney Delinquent Tax Sales special fund
- For the Economic Development properties outsourced to TACS, the net tax, penalties, and interest proceeds go to the Economic Development Delinquent Tax Sale special fund.

DESIRED EFFECTIVE DATE: Upon Adoption.

REQUESTED INTRODUCTION DATE: September 9, 2019

CITY COUNCIL PUBLIC HEARING DATE: September 23, 2019

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Land Use, Housing, and Transportation Committee, September 17, 2019

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES:

AFFECTED AGENCIES: City Attorney, Housing and Community Development, Finance, Planning and Development Review

RELATIONSHIP TO EXISTING ORD. OR RES.:

REQUIRED CHANGES TO WORK PROGRAM(S):

ATTACHMENTS: Exhibit A: Listing of Tax Sale Properties and New Owners
Exhibit B: Maps Identifying Location of Tax Sale Properties
Special Commissioner's Purchase Agreement of Sale
Schedule C: Standard Development Agreement

STAFF: Mark A. Olinger, Director for Planning & Development Review, 646-6305

Exhibit A:

Richmond Public Auction Tax Sale Properties With Development Agreement Date of Sale: May 22, 2019

Auction Property	Map Parcel ID No.	Contract Price	New Owner's Name	New Owner's Address	New Owner's City and State	New Owner's Zip Code
1723 North 21st St.	E0000938024	\$27,500	Chris Taylor Properties, LLC	19600 River Rd.	Chesterfield, VA	23838
620 North 21st St.	E0000252005	\$90,750	Nelson Benavides & Paulo Benavides	1620 Altamont Ave., Apt. 9	Richmond, VA	23230
912 North 21st St.	E0000420004	\$51,700	Chris Taylor Properties, LLC	19600 River Rd.	Chesterfield, VA	23838
504 North 26th St.	E0000383011	\$154,000	ECO Marble & Granite, Inc.	4297 Caroline Ave.	Richmond, VA	23222
28 East 32nd St	S0001874022	\$28,600	Antoine Peterson and Ianthe Peterson	11295 Knox Dr.	Ashland, VA	23005
1220 North 35th St.	E0001273030	\$55,000	Umer Khalil	2916 Four Mile Run Dr.	Henrico, VA	23231
2626 Belt Blvd.	C0090480034	\$78,100	Abelardo Perez	637 Clearlake Rd.	North Chesterfield, VA	23236
2811 Burfoot St.	S0001123023	\$19,800	B & D Arbor, LLC	5601 Hull St. Rd.	Richmond, VA	23224
2601 Edgewood Ave.	N0000637023	\$132,000	Spence Nunnemaker, LLC	1506 Webster St.	Richmond, VA	23220
2206 Ford Ave.	E0000756007	\$46,200	Casey Investments, LLC	3101 Cutshaw Ave.	Richmond, VA	23230
3712 Glenwood Ave.	E0001663003	\$36,300	ECO Marble & Granite, Inc.	4297 Caroline Ave.	Richmond, VA	23222
3125 Irvington St.	C0090565004	\$104,500	Arbor, LLC	5601 Hull St.	Richmond, VA	23224
118 Lipscomb St.	S0000150018	\$31,900	Richmond Metropolitan Habitat for Humanity, Inc.	2281 Dabney Rd., Suite A	Richmond, VA	23230
4024 McKay Ave.	C0090398103	\$19,800	Richmond Metropolitan Habitat For Humanity, Inc.	2281 Dabney Rd., Suite A	Richmond, VA	23230
23 S. Morris St.	W0000399032	\$319,000	Carver Homes, LLC	304 E. Main St.	Richmond, VA	23219
1316 Nelwood Dr.	E0002402010	\$44,550	Tower 3, LLC	1217 N. 37th St.	Richmond, VA	23223
817 Norton St.	N0000517030	\$71,500	Carver Homes, LLC	304 E. Main St.	Richmond, VA	23219
1505 Perry St.	S0000202010	\$66,000	Christopher F. Blank and Robert W. Miller, Jr.	6291 Blackbear Trail	Mechanicsville, VA	23219
3000 1/2 Q St.	E0000627031	\$56,100	Nelson Benavides & Paulo Benavides	1620 Altamont Ave., Apt. 9	Richmond, VA	23230
3108 Q St.	E0000722021	\$50,600	Hafiz Ibrahim	201 N. Broad St.	Kenbridge, VA	23944
2101 Redd St.	E0000604025	\$13,200	Hafiz Ibrahim	201 N. Broad St.	Kenbridge, VA	23944
1510 Spotsylvania St.	E0000665025	\$9,900	Haggais House, LLC	1421 Bryan St.	Richmond, VA	23220
		<u>\$1,507,000</u>				

Exhibit B

Tax Sale Auction Properties North of the River

May 22, 2019



PDR
RICHMOND
PUBLIC DEFENDERS
OFFICE



TaxSaleAuctionProperties

PCIR 8/18/19

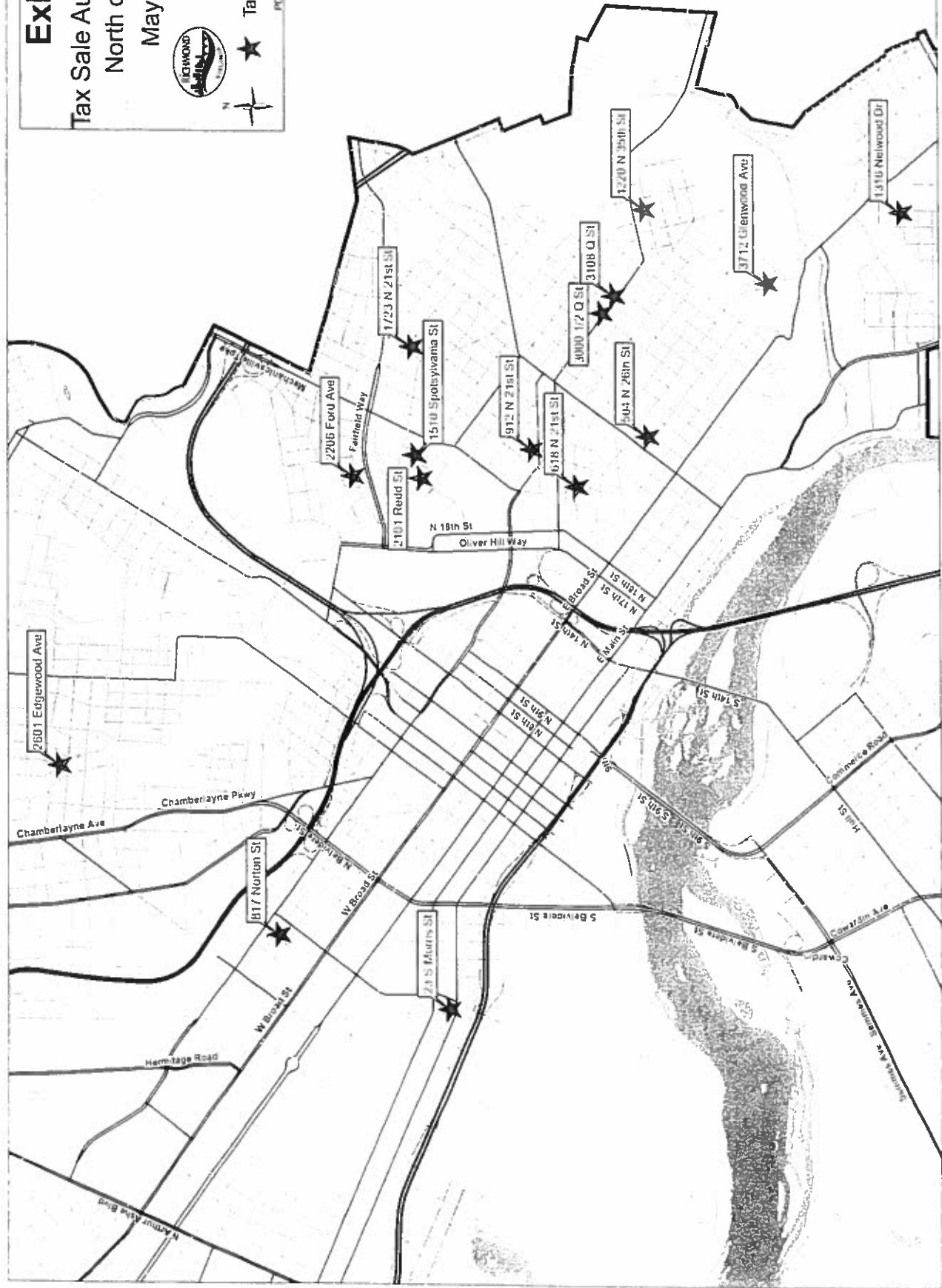


Exhibit B

Tax Sale Auction Properties
South of the River
May 22, 2019



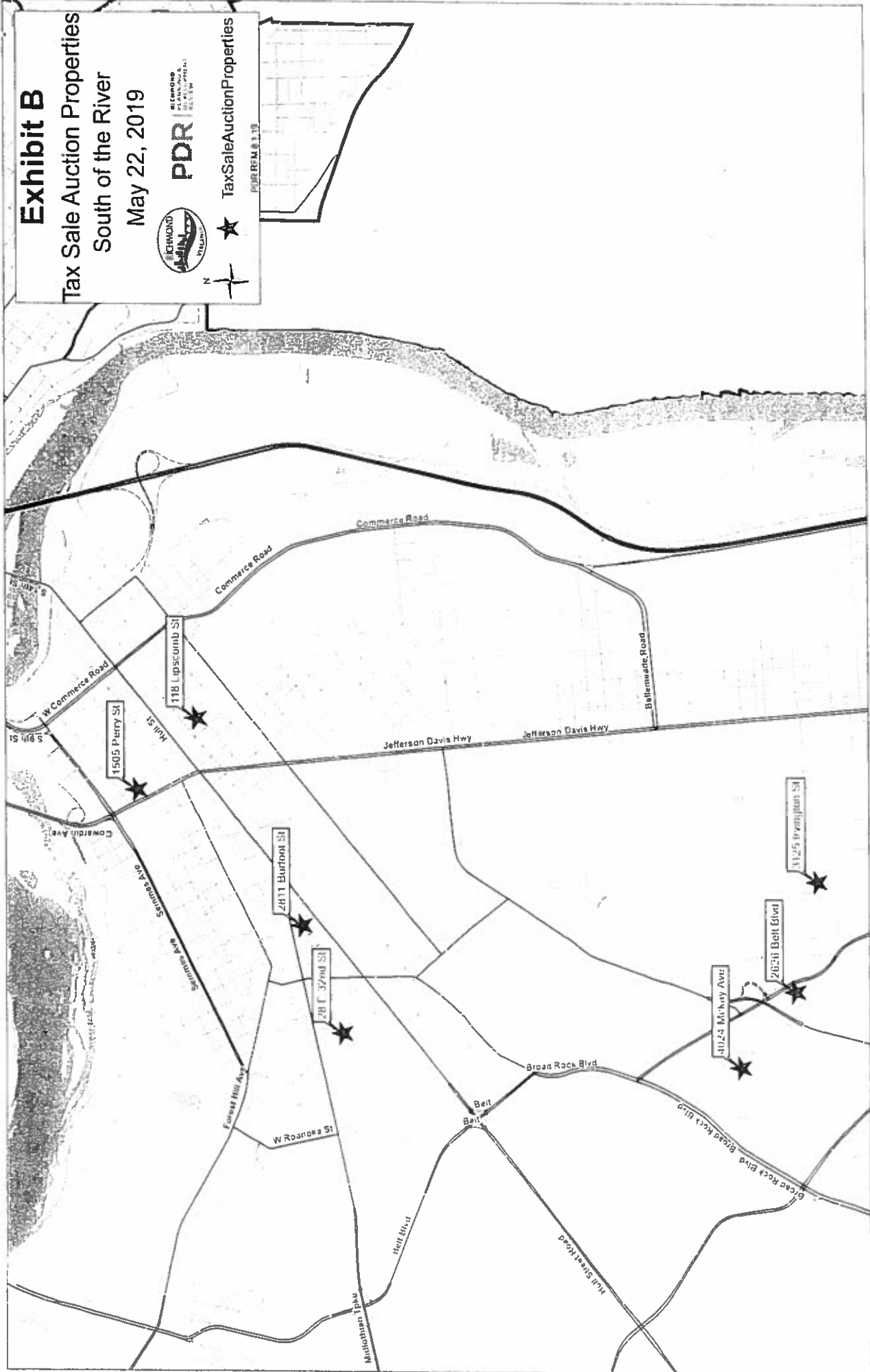
PDR
PUBLIC DOMAIN REALTY



Tax Sale Auction Properties

PDR REF 8.1.19

N



**SPECIAL COMMISSIONER'S
PURCHASE AGREEMENT OF SALE – LOTS 1-42**

THIS AGREEMENT made this 22nd Day of May, 2019, between _____
_____ (“Buyer(s)”) whose address is

_____; and **GREGORY LUKANUSKI**, Special Commissioner for the City of
Richmond, whose address is 900 East Broad Street, Suite 400, Richmond, Virginia 23219 (the “Seller”); and
MOTLEYS ASSET DISPOSITION GROUP (the “Auction Firm”).

In consideration of the full purchase price/deposit in the amount of \$ _____ in cash or
certified funds, receipt of which is acknowledged, the Buyer agrees to buy and the Seller agrees, **subject to
confirmation by the Circuit Court of the City of Richmond**, to sell for the sum of
_____ Dollars
(\$ _____), calculated as the high bid of \$ _____ plus
\$ _____ buyer’s premium, all that certain parcel of land together with all improvements
thereon (the “Property”) described as follows:

ADDRESS:

Street Address
Richmond, Virginia 232xx

<Map Reference No.>
Map Ref. No.

DEED AND TITLE. Said premises are to be conveyed by Special Commissioner’s Deed from the Seller. The title to said premises shall be subject to all existing restrictions, easements, recorded agreements and covenants, rights of public service companies, easements of roads, zoning regulations, ordinances, statutes and regulations of any constituted public authority now in force or which may be passed prior to final settlement, under the following terms and conditions:

1. **DEPOSIT.** A deposit (the “Buyer’s Deposit”) shall be paid by the Buyer in the form of a cashier’s check or cash, which shall be applied to the purchase price upon confirmation of the bid by the Court. The Buyer’s Deposit shall be held by Motleys Asset Disposition Group (Motley’s) in an interest bearing escrow account with all interest accruing to the benefit of the escrow agent and forwarded to the Seller prior to settlement.

2. **BALANCE OF PURCHASE PRICE AT SETTLEMENT.** Settlement is anticipated to occur after the court confirmation hearing. Buyer shall pay the balance of the purchase in certified funds approximately one month from this date.

3. **COMMISSIONS.** Buyer acknowledges and understands that the Buyer's Premium on the sale is a commission to the Auction Firm and is deemed earned by the Auction Firm when this Agreement is accepted. The Buyer's Premium shall be paid to Auction Firm at Settlement.

4. **TITLE.** If title, in accordance with this Agreement, cannot be conveyed by the Seller, Buyer shall have as his/her/its sole remedy repayment of all money paid on account of the purchase price. Seller's and Auction Firm's liability hereunder to the Buyer shall absolutely cease.

5. **APPORTIONMENTS.** Real estate taxes, water charges, sewer charges, current property rent, condominium or POA fees, and other charges, if any, shall be apportioned to the date of confirmation of the bid by the court.

6. **POSSESSION.** Possession shall be delivered at the time of confirmation of the bid by the Court and recordation of the deed. If said premises are tenanted or subject to a tenancy in whole or in part at the time of final settlement, possession shall be delivered subject to such tenancy.

7. **TRANSFER TAXES.** The Buyer shall pay all state, county, city and local transfer taxes imposed upon this sale, including the Grantor's Tax.

8. **WORK DONE OR ORDERED.** Seller shall not be liable for any work done or ordered to be done after the date of confirmation by the Court by any municipal or other public authority, or for any notice issued after the date of confirmation by the Court by any municipal or other public authority, upon or about said premises. Buyer agrees to take title subject to any lien that may be recorded as a result of any of the foregoing and to any such notice issued after the date of confirmation by the Court.

9. **PREPARATION OF DOCUMENTS.** This deed shall be prepared by Seller at Seller's expense and acknowledged and recorded at the expense of Buyer. Buyer shall pay all title searches requested by the Buyer, title insurance charges, survey expenses, usual conveyance expenses, and recordation taxes, including Grantor's Tax.

10. **DEFAULT BY BUYER.** Should Buyer fail to make settlement as provided in this Agreement, Buyer shall be deemed in default and the Buyer's Deposit may be retained by Seller, either on account of the purchase money or as compensation for the damages and expenses Seller has incurred, as Seller shall elect. In the latter event, Seller's and Auction Firm's liability hereunder to Buyer shall absolutely cease. In the alternative, Seller may resort to any other action or remedy in law or equity that may be available, including legal action to collect the costs of resale and any deficiency resulting from resale. Upon default by the Buyer, Seller shall forward funds paid to the Seller by the buyer, or some portion thereof, to Motley's to satisfy any obligations owed to Motley's.

11. **PLANS OR SURVEY.** If reference is made in this Agreement to a plan or survey for the description of said premises, this Agreement and the conveyance of said premises are subject to all conditions and facts shown on the plan or survey.

12. **ADVERTISEMENTS.** Buyer acknowledges that lot sizes, area of lots and plans of lots set forth in any circular and other advertising of this sale may not be accurate and that in signing this Agreement Buyer relied on the description or plan set forth or referred to in this Agreement and not upon any circular or other advertising of this sale.

13. **MOTLEY'S AGENT ONLY.** Buyer acknowledges that Motley's is the agent for Seller only, and it is understood and agreed that Motley's shall not be held liable by either Seller or Buyer for any breach by Motley's of any provision of this Agreement. In the event that Motley's is deemed liable to either the Seller or Buyer, then the extent of Motley's liability shall be limited to the amount of any funds paid to Motley's under this Agreement.

14. **INVESTIGATION OF PREMISES.** BUYER ACKNOWLEDGES THAT HE WAS GIVEN THE OPPORTUNITY TO INVESTIGATE THE PROPERTY AND TITLE TO THE PROPERTY PERSONALLY AND THROUGH ANY PROFESSIONAL OF BUYER'S CHOICE AND HAS ADEQUATELY INVESTIGATED SAID PREMISES (OR HAS WAIVED THE OPPORTUNITY TO MAKE SUCH INVESTIGATION). BUYER AGREES HE HAS ENTERED INTO THIS AGREEMENT AS A RESULT OF AN ADEQUATE INVESTIGATION OF SAID PREMISES MADE BY BUYER, AND NOT AS A RESULT OF ANY ADVERTISEMENT, HANDBILL OR ANY OTHER REPRESENTATION EITHER ORAL OR WRITTEN, MADE BY SELLER, ANY SELLING AGENT OR MOTLEY'S. BUYER ACCEPTS THE PROPERTY IN ITS "AS IS" CONDITION WITH ALL FAULTS AND DEFECTS. BUYER AGREES THAT NEITHER SELLER NOR MOTLEY'S SHALL BE RESPONSIBLE OR ACCOUNTABLE FOR ANY ERROR IN ANY ADVERTISEMENT, HANDBILL OR ANNOUNCEMENT MADE BY SELLER OR MOTLEY'S NOR FOR ANY AGREEMENT, CONDITION, REPRESENTATION OR STIPULATION, ORAL OR WRITTEN, NOT SPECIFICALLY SET FORTH HEREIN.

15. **ACKNOWLEDGMENTS.** Buyer acknowledges that the Property is being offered for sale "AS IS" and will convey in "AS IS" condition, without warranty expressed or implied as to the condition of the premises.

16. **TIME IS OF THE ESSENCE.** The date for the Court Hearing for Confirmation will be determined. Buyer shall provide the balance of purchase price to the Seller by June 18, 2019. In the event that Buyer does not provide the balance of the purchase price by the above date, Buyer, in addition to other remedies provided to the Seller under this Agreement, shall be liable to the Auction Firm in the amount of \$250.00 for each day that closing does not occur as scheduled herein. The parties agree and acknowledge that such amount shall be liquidated damages, calculated to compensate Auction Firm, and is not a penalty. The sum of the liquidated damages may be deducted from the Buyer's deposit.

17. **RISK OF LOSS.** Risk of loss shall pass to the Purchaser at the time of confirmation by the Circuit Court.

18. **AGREEMENT OF SALE.** Agreement of Sale shall be construed, interpreted, and applied according to the laws of Virginia, and it shall be binding upon and shall inure to the benefit of the heirs, personal representatives, successors, and assigns of the parties. This is a legally binding contract and if not understood, competent advice should be sought before it is signed.

19. **ENTIRE AGREEMENT.** THIS AGREEMENT CONTAINS THE ENTIRE AGREEMENT BETWEEN THE PARTIES. NO PRIOR AGREEMENT OR REPRESENTATION OF ANY KIND, AND NO CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENT OR REPRESENTATION AND NO DEALING BETWEEN THE PARTIES OR CUSTOM SHALL BE PERMITTED TO CONTRADICT, VARY OR ADD TO THE TERMS AND CONDITIONS OF SALE. THE AGREEMENT HEREWITH, MAY NOT BE ASSIGNED BY BUYER; WITHOUT THE PRIOR WRITTEN CONSENT OF SELLER AND MOTLEY'S.

20. **FAX AGREEMENT.** Purchaser and Seller agree that a facsimile transmission of any original document shall have the same effect as an original. When a facsimile copy has been signed, any signature and/or initials required on an original shall be completed prior to closing.

21. **ACKNOWLEDGEMENT OF CODE VIOLATIONS:** The Buyer acknowledges that by purchasing the Property, he/she assumes responsibility for abatement of building, environmental, zoning or other City Code violations that may exist on the Property and agrees to contact the appropriate City Department within sixty (60) days of the purchase of the Property to provide an abatement plan for any Code violations.

PLEASE NOTE: THIS ENTIRE AGREEMENT IS MADE AT THE FALL OF THE HAMMER. THE TERMS AND CONDITIONS CONTAINED IN THE BID PACKAGE ARE INCORPORATED HEREIN AND MADE A PART HEREOF. IN THE EVENT THAT THIS AGREEMENT CONTRADICTS THE TERMS AND CONDITION, THIS AGREEMENT SHALL TAKE PRECEDENCE.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

APPROVED:

May 22, 2019

By: _____
GREGORY LUKANUSKI
SPECIAL COMMISSIONER
SELLER

By: _____
BUYER (SIGNATURE)

BUYER (PRINT)

SCHEDULE C

DEVELOPMENT AGREEMENT

THIS AGREEMENT, dated (date), between the CITY OF RICHMOND, VIRGINIA, A Municipal Corporation of the Commonwealth of Virginia (hereinafter "CITY"), and (purchaser) (hereinafter "Purchaser").

WITNESSETH:

WHEREAS, the Richmond City Council has authorized the Chief Administrative Officer to convey the herein described property, also known as (address), Richmond, Virginia, (hereinafter "the Property") to (purchaser), by way of Ordinance No. _____, adopted (date); 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 (address). Subject to all of the terms, covenants and conditions of this Agreement, the CITY will convey, at the cost of \$(sale price) 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").

SCHEDULE C

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, REPAIR OR CONSTRUCT

Section 3.01. Purchaser Obligated to Rehabilitate and Construct Improvements. Purchaser shall: a) within six 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. Section 3.03. Design Approval of New Construction Plans. Purchaser is obligated to submit plans for new construction to the Director of Planning and Development Review for approval within three months of the date of delivery of the aforesaid Special Warranty Deed by the CITY to the Purchaser. 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.

SCHEDULE C

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

SCHEDULE C

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

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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. 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,

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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 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 Deputy 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

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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, attorneys 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

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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 400
 Richmond, Virginia 23219

If to the Purchaser: (purchaser's name)
 (purchaser's address)

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.

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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)
(purchaser)

COMMONWEALTH OF VIRGINIA,
CITY OF RICHMOND, to wit:

The foregoing instrument was acknowledged before me this ____ day of ____ 2019 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 July 2019 by _____.

My commission expires _____.

Notary Public