

Purchase and Development Agreement

between

Philadelphia Housing Authority

and

Sally Development Group LLC

For the Development of 1234 Wee Sing Lane, Philadelphia, PA

THIS PURCHASE AND DEVELOPMENT AGREEMENT (“Agreement”) for the purchase and development of property is entered into as of _____, 2024 between the Philadelphia Housing Authority (“Seller”) and **Sally Development Group LLC** (“Buyer”).

Seller and Buyer, each of which intends to be legally bound hereunder, in consideration of these premises and mutual undertakings, agree as follows:

Agreement To Purchase

1. **The Property.** The real estate to be conveyed subject to this Agreement is located at **1234 Wee Sing Lane** situated in the City of Philadelphia (the “City”), Commonwealth of Pennsylvania (“**Property**”).

2. **Title.** Seller shall convey to Buyer good and marketable title to the Property by special warranty deed, which deed shall be subject to the terms and conditions of this Agreement.

3. **Physical Condition of the Property.** Buyer acknowledges that:

THE PROPERTY ARE BEING SOLD “AS IS”. BUYER ACKNOWLEDGES AND AGREES THAT IT IS PURCHASING THE PROPERTY IN “AS IS” AND “WHERE IS” CONDITION, WITH ANY AND ALL FAULTS AND DEFECTS, WHETHER LATENT OR PATENT, AND SUBJECT TO ORDINARY WEAR AND TEAR FROM THE DATE HEREOF THROUGH THE TIME OF SETTLEMENT. BUYER ACKNOWLEDGES THAT HE/SHE/ IT IS NOT RELYING UPON, AND THAT SELLER IS NOT LIABLE FOR OR BOUND BY, ANY EXPRESS OR IMPLIED WARRANTIES, GUARANTEES, PROMISES, BROKER’S “SETUPS”, STATEMENTS, REPRESENTATIONS OR INFORMATION REGARDING THE PROPERTY’S PHYSICAL OR ENVIRONMENTAL CONDITION, INCOME, EXPENSES, OPERATION, USE, COMPLIANCE WITH LAWS, HABITABILITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE. THE BUYER ACKNOWLEDGES AND AGREES THAT IT HAS INSPECTED THE PROPERTY OR BUYER HEREBY WAIVES SUCH RIGHT TO INSPECT THE PROPERTY.

4. **Purchase Price.** The purchase price for the Property shall be One Dollar (\$1.00), which Buyer shall pay to the Seller in cash at Settlement (as defined herein). The consideration for this Agreement is based on the Property being subject to restricted use of the Property as further defined in this Agreement.

5. **Settlement.** Settlement shall be on or before **February 14, 2025** or such other date as mutually agreed upon between Seller and Buyer (hereinafter “Settlement” or “Closing”). If the Seller provides notice to Buyer that the Seller is not able to convey title as required herein, Seller, in its sole and absolute discretion, may (i) extend Settlement an additional three (3) months, or (ii) terminate this Agreement. If this Agreement is terminated, there shall be no further liability or obligation by either of the parties hereunder.

6. Restrictive Covenant. The Property is subject to a Restrictive Covenant ("Restrictive Covenant") executed by Seller and the Philadelphia Housing Authority that restricts the use of the Property to Affordable Housing Purposes, as that term is defined in the Restrictive Covenant, for a period of twenty (20) years from the date of execution of the Restrictive Covenant or such other term as set forth in this Agreement or later determined to be applicable to the Property ("Restriction Period").

7. Affordable Homeownership Requirements. This Property is being sold as part of PHA's Affordable Homeownership Program for RAD program properties. The PHA affordable homeownership requirements are set forth in Exhibit A. After satisfying the Completion Covenant detailed in Paragraph 13 of this agreement and in consideration of the sale of the Property from Seller to Buyer for nominal value, Buyer agrees to sell the Property to a qualified Affordable Homebuyer and to incorporate the affordable homeownership requirements and the restrictions of the Restrictive Covenant into the transfer documents of the subsequent sale.

8. Net Profits of Sale: Upon the sale of the Property to a qualified Affordable Homebuyer, the net profits shall be allocated 80% to Buyer and 20% to Seller. Net profits shall be the sale price to an income qualified buyer, less:

- a. Third party costs paid by Buyer related to predevelopment, marketing, development and rehabilitation activities provided they are approved and supported by invoices; and
- b. Payment of closing costs related to the purchase of the property, and sale of the Property to a buyer including but not limited to agent commissions, recording fees, water/sewer adjustments, transfer taxes.

9. Project. Buyer has submitted to the Seller a plan and schedule for rehabilitation and sale of the Property ("Project"). The Project is attached as Exhibit C.

10. Conditions Precedent to Settlement. Buyer must demonstrate to the satisfaction of Seller the availability of the full amount of funds needed to complete the Project.

11. Restrictions, Easements, Limitations. Buyer shall take title subject to (a) zoning, restrictions, prohibitions and requirements imposed by governmental authorities, (b) restrictions and matters appearing on the plat or common to the subdivision, and (c) public utility easements of record.

12. Taxes and Other Municipal Charges. All State and City realty transfer taxes due in connection with this transaction shall be paid by Buyer. Real estate taxes, water, sewer and storm water fees, and other utility charges will be adjusted at Settlement pro-rata on a daily basis between the Seller and Buyer. Seller will be responsible for such items up to and including the date of Settlement and Buyer will pay for all days following Settlement. Buyer shall pay all costs to record the deed and all other recording fees.

13. Reversionary Interest. The deed between Seller ("Grantor" below) and Buyer ("Grantee" below) for each Property will contain the following reversionary interests:

Completion Covenant. The Grantee, for himself/herself/itself, and his/her/its heirs, successors and assigns, covenants and agrees that title to the Property, or any remaining portion thereof, may revert to the Grantor, at the discretion of the Grantor, on the second (2nd) year anniversary from the date first above written, if Grantee or his/her/its heirs, successors and assigns do not improve the demised premises, and obtain such Certificate of Occupancy from the City of Philadelphia Department of Licenses and Inspections, or such other certificate of completion or evidence of completion acceptable to Grantor, in Grantor's discretion.

14. Commencement of Work and Completion of Construction. Buyer shall commence work on the Project within three (3) months after Settlement and shall complete the rehabilitation of the Property within twenty-four (24) months of the date the Property is transferred to Buyer.

15. Completion Covenant Release. Buyer shall provide Seller thirty (30) days' notice after completion of the rehabilitation of the Property. At such time as Buyer provides Seller with the Certificate of Occupancy from the City of Philadelphia Department of Licenses and Inspections, or such other certificate of completion or evidence of completion acceptable to Seller, in Seller's discretion, Seller shall prepare a release of the Completion Covenant provision in the deed ("Completion Covenant Release") see attached under Exhibit B. Buyer shall then record the Completion Covenant Release and this condition of this Agreement shall be satisfied.

16. Inspection of the Premises. Upon no less than twenty four (24) hours prior notice by Seller, and subject to reasonable safety standards, the Buyer shall provide Seller, their respective agents and representatives, full access to the Property and the improvements at all times during construction and give assistance for inspection, examination, and tests.

17. Insurance. Buyer shall, at its sole cost and expense shall:

- a. insure the Property and the improvements in an amount not less than the full insurable value of the Property and improvements. The "full insurable value" is defined as the replacement cost of the Property and the improvements, plus the cost of removing the debris produced by the destruction of the improvements; and
- b. obtain general liability insurance in an amount not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate, which shall, among other things, provide for contractual liability coverage for the Buyer's indemnity obligations under this Agreement.

For all insurance required under this Section, Buyer shall furnish Seller with a certificate of insurance in form and with companies reasonably satisfactory to Seller, naming Seller, its respective directors, officers, employees, and agents as additional insureds with respect to general liability insurance, and providing that coverage may not be canceled or terminated without thirty (30) days prior written notice to Seller.

18. Maintenance of Premises and Improvements. From and after Settlement, Buyer shall maintain the Property and the improvements in such condition as to remove and keep out the

elements of blight and enforce adequate safeguards for the proper maintenance of all parts of the Property and the improvements. This may include demolition and stabilization of the Property, if deemed appropriate in the sole discretion of the Buyer. Cost incurred by the Buyer to demolish or stabilize the Property may be compensated by the Seller. Such plans should be detailed in Exhibit C.

19. Indemnification. Buyer shall indemnify, defend (with counsel reasonably acceptable to the Seller) and hold harmless the Seller, and its directors, officers, employees, and agents from and against any and all liabilities, obligations, losses, fines, penalties, expenses (including attorneys' fees, court, and settlement expenses) claims, orders, administrative decisions, statutory claims, judgments, settlements, suits, actions, causes of action, arbitration proceedings, requests for relief, forbearance and/or demands of any kind, arising from, caused or created by, resulting from or relating to, directly or indirectly, (i) this Agreement; (ii) the performance of Buyer's obligations under this Agreement; (iii) an Event of Default or breach under this Agreement by the Buyer; (iv) any violation of any environmental laws regarding the Property by any person, entity, or other source.

20. Covenant against Discrimination. Buyer hereby covenants, promises and agrees that no person shall be deprived of the right to live in the Property or any portion thereof, by reason of race, creed, color, national origin, gender, sexual orientation or disability; and there shall be no discrimination in the use or sale of any part of the Property against any person because of race, color, religion, national origin, gender, sexual orientation or disability.

21. Restrictions on Transfer and Assignment of Interest in Buyer. Other than through the process outlined in this Agreement, unless the Seller has given its prior written consent, Buyer shall not assign this Agreement or sell or otherwise transfer the Property or any part thereof except in accordance with the terms and conditions of this Agreement.

22. Events of Default. Any of the following shall constitute an event of default of this Agreement by Buyer if it remains uncured after the expiration of applicable notice and opportunity to cure (each an “**Event of Default**”):

- a. Failure of Buyer to perform or observe, or a violation or breach of, any material provision of this Agreement, as defined below, or
- b. A default by Buyer with any lender which has provided all, or any portion of, construction financing for the Project; or
- c. If any proceeding under the provisions of the Bankruptcy Code is filed against Buyer and such proceeding shall continue unstayed and in effect for a period of sixty (60) days or Buyer shall submit itself to such proceeding; or
- d. Buyer makes an assignment for the benefit of creditors; or
- e. A Receiver is appointed for the Buyer or the Property or assets of Buyer and such receivership is not dismissed within sixty (60) days; or

- f. Buyer or any contractor commences work at the Property for which a permit, license, variance or other approval is required but is not obtained; or
- g. Buyer fails to pay for any work or materials when due, provided such payments are not subject to a good faith dispute; or
- h. If Buyer intentionally provides materially false or inaccurate information regarding the Project that it knows to be false or inaccurate at the time made.

23. Failure to Cure Default. If Buyer fails to cure the Event of Default in accordance with Paragraph 24, Buyer will be in default of this Agreement (“**Default**”). Upon Default, the Seller may, in its sole discretion, institute any and all proceedings permitted by law or equity against Buyer or any successor, or as otherwise permitted under this Agreement.

24. Notice of Default. Upon an Event of Default, the Seller will send written notice to Buyer. Buyer shall proceed immediately to cure the Event of Default. If Buyer fails both (1) to take and diligently pursue such action that will cure the Event of Default and (2) to cure the Event of Default, all within sixty (60) days from the date of mailing of such demand, the Seller may enforce its rights provided in this Agreement, provided that, if the Event of Default cannot be cured within sixty (60) days, Buyer shall have such additional time as is reasonably necessary to cure such Event of Default so long as Buyer has diligently commenced curing the Event of Default and proceeds in good faith to cure the Event of Default until the Event of Default is cured; however, in no event shall the cure period exceed one hundred (180) days unless extended by the Seller in its sole discretion.

25. Condition Subsequent and Right of Re-Entry. This Agreement has been entered into, and the deed to the Property shall provide that the conveyance is being made, on the condition that, upon the occurrence of an Event of Default and the failure to cure in accordance with paragraph 24, then the Seller may enter into the Property/Properties and have Property/Properties reverted back to Seller and terminate the estate that had been conveyed by the Seller to the Buyer and re-vest title to the Property in the Seller absolutely.

26. IRREVOCABLE POWER OF ATTORNEY. THE FOLLOWING PARAGRAPH SETS FORTH A WARRANT OF ATTORNEY FROM BUYER TO SELLER. IN GRANTING THIS WARRANT OF ATTORNEY, BUYER HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, AND, ON THE ADVICE OF THE SEPARATE COUNSEL OF BUYER, UNCONDITIONALLY WAIVES ANY AND ALL RIGHTS BUYER HAS OR MAY HAVE TO PRIOR NOTICE AND AN OPPORTUNITY FOR HEARING UNDER THE RESPECTIVE CONSTITUTIONS AND LAWS OF THE UNITED STATES AND THE COMMONWEALTH OF PENNSYLVANIA.

- a. **IN ORDER TO SECURE FURTHER ITS OBLIGATION UNDER THIS AGREEMENT, AFTER AN EVENT OF DEFAULT THAT REMAINS UNCURED AFTER APPLICABLE NOTICE AND OPPORTUNITY TO CURE, BUYER HEREBY IRREVOCABLY MAKES, CONSTITUTES AND**

APPOINTS THE PRESIDENT AND CEO OF SELLER, OR DESIGNEE FOR SELLER, TO ENTER INTO AND TAKE POSSESSION OF THE PROPERTY AND APPURTENANT EASEMENTS, IN OR TO WHICH THEY ARE NOW POSSESSED OR SEIZED OR IN ANY WAY ENTITLES OR INTERESTED; AND TO GRANT, BARGAIN AND SELL THE SAME OR ANY PART THEREOF, FOR ONE (\$1.00) DOLLAR LAWFUL MONEY OF THE UNITED STATES OF AMERICA OR SUCH SUM OR PRICE AND UPON SUCH TERMS AS THEM OR ANY OF THEM SHALL DEEM TO MEET; AND TO MAKE, EXECUTE, ACKNOWLEDGE AND DELIVER GOOD AND SUFFICIENT DEEDS AND CONVEYANCES FOR THE SAME, EITHER WITH OR WITHOUT COVENANTS OR WARRANTY; AND TO LET AND DEMISE SAID PROPERTY AND APPURTANANT EASEMENTS FOR SUCH RENT AND TERM OR TERMS AS THEY OR ANY OR THEM SHALL DEEM ADVISABLE; AND TO ASK, DEMAND, RECOVER, RECEIVE AND RECEIPT FOR ALL SUMS OF MONEY WHICH SHALL BECOME DUE AND OWING TO IT BY REASON OF ANY SUCH BARGAIN, SALE OR LEASE AND TO TAKE ALL LAWFUL WAYS AND MEANS FOR THE RECOVERY THEREOF; AND TO AGREE FOR THE SAME, AND TO EXECUTE AND DELIVER GOOD AND SUFFICIENT DISCHARGES AND ACQUITTANCE THEREFOR; AND TO EXECUTE AND DELIVER A CANCELLATION AGREEMENT TO THE SELLER, THEREBY TERMINATING THIS AGREEMENT; WITH POWER TO SUBSTITUTE ONE OR MORE AGENT OR AGENTS UNDER THEM OR ANY OF THEM IN OR CONCERNING THE FOREGOING OR ANY PART THEREOF, AND THE SAME AT THEIR PLEASURE OR THE PLEASURE OF ANY OF THEM TO REVOKE; GIVING AND GRANTING UNTO THEIR SAID AGENT OR ANY SUBSTITUTE OR SUBSTITUTES FULL POWER AND AUTHORITY TO DO AND PERFORM ALL AND EVERY ACT AND THING WHATSOEVER, REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE FOREGOING, AS FULLY TO ALL INTENTS AND PURPOSES AS THEY MIGHT OR COULD DO IF PERSONALLY PRESENT, HEREBY RATIFYING AND CONFIRMING ALL THAT THEIR SAID AGENT (OR THE SUBSTITUTE OR SUBSTITUTES) SHALL LAWFULLY DO OR CAUSE TO BE DONE BY VIRTUE HEREOF. FOR SO DOING, THIS AGREEMENT, OR A VERIFIED COPY HEREOF, SHALL BE A SUFFICIENT WARRANT.

- b. BUYER RELEASES ALL PROCEDURAL ERRORS AND DAMAGES ARISING OUT OF PROCEDURAL ERRORS. NO SINGLE EXERCISE OF THE FOREGOING WARRANT SHALL BE DEEMED TO EXHAUST THE POWER, WHETHER OR NOT ANY SUCH EXCERCISE SHALL BE HELD BY ANY COURT TO BE INVALID, VOIDABLE OR VOID, BUT THE POWER SHALL CONTINUE UNDIMINISHED AND MAY BE EXCERCISED AT ANY TIME AND FROM TIME TO TIME AS OFTEN AS THE SELLER, THE SELLER'S SUCCESSORS OR ASSIGNEES SHALL ELECT, UNTIL ALL OBLIGATIONS UNDER THIS AGREEMENT HAVE BEEN SATISFIED.

- c. BUYER SPECIFICALLY ACKNOWLEDGES THAT THIS AGREEMENT CONTAINS THE FOREGOING WARRANT OF ATTORNEY. BUYER HAS HAD THE OPPORTUNITY TO REVIEW THE WARRANT OF ATTORNEY CONTAINED HEREIN AND UNDERSTANDS THE MEANING OF THE WARRANT GIVEN HEREBY, BUYER HAS ALSO HAD AN ATTORNEY REVIEW THE WARRANT OF ATTORNEY CONTAINED IN THIS PARAGRAPH, AND TO EXPLAIN SUCH PARAGRAPH AND THE MEANING OF THE WARRANT DESCRIBED IN THIS PARAGRAPH, OR HAS WAIVED HIS/ HER/ ITS RIGHTS TO HAVE AN ATTORNEY DO SO. BUYER SPECIFICALLY INITIALS THIS SECTION TO SHOW THAT BUYER HAS READ, UNDERSTOOD AND AGREED TO ITS TERMS.

BUYER

By: _____
(Initials)

27. Force Majeure. Neither the Seller or Buyer shall be deemed in default on account of any failure in performance due to unforeseeable causes beyond control of and without its fault or negligence, including but not restricted to acts of God or of a public enemy, fires, floods, epidemics, quarantine restrictions, strikes, riots, civil commotion, freight embargoes, shortages of material, removal of any archaeological artifacts or acts of the federal, state or local government or any of its agencies, or delays of sub-contractors due to any such causes. This Paragraph shall not excuse defaults attributable to economic conditions, financial market volatility, or inability to obtain any required governmental approval.

28. Time is of the Essence. Time is of the essence of all provisions of this Agreement and amendments thereto.

29. Severability. If any provision of this Agreement is held illegal, invalid or unenforceable under present or future laws, the remainder of this Agreement shall not be affected thereby and in lieu of such provision, there shall be added as part of this Agreement, a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and legal, valid and enforceable.

30. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns, and any transferee of Buyer, and any reference to Buyer in this Agreement shall include Buyer's successors, assigns and transferees.

31. Amendments. This Agreement may not be amended, and no provision shall be deemed waived by the Seller, except by written instrument signed by Buyer and a proper officer of the Seller.

32. Compliance with Applicable Law. Seller and the Buyer agree to comply with all applicable federal, state and local requirements, statutory or administrative, now in effect or

hereafter enacted but of retroactive application, and, if necessary, to execute and deliver an amendatory Agreement or a new Agreement in order to meet such requirements.

33. Notices. All notices, demands or other communications under this Agreement by any party to the other shall be in writing and shall be deemed sufficiently given or delivered only if sent by registered or certified mail, postage prepaid, return receipt requested, by nationally recognized overnight courier or delivered personally with receipt obtained. In the case of the Buyer, notice shall be sent to the attention of _____ at:

Sally Development Group LLC
5678 Peter Lane
Philadelphia, PA 19188

In the case of the Seller, notice shall be sent to the attention of both the President and CEO and the General Counsel at:

Philadelphia Housing Authority
2013 Ridge Ave
Philadelphia, PA 19121

or such other address as Buyer or the Seller may from time to time designate in writing.

34. Buyer and Independent Contractor. Buyer is an independent contractor and is not the servant, agent, or employee of Seller.

35. Binding Effect/Integration. This Agreement shall be effective and binding only upon execution by both the Seller and Buyer. This Agreement constitutes and expresses the whole agreement of the parties. All prior promises, undertakings, representations, agreements, understandings, and arrangements relating to the subject matter of this Agreement are merged herein. This Agreement is the product of negotiations between the parties. As such, this Agreement shall not be construed against one party or another merely because one party drafted some part or all of this Agreement.

36. Waiver. The failure of either Seller or the Buyer to insist upon strict compliance with any of the terms, covenants, or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any right or power hereunder at any one time or more times be deemed a waiver or relinquishment of such right or power at any other time or times. No terms, covenants, or conditions shall be deemed waived by the Seller, except by written instrument signed and delivered by the Seller.

37. Exhibits. All Exhibits which are referred to in this Agreement and which are attached hereto are expressly made and constitute a part of this Agreement.

38. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, and all of which taken together shall constitute a single agreement, with the same effect as if the signatures thereto and hereto were upon the same instrument. An executed counterpart sent by facsimile, digitally, or by electronic mail shall constitute an original.

Any party delivering an executed counterpart of this Agreement by facsimile, digitally, or by electronic mail shall also deliver an original executed counterpart of this Agreement, but the failure to deliver an original executed counterpart shall not affect the validity of this Agreement.

39. No Third Party Beneficiary. The parties agree that: (a) this Agreement is for the benefit of the parties to this Agreement and is not intended to confer any rights or benefits on any third party, and (b) there are no third-party beneficiaries to this Agreement or any specific term of this Agreement.

40. General Property Inspections.

(a) RESIDENTIAL LEAD-BASED PAINT HAZARD REDUCTION ACT
NOTICE

(Required for properties built before 1978) The Residential Lead-Based Paint Hazard Reduction Act (“the Act”) requires any seller of property built before 1978 to provide the purchaser with a lead hazard information pamphlet, as prescribed by the Administrator of the Environmental Protection Agency; and to disclose to the purchaser the presence of any known lead-based paint, or any known lead-based paint hazards, in such housing and provide to the purchaser any lead hazard evaluation report available to the seller.

The Act requires the Seller to give the Purchaser ten (10) days (unless Seller and Purchaser agree in writing to different period of time) to conduct a risk assessment or inspection for the presence of lead-based paint hazards. The opportunity to conduct a risk assessment or inspection may be waived by the purchaser, in writing. Acknowledge of this notice and/ or waiver is provided in Exhibit “D” attached hereto and incorporated herein.

Housing built in 1978 or later is not subject to the Act.

Seller makes no representation or warranties regarding the presence of lead-based paint and/ or lead-based hazards in the Property being sold. Without a comprehensive lead inspection, conducted by a certified lead inspector, showing there is no lead paint or there are no lead-based paint hazards, Buyer is to assume that any Property built before 1978 contains lead-based paint.

- (b) If Buyer is not satisfied with the condition of the Property as stated in any written inspection report(s), Buyer will:
- i. Accept the Property with the information stated in the inspection report(s) and agrees to the RELEASE set forth in Paragraph 41 of this Agreement, or
 - ii. Terminate this Agreement in writing by notice to Seller, in which case

all deposit monies paid on account of the purchase price will be returned promptly to Buyer and this Agreement will be VOID.

41. Release. Buyer hereby releases, quit claims and forever discharges Seller, all Brokers, their Licensees, Employees, Attorney, and any Officer or Partner of any one of them and any other Person, Firm, or Corporation who/which may be liable by or through them, from any and all claims, losses or demands, including, but not limited to, personal injuries and property damage and all of the consequences thereof, whether now known or not, which may arise from the presence of termites or other wood-boring insects, radon, lead-based paint, lead-based paint hazards, environmental hazards, Hazardous Substances, any defects in the individual on-lot sewage disposal system or deficiencies in the on-site water service system, or any defects or conditions on the Property , and from any other cause of action whatsoever. "Hazardous Substances" means any substance which is toxic, ignitable, reactive, corrosive, radioactive, flammable explosive, or a human health or safety hazard, including but not limited to, asbestos, petroleum products, by-products and wastes, polychlorobiphenyls and substances defined as "hazardous substances", "hazardous materials", "toxic substances", or "hazardous wastes" by any governmental or quasi-governmental authority or body having jurisdiction over the Property. This Release shall survive Settlement/Closing.

Signatures Follow

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed under seal the day and year above written.

Philadelphia Housing Authority

By: _____

Buyer: Sally Development Group LLC

By: _____
Name

EXHIBITS

Exhibit A: PHA Homeownership Program Requirements

Exhibit B: Covenant Release

Exhibit C: Project

Exhibit D: Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards

EXHIBIT A

Affordable Homebuyer Program

1. The Property is subject to a use restriction that requires that the Property to be used for Affordable Housing Purposes. The use restriction is set forth in a Declaration of Restrictive Covenants in favor of the U.S. Department of Housing and Urban development under its Rental Administration demonstration (“RAD”) program and recorded against each Property.
2. Under the RAD program, Affordable Housing Purposes is defined as: Activity that supports the pre-development, development or rehabilitation of other RAD conversions, public housing, housing assisted under Section 8 of the Act, properties subject to Low-Income Housing Tax Credits (LIHTC) use restrictions, or other federal or local housing programs serving households with incomes at or below 80% of area median income, or that provide services or amenities that will be used primarily by low-income households as defined by the Act.
3. For purposes of this Agreement, Affordable Housing Purposes shall mean: a local housing program serving households with incomes at or below 80% of area median income.
4. Affordable Homebuyer means an individual or family who, at the time of the purchase of a Property, has an income that is less than 80% of the area median income.
5. Buyer shall coordinate its efforts to sell the Property to Seller’s resident buyers who have an income that is less than 80% of the area median income through Seller’s Office of Homeownership within its Office of Resident Programs and Partnerships.
6. Net profits: see Paragraph 8 of Purchase & Sale Agreement

Exhibit B

(SAMPLE)

AGREEMENT
OF
RELEASE, REMOVAL AND TERMINATION
OF
REVERSIONARY INTEREST

This Agreement of Release, Removal and Termination of Reversionary Interest, this ___ day of ___, 20___, by and between THE PHILADELPHIA HOUSING AUTHORITY, a public body, corporate and politic, created and existing under the laws of the Commonwealth of Pennsylvania as an agency of the Commonwealth of Pennsylvania, with its principal offices at 2013 Ridge Avenue, Philadelphia, PA 19121, ("Grantor") and _____ with its principal place of business located at _____ ("Grantee"). Grantor and Grantee may also be referred to herein as the "Parties".

WITNESSETH:

WHEREAS, Grantor by deed dated _____ ("Deed"), conveyed property (the "Property") to Grantee as recorded in the Department of Records in and for Philadelphia, Pennsylvania as # _____; and

WHEREAS, the Deed by and between Grantor and Grantee contained the following reversionary provision to Grantor:

UNDER AND SUBJECT TO FOLLOWING COVENANTS, RESTRICTIONS, AND CONDITIONS OF RECORD:

Completion Covenant: The Grantee, for himself/herself/itself, and his/her/its heirs, successors and assigns, covenants and agrees that title to the Property, or any remaining portion thereof, may revert to the Grantor, at the discretion of the Grantor, on the second (2nd) year anniversary from the date first above written, if Grantee or his/her/its heirs, successors and assigns do not improve the demised premises, and obtain such Certificate of Occupancy from the City of Philadelphia Department of Licenses and Inspections, or such other certificate of completion or evidence of completion acceptable to Grantor, in Grantor's discretion.

WHEREAS, Grantee took the Property subject to this reversionary provision; and

WHEREAS, Grantee has improved the Property, and provided satisfactory evidence of completion of improvements acceptable to the Grantor that supports a release from the reversionary provision for the Completion Covenant;

NOW THEREFORE, in consideration of the sum of One (\$1.00) Dollar and other good and valuable consideration by each of the Parties, hereto given and received, the receipt of which by

each of the Parties is hereby acknowledged, Grantor has remised, released, quit-claimed, exonerated, and discharged, and by these presents does remise, release, quit-claim, exonerate and discharge its reversionary interest in said Property unto the said Grantee, his/her/its/their heirs, successors and assigns.

IN WITNESS WHEREOF, with intent to be legally bound hereby, the said Parties to these presents have this Agreement of Release, Removal and Termination of Reversionary Interest to be executed on the day and year first above written.

PHILADELPHIA HOUSING AUTHORITY

By: _____

Kelvin A. Jeremiah

President & CEO

By: _____

COMMONWEALTH OF PENNSYLVANIA :
: SS.
COUNTY OF PHILADELPHIA :

On this, the ____ day of ____, 20__ before me, a Notary Public, the undersigned officer, personally appeared ____, who acknowledged him/her/itself to be the ____ (title) of ____, and that, as such ____ (title) and being authorized to do so, executed the foregoing document for the purposes therein contained by signing the name of the Corporation as such officer on behalf of the Corporation.

IN WITNESS WHEREOF, I hereunto set my hand and notarial seal.

Signature of notarial officer

(Notarial Seal)

My commission expires:

COMMONWEALTH OF PENNSYLVANIA :
: SS.
COUNTY OF PHILADELPHIA :

On this, the ____ day of ____, 20 __, before me, a Notary Public, the undersigned officer, personally appeared Kelvin A. Jeremiah, who acknowledged him/herself to be the President and CEO of the Philadelphia Housing Authority, a public body, corporate and politic, created and existing under the laws of the Commonwealth of Pennsylvania as an agency of the Commonwealth of Pennsylvania, and that, as such President and CEO and being authorized to do so, executed the foregoing document for the purposes therein contained by signing the name of the Corporation as such officer on behalf of the Corporation.

IN WITNESS WHEREOF, I hereunto set my hand and notarial seal.

Signature of notarial officer

(Notarial Seal)

My commission expires:

EXHIBIT C

PROJECT

Exhibit "D"

Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards

(Federal, State, and Local statutes and/or ordinances requires the following disclosure and acknowledgement)

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure

Seller makes no representations or warranties in connection with the presence of lead-based paint and/or lead-based hazards in the Property being sold. Buyer is to assume that any Property built before 1978 contains lead-based paint.

Purchaser's Acknowledgment (initial)

- (a) _____ Purchaser acknowledges Seller's Disclosure listed above.
- (b) _____ Purchaser has received the pamphlet referenced in the Agreement of Sale

Protect Your Family from Lead in Your Home(check)

- (c) Purchaser has (check (i) or (ii) below):
 - (i) _____received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
 - (ii) _____ has waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Purchaser (sign): _____ Date