

Prepared by & Return to:  
PHFA-Legal Division  
211 North Front Street  
Harrisburg, PA 17101  
717-780-3846



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11/04/2011 11:41AM

This Document Recorded  
11/04/2011  
11:41AM  
Doc Code: DM Commissioner of Records, City of Philadelphia  
Doc Id: 52409007  
Receipt #: 1055352  
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**PENNSYLVANIA HOUSING FINANCE AGENCY  
PRESERVATION THROUGH SMART REHAB PROGRAM  
RESTRICTIVE COVENANT AGREEMENT**

THIS RESTRICTIVE COVENANT AGREEMENT ("Agreement") is made this 5 day of October, 2011, to be effective October 6, 2011 by and between GUILD HOUSE WEST, INC., a Pennsylvania nonprofit corporation, with a principal place of business at 704-706 West Girard Avenue, Philadelphia, Pennsylvania 19123 ("Owner"),

AND

PENNSYLVANIA HOUSING FINANCE AGENCY, a public corporation and government instrumentality of the Commonwealth of Pennsylvania, with principal offices at 211 North Front Street, Harrisburg, Pennsylvania 17101 (the "Agency").

WITNESSETH:

WHEREAS, the Agency is the sub-grantee of funding made available under the American Recovery and Reinvestment Act of 2009 ("ARRA") for the U.S. Department of Energy's Weatherization Assistance Program ("WAP"), in accordance with an Interagency Agreement between the Agency and the Commonwealth of Pennsylvania's Department of Community and Economic Development ("DCED"); and

WHEREAS, the Agency established its Preservation through Smart Rehab Program ("PTSR Program") to provide funding to existing affordable housing developments to weatherize and make rehabilitative improvements that will generate energy savings; and

WHEREAS, Owner holds title to property located at 1221 Fairmount Avenue, Philadelphia, Philadelphia County, Pennsylvania, as more fully described in Exhibit A attached hereto and made a part hereof, known as Guild House I (the "Development"); and

WHEREAS, Owner has submitted an application to the Agency to fund weatherization activities for the Development under the Program and the Agency has determined the Owner is eligible to receive WAP funding; and

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WHEREAS, Owner has agreed to comply with all requirements of ARRA, WAP, and the Program (including regulations and guidance) as may be amended from time to time (collectively, the "PTSR Requirements"); and

WHEREAS, provision of the WAP funding is contingent upon and subject to Owner executing, delivering and recording in the official land deed records of the county in which the Development is located this Agreement, which creates certain covenants running with the land for the purpose of enforcing the PTSR Requirements by regulating and restricting the use, occupancy and transfer of the Development as set forth herein; and

WHEREAS, Owner intends, declares and covenants that the regulatory and restrictive covenants set forth herein governing the use, occupancy and transfer of the Development shall be and are covenants running with the Development for the term stated herein and binding upon all subsequent owners of the Development for such term.

NOW, THEREFORE, the parties hereto, intending to be legally bound, do hereby agree as follows:

- A. Owner shall maintain the Development as residential rental housing for low or very low income families for a period of five (5) years from the date all work funded under the WAP program is completed and "placed in service" ("Affordability Term"), and such term may run conterminously with any existing affordability restrictions. Throughout the Affordability Term, the units must be maintained as decent, safe and sanitary housing and the units must be available to the general public as rental housing serving low and very low income households. The provision of this housing for the maximum Affordability Term is a material inducement to the Agency's provision of funding for the Development.
- B. Owner shall not discriminate on the basis of race, creed, color, gender, age, handicap, marital status, national origin, status as a holder of a voucher or certificate of eligibility under Section 8 of the U.S. Housing Act of 1937, family status or religion, in the lease, sale, rental, use or occupancy of the Development or in connection with the employment or application for employment of persons for the operation and management of the Development or in connection with any improvements to be erected thereon or in connection with maintenance of the Development.
- C. If Owner becomes aware of any situation, event or condition that would result in non-compliance with the PTSR Requirements, Owner shall promptly submit written notice thereof to the Agency.
- D. Owner, for itself, its successors and assigns, agrees that the terms, conditions and restrictions of this Agreement shall be covenants running with the land, and that in any deed of conveyance of the Development or any part thereof, excepting those referenced in paragraph P of this Agreement, said terms, conditions and restrictions shall be incorporated by reference to this Agreement and the record hereof as fully as the same are contained herein for the Affordability Term as defined herein.
- E. With the written permission of the Agency and subject to this Agreement, Owner may sell, transfer or exchange the entire Development at any time, but, unless the Affordability Term has terminated, Owner (and its successors and assigns) shall notify in writing and obtain the agreement of any buyer or successor or other person acquiring the Development or any interest therein that such acquisition is subject to the requirements of this Agreement and to the PTSR Requirements and to provide such additional guaranties as the Agency may require to secure ongoing compliance with the PTSR

Requirements. This provision shall not act to waive any other restriction on sale, transfer or exchange of the Development or any low income portion of the Development.

- F. Owner acknowledges that the primary purpose for requiring compliance with the restrictions provided in this Agreement are to assure compliance of the Development and Owner (and its successors and assigns) with PTSR Requirements, including, without limitation, the ongoing benefits of decent safe and sanitary housing for low and moderate income households for the Affordability Term. Owner in consideration for receiving PTSR funding for the Development, hereby agrees and consents that the Agency, the Commonwealth of Pennsylvania and/or the United States of America shall be entitled to enforce specific performance by Owner, its successors and assigns, of its obligations under this Agreement in any tribunal in the Commonwealth of Pennsylvania for any and all breach of the conditions and restrictions hereof or material representations made by Owner at any time, and in addition to all other remedies provided by law or in equity.
- G. Owner shall submit any other reports that DCED or the Agency deem necessary and such reporting requirements will be amended as additional guidance is provided by the Agency, DCED, or DOE.
- H. Owner shall provide the Agency with releases to obtain energy usage data directly from the utility company for all project-paid utilities. Similar releases shall be provided from a minimum of one-half of the residents occupying each unit type (e.g. one bedroom, two bedroom, three bedroom, etc.) for all tenant-paid utilities. Owner shall participate in any Agency data collection effort throughout the Affordability Term.
- I. All records, books and accounts for the Project will be subject to examination and reproduction at reasonable hours by the Agency, DOE, DCED, L&I, or by any of their designated agents or representatives. Further, with respect to each Smart Rehab Program Agreement that utilizes ARRA funds, any representative of an appropriate inspector general appointed under section 3 or 8G of the Inspector General Act of 1988 (5 U.S.C. App.) or of the Comptroller General is authorized (1) to examine any records that pertain to and involve this transaction; and (2) to interview any officer or employee of the contractor, subcontractor or Owner regarding such transactions.
- J. This Indenture shall not be amended without the written agreement of the parties hereto and the approval of HUD.
- K. The Agency, its agents or assigns, and representatives of federal agencies shall have the right of entry and inspection of the Development and shall have access to inspection and reproduction of all records, books and accounts for the Development during regular business hours.
- L. The invalidity of any clause, part or provision of this Indenture shall not affect the validity of the remaining portions thereof.
- M. This Agreement and all matters relating thereto shall be governed by and construed and interpreted in accordance with the laws of the Commonwealth of Pennsylvania and, where applicable, the laws of the United States of America.
- N. As the Development is HUD financed, Agency covenants and agrees that all of its rights and powers under this Agreement are subordinate and subject to the rights of all prior mortgage holders, regulatory agreements and restrictive covenant agreements with prior recorded lien interests

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- O. In the event that during the period the HUD Mortgage, HUD Regulatory Agreement and/or HUD Use Agreement are in effect, the Secretary of HUD acquires title to the Property by foreclosure, deed in lieu of foreclosure, or by any other means, this Agreement shall automatically terminate.
  - P. During the period the HUD Mortgage, HUD Regulatory Agreement and/or HUD Use Agreement are in effect, no default under this Agreement may be declared without prior written approval of HUD.

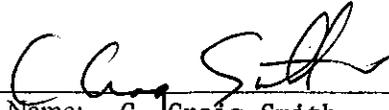
*[Intentionally Left Blank]*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed as of the date first written above.

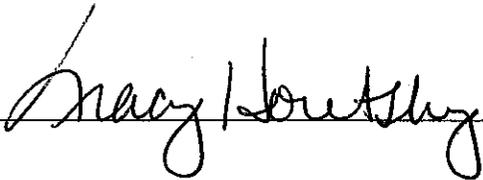
WITNESS:

  
\_\_\_\_\_

GUILD HOUSE WEST, INC.,  
a Pennsylvania nonprofit corporation

By:   
Name: C. Craig Smith  
Title: President

WITNESS:

  
\_\_\_\_\_

PENNSYLVANIA HOUSING FINANCE AGENCY

By:   
Name: David L. Evans  
Title: Assistant Executive Director  
of Multifamily Housing

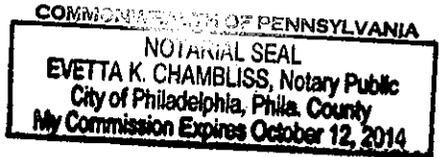
COMMONWEALTH OF PENNSYLVANIA :  
: " :  
: SS :  
: :  
COUNTY OF Phila. :

On this, the 6 day of OCT, 2011, before me, the undersigned officer, personally appeared C. Cary Smith who being sworn according to law, deposes and states that he is the PLG of GUILD HOUSE WEST, INC., a Pennsylvania nonprofit corporation, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he, being authorized to do so, executed the same for the purpose therein contained, and desires the same to be recorded as such.

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

Sworn to and subscribed before me  
this 6 day of OCT, 2011.

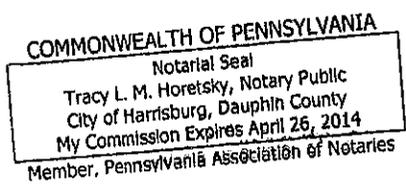
Evetta K. Chambliss  
Notary Public



COMMONWEALTH OF PENNSYLVANIA :  
: :  
: SS :  
: :  
COUNTY OF DAUPHIN :

On this, the 5 day of Oct, 2011, before me, the undersigned officer, personally appeared David L. Evans, Assistant Executive Director of Multifamily Housing, who acknowledged him/herself to be an authorized officer of PENNSYLVANIA HOUSING FINANCE AGENCY, a public corporation and government instrumentality created by the Commonwealth of Pennsylvania (35 P.S. Section 1680.101 et seq., as amended), and acknowledged that s/he as such authorized officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained, and desires the same to be recorded as such.

Tracy L. M. Horetsky  
Notary Public



I hereby certify that the principal place of business and address of the within-named Agency is, and after recordation this Agreement should be returned to:

Pennsylvania Housing Finance Agency  
Attention: Legal Division  
211 North Front Street  
Harrisburg, PA 17101

Please mail this Agreement to the above address.

By: *Nancy Houtshy*  
Agent for Pennsylvania Housing Finance Agency

COMMONWEALTH OF PENNSYLVANIA :  
 :  
COUNTY OF \_\_\_\_\_ :

RECORDED on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, in the Office of the Recorder of Deeds in and for said County, in Deed Book Volume \_\_\_\_\_, Page \_\_\_\_\_.

\_\_\_\_\_  
Recorder of Deeds

EXHIBIT A

Legal Description

ALL THAT CERTAIN lot or piece of ground, SITUATE in the Fourteenth Ward of the City of Philadelphia, described according to a Survey and Plan of Properties made for the Redevelopment Authority of the City of Philadelphia, by Thomas J. Johnston, Surveyor and Regulator of the Third District, dated April 20th, 1970 and revised by Fred J. Kubach, Surveyor and Regulator of the Third District dated July 25th, 1977, to wit:-

BEGINNING at a point formed by the intersection of the Westerly side of 12th Street ( 50 feet wide) and the Southerly side of Brown Street ( 50 feet wide); thence extending Southwardly along the said Westerly side of 12th Street crossing Olive Street ( 40 feet wide) stricken from City Plan and vacated the distance of 208 feet 5-1/8 inches to a point on the Northerly side of Fairmount Avenue ( 50 feet wide); thence Westwardly along the said Northerly side of Fairmount Avenue 138 feet 10-3/8th inches to an angle point; thence Westwardly still along the said Northerly side of Fairmount Avenue 247 feet 10-3/4 inches to a point on the Easterly side of 13th Street ( 64 feet wide); thence Northwardly along the said Easterly side of 13th Street recrossing said Olive Street 325 feet 9-3/8th

inches to a point on the said Southerly side of Brown Street; thence Eastwardly along the said Southerly side of Brown Street 389 feet 5-3/8 inches to a point on the said Westerly side of 12th Street, being the first mentioned point and place of beginning.

BEING KNOWN AS 1221 Fairmount  
BEING part of same premises which were acquired by the Redevelopment Authority of the City of Philadelphia on January 13, 1969, by Condemnation Proceedings in the Court of Common Pleas of Philadelphia County, as of January Term 1969 No. 1564.

AND BEING as to the remainder the same premises which vested in the Redevelopment Authority of the City of Philadelphia by the striking and vacating from City Plan of Olive Street by Ordinance approved July 5th, 1969 and confirmed by Board of Surveyors on October 20, 1969.

UNDER AND SUBJECT to Covenants as recorded in Deed Book DCC 1467 page 573 on the 6th day of September, 1977.

BEING the same premises which the Redevelopment Authority of the City of Philadelphia, by Deed dated the Second day of September, 1977 and Recorded in Deed Book DCC 1467 page 573 conveyed unto Friends Guild Rehabilitation Program, Inc.

AND

FRIENDS GUILD REHABILITATION PROGRAM, Inc. changed its name to FRIENDS REHABILITATION PROGRAM INC. by Articles of Amendment dated March 10th, 1989 and filed with the Commonwealth of Pennsylvania on March 14, 1989. (Copy attached )