

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



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**PENNSYLVANIA HOUSING FINANCE AGENCY
PRESERVATION THROUGH SMART REHAB PROGRAM
RESTRICTIVE COVENANT AGREEMENT**

THIS RESTRICTIVE COVENANT AGREEMENT ("Agreement") is made this 20 day of October, 2011, to be effective October 25, 2011 by and between VILLAS del CARIBE LIMITED PARTNERSHIP; a Pennsylvania limited partnership, with a principal place of business at 167 West Allegheny Avenue, Philadelphia, Pennsylvania 19140 ("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 167 West Allegheny Avenue, Philadelphia, Philadelphia County, Pennsylvania, as more fully described in Exhibit A attached hereto and made a part hereof, known as Villas del Caribe (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

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 coterminously 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, 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 deems 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.
- 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.

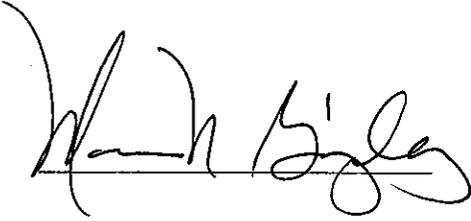
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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed as of the date first written above.

WITNESS

VILLAS del CARIBE LIMITED PARTNERSHIP,
a Pennsylvania limited partnership

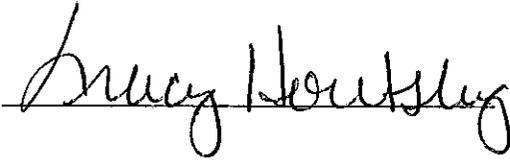
By: Villas del Caribe, Inc., a Pennsylvania corporation,
Its sole General Partner



By: 
Name: GUILLERMO SAITAS, JR.
Title: President

WITNESS:

PENNSYLVANIA HOUSING FINANCE AGENCY



By: 
Name: Samara Gomez
Title: Assistant Counsel

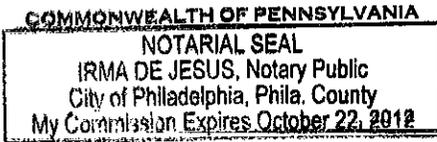
COMMONWEALTH OF PENNSYLVANIA

SS

COUNTY OF Philadelphia

On this, the 25 day of October, 2011, before me, the undersigned officer, personally appeared Guillermo Salas, who being sworn according to law, deposes and states that he is the President of Villas del Caribe, Inc., a Pennsylvania corporation, the sole General Partner of VILLAS del CARIBE LIMITED PARTNERSHIP, a Pennsylvania limited partnership, 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.



[Signature]
Notary Public

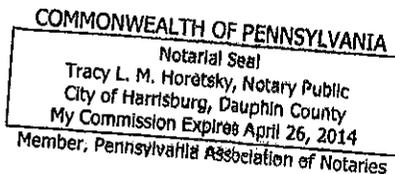
COMMONWEALTH OF PENNSYLVANIA

SS

COUNTY OF DAUPHIN

On this, the 20 day of October, 2011, before me, the undersigned officer, personally appeared Samara Gomez, Assistant Counsel, 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.

[Signature]
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: *[Signature]*
Agent for Pennsylvania Housing Finance Agency

COMMONWEALTH OF PENNSYLVANIA :
: :
: SS
: :
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

PREMISES " 1 "

40N4-11, 14, 16

ALL THOSE CERTAIN lots or pieces of ground with the buildings and improvements thereon erected.

SITUATE in the Thirty-third Ward of the City of Philadelphia, bounded and described as follows, to wit:

(A) ONE THEREOF, SITUATE at the Northwest corner of Allegheny Avenue and Mascher Street.

40N4-16

CONTAINING in front or breadth on the said Allegheny Avenue One Hundred and Two feet and extending of that width in length or depth Northward between lines parallel with and along the West side of the said Mascher Street Two Hundred and Sixty-four feet.

(B) ANOTHER THEREOF, SITUATE on the Northeast corner of Allegheny Avenue and Hancock Street.

161-171 West Allegheny Avenue

40N4-11

CONTAINING in front or breadth on the said Allegheny Avenue, One Hundred and Eight feet and extending of that width in length or depth Northward along the East side of said Hancock Street Two Hundred and Fifty feet.

(C) AND THE REMAINING OTHER THEREOF, SITUATE on the East side of said Hancock Street at the distance of Two Hundred and Fifty feet Northward from the North side of Allegheny Avenue.

40N4-14

CONTAINING in front or breadth on the said Hancock Street, Fourteen feet and extending of that width in length or depth Eastward between lines parallel with the said Allegheny Avenue One Hundred and Eight feet together.

BEING NO. 161-171 WEST ALLEGHENY AVENUE.

916 6007 376

PREMISES " 2 "

ALL THAT CERTAIN lot or piece of ground with the buildings and improvements thereon erected,

SITUATE in the 7th Ward of the City of Philadelphia described in accordance with a survey thereof made on 2/2/1960 by John H. Robinson Surveyor and Regulator of the 6th District as follows, to wit:

40th-19
BEGINNING at a point the intersection of the Southerly side of Westmoreland Street (50 feet wide) with the Easterly side of Hancock Street (50 feet wide); thence extending Eastwardly along the said side of Westmoreland Street 210 feet to a point the intersection of the said side of Westmoreland Street with the Westerly side of Mascher Street (50 feet wide); thence extending Southwardly along said side of Mascher Street 236 feet to a point; thence extending Westwardly on a line parallel with Westmoreland Street and through a wall 210 feet to a point on the Easterly side of Hancock Street; thence extending Northwardly along the said side of Hancock Street 236 feet to the first mentioned point and place of beginning.

BEING NO 3241-65 N. Hancock Street.

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