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

52410958
Page: 1 of 8
11/09/2011 02:52PM

This Document Recorded
11/09/2011
02:52PM
Doc Code: DM Commissioner of Records, City of Philadelphia

Doc Id: 52410958
Receipt #: 1056765
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PENNSYLVANIA HOUSING FINANCE AGENCY
PRESERVATION THROUGH SMART REHAB PROGRAM
RESTRICTIVE COVENANT AGREEMENT

THIS RESTRICTIVE COVENANT AGREEMENT ("Agreement") is made this 26 day of October, 2011, to be effective October 27, 2011 by and between VENANGO ASSOCIATES, with a principal place of business at 6 Faneuil Hall Marketplace, Boston, Massachusetts 02109 ("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 2104 West Venango Street, Philadelphia, Philadelphia County, Pennsylvania, as more fully described in Exhibit A attached hereto and made a part hereof, known as Venango House (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 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, 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.

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.

[*Intentionally Left Blank*]

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

WITNESS:

VENANGO ASSOCIATES,

By: AWD Corp., a Massachusetts corporation
its General Partner

By: _____
Name: Samuel Ross
Title: President

WITNESS:

PENNSYLVANIA HOUSING FINANCE AGENCY

By: _____
Name: Samara Gomez
Title: Assistant Counsel

COMMONWEALTH OF MASSACHUSETTS :

: SS

COUNTY OF Suffolk :

On this, the 27th day of October, 2011, before me, the undersigned officer, personally appeared Samuel Ross who being sworn according to law, deposes and states that he is the President of AWD Corp., a Massachusetts corporation, the General Partner of Venango Associates, 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 on behalf of Venango Associates, 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.

DEBORAH L. CROWLEY
Notary Public
Commonwealth of Massachusetts
My Commission Expires
January 19, 2012

Deborah L. Crowley
Notary Public

COMMONWEALTH OF PENNSYLVANIA :

: SS

COUNTY OF DAUPHIN :

On this, the 26 day of October, 2011, before me, the undersigned officer, personally appeared Samara Gomez, Assistant Counsel, who acknowledged 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 she 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

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Tracy L. M. Horetsky, Notary Public
City of Harrisburg, Dauphin County
My Commission Expires April 26, 2014
Member, Pennsylvania Association of Notaries

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: _____
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 "A"

/ ALL THAT CERTAIN lot or piece of ground, Situate in the 11th Ward of the City of Philadelphia described according to a Survey and Plan of Property made for Redevelopment Authority City of Philadelphia by John Stefanco, revised 3/1/3/81 Surveyor and Regulator of the 6th District, dated 10/7/80 to wit: ——

BEGINNING at a point formed by the Southeasterly side of 22nd Street (60 feet wide) and the Northeasterly side of Atlantic Street (40 feet wide); thence extending from said point of beginning Northeastwardly along the said Southeasterly side of 22nd Street the distance of 60 feet 0 inches to a point; thence extending Southeastwardly at right angle to said 22nd Street passing thru a concrete wall with fence the distance of 83 feet 0 inches to a point; thence extending Northeastwardly at right angle to Venango Street (50 feet wide) partly passing thru a concrete wall with wire fence the distance of 162 feet 0 inches to a point on the Southwesterly side of Venango Street (50 feet wide); thence extending Southeastwardly along the said Southwesterly side of Venango Street the distance of 203 feet 0 inches to a point; thence extending Southwestwardly at right angles to said Venango Street the distance of 222 feet 0 inches to a point on the said Northeasterly side of Atlantic Street; thence extending Southwestwardly along the said Northeasterly side of Atlantic Street the distance of 286 feet 0 inches to a point on the said Southeasterly side of 22nd Street, being the first mentioned point and place of beginning. ——

BEING in Area 50,046 Square Feet or 1.148898 Acres. ——

PREMISES "B"

ALL THAT CERTAIN lot or piece of ground, situate in the 11th Ward of the City of Philadelphia described according to a Survey and Plan of Property made for Redevelopment Authority City of Philadelphia by John Stefanco, Surveyor and Regulator of the 6th District, dated 10/7/80 and revised 3/13/81 to wit:

BEGINNING at a point formed by the intersection of the Southwesterly side of Venango Street (50 feet wide) and the Southeasterly side of 22nd Street (60 feet wide); thence extending from said point of beginning Southeastwardly along the said Southwesterly side of Venango Street the distance of 83 feet 0 inches to a point; thence extending Southwestwardly at right angles to said Venango Street partly passing thru a concrete wall with wire fence the distance of 162 feet 0 inches to a point; thence extending Northwestwardly at right angles to said 22nd Street passing thru a concrete wall with fence the distance of 83 feet 0 inches to a point on the said Southeasterly side of 22nd Street; thence extending Northeastwardly along the said Southeasterly side of 22nd Street the distance of 162 feet 0 inches to a point on the said Southwesterly side of Venango Street, being the first mentioned point and place of beginning.

BEING in Area 13,446 square feet or 0.308678 Acres.

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