PRESERVATION THROUGH SMART REHAB PROGRAM AGREEMENT

THIS AGREEMENT, entered into the 29 day of November, 2011, between PENNSYLVANIA HOUSING FINANCE AGENCY ("Agency"), a public corporation and government instrumentality, created by and existing pursuant to the Housing Finance Agency Law, 35 P.S. Section 1680.101 et seq., as amended (the "Act"), having a street address of 211 North Front Street, Harrisburg, Pennsylvania 17101,

AND

VALLEY MANOR ASSOCIATES, a Pennsylvania limited partnership, ("Owner") having its principal office at 762 East Main Street, Lansdale, Pennsylvania 19446.

WITNESS:

WHEREAS, Owner is the owner of a fee simple interest in certain property or the holder of a leasehold interest in certain property as the lessee under an approved ground lease: such property is described in Exhibit A, attached hereto and made a part hereof, (hereinafter the "Premises");

WHEREAS, the Agency established its Preservation through Smart Rehab Program ("PTSR Program") to preserve the Commonwealth's affordable housing by providing funding to existing affordable housing developments to make rehabilitative improvements that will generate energy savings and to have the benefits of such weatherization accrue to the low-income tenants;

WHEREAS, Agency has agreed to provide Owner funding in the amount of One Hundred Fifty Four Thousand Four Hundred Forty-Four Dollars ($154,444), (the "PTSR Funds"), as reflected in Exhibit B, which is attached to this Agreement;

WHEREAS, the PTSR Funds are being provided to assist Owner in the rehabilitation of 40 affordable housing residential rental units located in Harleysville, Montgomery County, Pennsylvania, as more fully described herein ("Project");

WHEREAS, the PTSR Funds will be used to finance certain specific work pursuant to the approved Scope of Work, which is attached to this Agreement (the "Scope of Work") as part of Exhibit B;

WHEREAS, the Scope of Work has been designed to meet applicable rules, regulations and parameters of the applicable Funding Sources, and has been preliminarily determined to meet the PHFA's PTSR Program standards and to satisfy timelines and processing deadlines as outlined herein;

WHEREAS, subject to the terms and conditions set forth herein, the requirements of the PTSR Program, the notices and guidelines promulgated in accordance therewith and in accordance with any specific requirements of each of the applicable Funding Sources, the Agency is prepared to provide to Owner up to the full amount of the PTSR Funds and in exchange therefore, Owner has agreed to be bound by the provisions of this Agreement and to record certain restrictive covenants on the Premises;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I
PROJECT DESCRIPTION

The Project that will be funded by the PTSR Funds is more fully described in Exhibit B, attached hereto.

ARTICLE II
PROJECT AFFORDABILITY TERM

Owner shall maintain a minimum of sixty-six percent (66%) of the units within buildings consisting of five or more units and a minimum of fifty percent (50%) of the units in buildings consisting of four or fewer units as residential rental housing for low-income families (families with household income equal to or less than two hundred percent (200%) of the federal poverty level) for a period of five (5) years from the date all work funded under the PTSR Program is completed ("Affordability Term"), unless a longer term is specified in Exhibit B.

ARTICLE III
REHABILITATION WORK SCHEDULE

All work must be completed and all funding draws must be submitted to the Agency no later than January 31, 2012. This is a fixed deadline to ensure processing within the timeframes required by the WAP funding and no exceptions shall be made.

ARTICLE IV
GENERAL PTSR PROGRAM REPRESENTATIONS AND WARRANTIES

Owner represents and warrants, which representations and warranties shall survive until the rehabilitation work is complete and accepted by the Agency, as follows:

(a) Owner is duly formed and validly existing and in good standing under the laws of the Commonwealth of Pennsylvania, and has all the power and authority to operate the real property and to consummate the transaction contemplated in this Agreement.

(b) There is no action, suit or proceeding pending, or to the best of Owner's knowledge threatened, against or affecting it, the Premises or Owner with respect to the Premises in any court at law or in equity, or before or by any governmental instrumentality, whether federal, state, county or municipal.

(c) The consummation of the transactions herein contemplated and the performance or observance of Owner's obligations under the PTSR Program and under any and all other agreements and instruments herein mentioned to which Owner is a party, have been duly authorized by the partners of Owner will not conflict with or result in a breach of any of the terms, conditions or provisions of the partnership documents and filings pursuant to which Owner has been organized and is existing, or of any law or any regulation, order, injunction or decree of any court or governmental instrumentality, or of any agreement or instrument to which Owner is now a party or is subject, or constitute a default thereunder, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of Owner pursuant to the terms of any such agreement or instrument.

A copy of the Owner's authorizing resolution has been provided to the Agency.

(d) Any necessary consent or authorization of or registration, declaration or filing with any Governmental Authority, including HUD or RD, if applicable in connection with the valid execution and delivery of this Agreement or the performance of any of the transactions required thereby, or, if required such consent or authorization shall have been obtained or such registration, declaration or filing shall have been accomplished prior to the date such consent is required to have been obtained.

A copy of such approvals have been provided to the Agency and all conditions specified in such approvals have been met.

(e) Owner has no knowledge of any notice of violations of any laws, ordinances, codes, requirements or orders of any governmental instrumentality having jurisdiction over the Project.

(f) Any and all federal, state and local income tax returns required to be filed by Owner have been filed, and all taxes reflected upon any such tax returns, all past due taxes, interest and penalties and all estimated payments required to be paid have been paid.

(g) Owner has good and marketable title to an indefeasible fee simple estate or to a leasehold estate pursuant to a ground lease as approved by the Agency in the Premises, subject to no lien, charge or encumbrance, except such as are listed as exceptions to title or exclusions from coverage in the title insurance policy provided by the Owner.

The recording of the Restrictive Covenant Agreement will not violate any provision of any existing mortgage, regulatory agreement or prior lien on the Property.

All necessary approvals and consents by third parties including limited and general partners and lenders, if applicable have been obtained and copies have been provided to the Agency.

(h) Owner has not treated, stored, recycled, disposed of or discharged any hazardous, toxic or polluting substances on or into the Premises, and Owner has no actual knowledge of any other person or entity, including, without limitation, any previous owner of the Premises, having treated, stored, recycled, disposed of or discharged any hazardous, toxic or polluting substances on or into the Premises.

(i) Owner has no actual knowledge of any notification having been filed with regard to the discharge of hazardous, toxic or polluting substances on or into the Premises under the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Pennsylvania Clean Water Act or under any other federal or state law pertaining to protection of the environment.

ARTICLE V
ADDITIONAL WAP
REPRESENTATIONS AND WARRANTIES

Owner represents and warrants, which representations and warranties shall survive until the rehabilitation work is placed in service and for as long as the Affordability Term continues:

(a) Owner shall comply with all of the terms and conditions of PTSR Program, including, but not limited to, timeframes, and deadlines, record keeping, rent and income restrictions for the project.

(b) Owner shall comply with all of the terms and conditions of the American Recovery and Reinvestment Act of 2009 (Public Law 111-5), and all applicable rules, regulations, guidelines, notices and rulings issued by the U.S. Department of Energy ("DOE") (and DCED) in connection with WAP, including without limitation, 10 CFR 440 (published February 1, 2002), the Energy Policy Act of 2005, the Energy Independence and Security Act of 2007, and all other procedures applicable to WAP as DOE (or DCED), may, from time to time, prescribe for administration of financial assistance.

(c) Owner shall comply with Title VI of the Civil Rights Act of 1964, P.L. 88-352 (42 U.S.C. 2000(d)) and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Owner receives Federal financial assistance and Owner will immediately take any measures necessary to effectuate this assurance. If any real property or structure thereon is provided with the aid of Federal financial assistance extended to the Owner, this assurance shall obligate the Owner or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits.

(d) Owner shall comply with Fair Housing Act (42 U.S.C. 3601-19) and implementing regulations at 24 CFR Part 100 and the regulations at 24 CFR Part 107 (Equal Opportunity in Housing), which states that no person shall be subjected to discrimination because of race, color, religion, sex, handicap, familial status, or national origin in the sale, rental, or advertising of dwellings, in the provision of brokerage services, or in the availability of residential real estate-related transactions; and requires that Owner manages and operates the project in a manner to affirmatively further fair housing. Actions that the Owner undertakes to affirmatively further fair housing will be consistent with actions identified in any locally adopted fair housing analysis.

Owner shall comply with ongoing Agency guidance regarding reporting and data collection, participation in outreach programs and use of ongoing tools such as the Apartment Locator or other service as specified by the Agency, and related programs for expansion of housing and employment opportunities in furtherance of fair housing.

(e) Owner shall comply with Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR Part 146 "Nondiscrimination on the Basis of Age in HUD Programs or Activities Receiving Federal Financial Assistance."

(f) Owner shall comply with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8 "Nondiscrimination Based on Handicap in Federally Assisted Programs and Activities of the Department of Housing and Urban Development."

Section 504 of the Rehabilitation Act of 1973 applies to all projects undergoing substantial rehabilitation, and, if so, five percent of the units must be accessible to persons with mobility impairments and two percent of the units must be accessible to persons with hearing or vision impairments. (See 24 CFR 8.22.) "Substantial rehabilitation" for a multifamily rental project is defined in Section 24 CFR 8.23 as a project with 15 or more units for which the alterations would equal more than 75 percent of the replacement cost for the facility.

(g) Owner shall comply with Executive Order 11625, October 13, 1971 and Executive Order 12432 which prescribe additional arrangements for developing and coordinating a national program for Minority Business Enterprise (36 FR 19967); and 24 CFR 85.36(e) which describes actions to be taken to assure that minority business enterprises are used when possible in the procurement of property and services. Owner shall at all times undertake such reporting and outreach programs as are required by the Agency to maximize minority business participation in the rehabilitation and ongoing operation of the Project.

(h) Owner shall comply with Executive Order 12138, May 18, 1979 (44 FR 29637) which creates a National Women's Business Enterprise Policy; and 24 CFR 85.36(e) which describes actions to be taken to assure that minority business enterprises are used when possible in the procurement of property and services. Owner shall at all times undertake such reporting and outreach programs as are required by the Agency to maximize women's business participation in the rehabilitation and ongoing operation of the Project.

(i) Owner shall comply with The Drug-Free Workplace Act of 1988 (41 U.S.C. 701 et seq., as implemented at 24 CFR Part 21 "Government-Wide Requirements for Drug-Free Workplace (Grants)"). This statute prohibits the receipt of funds unless the recipient agrees to provide and certify to a drug-free workplace.

(j) Owner shall comply with Copeland "Anti-Kickback" Act (40 U.S.C. 276c).

(k) Owner shall comply with the restrictions on lobbying in 31 USC 1352 and implementing regulations at 24 CFR Part 87 "New Restrictions on Lobbying". This statute prohibits the use of funds appropriated by any act by the recipient of a federal contract, grant, PTSR Funds or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with covered federal action. Owner certifies that it has not engaged in lobbying activity and will not engage in such activity with the funds awarded under this Agreement.

(l) If applicable, Owner shall comply with the National Environmental Policy Act ("NEPA") and related laws and implementing regulations at 24 CFR Part 58 and will (i) supply the Agency with information necessary for it to perform any necessary environmental review of each property; and (ii) carry out mitigating measures required by the Agency or select alternate eligible property; and (iii) not acquire or otherwise carry out any project activities with respect to any eligible property until the Agency's approval is received.

(m) Owner shall comply with the Lead-Based Paint Poisoning Prevention Act and the Residential Lead-Based Paint Hazard Reduction Act of 1992 and implementing regulations at 24 CFR Part 35 that are applicable to housing that receives federal assistance. These requirements may be amended and supplemented from time to time.

(n) Owner is in compliance with and is not presently debarred, suspended, proposed for debarment, declared ineligible, or involuntarily excluded from covered transactions by any federal department or agency pursuant to subpart C of 2 CFR Part 180, as required by 2 CFR Part 2424 "Non-procurement Debarment and Suspension".

(o) Owner shall comply with all Weatherization Program information requests regarding expenditure of ARRA funds as issued or amended by DOE or DCED.

(p) Owner must maintain records documenting the eligibility of the Project for WAP funding. The income eligibility for the WAP funding is 200 percent of the Poverty Income Guidelines. Furthermore, DOE regulations allow all units within a building to receive weatherization assistance if a minimum of sixty-six percent (66%) of the units within buildings having five or more units or fifty percent (50%) of the units in buildings having four or fewer units are occupied by a household meeting the income eligibility.

(q) Owner acknowledges that no employee may be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing, including a disclosure made in the ordinary course of an employee's duties, to the Accountability and Transparency Board, an inspector general, the Comptroller General, a member of Congress, a state or federal regulatory or law enforcement agency, a person with supervisory authority over the employee (or other person working for the employer who has the authority to investigate, discover, or terminate misconduct), a court or grand jury, the head of a federal agency, or their representatives information that the employee believes is evidence of: (a) gross management of a contract or grant of ARRA funds; (b) gross waste of ARRA funds; (c) substantial and specific danger to public health or safety related to the implementation or use of ARRA funds; (d) abuse of authority related to the implementation or use of ARRA funds; or (e) violation of law, rule, or regulation related to ARRA funds. Violations of this Whistle blower protection provision may trigger substantive actions, awards and penalties in accordance with state and/or federal law (including those set forth in Weatherization Program Notice 09-1B.) Reference is made to www.Recovery.gov for specific requirements and prescribed language for requisite notices of rights and remedies.

(r) Owner shall promptly refer to the Agency, DCED, DOE or other appropriate Inspector General any credible evidence that a principal, employee, agent, contractor, subgrantee, subcontractor or other persons has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity or similar misconduct involving WAP funds.

ARTICLE VI
PTSR FUNDS DISBURSEMENT

(a) Subject to the conditions and upon the terms of this Agreement, the Agency agrees to provide PTSR Funds to rehabilitate residential rental housing units for persons and families of low and moderate income in the manner, for the purposes set forth in the Act, ARRA, the PTSR Program (including specific requirements of any applicable Funding Source) and at all times subject to satisfaction of applicable Funding Source requirements.

(b) The disbursement of the PTSR Funds shall be made as rehabilitation is completed, upon the contractor's written requests on the Agency's forms for payment and in accordance with the Agency's disbursement procedures.

(c) PTSR Funds shall not be made available until the funds are needed for payment of eligible Project costs and the amount of each request shall be limited to the amount needed. The Agency shall only pay for actual costs incurred. PTSR Funds shall not be used to fund advances for costs not incurred and may not be used for the funding of escrows or a construction contingency. PTSR Funds may only be used for eligible Project costs.

(d) The Agency may refuse to disburse PTSR Funds where work for which payment has been requested has not been performed in a good and worker like manner; where supplies, chattels and

fixtures have not been furnished and installed; where property stored on or off site has not been insured and where the work otherwise fails to comply with this Agreement.

(e) The disbursement of PTSR Funds shall not be deemed an approval or acceptance by the Agency of the work or materials for which payment has been made.

(f) Upon Owner's failure to do so, the Agency may make payments to persons for costs and expenses incurred for examining the title to the Premises, paying encumbrances, taxes, assessments or other charges or liens against the Premises and any other costs and expenses imposed upon Owner hereunder. Such payments shall be deemed disbursements to Owner and the Agency may take all necessary actions to seek to recover any payments made pursuant to this section, from Owner and from any source, including project reserves, if appropriate and with RD approval; other funds held on behalf of the Owner; and other undisbursed PTSR Program funds.

(g) If applicable, moneys other than PTSR Funds deposited with the Agency to pay costs of the Project may be disbursed by the Agency to Owner at any time, including prior to the disbursement of PTSR Funds.

(h) Owner shall pay the Agency, when due and payable, fees and costs associated with the PTSR Funds as required by the PTSR Program guidelines.

(i) Disbursements are to be made at the principal office of the Agency, or at such place as the Agency may designate in writing.

(j) Any savings shall be applied to reduce the amount of the PTSR Funds or in any other manner determined by the Agency in its sole discretion.

(k) Final disbursement of PTSR Funds shall not be made until rehabilitation is complete and accepted by the Agency through issuance of a notice of completion provided, however, that the construction and/or rehabilitation shall not be considered complete for purposes of the final disbursement until all work requiring inspection by Governmental Authorities shall have been duly inspected and approved by such authorities as evidenced by appropriate certificates, and provided, further, that if discrepancies are discovered in the payments made or procedures followed to comply with Davis-Bacon or other proceedings shall have been instituted to enforce a mechanic's or material supplier's lien arising out of such construction and/or rehabilitation, the Agency shall not be obligated to make such final disbursement, or any portion thereof, until the discrepancies are resolved or such litigation shall have been finally disposed of or the lien removed by bonding or otherwise. The Agency may withhold an amount equal to two (2) times the estimated amount required to complete any punchlist item. The contractor's certificate of actual cost must be submitted to the Agency and final disbursement of PTSR Funds must occur within three (3) months of the date of the issuance of the Notice of Completion unless otherwise set forth herein.

(l) Owner shall maintain all necessary and customary insurance on the Project at all times during the rehabilitation and ongoing occupancy and operation of the Project as determined by the Agency's insurance requirements as may be amended from time to time.

(m) If applicable, Owner shall cause to be furnished to the Agency before the execution of this Agreement, mortgage title insurance issued by a title insurance company or companies, satisfactory to the Agency, in the amount not less than the indebtedness of the PTSR Funds, insuring the interest of the

Agency as mortgagee to be a valid lien on the real estate, and including such endorsements as the Agency shall require. Owner agrees, upon the Agency's request, to provide to the Agency from the title insurance company a title continuation and date down endorsement at any time. If such continuation discloses any additional liens or encumbrances affecting such real estate, which, in the opinion of the Agency would materially adversely affect the value or usefulness of such real estate for the intended use thereof and if Owner fails to cause the title insurance company to provide the Agency with said continuation and endorsement acceptable to the Agency, such failure shall constitute grounds for the Agency to withhold all or a portion of the unadvanced PTSR Funds. As further assurance, Owner hereby assigns to the Agency all of its present and future rights, title and interest in and to (but none of its obligations under) the Contract Documents and the performance and payment bonds or equivalent escrow arrangement referred to herein, and upon the Agency's request, Owner will also assign any other present and future contracts, subcontracts and agreements relating to construction and/or rehabilitation of the Project.

ARTICLE VII
REPORTING AND RECORDKEEPING

(a) Owner agrees to 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. Said release shall be executed by all new tenants at the time of lease signing. Owner shall participate in any Agency data collection effort throughout the Affordability Term.

(b) Owner agrees to pay PHFA a licensing fee for software to be used to monitor energy usage of the development throughout the term of this Agreement. The fee consist of an one-time initial fee of One Hundred Twenty-Five Dollars ($125); an annual licensing fee of One Hundred Fifty Dollars ($150); and an annual fee of Six Dollars ($6) for each account, not to exceed Five Hundred Dollars ($500) per project, when the utility usage data is retrieved directly from the utility company.

(c) 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 PTSR 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.

(d) Records of the Project and the PTSR Funds are public information and may be subject to disclosure and dissemination pursuant to the federal Freedom of Information Act or the Pennsylvania Right to Know law, as determined by the Agency in its sole discretion or by court order.

ARTICLE VIII
OWNER'S COVENANTS

Owner covenants with and warrants to the Agency as follows:

(a) Owner will fully and completely comply with all requirements applicable to the form of financing provided by the Agency including; (1) compliance with all state laws, rules, regulations and program guidelines applicable now and as promulgated in the future to the program of the Agency through which financing is provided; (2) compliance with all applicable federal laws, rules and

regulations now and as promulgated in the future through which financial assistance to the construction, rehabilitation, improvements and/or operation of the Project is provided or is to be provided; and (3) timely reporting of all energy usage during the affordability period.

(b) Owner shall promptly proceed with and complete the Project within the time period specified in the Scope of Work, including any work write-up and any approved amendments or supplements filed with the Agency for this Project. **Time is of the essence of this Agreement**.

(c) Owner shall rehabilitate the Project in a timely manner in accordance with project schedule and the Scope of Work; in compliance with all applicable laws, regulations, codes and ordinances; and in conformance with the cost-effective energy conservation and effectiveness standards established by the U.S. Department of Housing & Urban Development.

(d) Owner agrees to promptly pay any and all additional funds needed to complete the Project if PTSR Funds proceeds are not sufficient to complete the Project or if the Agency determines the costs to be ineligible project costs in accordance with the PTSR Program, ARRA or the Agency's PTSR Program Guidelines.

(e) The Agency will have the right of entry and free access to the Project during and after the construction period to monitor or inspect all work done, labor performed and materials furnished in and about the Project and the right to inspect all books, contracts and records of Owner relating to the Project and the Agency must approve any proposed changes in the work write-up. The Agency has direct privity of contract with the construction contractor for all work to be performed on the Project.

(f) All disbursements made by the Agency are subject to receipt from the applicable Funding Source and Owner holds Agency harmless should any Funding Source fail to provide specific funds for the PTSR Program or the Project for any reason.

(g) Owner will promptly advise the Agency in writing of (1) all litigation, regardless of amount affecting Owner or any part of the Project, and (2) all complaints and charges made by any Governmental Authority affecting the Project or affecting Owner or its business which may delay or require changes in the rehabilitation of the Project or in any way impair the security of the Agency or affect the timely ability of the rehabilitation of the Project to be placed in service and meet all expenditure and disbursement timeframes applicable to the Project and the PTSR Funds.

(h) Owner will cause any mechanic's lien or lien claim against the Project to be discharged or bonded over. Failure to do so will give rise to the Agency's right to discharge liens under this Agreement.

(i) Upon written request from the Agency, Owner shall provide any subcontracts, certificates, approvals, permits, licenses, surveys or other information the Agency deems necessary to review the Project, to ensure compliance with PTSR Program requirements.

(j) Owner agrees to indemnify, defend and hold harmless Agency from any and all environmental liabilities, claims, damages, injuries, costs, expenses and losses, of every kind whatsoever, that are paid, incurred, suffered by or asserted against the Agency, as a direct or indirect result of the presence of any hazardous substance on the Premises or the escape, seepage, leakage, spillage, discharge, emission or release thereof on the Premises. If a RD Mortgage, RD Regulatory Agreement, and/or RD Use Agreement are in effect on the project, such indemnity payments shall only be made from the

projects surplus cash account or residual receipts and not from reserves or deposit made required by RD in connection with the RD mortgage transaction.

Owner shall be responsible for and agrees to indemnify and hold harmless the Agency and the Commonwealth of Pennsylvania from all losses, damages, expenses, claims, demands, suits and actions brought by any party against the Agency and the Commonwealth of Pennsylvania as a result of Owner's failure to comply with the provisions above. If a RD Mortgage, RD Regulatory Agreement, and/or RD Use Agreement are in effect on the project, such indemnity payments shall only be made from the projects surplus cash account or residual receipts and not from reserves or deposits made required by RD in connection with the RD mortgage transaction.

(k) Owner shall submit building permits (if required) to the Agency prior to the initial PTSR Funds closing and shall have any Drawings and Specifications for the Project reviewed and approved by the local fire marshal, which approval shall be submitted to the Agency prior to initial PTSR Funds closing.

(l) Pursuant to federal regulations under the authority of the Americans With Disabilities Act, 28 C.F.R. Section 35.101 et seq., Owner understands and agrees that no individual with a disability shall, on the basis of the disability, be excluded from participation in this Agreement or from activities provided for under this Agreement. As a condition of accepting and executing this Agreement, Owner agrees to comply with the "General Prohibitions Against Discrimination," 28 C.F.R. Section 35.130, and all other regulations promulgated under Title II of the Americans With Disabilities Act which are applicable to the benefits, services, programs and activities provided by the Commonwealth of Pennsylvania through contracts with outside contractors.

(m) The Project shall be rehabilitated in conformance with all applicable state and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the housing quality standards set forth in Section 24 C.F.R. Section 982.401 or any successor regulations.

(n) Owner shall carry out each activity provided for in this Agreement in compliance with all applicable requirements under PTSR Program and the Agency, including deadlines for submissions of all cost certification information necessary to meet the PTSR Program timeframes and specific Funding Source requirements.

ARTICLE IX
OWNER INTEGRITY
COMMONWEALTH CONTRACTING PROVISIONS

Definitions for this section are as follows, as applicable:

(a) Commonwealth means the Commonwealth of Pennsylvania.

(b) Confidential information means information that is not public knowledge, or available to the public on request, disclosure of which would give an unfair, unethical, or illegal advantage to another desiring to contract with the Commonwealth and/or Agency.

(c) Consent means written permission signed by a duly authorized officer or employee of the Commonwealth and/or Agency, provided that where the material facts have been disclosed, in

writing, by prequalification, bid, proposal, or contractual terms, the Commonwealth and/or Agency shall be deemed to have consented by virtue of execution of this Agreement.

(d) Owner means the individual or entity that has entered into this Agreement with Agency, including directors, officers, partners, managers, key employees, and owners of more than five percent (5%) interest.

(e) Financial interest means ownership of more than a five percent (5%) interest in any business or holding a position as an officer, director, trustee, partner, employee, or the like, or holding any position of management.

(f) Gratuity means any payment of more than nominal monetary value in the form of cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind.

(g) Immediate family means a spouse and any unemancipated child.

(h) Political contribution means any payment, gift, subscription, assessment, contract, payment for services, dues, loan, forbearance, advance or deposit of money or any valuable thing, to a candidate for public office or to a political committee, including but not limited to a political action committee, made for the purpose of influencing any election in the Commonwealth or for paying debts incurred by or for a candidate or committee before or after any election.

(i) Owner shall maintain the highest standards of integrity in the performance of this Agreement and shall take no action in violation of state or federal laws, regulations, or other requirements that govern contracting with the Commonwealth and/or Agency.

(j) Owner shall establish and implement a written business integrity policy, which includes, at a minimum, the requirements of these provisions as they relate to Owner employee activity with the Commonwealth and Commonwealth employees, and which is distributed and made known to all Owner employees.

(k) Owner, its affiliates, agents and employees shall not influence, or attempt to influence, any Commonwealth employee to breach the standards of ethical conduct for Commonwealth employees set forth in the *Public Official and Employees Ethics Act*, 65 Pa.C.S. §§ 1101 et seq.; the State Adverse Interest Act, 71 P.S. § 776.1 et seq.; and the Governor's Code of Conduct, Executive Order 1980-18, 4 Pa. Code § 7.151 et seq., or to breach any other state or federal law or regulation.

(l) Owner shall not disclose to others any confidential information gained by virtue of this Agreement.

(m) Owner shall not, in connection with this or any other Contract with the Commonwealth and/or Agency, directly or indirectly, offer, confer, or agree to confer any pecuniary benefit on anyone as consideration for the decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty by any officer or employee of the Commonwealth and/or Agency.

(n) Owner shall not, in connection with this or any other Contract with the Commonwealth and/or Agency, directly or indirectly offer, give, or agree or promise to give to anyone any gratuity for the benefit of or at the direction or request of any officer or employee of the Commonwealth and/or Agency.

(o) Except with the consent of the Commonwealth and/or Agency, neither Owner nor anyone in privity with it shall accept or agree to accept from, or give or agree to give to, any person, any gratuity from any person in connection with the performance of work under this Agreement except as provided therein.

(p) Except with the consent of the Agency, Owner shall not have a financial interest in any other contractor, subcontractor or supplier providing services, labor or material on this Project, unless the financial interest is disclosed to the Agency in writing and the Agency consents to Owner's financial interest prior to Agency execution of the contract. Owner shall disclose the financial interest to the Agency at the time of bid or proposal submission, or if no bids or proposals are solicited, no later than Owner's submission of the executed contract.

(q) Owner, its affiliates, agents and employees shall not disclose to others any information, documents, reports, data, or records provided to, or prepared by, Owner under this Agreement without the prior written approval of the Commonwealth and/or Agency, except as required by the *Pennsylvania Right-to-Know Law*, 65 P.S. §§ 67.101-3104, or other applicable law or as otherwise provided in this Agreement. Any information, documents, reports, data, or records secured by Owner from the Commonwealth or a third party in connection with the performance of this Agreement shall be kept confidential unless disclosure of such information is:

a. Approved in writing by the Commonwealth and/or Agency prior to its disclosure; or
b. Directed by a court or other tribunal of competent jurisdiction unless the Contract requires prior Commonwealth approval; or
c. Required for compliance with federal or state securities laws or the requirements of national securities exchanges; or
d. Necessary for purposes of Owner's internal assessment and review; or
e. Deemed necessary by Owner in any action to enforce the provisions of this Contract or to defend or prosecute claims by or against parties other than the Commonwealth and/or Agency; or
f. Permitted by the valid authorization of a third party to whom the information, documents, reports, data, or records pertain: or
g. Otherwise required by law.

(r) Owner certifies that neither it nor any of its officers, directors, associates, partners, limited partners or individual owners has not been officially notified of, charged with, or convicted of any of the following and agrees to immediately notify the Agency in writing if and when it or any officer, director, associate, partner, limited partner or individual owner has been officially notified of, charged with, convicted of, or officially notified of a governmental determination of any of the following:

a. Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property.
b. Commission of fraud or a criminal offense or other improper conduct or knowledge of, approval of or acquiescence in such activities by Owner or any affiliate, officer, director, associate, partner, limited partner, individual owner, or employee or other individual or entity associated with:
   1. obtaining;
   2. attempting to obtain; or
   3. performing a public contract or subcontract.

Owner's acceptance of the benefits derived from the conduct shall be deemed evidence of such knowledge, approval or acquiescence.

c. Violation of any federal or state antitrust statutes.

d. Violation of any federal or state law regulating campaign contributions.

e. Violation of any federal or state environmental law.

f. Violation of any federal or state law regulating hours of labor, minimum wage standards or prevailing wage standards; discrimination in wages; or child labor violations.

g. Violation of the Act of June 2, 1915 (P.L. 736, No. 338), known as the Workers' Compensation Act, 77 P.S. 1 et seq.

h. Violation of any federal or state law prohibiting discrimination in employment.

i. Debarment by any agency or department of the federal government or by any other state.

j. Any other crime involving moral turpitude or business honesty or integrity.

Owner acknowledges that the Agency may, in its sole discretion, terminate the Contract for cause upon such notification or when the Agency otherwise learns that Owner has been officially notified, charged, or convicted.

(s) Owner shall comply with requirements of the *Lobbying Disclosure Act,* 65 Pa. C.S. § 13A01 et seq., and the regulations promulgated pursuant to that law.

(t) When Owner has reason to believe that any breach of ethical standards as set forth in law, the Governor's Code of Conduct, or in these provisions has occurred or may occur, shall immediately notify the Agency's Chief Counsel and the Commonwealth Inspector General in writing.

(u) Owner, upon being informed that any violation of these provisions has occurred or may occur, shall immediately notify Agency in writing.

(v) Owner, by execution of this Agreement and by the submission of any bills or invoices for payment pursuant thereto, certifies and represents that it has not violated any of these provisions.

(w) Owner shall, upon request of the Office of State Inspector General and/or Agency, reasonably and promptly make available to that office and its representatives, for inspection and copying, all business and financial records of Owner of, concerning, and referring to this Agreement, or which are otherwise relevant to the enforcement of these provisions.

(x) If applicable, Owner shall immediately notify the Agency of any security breach, which may involve confidential consumer information.

For violation of any of the above provisions, the Commonwealth and/or Agency may terminate this and any other Contract with Owner, claim liquidated damages in an amount equal to the value of anything received in breach of these provisions, claim damages for all expenses incurred in obtaining another facility to complete performance hereunder, and debar and suspend the Owner from doing business with Agency and/or the Commonwealth. These rights and remedies are cumulative, and the use or nonuse of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Agency and/or the Commonwealth may have under law, statute, regulation or otherwise.

ARTICLE X
OWNER'S COMMONWEALTH RESPONSIBILITY

(a) Owner certifies that it is not currently under suspension or debarment by the Commonwealth, any other state, or the federal government, and if the Owner cannot so certify, then it agrees to submit along with the bid/proposal a written explanation of why such certification cannot be made.

(b) Owner certifies that it has no tax liabilities or other outstanding Commonwealth debts. The Owner's obligations pursuant to these provisions are ongoing from and after the effective date of this Agreement through the termination date hereof. The Owner shall inform the Agency if, at any time during the term of this Agreement, it becomes delinquent in the payment of taxes, or other Commonwealth debts, or if it or any of its subcontractors are suspended or debarred by the Commonwealth, the federal government, or any other state or governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment. The failure of the Owner to notify the Agency of its suspension or debarment by the Commonwealth, any other state, or the federal government shall constitute an event of default of this Agreement.

(c) Owner agrees that the Commonwealth and/or the Agency may offset the amount of any state tax, Agency or Commonwealth debt of the Owner or its affiliates and subsidiaries that is owed to the Commonwealth and/or Agency against any payments due under this or any other Contract with the Commonwealth and/or Agency.

(d) If Owner enters into subcontracts or employs under this Agreement any subcontractors/individuals who are currently suspended or debarred by the Commonwealth or the federal government or who become suspended or debarred by the Commonwealth or federal government during the term of this Agreement or any extensions or renewals thereof, the Commonwealth shall have the right to require the Owner to terminate such subcontracts or employment.

(e) Owner agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of Inspector General for investigations of Owner's compliance with the terms of this or any other Contract between Owner and the Commonwealth which result in the suspension or debarment of Owner. Such costs shall include, but not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. Owner shall not be responsible for investigative costs for investigations which do not result in Owner suspension or debarment.

(f) Owner may obtain the current list of suspended and debarred contractors by contacting the: Department of General Services, Office of Chief Counsel, 603 North Office Building Harrisburg, Pennsylvania 17125; Phone: (717) 783-6472 and Fax: (717) 787-9138.

ARTICLE XI
NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE

During the term of this Agreement, Owner agrees as follows:

(a) Owner shall not discriminate against nor intimidate any employee, applicant for employment, independent Contractor, or any other person for the manufacture of supplies, performance of work, or any other activity, under this Agreement or subcontract, because of race, color, religious creed,

ancestry, handicap, national origin, age, or gender. Owner shall take affirmative action to insure that applicants are employed, and that employees or agents are treated during employment, without regard to their race, color, religious creed, handicap, ancestry, national origin, age, or sex. Such affirmative action shall include, but is not limited to: employment, upgrading, demotion or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training. Owner shall post in conspicuous places, that are available to employees, agents, applicants for employment, and other persons, a notice setting forth the provisions of this nondiscrimination clause.

(b) Owner shall, in advertisements or requests for employment placed by it or on its behalf, state that all qualified applicants will receive consideration for employment without regard to race, color, religious creed, handicap, ancestry, national origin, age, or sex.

(c) Owner shall send each labor union or workers' representatives with which it has a collective bargaining contract or other contract or understanding, a notice advising said labor union or workers' representative of its commitment to this nondiscrimination clause. Similar notice shall be sent to every other source of recruitment regularly utilized by Owner.

(d) Owner and any subcontractors shall establish and maintain a written sexual harassment policy and shall inform their employees of the policy. The policy must contain a notice that sexual harassment will not be tolerated and employees who practice it will be disciplined.

(e) It shall be no defense to a finding of noncompliance with this Nondiscrimination/Sexual Harassment Clause that Owner had delegated some of its employment practices to any union, training program, or other source of recruitment which prevents it from meeting its obligations. However, if the evidence indicates that the Owner was not on notice of the third-party discrimination or made a good faith effort to correct it, such factors shall be considered in mitigation in determining appropriate sanctions.

(f) Where the practices of a union or any training program or other source of recruitment will result in the exclusion of minority persons, so that Owner will be unable to meet its obligations under this nondiscrimination clause, Owner shall then employ and fill vacancies through other nondiscriminatory employment procedures.

(g) Owner shall comply with all state and federal laws prohibiting discrimination in hiring or employment opportunities. In the event of Owner's noncompliance with the Nondiscrimination/ Sexual Harassment Clause of this Agreement or with any such laws, this Agreement may be terminated or suspended, in whole or in part, and all money due or to become due under this Agreement may be forfeited. In addition, Owner may be declared temporarily ineligible for further Agency or Commonwealth contracts and Agency may proceed with debarment or suspension and may place the Owner in the Contractor Responsibility File and other sanctions may be imposed and remedies invoked.

(h) Owner shall furnish all necessary employment documents and records to, and permit access to its books, records, and accounts by the contracting Agency and the Department of General Services' Bureau of Contract Administration and Business Development for purposes of investigation to ascertain compliance with the provisions of this Nondiscrimination/Sexual Harassment clause. If Owner does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the Department of General Services' Bureau of Contract Administration and Business Development.

(i) Owner shall actively recruit minority and women subcontractors or subcontractors with substantial minority representation among their employees.

(j) Owner shall include the provisions of this Nondiscrimination/Sexual Harassment clause in every subcontract, so that such provisions will be binding upon each subcontractor.

(k) Owner's obligations under this clause are limited to Owner's facilities within Pennsylvania or, where the contract is for purchase of goods manufactured outside of Pennsylvania, the facilities at which such goods are actually produced.

ARTICLE XII
EVENTS OF DEFAULT

The occurrence of any one or more of the following shall constitute an event of default hereunder ("Event of Default"):

(a) Owner fails to perform or observe any term, covenant, condition or obligation contained in this Agreement.

(b) If at any time any representation or warranty made by Owner shall be incorrect in any material respect.

(c) Owner fails to comply with any of the covenants, terms and conditions contained in any agreement through which financial assistance is to be provided to assist in the rehabilitation or operation of the Project and such noncompliance jeopardizes the continued security and interest of the Agency, in its sole judgment.

(d) Owner assigns this Agreement or any interest in this Agreement without the prior written consent of the Agency.

(e) **The Scope of Work cannot be expected to be placed in service on or before March 31, 2012, for any reason.**

(f) Any statements, details, budgets or revisions submitted by Owner to the Agency indicate, in the opinion of the Agency, that the estimated cost of the Scope of Work is in excess of the amount of funds available to Owner to complete and pay for such rehabilitation.

(g) Owner fails to comply with any requirement of any Governmental Authority within the time period provided by the Governmental Authority or within thirty (30) days after notice in writing of such requirement shall have been given to Owner by such Governmental Authority, or fails to furnish to the Agency upon request official reports made by any such Governmental Authority and the Agency reasonably believes such failure jeopardizes its PTSR Program funds or its interest in the Project.

(h) A petition in bankruptcy or for reorganization or for an arrangement under any bankruptcy or insolvency law or for a receiver or trustee for any of its property is filed by Owner, or a petition in bankruptcy or for reorganization or for an arrangement under any bankruptcy or insolvency law or for a receiver or trustee of any of its property is filed against Owner which is not dismissed within sixty (60) days, or a receiver or trustee of any property of Owner is appointed and is not discharged within sixty (60) days, or Owner makes an assignment for the benefit of creditors, or admits in writing its

inability to pay its debts, or Owner is adjudged insolvent by any State or Federal court of competent jurisdiction, or an attachment of execution is levied against any substantial portion of the property of Owner which is not discharged within sixty (60) days.

(i) Owner fails to maintain the Project as affordable rental housing for the Affordability Term in accordance with PTSR Program Restrictive Covenant Agreement.

ARTICLE XIII
NOTICE OF EVENT OF DEFAULT AND GRACE PERIOD

If the Event of Default consists of items specified in Article XII, Sections (a)-(f) and (i) above, prior to the Agency exercising any remedies hereunder, the Agency shall provide notice to Owner and a grace period that shall be thirty (30) days from the date on which the notice is given or, if the Event of Default cannot be cured within the said thirty (30) day period and delay in the exercise of a remedy would not (in the Agency's sole judgment) cause any material harm to the Agency or of the Premises, the period required to cure the Event of Default may be extended by the Agency, in its sole discretion, provided that Owner shall commence to cure the Event of Default within the said thirty (30) day period and actively, diligently and in good faith proceed with and continue the curing of the Event of Default.

Notwithstanding the Agency's agreement to provide grace period or notice, the Agency may immediately suspend any pending disbursements of unexpended PTSR Funds and may withhold payment until compliance is achieved.

If the Event of Default as set forth Article XII, Sections (g) or (h) above, there shall be no notice or grace periods required prior to the Agency exercising its remedies.

ARTICLE XIV
ACTIONS IN THE EVENT OF DEFAULT

Upon the occurrence of any Default, the Agency may:

(a) Require the immediate repayment of the entire outstanding amount of the PTSR Funds.

(b) At any time proceed to protect and enforce all rights and remedies available to the Agency under this Agreement or by law, by any other proceedings, whether for specific performance of any agreement contained in this Agreement, damages, or other relief.

(c) Suspend or terminate the Owner's authority to receive any undisbursed non-WAP funded PTSR Funds at any time by written notice to the Owner.

(d) Exercise any of its rights and remedies under any of the PTSR documents.

(e) All remedies provided for in this Agreement or by law are cumulative and are in addition to any other rights and remedies available to the Agency under any law. The exercise of any right or remedy by the Agency shall not constitute a cure or waiver of any Event of Default, nor invalidate any act done pursuant to any notice of Event of Default, nor prejudice the Agency in the exercise of those rights.

(f) The failure of the Agency to insist upon performance of any term of this Agreement shall not constitute a waiver of any term of this Agreement. No act of the Agency shall be construed as an election to proceed under any one provision in this Agreement to the exclusion of any other provision.

(g) If the Agency suspends or terminates this Agreement, the rights and remedies available to the Agency shall survive the suspension or termination.

(h) In no event shall Owner's total liability to the Agency be greater than the actual amount of PTSR Funds disbursed by the Agency to Owner for the Project under this Agreement.

ARTICLE XV
GENERAL CONDITIONS

The following conditions shall be applicable throughout the term of this Agreement:

(a) If the Agency, at any time during rehabilitation, reasonably determines that there is any conflict resulting from the identity of interest by and between Owner and a construction party, including, but not limited to a determination that the Project construction is, in any way, likely to be delayed or will unreasonably escalate in price, the Agency may, in its sole discretion, require Owner to terminate the related party, the Agency may employ an independent construction manager, or take whatever other or additional action the Agency deems necessary to ensure the timely and satisfactory completion of the Project and shall charge Owner with costs attendant thereto.

(b) No disbursement of PTSR Funds hereunder shall constitute a waiver of any of the conditions of the Agency's obligation to make further advances nor, in the event Owner is unable to satisfy any such condition, shall any waiver of such condition have the effect of precluding the Agency from thereafter declaring such inability to be an Event of Default as herein provided.

(c) All conditions of the obligation of the Agency to make disbursements hereunder are imposed solely and exclusively for the benefit of the Agency and no other person shall have standing to require satisfaction of such conditions in accordance with their terms or be entitled to assume that the Agency will refuse to make advances in the absence of strict compliance with any or all thereof and no other person shall, under any circumstances, be deemed to be a beneficiary of such conditions, any or all of which may be freely waived in whole or in part by the Agency at any time if in its sole discretion it deems it advisable to do so.

(d) All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given, made and received only (i) when personally delivered, or (ii) when deposited with a courier service such as Federal Express or United Parcel Service for delivery to the intended addressee, or (iii) when deposited in the United States mails, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

To The Agency:	PENNSYLVANIA HOUSING FINANCE AGENCY 211 North Front St. Harrisburg, PA 17101
To Owner:	VALLEY MANOR ASSOCIATES 762 East Main Street Lansdale, PA 19446

(e) Any party may alter the address to which communications or copies are to be sent by giving notice of such change of address to the other parties in conformity with the provisions of this Section for the giving of notice.

(f) Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

(g) Monitoring visits, inspections and approvals of drawings, specifications, the Project, and the workmanship and materials used therein impose no responsibility or liability of any nature whatsoever on the Agency; the Agency's sole obligation hereunder is to make the disbursements if and to the extent required by this Agreement.

(h) All rights, powers and remedies herein given to the Agency are cumulative and not alternative and are in addition to all statutes or rules of law; any forbearance or delay by the Agency in exercising the same shall not be deemed to be a waiver thereof, and the exercise of any right or partial exercise thereof shall not preclude the further exercise thereof, and the same shall continue in full force and effect until specifically waived by an instrument in writing executed by the Agency. All representations and covenants by Owner shall survive the making of the disbursements and the PTSR Funds, and the provisions hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto.

(i) 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.

[Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto, with intent to be legally bound hereby, have caused this Agreement to be executed and attested (witnessed) on the day and year first above written.

WITNESS:

PENNSYLVANIA HOUSING FINANCE AGENCY

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

WITNESS:

VALLEY MANOR ASSOCIATES
a Pennsylvania Limited Partnership

By: _____
Name: Stanley H Geiger
Title: VP, Grosse GP Corp.
General Partner

Exhibit A – Project Legal Description

ALL THAT CERTAIN parcel of ground situate in Lower Salford Township, Montgomery County, Pennsylvania, and being shown as Lots 136, 137, 138, 139 and 140 on a plan titled Stormfield Subdivision of property of Alvin A. and Alvin H. Clemens by Yerkes Associates, Inc. dated October 4, 1978 as last revised May 1, 1979 and being more fully described as follows:

BEGINNING at a point on the Southeast side of West Broad Street (originally 33 feet wide with a proposed ultimate width of 50 feet) said point of beginning being 25 feet from the center line at this point and being the following four (4) courses from the intersection of the centerline of Oak Drive (33 feet wide with a proposed ultimate width of 100 feet) and the centerline of said West Broad Street: (1) along the centerline of West Broad Street North sixty degrees thirty six minutes forty five seconds East 561.79 feet (2) still along the same North fifty five degrees twenty four minutes East 57.95 feet (3) still along the same North forty degrees fifty minutes fifty five seconds East 381.41 feet (4) leaving said centerline and extending South forty six degrees fifty three minutes fifty five seconds East 25.02 feet to the point of beginning; thence the said point of beginning extending along lands now or late of Harlan Nice South forty six degrees fifty three minutes fifty five seconds East 174.06 feet to a corner common with lands now or late of V. M. P. Associates, Inc.; thence along the same South forty seven degrees forty one minutes ten seconds East 151.70 feet to a point a corner common with an open space area; thence along the same the following five (5) courses: (1) South forty two degrees eighteen minutes fifty seconds West 60.00 feet; (2) South eighty three degrees no minutes fifty seconds West 303.97 feet; (3) South forty degrees fifty minutes fifty five seconds West 125.24 feet; (4) South sixty degrees thirty six minutes forty five seconds West 215.00 feet; (5) South eighty one degrees twenty one minutes forty five seconds West 21.31 feet to a point a corner common with lands to be dedicated to Lower Salford Township; thence along the same North twenty nine degrees twenty three minutes fifteen seconds West 112.45 feet to a point on the said Southeast side of West Broad Street; thence along the same, the line being 25 feet from and parallel to the said centerline of West Broad Street the following three (3) courses: (1) North sixty degrees thirty six minutes forty five seconds East 167.75 feet; (2) North fifty five degrees twenty four minutes East 62.28 feet; (3) North forty degrees fifty minutes fifty five seconds East 383.61 feet to a point of beginning.

CONTAINING: 2.567 acres of land area, more or less.

Exhibit B – Project Summary

(a)	Project Name and Address:	Valley Manor 350 Broad Street Harleysville, PA 19438
(b)	Project Owner and Address:	Valley Manor Associates A Pennsylvania limited partnership 762 East Main Street Lansdale, PA 19446
(c)	Total Number of Units:	40
(d)	Building Height:	2
(e)	Energy Auditor:	Innova Services Corporation
(f)	Date of Energy Audit	1/11/2011
(g)	Date of Construction Bids	11/14/2011
(h)	General Contractor	Innova Services Corporation 1548 S. 16th Street Philadelphia, PA 19146
(i)	Date of Davis/Bacon Wage Determination	3/6/2010
(j)	Davis/Bacon Wage Type:	State Weatherization Yes Building No
(k)	Wage Determination County:	Montgomery

(l) Pro Forma

Valley Manor			PHFA NO.			U-0027	
Preservation through Smart Rehab Program			WAP No.			A-211-146	
Closing Pro Forma			Revision Date			11/21/2011	
Contractor: Innova Services Corporation							
Proposed Improvements	QTY	Bid Pricing	WAP Eligible Cost	Non-WAP Eligible Cost	Non-Federal Buy Down	Life Cycle Savings	S I R
Replace common area lamps to CFL	42	$ 830	$ 830		$ -	$ 4,220	5.08
Replace apt. lamps to CFL	360	$ 5,378	$ 5,378		$ -	$ 7,324	1.36
Replace common area aerators w Low Flow	6	$ 153	$ 153		$ -	$ 956	6.25
Community room heat pump - Removed due to low							0.54
Outdoor lighting upgrade	9	$ 4,859	$ 3,608		$ 1,251	$ 3,608	0.74
Replace Apt. showerheads and aerators w Low Flow	120	$ 3,779	$ 3,779		$ -	$ 20,586	5.45
Lobby heat pump		$ 9,750	$ 8,773		$ 977	$ 8,773	0.90
Common area lighting sensors	5	$ 812	$ 812		$ -	$ 916	1.13
Refrigerator replacement	32	$ 22,589	$ 22,589		$ -	$ 26,065	1.15
Apt. air sealing	40	$ 28,103	$ 28,103		$ -	$ 35,657	1.27
Apt. PTHP upgrade	41	$ 80,173	$ 77,768		$ 2,405	$ 77,768	0.97
Laundry room DWH - Removed due to low SIR							0.44
Laundry room heat pump - Removed due to low SIR							0.48
Common area T8 lighting upgrade	201	$ 29,724	$ 29,724		$ -	$ 32,699	1.10
LED Exit signs - Removed due to low SIR							0.55
Estimated Improvement Cost		$ 186,150	$ 181,517	$ -	$ 4,633		
A & E Fees		$ 4,400	$ 3,800	$ 600			
Energy Audit		$ 10,790	$ 10,790				
A & E Reimbursable		$ 2,500	$ 2,500				
Energy Tracking Software Initial Year Licensing Fee		$ 125	$ 125				
TOTAL PROGRAM COST		**$ 203,965**	**$ 198,732**	**$ 600**	**$ 4,633**		
Sources of Funds							
Weatherization Assistance Program		$ 149,049	$ 149,049				
MacArthur Grant		$ 5,395	$ 5,395				
Owner's Contribution		$ 49,521	$ 44,288	$ 600	$ 4,633		
TOTAL SOURCES		**$ 203,965**	**$ 198,732**	**$ 600**	**$ 4,633**		