

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

RECORDED OF DEEDS
MONTGOMERY COUNTY

2011 DEC -6 AM 10: 25

RECORDED OF DEEDS
MONTGOMERY COUNTY

2011 DEC 22 AM 10: 28

PIN / ID Number: 50-00-00154-30-9 /

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

THIS RESTRICTIVE COVENANT AGREEMENT ("Agreement") is made this 28 day of November, 2011, to be effective November 29, 2011 by and between VALLEY MANOR ASSOCIATES, a Pennsylvania limited partnership, with a principal place of business at 762 East Main Street, Lansdale, Pennsylvania, 19446 ("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:

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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 350 Broad Street, Harleysville, Montgomery County, Pennsylvania, as more fully described in Exhibit A attached hereto and made a part hereof, known as Valley Manor (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

MONTGOMERY COUNTY COMMISSIONERS REGISTRY
50-00-00154-30-9 LOWER SALFORD
350 BROAD ST
VALLEY MANOR ASSOCIATES
B 008B U 136 L 5145 DATE: 12/06/2011

\$10.00
BR

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

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

- F. Owner acknowledges that the primary purpose for requiring compliance with the restrictions provided in this Agreement are to assure compliance of the Development and Owner (and its successors and assigns) with PTSR Requirements, including, without limitation, the ongoing benefits of decent safe and sanitary housing for low and moderate income households for the Affordability Term. Owner in consideration for receiving PTSR funding for the Development, hereby agrees and consents that the Agency, the Commonwealth of Pennsylvania and/or the United States of America shall be entitled to enforce specific performance by Owner, its successors and assigns, of its obligations under this Agreement in any tribunal in the Commonwealth of Pennsylvania for any and all breach of the conditions and restrictions hereof or material representations made by Owner at any time, and in addition to all other remedies provided by law or in equity.
- G. Owner shall submit any other reports that DCED or the Agency 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 and the approval of the United States Department of Agriculture (USDA) Rural Development ("RD").
- K. The Agency, its agents or assigns, and representatives of federal agencies shall have the right of entry and inspection of the Development and shall have access to inspection and reproduction of all records, books and accounts for the Development during regular business hours.
- L. The invalidity of any clause, part or provision of this Indenture shall not affect the validity of the remaining portions thereof.
- M. This Agreement and all matters relating thereto shall be governed by and construed and interpreted in accordance with the laws of the Commonwealth of Pennsylvania and, where applicable, the laws of the United States of America.
- N. As the Development is RD financed, Agency covenants and agrees that all of its rights and powers under this Agreement are subordinate and subject to the rights of all prior mortgage holders, regulatory agreements and restrictive covenant agreements with prior recorded lien interests

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

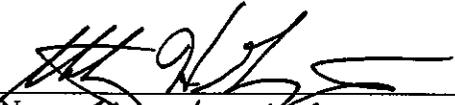
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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed as of the date first written above.

WITNESS:

VALLEY MANOR ASSOCIATES
a Pennsylvania Limited Partnership

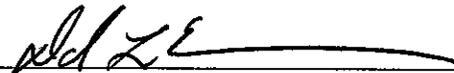
Patricia A. Kibler

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

WITNESS:

PENNSYLVANIA HOUSING FINANCE AGENCY

Nancy Houtsluy

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

COMMONWEALTH OF PENNSYLVANIA

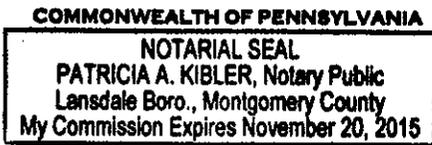
SS

COUNTY OF Montgomery

On this, the 29 day of November, 2011, before me, the undersigned officer, personally appeared Stanley H. Gusek who being sworn according to law, deposes and states that s/he is the Vice President of Grosse GP Corp, a Pennsylvania Corporation, General Partner of VALLEY MANOR ASSOCIATES, 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 s/he, being authorized to do so, executed the same on behalf of VALLEY MANOR 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.

Patricia A. Kibler
Notary Public



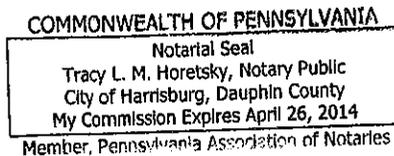
COMMONWEALTH OF PENNSYLVANIA

SS

COUNTY OF DAUPHIN

On this, the 28 day of Nov., 2011, before me, the undersigned officer, personally appeared David L. Evans, Assistant Executive Director of Multifamily Housing, who acknowledged himself 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 he as such authorized officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained, and desires the same to be recorded as such.

Tracy L. M. Horetsky
Notary Public



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

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

Please mail this Agreement to the above address.

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

COMMONWEALTH OF PENNSYLVANIA :
:
COUNTY OF MONTGOMERY :

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

Recorder of Deeds

Exhibit A - Legal Description

ALL THAT CERTAIN 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.