

**DECLARATION OF RESTRICTIVE COVENANTS,
CONDITIONS AND RESTRICTIONS**

THIS INDENTURE (the "Declaration"), made as of _____, 201____, by _____, a [*Pennsylvania corporation, limited liability company, limited partnership*] ("Owner"), with offices located at _____.

WITNESSETH

WHEREAS, Owner is purchasing certain real estate located at _____ (the "Property") from the Philadelphia Land Bank (the "Land Bank"), a body corporate and politic organized and existing under the laws of the Commonwealth of Pennsylvania, with offices at 1234 Market Street, 17th Floor, Philadelphia, Pennsylvania, 19107;

WHEREAS, Owner desires to construct on the Property _____ () single family homes and related site improvements (individually, a "Home") which will be sold to an Original Buyer or Qualified Purchaser (as defined below);

WHEREAS, the Land Bank desires to advance the public interest in the creation and retention of workforce housing within the City of Philadelphia (the "City") and to assure that resale of a Home is at a price that continues its affordability to a Qualified Purchaser;

WHEREAS, the Land Bank will convey the Property to Owner for nominal consideration as Owner has agreed to develop the Property for sale to an Original Buyer;

WHEREAS, Owner has agreed to subject the Property to the covenants, conditions and restrictions set forth below.

NOW, THEREFORE, in consideration of conveyance of the Property at nominal value and in order to fulfill the above-stated public interest, and for other good and valuable consideration, Owner, for itself, its successors and assigns, hereby declares that from this date forward the Property is and shall be held, transferred, sold, conveyed, used, occupied, and encumbered subject to the conditions and restrictions set forth below as if said covenants were set forth in the deed by which Owner acquired title to the Property, and said conditions for all purposes shall be deemed to run with the land.

1. The Preambles of this Declaration are incorporated herein as though set forth in full.

2. In addition to the terms defined above, the following terms, when used in this Declaration, shall have the following meanings:

Adjusted Purchase Price means the sum of i) the Purchase Price; ii) the reasonable and customary closing costs paid by either the Original Buyer or a Qualified Purchaser, as the case may be, at the time of their purchase and iii) reasonable and customary closing costs estimated to be paid by either the Original Buyer or a Qualified Purchaser, as the case may be, upon the sale of the Home.

Affordable Price means the Adjusted Purchase Price as increased (but not decreased) by the percentage change in the Consumer Price Index for All Urban Consumers for the Philadelphia, Wilmington, Atlantic City area for All Items (1982-84=100) as published by the U.S. Department of Labor ("CPI-U") which has occurred between the date of purchase by the Original Buyer or the Qualified Purchaser, as the case may be, and the date the Home is listed for sale. If the format or components of the CPI-U are materially changed after the date of sale to the Original Buyer, The Land Bank may substitute an index that is published by the Bureau of Labor Statistics or similar agency, which is comparable to the CPI-U.

By way of illustration, the Adjusted Purchase Price shall be multiplied by a fraction, the denominator of which is the CPI-U for the month and year the Home is listed for sale and the numerator of which is the difference between the CPI-U for the month and year the Home is listed for sale and the CPI-U for the month and year of the purchase of the Home, which product shall then be added to the Adjusted Purchase Price to arrive at the Affordable Price.

Extended Compliance Period means an additional ten (10) year term beginning on the date of each Transfer which occurs during the Original Compliance Period or, if applicable, an Extended Compliance Period. However, an Extended Compliance Period and this Declaration shall terminate automatically on a date which is thirty (30) years from the beginning of the Original Compliance Period.

First Mortgagee means a bank, financial institution or other institutional lender that provides financing which is secured by a first lien mortgage on a Home.

Original Compliance Period means a period of ten (10) years beginning on the date of sale to the Original Buyer.

Original Buyer means an individual(s), as approved by the Land Bank, who is purchasing the Home from the Owner and whose household income at the time of purchase does not exceed one hundred and twenty percent (120%) of the median family income for the area as determined by the United States Department of Housing and Urban Development ("HUD").

Purchase Price means the stated consideration as appears on the deed conveying the Home from Owner to the Original Buyer or subsequent deed to a Qualified Purchaser.

Qualified Purchaser means an individual(s), as approved by the Land Bank, who is purchasing the Home from the Original Buyer (or other Qualified Purchaser) and whose household income at the time of purchase does not exceed one hundred and twenty percent (120%) of the median family income for the area as determined by HUD.

Transfer means the sale, transfer, conveyance or other disposition of a Home but shall exclude any conveyance for nominal consideration which occurs as part of marriage, divorce, or death. The grantee of such nominal consideration transfer shall be considered the “Original Buyer” or “Qualified Purchaser”, as applicable.

3. Owner, and any successor in title, shall not sell or transfer the Property or any portion thereof without the prior written consent of the Land Bank.

4. Following the issuance of a Certificate of Occupancy by the City’s Department of Licenses and Inspections, Owner shall sell each Home to an Original Buyer at a price approved in writing by the Land Bank, which price shall not exceed Two Hundred Thirty Thousand Dollars (\$230,000).

5. During the Original Compliance Period or Extended Compliance Period, if applicable, the following conditions shall apply to each Home:

a. The Home must be owned and occupied as the principal residence of the Original Buyer or Qualified Purchaser.

b. Original Buyer or Qualified Purchaser will not complete a Transfer of the Home without first offering the Home to the Land Bank in writing at the Affordable Price. Such offer shall require the Original Buyer or Qualified Purchaser to deliver a special warranty deed, free and clear of all liens and encumbrances and each party shall pay the customary apportionment of real estate taxes, utility service charges and transfer taxes. The Land Bank shall have thirty (30) days to notify the Original Buyer or Qualified Purchaser in writing of its intent to exercise this right of first refusal and an additional thirty (30) days to complete the purchase of the Home.

c. Except for a Transfer to the Land Bank pursuant to section 5(b), any Transfer must be to a Qualified Purchaser for an Affordable Price as approved by the Land Bank.

6. This Declaration shall automatically terminate for a Home upon any of the following events:

a) At the end of the Original Compliance Period, if no Transfer occurs prior to that date; or

b) Upon a transfer pursuant to a foreclosure sale to the First Mortgagee, a deed-in lieu of foreclosure to the First Mortgagee or an assignment of the first mortgage to the Secretary of HUD; or

c) Thirty (30) years from the date of the sale from Owner to the Original Buyer.

7. This Declaration may be terminated by the Land Bank in its sole discretion.

8. Owner, its successors and assigns, shall not discriminate on the basis of race, color, religion, sex or national origin in the sale or in the use or occupancy of this Property or any improvements to be erected thereon.

9. Owner, for itself, its heirs, successors and assigns, agrees that said conditions and restrictions shall be **COVENANTS RUNNING WITH THE LAND**, and that in any deed of conveyance of the Property or any part thereof, said conditions and restrictions shall be incorporated by reference to this Declaration and the record hereof or as fully as the same are contained herein.

10. The covenants, conditions and restrictions contained herein may be enforced by the Land Bank, its successors and assigns or the City.

IN WITNESS WHEREOF, Owner has executed this Declaration the day and year first above written.

Attest:

BY: _____

COMMONWEALTH OF PENNSYLVANIA :
 : ss
COUNTY OF PHILADELPHIA :

On this, the ____ day of _____, 2016, before me, the undersigned Notary Public in and for the State and County aforesaid, personally appeared, who acknowledged himself to be the _____ of _____, a corporation, and further acknowledged that he, being authorized to do so, executed the foregoing instrument as the act and deed of for the purposes therein contained

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

Notary Public

My Commission expires: