

## OPTION TO PURCHASE AGREEMENT

This Option to Purchase Agreement (this "Option Agreement") is made as of this 13<sup>th</sup> day of November, 2014, by and between **THE PRESBYTERIAN HOME AT 58<sup>TH</sup> STREET, PHILADELPHIA, PENNSYLVANIA**, a Pennsylvania non-profit corporation having an office address at 2000 Joshua Road, Lafayette Hill, Pennsylvania 19444-2430 ("Owner"), and **PHILADELPHIA PRESBYTERY HOMES AND SERVICES FOR THE AGING**, a Pennsylvania non-profit corporation having an office address at 2000 Joshua Road, Lafayette Hill, Pennsylvania 19444-2430 ("Optionee").

### **BACKGROUND**

A. Owner is the owner of certain land and the building erected thereon (the "Building") at 2050 South 58<sup>th</sup> Street in the City and County of Philadelphia, Pennsylvania (collectively, the "Property"), as more fully described in Exhibit A attached hereto and made a part hereof.

B. Optionee or its nominee wishes to purchase the Property and rehabilitate the Building to be used as affordable rental housing for seniors (the "Project").

C. It is anticipated that a limited liability company formed by Optionee as its sole member will be the general partner of a Pennsylvania limited partnership formed to acquire the Property and complete the Project (the "Project Partnership") and that Optionee or the Project Partnership will apply to the Pennsylvania Housing Finance Agency ("PHFA") for an allocation of low income housing tax credits partially to fund the acquisition of the Property and the rehabilitation of the Building. Upon the award of such tax credits by PHFA to Optionee or the Project Partnership, it will allocate the majority of such tax credits to an investor who will be admitted to the Project Partnership as a limited partner in exchange for the investor's equity contribution to the Project Partnership, and the option granted herein shall be assigned to and exercised by the Project Partnership.

D. In order to provide such control of the Property as is required to obtain consideration by PHFA of the application to PHFA for an allocation of low income housing tax credits, Owner and Optionee desire to enter into this Option to Purchase Agreement.

**NOW THEREFORE**, in consideration of the mutual promises and other consideration set forth in this Agreement, and intending to be legally bound, Owner and Optionee agree as follows:

1. GRANT OF OPTION. Owner hereby grants to Optionee the sole, exclusive option to purchase the Property on the terms and conditions set forth in this Option Agreement.
2. CONSIDERATION FOR OPTION. In consideration for the grant of the option provided herein, and concurrently with the execution of this Option Agreement, Optionee has paid to Owner the sum of One Hundred Dollars (\$100.00).

3. TERM OF OPTION. The term of the option granted herein ("Option Term") shall commence on the date of this Option Agreement and shall expire at midnight on June 30, 2016.

4. TERMS OF PURCHASE AND SALE.

4.1 The purchase price for the Property is One Million Two Hundred Thousand Dollars (\$1,200,000.00), to be paid upon consummation of the purchase and sale ("Closing") by wire transfer to an account designated by Owner or by cashier's check or check of the title company insuring the Project Partnership's title to the Property. If the option is exercised, Closing shall occur on or before June 30, 2016, the precise date to be chosen by Optionee. At Closing, title to the Property shall be good, insurable, and marketable at regular rates, free of all monetary mortgages and encumbrances, and subject only to existing tenant leases and the exceptions to title listed on Exhibit B hereto. The Property shall be conveyed to the Project Partnership by special warranty deed. Any realty transfer tax payable by the parties with respect to the conveyance of the Property shall be borne by the Project Partnership. Real estate taxes and water and sewer rents shall be adjusted between the parties as of midnight of the day preceding Closing.

4.2 At the Closing, Owner shall execute an assignment of leases in a form satisfactory to the Project Partnership and shall provide the Project Partnership with all original executed leases, all addenda and amendments thereto, and all files and documentation relating thereto, including without limitation a current rent roll, vacancy reports, waiting lists, applications, background checks that were performed, tenant income certifications and re-certifications, and identification of any tenant special needs.

5. MANNER OF EXERCISING OPTION. The option may be exercised by Optionee's delivery to Owner, before the expiration of the Option Term, of written notice of such exercise (the "Exercise Notice").

6. OWNER'S COVENANTS.

6.1 Owner covenants and agrees that during the Option Term, Owner will not encumber the Property in any way or grant any property or contract right relating to the Property without the prior written consent of Optionee, which consent may be granted or denied by Optionee in its sole discretion.

6.2 All notices of violations of law or governmental ordinances, regulations, orders, or requirements noted or issued by any governmental authority against or affecting the Property on or before the time of Closing shall be complied with by Owner, and the Property shall be conveyed free of the same. Owner shall promptly advise Optionee of Owner's receipt of any such notices and shall promptly deliver to Optionee copies of the same.

6.3 Risk of loss by fire or other casualty shall be borne by Owner.

7. RIGHT OF ENTRY.

7.1 During the term of this Option Agreement, Optionee, its employees, agents, architects, engineers, surveyors, and contractors are given the non-exclusive license to enter upon the Property to the extent necessary or appropriate to perform certain predevelopment work, including without limitation Phase I and (if necessary) Phase II environmental reviews, an appraisal, a survey or surveys, and soil borings for a geotechnical assessment (the "Predevelopment Activity").

7.2 Optionee shall not construct any improvements on the Property during the Option Term without the prior written consent of Owner. In connection with any entry by Optionee onto the Property pursuant to this Section 7, Optionee agrees to use reasonable efforts to minimize any harm to the Property as a result of the Predevelopment Activity, and, if the option lapses without exercise of the option by Optionee or the Project Partnership, to repair any damage to the Property caused by Optionee or its employees, agents, architects, engineers, surveyors, or contractors. All activities conducted by Optionee and its representatives at the Property shall be conducted in a good and workmanlike manner and in accordance with all applicable laws, rules, and regulations, and the Property shall be kept free of all debris.

8. INDEMNIFICATION. Optionee agrees to indemnify and hold harmless the Indemnitees (as defined below) from and against all claims, demands, complaints, suits, causes of action, damages, liabilities, losses, costs, fines; liens (including mechanics' liens), penalties and expenses, including, without limitation, attorneys' fees and litigation expenses (collectively, "Claims"), arising during the Option Term out of or attributable to injuries to persons or damage to property caused by a Predevelopment Activity, excepting only such Claims as arise from the negligence or willful misconduct of an Indemnitee. Optionee's indemnification obligations hereunder shall survive the exercise of the option granted herein or the expiration or earlier termination of this Option Agreement. The term "Indemnitees" means and refers to Owner, its successors and assigns, and their respective shareholders, members, partners, officers, directors, and employees.

9. NOTICES. All notices or other communications required under this Option Agreement shall be in writing and shall be deemed duly given and received when delivered in person (with receipt for such delivery), on the date sent if sent by pdf or facsimile with a copy sent by one of the other methods of delivery described in this Section, on the next business day after deposit with a recognized overnight delivery service if sent by overnight delivery, or on the fourth day after being sent by certified or registered mail, return receipt requested, postage prepaid, at the addresses set forth at the head of this Agreement. Either party may change its address for the giving of notices by notice given in accordance with this Section.

10. ASSIGNMENT OF OPTION. This Option Agreement and all of Optionee's rights hereunder may be assigned by Optionee to the Project Partnership without the consent of Owner.

11. RECORDATION. This Option Agreement shall run with the Property and may be recorded by either of the parties hereto in the Department of Records in and for the City and County of Philadelphia, Pennsylvania.

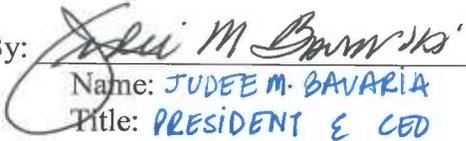
12. ENTIRE AGREEMENT. This Option Agreement contains the entire agreement between the parties respecting the matters set forth herein, and supersedes all prior agreements between the parties respecting such matters.

13. COUNTERPARTS. This Option Agreement may be signed in counterparts, each of which when taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Option Agreement to be duly signed on the day and year first written above.

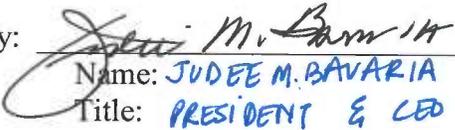
**OWNER:**

**THE PRESBYTERIAN HOME AT 58<sup>TH</sup>  
STREET, PHILADELPHIA,  
PENNSYLVANIA**, a Pennsylvania non-profit  
corporation

By:   
Name: JUDEE M. BAVARIA  
Title: PRESIDENT & CEO

**OPTIONEE:**

**PHILADELPHIA PRESBYTERY HOMES  
AND SERVICES FOR THE AGING**, a  
Pennsylvania non-profit corporation

By:   
Name: JUDEE M. BAVARIA  
Title: PRESIDENT & CEO

**EXHIBIT A**  
**DESCRIPTION OF PROPERTY**

ALL THAT CERTAIN tract or parcel of land, SITUATE in the 40th Ward of the City of Philadelphia, described as follows to wit:

BEGINNING at a point on the Southwesterly side of 58th Street (70 feet wide), said point being measured from the point formed by the intersection of the Southwesterly side of 58th Street and the Southeasterly side of Kingsessing Avenue (80 feet wide), South 40 degrees, 32 minutes, 30 seconds East along said side of 58th Street (70 feet wide), a distance of 420.00 feet to the point and place of beginning.

THENCE from said point of beginning South 49 degrees 27 minutes 30 seconds West, crossing a 20 foot wide easement the distance of 112.00 feet to a point; thence extending North 40 degrees 32 minutes 30 seconds West, partly along said 20 foot wide easement, the distance of 420.00 feet to a point on the Southeasterly side of Kingsessing Avenue; thence extending South 49 degrees, 7 minutes 30 seconds West along said side of Kingsessing Avenue the distance of 288.00 feet to a point, thence extending South 40 degrees 32 minutes 30 seconds East 122.00 feet to a point; thence extending South 85 degrees 32 minutes 30 seconds East 219.46 feet to a point; thence extending South 40 degrees 32 minutes 30 seconds East 214.00 feet to a point; thence extending South 49 degrees 33 minutes 31 seconds West 205.00 feet to a point on the Northeasterly side of South 59th street; thence extending South 40 degrees 32 minutes 30 seconds East along the Northeasterly side of 59th Street the distance of 254.48 feet to a point; thence extending North 49 degrees, 33 minutes, 31 seconds East the distance of 177.16 feet to a point; thence extending North 40 degrees 42 minutes, 30 second West the distance of 167.61 feet to a point; thence extending North 4 degrees, 17 minutes 30 seconds East the distance of 156.50 feet to a point; thence extending North 49 degrees 27 minutes, 30 seconds East partly along a 20 foot wide access easement the distance of 162.98 feet to a point on the said Southwesterly side of 58th Street; thence extending North 40 degrees 32 minutes 30 seconds West along said side of 58th Street and crossing said 20 foot wide access easement the distance of 47.19 feet to a point, being the point and place of beginning.

BEING No. 2050 South 58th Street.

BRT TAX NO. 88-1-4454-00

Being part of the same premises which Ann Gray Thomas by Deed dated 11/13/1872 and recorded 3/6/1873 in Philadelphia County in Deed Book FTW 28 Page 301 conveyed unto The Presbyterian Home for Widows and Singlewomen in the State of Pennsylvania, in fee.

And the said The Presbyterian Home for Widows and Singlewomen in the State of Pennsylvania is now known as The Presbyterian Home at 58th Street, Philadelphia, Pennsylvania.

**EXHIBIT B**

**PERMITTED TITLE EXCEPTIONS**

1. Agreement as in Deed Book CAD 590, page 494;
2. Terms and conditions of reservation in Deed Book FHS 1640, page 174;
3. Easement as set forth in Deed Book VCS 403, page 23, and Deed Book VCS 756, page 551.

COMMONWEALTH OF PENNSYLVANIA )

COUNTY OF Montgomery )

SS:

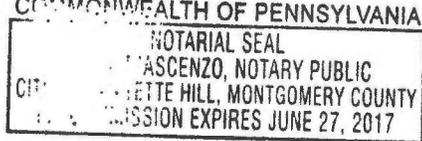
On this, the 13 day of November, <sup>2014 LD</sup> 2013, before me, a Notary Public, the undersigned officer, personally appeared Judith M. Barrows known to me (or satisfactorily proven) to be the President & CEO of THE PRESBYTERIAN HOME AT 58<sup>TH</sup> STREET, PHILADELPHIA, PENNSYLVANIA, ("Company") and that as such Judith M. Barrows, being duly authorized to do so, she/he executed the foregoing instrument for the purposes therein contained by signing the name of Company by himself/herself as such President & CEO

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

Linda D'Ascenzo

Notary Public

MY COMMISSION EXPIRES



COMMONWEALTH OF PENNSYLVANIA )

COUNTY OF Montgomery )

SS:

On this, the 13 day of November, <sup>2014 LD</sup> 2013, before me, a Notary Public, the undersigned officer, personally appeared Judith M. Barrows known to me (or satisfactorily proven) to be the President & CEO of PHILADELPHIA PRESBYTERY HOMES AND SERVICES FOR THE AGING ("Company"), and that as such Judith M. Barrows being duly authorized to do so, she/he executed the foregoing instrument for the purposes therein contained by signing the name of Company by himself/herself as such President & CEO

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

Linda D'Ascenzo

Notary Public

MY COMMISSION EXPIRES

