



**York Area
Housing
Group**

Quality housing for people with limited resources.

Delphia Management Corporation
118 North George Street
York, PA 17401

717-846-5139
800-654-5984 TDD
717-854-9494 Fax

www.yorkareahg.org

February 5, 2016

Mr. James Crosby
Chief of Housing for City of York
101 S. George Street, 2nd floor
York PA 17401

Re: City Financing of Liberty Apartments, 37 E. Philadelphia Avenue and
King Street Apartments, 312, 314 and 334 E. King Street, York

Dear Mr. Crosby,

On behalf of Delphia Management Corporation, a Pennsylvania non-profit and the current owner of the properties referenced above, this letter is a request for the City of York to consider an amendment to loan agreements executed with the City of York in March and June 1996.

In March 1996, a \$326,000 loan was issued to assist in the development of 37 E. Philadelphia Street, York into six (6) two bedroom apartments for households with incomes within the HOME Program income limits. Repayment of the loan was deferred for 20 years, with 1% interest. Based on the term, approximately \$390,115 will be due April 2016. Of this, \$64,115 will be interest and the remainder will be principal.

In June 1996, a \$165,000 loan was issued to assist in the development of 312, 314 and 334 E. King Street, York into six (6) apartments for households with incomes within the HOME Program income limits. Repayment of the loan was deferred for 20 years, with 2 % interest. Based on the term, approximately \$231,000 will be due on July 2016. Of this, \$66,100 will be interest and the remainder will be principal.

With regret, we do not have the funds to repay these loans at the end of the 20 year term. Due to income and rent restrictions, we have barely been able to maintain the properties let alone set money aside toward the loan repayments. We also will not be able to borrow sufficient funds to satisfy the debt on these properties – the property will not appraise high enough to warrant the loan nor is there sufficient income to support the repayment of the debt.



This institution is an equal opportunity provider and employer.

Delphia Management Corporation

Cloverfield Apartments • The Delphia House • Dutch Kitchen • Green Meadow Apartments • Highland Manor Apartments • Kingston House Apartments
Other Projects: King Street Apartments • Liberty Apartments • Mt. Rose Ave. Apartments
York Area Development Corporation • York Housing Development Corporation

Each loan document also states the City of York will have the Right of First Refusal to purchase the property or to extend the loan for a fifteen year period. If the loan is extended, the documents state the borrower must begin making principal and interest payments beginning the first day of the first month after the twentieth year, and, repayment is to be based on a fifteen year term at 1% interest, for 37 E. Philadelphia Street and 2% interest for the E. King Street properties. For Liberty Apartments, this would result in a monthly payment of \$2,335; and, for the King Street properties, it would result in a \$1,487 monthly payment.

It should also be noted that the properties need rehabilitation. The income we derived from rents has barely been enough to pay the bank mortgage and other operating expense, and to make periodic emergency and preventive repairs.

Delphia Management Corporation is not currently and has not been tax exempt. For tax purposes, we are not asking that you forgive the loans in full. However, we do ask you to consider approving the following:

1. Extend the loans for a fifteen year period;
2. Amend the extended loans to replace 1% and 2% interest with 0% interest;
3. Over the extended fifteen year period, forgive the interest that accrued on the loans during the initial 20 year period;
4. Delay the requirement to begin making principal payments to 2031, if the loans are not paid in full by that time;
5. Agree to subordinate the loans if we are able to borrow funds to make improvements to the properties; and,

We propose the above be approved subject to our paying the City the greater of:

- (1) 40% of the cash flow for each property net of routine operating expenses, taxes, current mortgage payments (for 37 E. Philadelphia Street), future mortgage payments for loans to make property improvements, required and preventative maintenance, and a payment of \$900/year into a replacement reserve account for each apartment; or
- (2) \$1,200 per year, with \$800 applied to the loan for 37 E. Philadelphia Street and \$400 applied to the loan for the E. King Street properties.

Our mission is to *improve communities, strengthen neighborhoods and stabilize lives by providing quality housing for people with limited resources*. We would like to continue including these properties as a component of our mission.

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Refer to the attached documents in support of our request.

Please contact me if you have any questions regarding our request.

Sincerely,

A handwritten signature in cursive script, appearing to read "Debbie J. Loucks".

Debbie J. Loucks
Executive Director

Attachments:

Table with Information about E. King Street and Liberty Apartments
FYE 6/30/15 Financial Statements
Summary of Repair/Replacement Needs
Resident / Rent Information

HOME RENTAL REHABILITATION MORTGAGE

This Mortgage made on or as of the 21 day of March, 1996 by Pennsylvania Community Development and Finance Corporation or assign (hereafter the MORTGAGOR) in consideration of the receipt of Three Hundred Twenty Six Thousand Dollars (\$326,000) as a deferred payment loan from the City of York, Pennsylvania (hereafter the MORTGAGEE) for rehabilitation, preservation and enhancement of primarily rental residential real property containing 6 dwelling unit(s) for rent or lease to tenants, Liberty Apartments, hereinafter referred to as the PROJECT and legally described as attached Exhibit A.

The MORTGAGOR, who holds legal and equitable title to the property which is the PROJECT, hereby agrees and consents to the creation and imposition of a second mortgage lien upon the property at 37 E. Philadelphia Street, and which legal description is attached hereto as Exhibit B, for the benefit of the MORTGAGEE, subject to the following terms and conditions:

- (1) Such Mortgage shall be in the full amount of the deferred payment loan given by the MORTGAGEE to the MORTGAGOR and shall secure a promissory note in the amount of \$326,0000.00 bearing even date herewith, the terms of which are incorporated by reference herein.
- (2) REPAYMENT SCHEDULE

The full face amount of this Mortgage and Note plus payment of one percent (1%) simple interest per year shall become due and payable on the first day of the month occurring twenty (20) years after the date of the Note. At that time, in lieu of payment, the LENDER shall have the right of first refusal to purchase the property at its fair market value, within 60 days of the anniversary of the 20th year, as established by a mutually acceptable independent, certified appraiser,

or the option to extend the loan subject to (a) a satisfactory review of the projects history including, but not limited to, the overall management and compliance with the terms and the Note and other Agreements, and (b) the BORROWER'S agreement to extend the loan conditions for an additional fifteen (15) years. If the option to extend the loan period for an additional fifteen (15) year period is exercised the BORROWER shall begin to make principal and interest payments beginning the first day of the first month after the twentieth (20) year. The loan payment shall be the principal balance plus accrued interest amortized at one percent (1%) for fifteen (15) years. All other loan terms and conditions during this additional fifteen (15) year period, shall remain the same and in full effect.

- (3) During the initial term of the Note and Mortgage the MORTGAGOR shall make no payments of principal or interest; PROVIDED, HOWEVER, that if the MORTGAGOR shall be in default of any of the terms or conditions of this Mortgage, then the unpaid balance shall become immediately due and payable upon demand by the MORTGAGEE.
- (4) The MORTGAGOR agrees that any default on a superior lien shall be a default on this Mortgage and shall render the balance due hereunder at once due and payable.
- (5) The MORTGAGOR agrees: to keep dwelling units in the Project in good condition and repair, fully tenantable and not to remove or demolish any dwelling unit thereon; to complete or restore promptly and in good and workmanlike manner any dwelling unit which may be damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished to the PROJECT; to comply with all laws affecting said PROJECT and specifically any laws requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act thereon in violation of law.

- (6) The MORTGAGOR agrees that the MORTGAGEE shall have the right, but not the obligation, to annually inspect each unit assisted with HOME Investment Partnership Program funds for a twenty (20) year period. If at time of inspection the unit(s) do not comply with Section 8 Housing Quality Standards, MORTGAGOR agrees to bring the unit(s) into compliance within 30 days of receiving written notification from the MORTGAGEE.
- (7) The MORTGAGOR agreed: to provide, maintain and deliver to the MORTGAGEE evidence of fire, hazard, and extended coverage insurance covering the said PROJECT in a form satisfactory to the MORTGAGEE and reflecting MORTGAGEE's interest of a type and amount sufficient to permit repair or replacement as set forth in paragraph 5 above, and in any event in an amount at least equal to the outstanding balance of this Note.
- (8) The MORTGAGOR agrees to pay all taxes, assessments, utilities and other expenses of the PROJECT when due and without delinquency and shall not permit any liens to be imposed on the PROJECT by reason of any such delinquency.
- (9) The MORTGAGOR agrees not to convert the dwelling units in the PROJECT to condominium ownership or to any form of cooperative ownership wherein rents are not affordable to lower income households (as these terms "affordable" and "lower income households" may be defined by the MORTGAGEE).
- (10) The MORTGAGOR agreed to make the dwelling units available for residential rental use for the term of the Note and Mortgage.
- (11) The MORTGAGOR agrees: not to discriminate against or deny occupancy to

any tenants or prospective tenant by reason of their receipt of, or eligibility for, housing assistance, under any Federal, State or local housing assistance program; and not to discriminate against or deny occupancy to any tenant or prospective tenant by reason that the tenant has a minor child or children who will be residing with them.

- (12) The deferred payment loan secured by this Mortgage may be assigned and/or assumed: PROVIDED, that any and all terms and conditions shall remain in full force and effect for any assignee or successor to the MORTGAGOR and such assignee or successor shall assume all duties and obligations of the MORTGAGOR as described therein.
- (13) Lender hereby agrees that this Mortgage shall be subordinate in lien priority and distribution to a first MORTGAGE upon said premises of even date herewith in the amount not to exceed \$40,237.00 given by MORTGAGOR to Dauphin Deposit Bank and Trust Company and that the MORTGAGE of the undersigned shall in all respects be and is deemed to be a second mortgage.
- (14) Any subordination of this Mortgage to additional liens or encumbrances of the assignee or successor to the MORTGAGOR shall be only upon the written consent of the MORTGAGEE, which shall not be unreasonably withheld. Such additional liens and encumbrances shall include, but not be limited to, any contract for deed, land contract, or other agreement between the MORTGAGOR and his successor or assignee. Such consent to subordinate shall not be unreasonably withheld so long as MORTGAGEE has the assurance deemed reasonable by the MORTGAGEE, that the provisions of this Mortgage remain enforceable and are adequately secured by the project.
- (15) Any forbearance by the MORTGAGEE with respect to any of the terms and conditions of this mortgage in no way constitutes a waiver of any of the

MORTGAGEE's rights or privileges granted hereunder.

(16) Any notice of one party to the other shall be in writing to the parties as follows:

The MORTGAGEE - The City of York
 1 Marketway West, 3rd Floor
 York, PA 17401-1231

The MORTGAGOR - PA Community Development & Finance Corp.
 4104 York Street
 Harrisburg, PA 17111

The MORTGAGOR shall notify the MORTGAGEE of any change in the MORTGAGOR's name and address or of any successor or assignee of the MORTGAGEE.

(17) The interpretation and application of this mortgage shall be in accordance with the laws and procedures of the Commonwealth of Pennsylvania, as they may from time to time be amended. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law or is held to be invalid or unenforceable, such conflict, invalidity or unenforceability shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting, invalid, or unenforceable provision and to this end the provisions of the Mortgage and Note are declared to be severable.

(18) In the event of default and nonpayment of the balance due by the MORTGAGOR, the MORTGAGEE may take such measures as may be lawful to it for the recovery of the indebtedness and including, but not limited to foreclosure and sale of the MORTGAGOR's' rights in the PROJECT and/or the assignment and collection of the rents and profits of the PROJECT.

- (19) Upon satisfactory completion of all terms and conditions of this mortgage by the MORTGAGOR or upon payment of any and all balance due, the MORTGAGOR shall be entitled to a release and satisfaction of this mortgage by the MORTGAGEE at the MORTGAGOR's own cost.

This Mortgage is expressly created and imposed upon the above described PROJECT for the purpose of assuring the compliance of the MORTGAGOR with terms and conditions incident to the deferred payment loan secured by this mortgage, such loan being exclusively for the purpose of rehabilitating, preserving and enhancing rental dwelling units in the PROJECT in accordance with the rules and procedures of the HOME RENTAL REHABILITATION PROGRAM of the City of York.

ATTEST:

PA COMMUNITY DEVELOPMENT AND FINANCE CORPORATION

Thomas M. Faust

BY: [Signature]

STATE OF PENNSYLVANIA
COUNTY OF YORK

On the 21 day of March, 1996, before me, a Notary Public personally appeared Sandra Murphy, EXECUTIVE PRESIDENT who is to me known to be the person named in and who have executed the foregoing instrument, and acknowledged that this was a voluntary act and deed.

| | |
|--|--|
| Notarial Seal Deborah C. Painter, Notary Public York, York County My Commission Expires Oct. 12, 199 <u>6</u> Member, Pennsylvania Association of Notaries | <u>Deborah C. Painter</u> Notary Public |
|--|--|

CERTIFICATE OF RESIDENCE OF MORTGAGEE

The City of York, c/o Office of Economic Development, Mortgagee, within named, hereby certifies that its precise place of business is 50 West King Street, York, County of York, State of Pennsylvania.

HOME RENTAL REHABILITATION PROGRAM
PROMISSORY NOTE

TOTAL AMOUNT: \$326,000

DATE: 3/21/96

FOR VALUE RECEIVED, Pennsylvania Community Development & Finance Corporation or assign (hereafter the BORROWER) promises to pay to the order of the City of York (hereafter the LENDER) or its successors and assigns the principal sum of Three Hundred Twenty Six Thousand Dollars (\$326,000) payable at 1 Marketway West, York, PA 17401-1231, Office of Economic Development, or at such other place as may be designated by LENDER.

This Note evidences a loan by the LENDER to the BORROWER for the exclusive purpose of rehabilitating, preserving and/or enhancing the residential real estate containing (or to contain) 6 dwelling units for rent located at 37 E. Philadelphia Street (hereafter the PROJECT). The rehabilitation, preserving and/or enhancing of the above identified property shall be referred to herein as the "PROJECT".

Security

This Note is secured by a second mortgage lien of even date herewith in favor of the LENDER, as Mortgagee, on the above identified properties, the terms of which are hereby incorporated by reference.

The full face amount of this note plus payment of one percent (1%) simple interest per year shall become due and payable on the first day of the month occurring twenty (20) years after the date of this Note. At that time, in lieu of payment, the LENDER shall have the right of first refusal to purchase the property at its fair market value, within 60 days of the anniversary of the 20th year, as established by a mutually

acceptable independent, certified appraiser, or the option to extend the loan subject to (a) a satisfactory review of the projects history including, but not limited to, the overall management and compliance with the terms and the Note and other Agreements, and (b) the BORROWER's agreement to extend the loan conditions for an additional fifteen (15) years. If the option to extend the loan period for an additional fifteen (15) year period is exercised the BORROWER shall begin to make principal and interest payments beginning the first day of the first month after the twentieth (20) year. The loan payment shall be the principal balance plus accrued interest amortized at one percent (1%) for fifteen (15) years. All other loan terms and conditions during this additional fifteen (15) year period, shall remain the same and in full effect.

Non-Conversion Agreement

The BORROWER agrees not to convert the dwelling units in the PROJECT to condominium ownership or to any form of cooperative ownership wherein rents are not affordable to lower income households (as these terms "affordable" and "lower income households" may be defined by the LENDER).

Non-Discrimination

The BORROWER agrees not to discriminate against or deny occupancy to any tenant or prospective tenant by reason of their receipt of, or eligibility for, housing assistance, under any Federal, State or local housing assistance program; and not to discriminate against or deny occupancy to any tenant or prospective tenant by reason that the tenant has a minor child or children who will be residing with them, unless the PROJECT be one reserved for elderly tenants.

Affirmative Marketing Procedures

The BORROWER agrees to comply with the following affirmative marketing procedures for all units vacant after rehabilitation: BORROWER will notify the Housing Council of York and the York Housing Authority of the availability of any vacant unit; will be responsible for renting the vacant unit(s) without regard to race, color, religion, handicap, sex or national origin of the tenant, and will include the Equal Housing Opportunity logo type or slogan on all solicitations for the unit(s). The BORROWER will be required to keep records of affirmative marketing actions, such as copies of notifications to the Housing Council, Housing Authority, and any solicitations. If applicable, the BORROWER will prominently display in all offices in which sale or rental activities take place, the Fair Housing Poster, and will maintain a nondiscriminatory policy in recruiting from all groups for staff and instructing this staff in the policy of nondiscrimination and fair housing. During the annual performance review for each participant, it will be determined if there have been any vacancies, and if so, documentation will be required to be submitted regarding compliance with the above procedures. Confirmation will be obtained from the Housing Council and Housing Authority. If the BORROWER has not met the requirements, the BORROWER will be given a warning and be required to notify LENDER each time there is a vacancy. If by the next review the BORROWER still has not complied, the BORROWER will be advised that funds received from the program will have to be repaid according to the terms of this Note.

Default

The occurrence of any of the following events shall constitute a default hereunder, and shall, at the option of the LENDER, render the entire unpaid balance of this Note and all other liabilities of the BORROWER to the LENDER immediately due and payable without notice or demand to the BORROWER or any endorser or guarantor; (a) non-payment of any payment hereunder when due and payable; (b)

failure of the BORROWER to perform any agreement herein or in any other instrument, agreement or writing given to the LENDER; (c) insolvency, bankruptcy, assignment for the benefit of creditors, or any other act of insolvency under state or federal law, by the BORROWER or the institution of any bankruptcy, insolvency, arrangement, debt adjustment, or receivership proceedings in which the BORROWER is alleged to be insolvent or unable to pay his debts as they become due; (d) the LENDER, in good faith, believes that the prospect of payment hereunder has been impaired; (e) entry of any judgement in any court of competent jurisdiction against the BORROWER.

Remedies

Upon the occurrence of any default hereunder, the LENDER shall have all rights and remedies with respect to this Note and the collateral as provided herein and as provided for by law, including, without limitation, the Pennsylvania Uniform Commercial Code, and all such rights and remedies shall be cumulative. To the extent permitted by law, upon default, the LENDER, shall have the immediate right of set-off against all money owned by the LENDER to the BORROWER or any endorser or guarantor.

Warrant to Confess Judgment

The BORROWER hereby irrevocably authorizes and empowers the Prothonotary or Clerk or any attorney of any court of record in Pennsylvania or elsewhere to appear for and confess judgement against it for the full amount of this Note, together with interest thereon, and together with fees of counsel in the amount of ten percent (10%) or \$300.00, whichever is greater, of the foregoing, and all costs of suit, releasing all errors and waiving rights of appeal. If a copy hereof, verified by affidavit, shall have been filed in such proceeding, it shall not be necessary to file the original as a warrant of attorney. The BORROWER hereby waives the right to any stay of execution and the benefit of all exemption laws hereafter in effect. No single exercise of this warrant and power to confess judgement shall be deemed to exhaust

this power, whether or not any such exercise shall be held by any court to be invalid, voidable or void, but this power shall continue undiminished and may be exercised from time to time as often as the LENDER shall elect until all sums due hereunder shall have been paid in full.

Assignment/Assumption

This Note may be assigned and/or assumed PROVIDED that any and all terms and conditions shall remain in full force and effect for any assignee or successor to the BORROWER and such assignee or successor shall assume all duties and obligation of the BORROWER as described herein, AND PROVIDED, that any successor(s) to or assignee(s) of the BORROWER shall grant for the benefit of the LENDER a Mortgage for the PROJECT describing terms and conditions both like unto those entered by the BORROWER and acceptable to the LENDER, AND PROVIDED FURTHER that any subordination of this Note to additional liens or encumbrances of the assignee or successor to the BORROWER shall be only upon the written consent of the LENDER. Such additional liens and encumbrances shall extend to and include any contract for deed, land contract, or other agreement between the BORROWER and his successor or assignee.

Non-Waiver

Any forbearance by the LENDER with respect to any of the terms and conditions of this Note in no way constitutes a waiver of any of the LENDER's rights or privileges granted hereunder.

Notices

Any written notice or payment of one party to the other shall be addressed to the parties as follows:

The LENDER

City of York

Office of Economic Dev.

1 Marketway West

York, PA 17401

The BORROWER

PA Community Development & Finance Corporation

4101 York Street

Harrisburg, PA 17111

The BORROWER, or the successor in the event of the dissolution of the Partnership, shall notify the LENDER of the name and address of any successor to or assignee of the BORROWER. The BORROWER reserves the right to prepay at any time all or any part of the balance of this Note without the payment of penalties or premiums.

If suit is instituted by LENDER to recover on this Note, the BORROWER agrees to pay all costs of such collection, including reasonable attorney's fees of 15% or \$300, whichever is greater, and court costs.

Upon satisfactory completion of all terms and conditions of this Note by the BORROWER or upon payment of any and all balance due, the BORROWER shall be entitled to release and satisfaction of this Note by the LENDER.

In witness whereof and agreement herewith the BORROWER has executed the Note.

ATTEST:

Pennsylvania Community Development & Finance Corporation

Thomas M. Lout By: [Signature]

STATE OF PENNSYLVANIA
COUNTY OF YORK

On the 21 day of March, 1996, before me, a Notary Public personally appeared Sandra Murphy - Executive V-President who is known to me, or satisfactorily proven, to be the person named in and who has executed the foregoing instrument, and acknowledged that this was a voluntary act and deed.

[Signature]
Notary Public

Notarial Seal
Deborah C. Painter, Notary Public
York, York County
My Commission Expires Oct. 12, 1996
Member, Pennsylvania Association of Notaries

HOME RENTAL REHABILITATION PROGRAM
PROMISSORY NOTE

TOTAL AMOUNT: \$165,000

DATE: June 27, 1996

FOR VALUE RECEIVED, King Street Apartments Partners L.P. or assign (hereafter the BORROWER) promises to pay to the order of the City of York (hereafter the LENDER) or its successors and assigns the principal sum of One Hundred Sixty-Five Thousand Dollars (\$165,000) payable at 1 Marketway West, York, PA 17401-1231, Office of Economic Development, or at such other place as may be designated by LENDER.

This Note evidences a loan by the LENDER to the BORROWER for the exclusive purpose of rehabilitating, preserving and/or enhancing the residential real estate containing (or to contain) 6 dwelling units for rent located at 312, 314, 334 East King Street, York, Pa. (hereafter the PROJECT). The rehabilitation, preserving and/or enhancing of the above identified properties shall be referred to herein as the "PROJECT".

Security

This Note is secured by a second mortgage lien of even date herewith in favor of the LENDER, as Mortgagee, on the above identified properties, the terms of which are hereby incorporated by reference.

The full face amount of this note plus payment of two percent (2%) simple interest per year shall become due and payable on the first day of the month occurring twenty (20) years after the date of this Note. At that time, in lieu of payment, the LENDER shall have the right of first refusal to purchase the property at its fair market

value, within 60 days of the anniversary of the 20th year, as established by a mutually acceptable independent, certified appraiser, or the option to extend the loan subject to (a) a satisfactory review of the projects history including, but not limited to, the overall management and compliance with the terms and the Note and other Agreements, and (b) the BORROWER's agreement to extend the loan conditions for an additional fifteen (15) years. If the option to extend the loan period for an additional fifteen (15) year period is exercised the BORROWER shall begin to make principal and interest payments beginning the first day of the first month after the twentieth (20) year. The loan payment shall be the principal balance plus accrued interest amortized at two percent (2%) for fifteen (15) years. All other loan terms and conditions during this additional fifteen (15) year period, shall remain the same and in full effect.

Non-Conversion Agreement

The BORROWER agrees not to convert the dwelling units in the PROJECT to condominium ownership or to any form of cooperative ownership wherein rents are not affordable to lower income households (as these terms "affordable" and "lower income households" may be defined by the LENDER).

Non-Discrimination

The BORROWER agrees not to discriminate against or deny occupancy to any tenant or prospective tenant by reason of their receipt of, or eligibility for, housing assistance, under any Federal, State or local housing assistance program; and not to discriminate against or deny occupancy to any tenant or prospective tenant by reason that the tenant has a minor child or children who will be residing with them, unless the PROJECT be one reserved for elderly tenants.

Affirmative Marketing Procedures

The BORROWER agrees to comply with the following affirmative marketing procedures for all units vacant after rehabilitation: BORROWER will notify the Housing Council of York and the York Housing Authority of the availability of any vacant unit; will be responsible for renting the vacant unit(s) without regard to race, color, religion, handicap, sex or national origin of the tenant, and will include the Equal Housing Opportunity logo type or slogan on all solicitations for the unit(s). The BORROWER will be required to keep records of affirmative marketing actions, such as copies of notifications to the Housing Council, Housing Authority, and any solicitations. If applicable, the BORROWER will prominently display in all offices in which sale or rental activities take place, the Fair Housing Poster, and will maintain a nondiscriminatory policy in recruiting from all groups for staff and instructing this staff in the policy of nondiscrimination and fair housing. During the annual performance review for each participant, it will be determined if there have been any vacancies, and if so, documentation will be required to be submitted regarding compliance with the above procedures. Confirmation will be obtained from the Housing Council and Housing Authority. If the BORROWER has not met the requirements, the BORROWER will be given a warning and be required to notify LENDER each time there is a vacancy. If by the next review the BORROWER still has not complied, the BORROWER will be advised that funds received from the program will have to be repaid according to the terms of this Note.

Default

The occurrence of any of the following events shall constitute a default hereunder, and shall, at the option of the LENDER, render the entire unpaid balance of this Note and all other liabilities of the BORROWER to the LENDER immediately due and payable without notice or demand to the BORROWER or any endorser or

guarantor; (a) non-payment of any payment hereunder when due and payable; (b) failure of the BORROWER to perform any agreement herein or in any other instrument, agreement or writing given to the LENDER; (c) insolvency, bankruptcy, assignment for the benefit of creditors, or any other act of insolvency under state or federal law, by the BORROWER or the institution of any bankruptcy, insolvency, arrangement, debt adjustment, or receivership proceedings in which the BORROWER is alleged to be insolvent or unable to pay his debts as they become due; (d) the LENDER, in good faith, believes that the prospect of payment hereunder has been impaired; (e) entry of any judgement in any court of competent jurisdiction against the BORROWER.

Remedies

Upon the occurrence of any default hereunder, the LENDER shall have all rights and remedies with respect to this Note and the collateral as provided herein and as provided for by law, including, without limitation, the Pennsylvania Uniform Commercial Code, and all such rights and remedies shall be cumulative. To the extent permitted by law, upon default, the LENDER, shall have the immediate right of set-off against all money owned by the LENDER to the BORROWER or any endorser or guarantor.

Warrant to Confess Judgment

The BORROWER hereby irrevocably authorizes and empowers the Prothonotary or Clerk or any attorney of any court of record in Pennsylvania or elsewhere to appear for and confess judgement against it for the full amount of this Note, together with interest thereon, and together with fees of counsel in the amount of ten percent (10%) or \$300.00, whichever is greater, of the foregoing, and all costs of suit, releasing all errors and waiving rights of appeal. If a copy hereof, verified by affidavit, shall have been filed in such proceeding, it shall not be necessary to file the original as a warrant of attorney. The BORROWER hereby waives the right to any stay of execution and the benefit of all exemption laws hereafter in effect. No single

exercise of this warrant and power to confess judgement shall be deemed to exhaust this power, whether or not any such exercise shall be held by any court to be invalid, voidable or void, but this power shall continue undiminished and may be exercised from time to time as often as the LENDER shall elect until all sums due hereunder shall have been paid in full.

Assignment/Assumption

This Note may be assigned and/or assumed PROVIDED that any and all terms and conditions shall remain in full force and effect for any assignee or successor to the BORROWER and such assignee or successor shall assume all duties and obligation of the BORROWER as described herein, AND PROVIDED, that any successor(s) to or assignee(s) of the BORROWER shall grant for the benefit of the LENDER a Mortgage for the PROJECT describing terms and conditions both like unto those entered by the BORROWER and acceptable to the LENDER, AND PROVIDED FURTHER that any subordination of this Note to additional liens or encumbrances of the assignee or successor to the BORROWER shall be only upon the written consent of the LENDER. Such additional liens and encumbrances shall extend to and include any contract for deed, land contract, or other agreement between the BORROWER and his successor or assignee.

Non-Waiver

Any forbearance by the LENDER with respect to any of the terms and conditions of this Note in no way constitutes a waiver of any of the LENDER's rights or privileges granted hereunder.

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Any written notice or payment of one party to the other shall be addressed to the

parties as follows:

The LENDER

City of York

Office of Economic Dev.

1 Marketway West

York, PA 17401

The BORROWER

King Street Apartments Partners L.P.

4101 York Street

Harrisburg, PA 17111

The BORROWER, or the successor in the event of the dissolution of the Partnership, shall notify the LENDER of the name and address of any successor to or assignee of the BORROWER. The BORROWER reserves the right to prepay at any time all or any part of the balance of this Note without the payment of penalties or premiums.

If suit is instituted by LENDER to recover on this Note, the BORROWER agrees to pay all costs of such collection, including reasonable attorney's fees of 15% or \$300, whichever is greater, and court costs.

Upon satisfactory completion of all terms and conditions of this Note by the BORROWER or upon payment of any and all balance due, the BORROWER shall be entitled to release and satisfaction of this Note by the LENDER.

In witness whereof and agreement herewith the BORROWER has executed the Note.

ATTEST:

King Street Apartments Partners L.P.

Thomas M. Baird

By:

[Signature]

STATE OF PENNSYLVANIA
COUNTY OF YORK

On the 27th day of June, 1996, before me, a Notary Public personally appeared SANDRA MURPHY who is known to me, or satisfactorily proven, to be the person named in and who has executed the foregoing instrument, and acknowledged that this was a voluntary act and deed.

Niven J. Baird
Notary Public

NOTARIAL SEAL
NIVEN J. BAIRD, Notary Public
South Middleton Twp., Cumberland Co
My Commission Expires Nov. 2, 1998

HOME RENTAL REHABILITATION MORTGAGE

This Mortgage made on or as of the 27TH day of June, 1996 by King Street Apartments Partners L.P. or assign (hereafter the MORTGAGOR) in consideration of the receipt of One Hundred Sixty-Five Thousand Dollars (\$165,000) as a deferred payment loan from the City of York, Pennsylvania (hereafter the MORTGAGEE) for rehabilitation, preservation and enhancement of primarily rental residential real properties containing a total of 6 dwelling unit(s) for rent or lease to tenants, hereinafter referred to as the PROJECT and legally described as attached Exhibit A.

The MORTGAGOR, who holds legal and equitable title to the property which is the PROJECT, hereby agrees and consents to the creation and imposition of a second mortgage lien upon the properties at 312, 314, 334 East King Street, York, Pa. and which legal descriptions is attached hereto as Exhibit B, for the benefit of the MORTGAGEE, subject to the following terms and conditions:

- (1) Such Mortgage shall be in the full amount of the deferred payment loan given by the MORTGAGEE to the MORTGAGOR and shall secure a promissory note in the amount of \$165,000.00 bearing even date herewith, the terms of which are incorporated by reference herein.
- (2) REPAYMENT SCHEDULE

The full face amount of this Mortgage and Note plus payment of two percent (2%) simple interest per year shall become due and payable on the first day of the month occurring twenty (20) years after the date of the Note. At that time, in lieu of payment, the LENDER shall have the right of first refusal to purchase the property at its fair market value, within 60 days of the anniversary of the 20th year, as established by a mutually acceptable independent, certified appraiser,

or the option to extend the loan subject to (a) a satisfactory review of the projects history including, but not limited to, the overall management and compliance with the terms and the Note and other Agreements, and (b) the BORROWER'S agreement to extend the loan conditions for an additional fifteen (15) years. If the option to extend the loan period for an additional fifteen (15) year period is exercised the BORROWER shall begin to make principal and interest payments beginning the first day of the first month after the twentieth (20) year. The loan payment shall be the principal balance plus accrued interest amortized at two percent (2%) for fifteen (15) years. All other loan terms and conditions during this additional fifteen (15) year period, shall remain the same and in full effect.

- (3) During the initial term of the Note and Mortgage the MORTGAGOR shall make no payments of principal or interest; PROVIDED, HOWEVER, that if the MORTGAGOR shall be in default of any of the terms or conditions of this Mortgage, then the unpaid balance shall become immediately due and payable upon demand by the MORTGAGEE.
- (4) The MORTGAGOR agrees that any default on a superior lien shall be a default on this Mortgage and shall render the balance due hereunder at once due and payable.
- (5) The MORTGAGOR agrees: to keep dwelling units in the Project in good condition and repair, fully tenantable and not to remove or demolish any dwelling unit thereon; to complete or restore promptly and in good and workmanlike manner any dwelling unit which may be damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished to the PROJECT; to comply with all laws affecting said PROJECT and specifically any laws requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act thereon in violation of law.

- (6) The MORTGAGOR agrees that the MORTGAGEE shall have the right, but not the obligation, to annually inspect each unit assisted with HOME Investment Partnership Program funds for a twenty (20) year period. If at time of inspection the unit(s) do not comply with Section 8 Housing Quality Standards, MORTGAGOR agrees to bring the unit(s) into compliance within 30 days of receiving written notification from the MORTGAGEE.
- (7) The MORTGAGOR agreed: to provide, maintain and deliver to the MORTGAGEE evidence of fire, hazard, and extended coverage insurance covering the said PROJECT in a form satisfactory to the MORTGAGEE and reflecting MORTGAGEE's interest of a type and amount sufficient to permit repair or replacement as set forth in paragraph 5 above, and in any event in an amount at least equal to the outstanding balance of this Note.
- (8) The MORTGAGOR agrees to pay all taxes, assessments, utilities and other expenses of the PROJECT when due and without delinquency and shall not permit any liens to be imposed on the PROJECT by reason of any such delinquency.
- (9) The MORTGAGOR agrees not to convert the dwelling units in the PROJECT to condominium ownership or to any form of cooperative ownership wherein rents are not affordable to lower income households (as these terms "affordable" and "lower income households" may be defined by the MORTGAGEE).
- (10) The MORTGAGOR agreed to make the dwelling units available for residential rental use for the term of the Note and Mortgage.

- (11) The MORTGAGOR agrees: not to discriminate against or deny occupancy to any tenants or prospective tenant by reason of their receipt of, or eligibility for, housing assistance, under any Federal, State or local housing assistance program; and not to discriminate against or deny occupancy to any tenant or prospective tenant by reason that the tenant has a minor child or children who will be residing with them.
- (12) The deferred payment loan secured by this Mortgage may be assigned and/or assumed: PROVIDED, that any and all terms and conditions shall remain in full force and effect for any assignee or successor to the MORTGAGOR and such assignee or successor shall assume all duties and obligations of the MORTGAGOR as described therein.
- (13) Lender hereby agrees that this Mortgage shall be subordinate in lien priority and distribution to a first MORTGAGE upon said premises of even date herewith in the amount not to exceed One Hundred Fourteen Thousand and 00/100 Dollars (\$114,000.00 given by MORTGAGOR to CoreStates Bank N.A. and that the MORTGAGE of the undersigned shall in all respects be and is deemed to be a second mortgage.
- (14) Any subordination of this Mortgage to additional liens or encumbrances of the assignee or successor to the MORTGAGOR shall be only upon the written consent of the MORTGAGEE, which shall not be unreasonably withheld. Such additional liens and encumbrances shall include, but not be limited to, any contract for deed, land contract, or other agreement between the MORTGAGOR and his successor or assignee. Such consent to subordinate shall not be unreasonably withheld so long as MORTGAGEE has the assurance deemed reasonable by the MORTGAGEE, that the provisions of this Mortgage remain enforceable and are adequately secured by the project.

- (15) Any forbearance by the MORTGAGEE with respect to any of the terms and conditions of this mortgage in no way constitutes a waiver of any of the MORTGAGEE's rights or privileges granted hereunder.
- (16) Any notice of one party to the other shall be in writing to the parties as follows:

The MORTGAGEE - The City of York
 1 Marketway West, 3rd Floor
 York, PA 17401-1231

The MORTGAGOR - King Street Apartments Partners L.P.
 4104 York Street
 Harrisburg, PA 17111

The MORTGAGOR shall notify the MORTGAGEE of any change in the MORTGAGOR's name and address or of any successor or assignee of the MORTGAGEE.

- (17) The interpretation and application of this mortgage shall be in accordance with the laws and procedures of the Commonwealth of Pennsylvania, as they may from time to time be amended. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law or is held to be invalid or unenforceable, such conflict, invalidity or unenforceability shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting, invalid, or unenforceable provision and to this end the provisions of the Mortgage and Note are declared to be severable.

- (18) In the event of default and nonpayment of the balance due by the MORTGAGOR, the MORTGAGEE may take such measures as may be lawful to it for the recovery of the indebtedness and including, but not limited to foreclosure and sale of the MORTGAGOR's' rights in the PROJECT and/or the assignment and collection of the rents and profits of the PROJECT.
- (19) Upon satisfactory completion of all terms and conditions of this mortgage by the MORTGAGOR or upon payment of any and all balance due, the MORTGAGOR shall be entitled to a release and satisfaction of this mortgage by the MORTGAGEE at the MORTGAGOR's own cost.

This Mortgage is expressly created and imposed upon the above described PROJECT for the purpose of assuring the compliance of the MORTGAGOR with terms and conditions incident to the deferred payment loan secured by this mortgage, such loan being exclusively for the purpose of rehabilitating, preserving and enhancing rental dwelling units in the PROJECT in accordance with the rules and procedures of the HOME RENTAL REHABILITATION PROGRAM of the City of York.

ATTEST:

King Street Apartments Partners L.P.

Thomas M. Baird

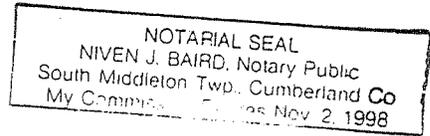
BY: [Signature]

STATE OF PENNSYLVANIA
COUNTY OF YORK

On the 27th day of June, 1996, before me, a Notary Public personally appeared Sandra MURPHY who is to me known to be the person named in and who have executed the foregoing instrument, and acknowledged that this was a voluntary act and deed.



Niven J. Baird
Notary Public



CERTIFICATE OF RESIDENCE OF MORTGAGEE

The City of York, c/o Office of Economic Development, Mortgagee, within named, hereby certifies that its precise place of business is 50 West King Street, York, County of York, State of Pennsylvania.

[Signature]

SCHEDULE A: RIDER
Legal Description of Property

TRACT NO. 1 - ALL THAT CERTAIN tract or parcel of land, with the improvements thereon erected, lying and being situate in the City of York, York County, Pennsylvania, on the South side of East King Street, in the Sixth Ward of the City of York, York County, Pennsylvania, being known and numbered as 312 East King Street, and being more fully bounded, limited and described as follows:

BOUNDED on the North by East King Street; bounded on the East by 314 East King Street; bounded on the South by a public alley; bounded on the West by property now or formerly of Levere L. Ellis. CONTAINING in front on said East King Street, eighteen (18) feet, more or less, and extending in depth, of equal width throughout, Southwardly, one hundred (100) feet to said public alley.

BEING the same premises which Jasper N. Lindsey and Kay F. Lindsey, formerly husband and wife, and Kevin R. Whaley and Sherry Ann Whaley, formerly husband and wife, by their Deed dated September 19, 1989 and recorded in the Office of the Recorder of Deeds of York County, Pennsylvania, in Deed Book 104-G, Page 139, granted and conveyed unto Jasper N. Lindsey and Kevin R. Whaley, and Sherry Ann Whaley, formerly husband and wife, as tenants in common, the Grantors herein.

TRACT NO. 2 - ALL THAT CERTAIN tract or parcel of land, with the improvements thereon erected, lying and being situate in the City of York, York County, Pennsylvania, on the South side of East King Street, in the Sixth Ward of the City of York, York County, Pennsylvania, being known and numbered as 314 East King Street, and being more fully bounded, limited and described as follows:

BOUNDED on the North by East King Street; bounded on the East by lands now or formerly of Emanuel Sharp, Jr.; bounded on the South by a public alley; bounded on the West by 312 East King Street. CONTAINING in front on said East King Street, eighteen (18) feet, more or less, and extending in depth, of equal width throughout, Southwardly, one hundred (100) feet to said public alley.

BEING the same premises which Jasper N. Lindsey and Kay F. Lindsey, formerly husband and wife, and Kevin R. Whaley and Sherry Ann Whaley, formerly husband and wife, by their Deed dated September 19, 1989 and recorded in the Office of the Recorder of Deeds of York County, Pennsylvania, in Deed Book 104-G, Page 127, granted and conveyed unto Jasper N. Lindsey and Kevin R. Whaley and Sherry Ann Whaley, formerly husband and wife, as tenants in common, the Grantors herein.

TRACT NO. 3 - ALL THAT CERTAIN tract or parcel of land, with the improvements thereon erected, lying and being situate in the City of York, York County, Pennsylvania, situate on the South side of East King Street, in the Sixth Ward of the City of York, York County, Pennsylvania, being known and numbered as 334 East King Street, and being more fully bounded, limited and described as follows:

ON the North by East King Street; on the East by property now or formerly of Jacob Bucher; on the South by an alley; and on the West by property now or formerly of Harvey Stoner. Having a frontage on said East King Street of twenty (20) feet, and extending in depth of equal width, one hundred (100) feet to said alley.

BEING the same premises which Jasper N. Lindsey and Kay F. Lindsey, formerly husband and wife, and Kevin R. Whaley and Sherry Ann Whaley, formerly husband and wife, by their Deed dated September 19, 1989 and recorded in the Office of the Recorder of Deeds of York County, Pennsylvania, in Deed Book 104-G, Page 131, granted and conveyed unto Jasper N. Lindsey and Kevin R. Whaley and Sherry Ann Whaley, formerly husband and wife, as tenants in common, the Grantors herein.

Information about E. King St. and Liberty Apts.

| Property | Owner | Estimated value of property | Net Operating Income (Loss) last 3 fiscal yrs. | Mortgages | Current Terms | Loan Amt. | Interest | Comments |
|-------------|---------------------------|--|--|--|--|---|----------|---|
| Liberty | DMC As of 4/10/2012 | Do not have a current appraisal. \$150,000 to \$175,000 | FYE 6/30/15 = (\$10,289) | M&T (1 st lien position) | Payoff Dec. 2016: \$382.82/mo. and balloon of \$2,146 in Dec. 2016 | Balance is \$5,974.20 (updated Jan. 2016) | | We do not feel it is of value to work to modify this loan. |
| | | | FYE 6/30/14 = (\$19,773) | City of York (2 nd lien position) | 20 yr. ends 03-2016 | Initial loan was *\$26,000 | 1% | Any amount forgiven is taxable. If the City forgives the interest accrued to date (changes it to 0%), it would be taxed. Net operating loss to date (which is \$ *) could be used to offset the forgivable amount. |
| | | | FYE 6/30/13 = (\$13,984) | | (1) To <u>pay</u> all (principal* plus 1% interest (estimated to be \$64,115 as of March 31, 2016) estimated at \$390,115) on 04-2016; - or - (2) <u>extend and begin paying</u> principal and interest based on 15 year term (\$2,334.82/mo. = \$28,018 /yr. = \$420,270 total) | | | |
| King Street | DMC As of 4/10/2012 | Do not have a current appraisal. \$120,000 to \$150,000 | FYE 6/30/15 = (\$7,522) | City of York (the first mortgage was paid off in 2012) | 20 yr. ends 06-2016 | Initial loan was *\$165,000 | 2% | Any amount forgiven is taxable. If the City forgives the interest accrued to date (changes it to 0%), it would be taxed. Net operating loss to date (which is \$ *) could be used to offset the forgivable amount. |
| | | | FYE 6/30/14 = (\$7,892) | | (1) To <u>pay</u> all (principal* plus 2% interest (estimated to be \$66,100 as of June 30, 2016) estimated at \$231,000) on 07-2016; - or - (2) <u>extend and begin paying</u> principal and 2% interest based on 15 year term (\$1486.51/mo. = \$17,838 /yr. = \$267,570 total) | | | |
| | | | FYE 6/30/13 = (\$2,060) | | | | | |

* Net Operating Loss through 6/30/15 = \$117,926 and is a combined loss for Liberty and King Street properties. It is not separated.

Summary of Repairs/Replacements Needed Over Next 10 years

| Property | Work | ESTIMATED Cost |
|---|--|-------------------|
| 37 E. Philadelphia Street "Liberty Apartments" - (In HARB District) | Exterior Painting of all non-brick surfaces | \$ 10,000 |
| | Replace Window Sills | Included in above |
| | Repair rotted wood window frames | Included in above |
| | Replace 6 furnaces | \$ 15,000 |
| | Replace 6 hot water heaters | \$ 4,500 |
| | Replace appliances in 5 years (gas stoves and refrigerators) | \$ 5,850 |
| | Replace roof within 10 years | \$13,000 |
| | Total for 37 E. Philadelphia Street. | \$48,350 |
| 312, 314, and 334 E. King Street | Exterior Painting of all non-brick surfaces | \$12,000 |
| | Replace all windows (77 total) | \$34,650 |
| | Repair/replace section around 3 bay windows, including roofs | \$ 4,050 |
| | Replace 5 furnaces | \$ 12,500 |
| | Replace 5 - hot water heaters | \$ 3,750 |
| | Replace flooring in bathrooms and kitchens | \$ 3,900 |
| | Replace carpets in all the apartments | \$ 7,000 |
| | Replace appliances in 5 years (gas stoves and refrigerators) | \$ 4,875 |
| | Replace roofs (3) within 10 years | \$27,000 |
| | Total for E. King Street properties | \$109,725 |
| Total for all properties – all 12 apartments | | \$158,075 |

02/2016

| Liberty 37 E Philadelphia St | | | | | | | | | |
|------------------------------|---------|-------------|----------|-----------|--------|---------|--------|----------|------------|
| Unit | bedroom | family size | Income | section 8 | rent | utility | total | HOME Max | difference |
| 1 | 2 | 1 | \$16,000 | yes | \$ 567 | \$ 145 | \$ 712 | \$ 801 | \$ 89 |
| 2 | 2 | 3 | \$9,200 | yes | \$ 595 | \$ 145 | \$ 740 | \$ 801 | \$ 61 |
| 3 | 2 | 2 | \$25,000 | no | \$ 575 | \$ 145 | \$ 720 | \$ 801 | \$ 81 |
| 4 | 2 | 1 | \$9,300 | yes | \$ 595 | \$ 145 | \$ 740 | \$ 801 | \$ 61 |
| 5 | 2 | 3 | \$5,000 | yes | \$ 595 | \$ 145 | \$ 740 | \$ 801 | \$ 61 |
| 6 | 2 | 4 | \$18,300 | no | \$ 610 | \$ 145 | \$ 755 | \$ 801 | \$ 46 |

| King St 312, 314 and 334 E King St | | | | | | | | | |
|------------------------------------|---------|-------------|----------|-----------|--------|---------|--------|----------|------------|
| Unit | bedroom | family size | Income | section 8 | rent | utility | total | HOME Max | difference |
| 312 A | 1 | 1 | \$9,700 | no | \$ 475 | \$ 120 | \$ 595 | \$ 624 | \$ 29 |
| 312 B | 3 | 2 | \$8,700 | yes | \$ 675 | \$ 165 | \$ 840 | \$ 925 | \$ 85 |
| 314 A | 2 | 2 | \$1,800 | yes | \$ 595 | \$ 145 | \$ 740 | \$ 801 | \$ 61 |
| 314 B | 3 | 2 | \$18,000 | yes | \$ 675 | \$ 165 | \$ 840 | \$ 925 | \$ 85 |
| 334 A | 2 | vacant | vacant | vacant | \$ 610 | \$ 145 | \$ 755 | \$ 801 | \$ 46 |
| 334 B | 3 | 4 | \$4,800 | yes | \$ 675 | \$ 165 | \$ 840 | \$ 925 | \$ 85 |

We understand we could increase rents; however, we are unable to rent the units if we go too high.

DELPHIA MANAGEMENT CORPORATION
Profit & Loss Budget Performance
 July 2014 through June 2015

King Street

11:37 AM
 09/13/2015
 Accrual Basis

| | <u>Jul '14 - Jun 15</u> | <u>Budget</u> | <u>Jul '14 - Jun 15</u> | <u>YTD Budget</u> | <u>Annual Budget</u> |
|--|-------------------------|------------------|-------------------------|-------------------|----------------------|
| Income | | | | | |
| 5120 - Rent Income - Tenants | 15,365.00 | 21,700.00 | 15,365.00 | 21,700.00 | 21,700.00 |
| 5121 - Tenant Assistance/Section 8 | 27,890.00 | 20,080.00 | 27,890.00 | 20,080.00 | 20,080.00 |
| 5220 - Vacancy Loss | -4,749.00 | -3,900.00 | -4,749.00 | -3,900.00 | -3,900.00 |
| 59202 - Tenant Charges - Late Fees | 0.00 | 125.00 | 0.00 | 125.00 | 125.00 |
| 59203 - Tenant Damages/Cleaning | 1,529.79 | 150.00 | 1,529.79 | 150.00 | 150.00 |
| 5990 - Other Income | 1,088.11 | | 1,088.11 | | |
| Total Income | 41,123.90 | 38,155.00 | 41,123.90 | 38,155.00 | 38,155.00 |
| Gross Profit | 41,123.90 | 38,155.00 | 41,123.90 | 38,155.00 | 38,155.00 |
| Expense | | | | | |
| 6250 - Other Renting Expense | 52.52 | 75.00 | 52.52 | 75.00 | 75.00 |
| 6330 - Manager Salary | 132.97 | 150.00 | 132.97 | 150.00 | 150.00 |
| 6350 - Auditing/Tax Return Expenses | 0.00 | 500.00 | 0.00 | 500.00 | 500.00 |
| 6370 - Bad Debts | 3,097.17 | 0.00 | 3,097.17 | 0.00 | 0.00 |
| 6450 - Electricity | 283.93 | 750.00 | 283.93 | 750.00 | 750.00 |
| 6451 - Water | 1,526.43 | 1,750.00 | 1,526.43 | 1,750.00 | 1,750.00 |
| 6452 - Gas | 753.73 | 725.00 | 753.73 | 725.00 | 725.00 |
| 6453 - Sewer | 1,879.16 | 2,900.00 | 1,879.16 | 2,900.00 | 2,900.00 |
| 6510 - Janitor Payroll | 244.32 | 1,000.00 | 244.32 | 1,000.00 | 1,000.00 |
| 65104 - Repairs Payroll | 4,631.07 | 3,500.00 | 4,631.07 | 3,500.00 | 3,500.00 |
| 6515 - Supplies - Repair | 1,414.72 | 1,750.00 | 1,414.72 | 1,750.00 | 1,750.00 |
| 65155 - Supplies - Janitorial | 259.05 | 0.00 | 259.05 | 0.00 | 0.00 |
| 65156 - Supplies - Painting/Decor | 748.75 | 300.00 | 748.75 | 300.00 | 300.00 |
| 65157 - Supplies - Grounds Maint | 0.00 | 100.00 | 0.00 | 100.00 | 100.00 |
| 6520 - Contracts - Repairs | 1,209.21 | 3,050.00 | 1,209.21 | 3,050.00 | 3,050.00 |
| 65209 - Contracts - Exterminating | 0.00 | 250.00 | 0.00 | 250.00 | 250.00 |
| 6525 - Trash Removal | 1,861.20 | 1,900.00 | 1,861.20 | 1,900.00 | 1,900.00 |
| 6546 - HVAC Repair & Maintenance | 210.00 | 2,250.00 | 210.00 | 2,250.00 | 2,250.00 |
| 65461 - HVAC Maintenance Supplies | 328.83 | 950.00 | 328.83 | 950.00 | 950.00 |
| 6548 - Snow Removal | 551.32 | 500.00 | 551.32 | 500.00 | 500.00 |
| 6570 - Mileage Reimbursements | 289.80 | 150.00 | 289.80 | 150.00 | 150.00 |
| 65901 - Appliances | 480.34 | 0.00 | 480.34 | 0.00 | 0.00 |
| 6620 - Depr - Buildings | 14,376.13 | 14,000.00 | 14,376.13 | 14,000.00 | 14,000.00 |
| 6710 - Real Estate Taxes | 5,430.52 | 7,125.00 | 5,430.52 | 7,125.00 | 7,125.00 |
| 6711 - Payroll Taxes | 515.78 | 355.72 | 515.78 | 355.72 | 355.72 |
| 6722 - Workers' Compensation Insurance | 588.49 | 511.50 | 588.49 | 511.50 | 511.50 |
| 6723 - Health Ins & Employee Benefits | 0.00 | 344.25 | 0.00 | 344.25 | 344.25 |
| 6724 - Employee IRA Benefits | 106.91 | 232.00 | 106.91 | 232.00 | 232.00 |
| 6720 - Property & Liability Insurance | 3,387.52 | 2,850.00 | 3,387.52 | 2,850.00 | 2,850.00 |

| | <u>Jul '14 - Jun 15</u> | <u>Budget</u> | <u>Jul '14 - Jun 15</u> | <u>YTD Budget</u> | <u>Annual Budget</u> |
|-------------------------------------|-------------------------|-------------------|-------------------------|-------------------|----------------------|
| 6721 · Fidelity Bond Insurance | 0.00 | 344.00 | 0.00 | 344.00 | 344.00 |
| 6790 · D&O Liability Insurance | 310.53 | | 310.53 | | |
| 67909 · Municipal License Fee | 675.00 | 500.00 | 675.00 | 500.00 | 500.00 |
| 6821 · Interest Expense - City Loan | 3,300.00 | 3,250.00 | 3,300.00 | 3,250.00 | 3,250.00 |
| Total Expense | <u>48,645.40</u> | <u>52,062.47</u> | <u>48,645.40</u> | <u>52,062.47</u> | <u>52,062.47</u> |
| Net Income | <u>-7,521.50</u> | <u>-13,907.47</u> | <u>-7,521.50</u> | <u>-13,907.47</u> | <u>-13,907.47</u> |

DELPHIA MANAGEMENT CORPORATION
Profit & Loss Budget Performance
 July 2014 through June 2015



11:38 AM
 09/13/2015
 Accrual Basis

| | <u>Jul '14 - Jun 15</u> | <u>Budget</u> | <u>Jul '14 - Jun 15</u> | <u>YTD Budget</u> | <u>Annual Budget</u> |
|--|-------------------------|------------------|-------------------------|-------------------|----------------------|
| Income | | | | | |
| 5120 · Rent Income - Tenants | 19,672.00 | 15,100.00 | 19,672.00 | 15,100.00 | 15,100.00 |
| 5121 · Tenant Assistance/Section 8 | 21,743.00 | 25,300.00 | 21,743.00 | 25,300.00 | 25,300.00 |
| 5220 · Vacancy Loss | -2,645.00 | -3,450.00 | -2,645.00 | -3,450.00 | -3,450.00 |
| 59202 · Tenant Charges - Late Fees | 135.00 | 125.00 | 135.00 | 125.00 | 125.00 |
| 59203 · Tenant Damages/Cleaning | 20.21 | 150.00 | 20.21 | 160.00 | 150.00 |
| Total Income: | 38,925.21 | 37,225.00 | 38,925.21 | 37,225.00 | 37,225.00 |
| Gross Profit | 38,925.21 | 37,225.00 | 38,925.21 | 37,225.00 | 37,225.00 |
| Expense | | | | | |
| 6100 · Salaries | -168.62 | | -168.62 | | |
| 6250 · Other Renting Expense | 67.38 | 75.00 | 67.38 | 75.00 | 75.00 |
| 6330 · Manager Salary | 97.68 | 150.00 | 97.68 | 150.00 | 150.00 |
| 6340 · Legal Expenses | 16.25 | 0.00 | 16.25 | 0.00 | 0.00 |
| 6350 · Auditing/Tax Return Expenses | 0.00 | 500.00 | 0.00 | 500.00 | 500.00 |
| 6370 · Bad Debts | -86.91 | 0.00 | -86.91 | 0.00 | 0.00 |
| 6395 · Bank Service Charges | 26.64 | 0.00 | 26.64 | 0.00 | 0.00 |
| 6450 · Electricity | 783.17 | 2,000.00 | 783.17 | 2,000.00 | 2,000.00 |
| 6451 · Water | 2,042.82 | 1,900.00 | 2,042.82 | 1,900.00 | 1,900.00 |
| 6452 · Gas | 225.54 | 400.00 | 225.54 | 400.00 | 400.00 |
| 6453 · Sewer | 1,946.52 | 1,750.00 | 1,946.52 | 1,750.00 | 1,750.00 |
| 6510 · Janitor Payroll | 236.94 | 1,000.00 | 236.94 | 1,000.00 | 1,000.00 |
| 65104 · Repairs Payroll | 1,533.77 | 3,500.00 | 1,533.77 | 3,500.00 | 3,500.00 |
| 6515 · Supplies - Repair | 612.71 | 1,550.00 | 612.71 | 1,550.00 | 1,550.00 |
| 65156 · Supplies - Painting/Decor | 0.00 | 400.00 | 0.00 | 400.00 | 400.00 |
| 65157 · Supplies - Grounds Maint | 0.00 | 100.00 | 0.00 | 100.00 | 100.00 |
| 6520 · Contracts - Repairs | 1,164.73 | 3,800.00 | 1,164.73 | 3,800.00 | 3,800.00 |
| 65209 · Contracts - Exterminating | 441.89 | 250.00 | 441.89 | 250.00 | 250.00 |
| 6525 · Trash Removal | 1,861.20 | 1,900.00 | 1,861.20 | 1,900.00 | 1,900.00 |
| 6546 · HVAC Repair & Maintenance | 245.00 | 2,250.00 | 245.00 | 2,250.00 | 2,250.00 |
| 65461 · HVAC Maintenance Supplies | 128.43 | 950.00 | 128.43 | 950.00 | 950.00 |
| 6548 · Snow Removal | 551.33 | 500.00 | 551.33 | 500.00 | 500.00 |
| 6570 · Mileage Reimbursements | 173.17 | 150.00 | 173.17 | 150.00 | 150.00 |
| 65702 · Staff Parking | 11.50 | | 11.50 | | |
| 65901 · Appliances | 432.00 | 0.00 | 432.00 | 0.00 | 0.00 |
| 6620 · Depr - Buildings | 21,665.81 | 21,525.00 | 21,665.81 | 21,525.00 | 21,525.00 |
| 6710 · Real Estate Taxes | 8,006.36 | 10,500.00 | 8,006.36 | 10,500.00 | 10,500.00 |
| 6711 · Payroll Taxes | 139.71 | 355.72 | 139.71 | 355.72 | 355.72 |
| 6722 · Workers' Compensation Insurance | 199.72 | 511.50 | 199.72 | 511.50 | 511.50 |
| 6723 · Health Ins & Employee Benefits | 0.00 | 344.25 | 0.00 | 344.25 | 344.25 |

| | <u>Jul '14 - Jun 15</u> | <u>Budget</u> | <u>Jul '14 - Jun 15</u> | <u>YTD Budget</u> | <u>Annual Budget</u> |
|---------------------------------------|-------------------------|-------------------|-------------------------|-------------------|----------------------|
| 6724 · Employee IRA Benefits | 59.76 | 232.00 | 59.76 | 232.00 | 232.00 |
| 6720 · Property & Liability Insurance | 1,343.18 | 1,450.00 | 1,343.18 | 1,450.00 | 1,450.00 |
| 6721 · Fidelity Bond Insurance | 0.00 | 344.00 | 0.00 | 344.00 | 344.00 |
| 6790 · D&O Liability Insurance | 291.47 | 0.00 | 291.47 | 0.00 | 0.00 |
| 67909 · Municipal License Fee | 1,035.00 | 1,300.00 | 1,035.00 | 1,300.00 | 1,300.00 |
| 6820 · Interest Expense - Loans | 869.59 | 1,200.00 | 869.59 | 1,200.00 | 1,200.00 |
| 6821 · Interest Expense - City Loan | 3,260.04 | 3,250.00 | 3,260.04 | 3,250.00 | 3,250.00 |
| Total Expense | <u>49,213.78</u> | <u>64,137.47</u> | <u>49,213.78</u> | <u>64,137.47</u> | <u>64,137.47</u> |
| Net Income | <u>-10,288.57</u> | <u>-26,912.47</u> | <u>-10,288.57</u> | <u>-26,912.47</u> | <u>-26,912.47</u> |